



SAN PEDRO TOWN COUNCIL

Financial Statements

For the year ended 31 March 2023



SAN PEDRO TOWN COUNCIL

Financial statements

For the year ended 31 March 2023

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INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT OF San Pedro Town Council

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **San Pedro Town Council (the Council)**, which comprise the statement of financial position as at 31 March 2023, the statement of activities, changes in net assets, the statement of cash flows for the year then ended, and the notes to the financial statements, comprising a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at 31 March 2023, its financial performance, and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-size Entities (IFRS for SMEs).

Basis for opinion

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 Council in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Belize, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to form a basis for our opinion.

Responsibilities of management and those charged with governance 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 is necessary to enable the preparation of financial statements that are free from material misstatement, 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.

Those charged with governance 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 misstatement, 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 does not guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the Company. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Orlando Azueta.

Moore Belize LLP.

**Chartered Accountants
Belize City, Belize, C.A.
14 February 2025**

SAN PEDRO TOWN COUNCIL

Statement of financial position

As at 31 March 2023

In Belize dollars

	Notes	2023	2022
Assets			
Non-current assets			
Property, plant and equipment	4	11,444,629	4,126,440
Investment property	5	8,961,474	8,961,474
Intangible assets	6	52,101	68,133
Total non-current assets		20,458,204	13,156,047
Current assets			
Trade and other receivables	7	12,650,248	14,317,984
Cash and cash equivalents	8	2,534,146	2,303,653
Total current assets		15,184,392	16,621,637
Total assets		35,642,597	29,777,684
Liabilities and net assets			
Liabilities			
Non-current liabilities			
Borrowings	9	5,473,324	1,260,887
Severance payable	10	271,293	205,500
Trade and other payables - non-current portion	11	169,594	376,254
Deferred purchase	4	15,000	-
Total non-current liabilities		5,929,211	1,842,641
Current liabilities			
Borrowings - current portion	9	564,377	86,753
Severance payable - current portion	10	26,972	43,900
Trade and other payables	11	973,748	971,582
Deferred purchase - current portion	4	60,000	-
Unearned revenues	12	2,187,319	1,685,198
Total current liabilities		3,812,415	2,787,433
Total liabilities		9,741,626	4,630,073
Total net assets		25,900,971	25,147,611
Total liabilities and net assets		35,642,597	29,777,684

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

Approved on behalf of the Council and authorised for issue on 14 February 2025.

Signature: _____

Print Name: Porfilio Rene Gomez

Signature: _____

Print Name: Alberto R. Nunez

SAN PEDRO TOWN COUNCIL
Statement of activities
For the year ended 31 March 2023
In Belize dollars

	Notes	2023	2022
Revenues	13	16,543,223	8,970,421
Other income	14	1,265,466	223,817
Total revenues and other income		17,808,689	9,194,238
Operating costs	15	(3,238,334)	(1,270,771)
General and administrative expenses	16	(13,741,744)	(5,626,056)
Finance costs	17	(70,465)	(56,942)
Total expenditures		(17,050,542)	(6,953,769)
Increase in net assets		758,146	2,240,469
Adjustments due to adoption of IFRS for SMEs	3.1, 5	-	(1,500,000)
Prior period adjustments		(4,786)	(4,355,976)
Net assets at the beginning of the year		25,147,611	28,763,118
Net assets at the end of the year		25,900,971	25,147,611

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

SAN PEDRO TOWN COUNCIL

Statement of cash flows

For the year ended 31 March 2023

In Belize dollars

	Notes	2023	2022
Cash flows from operating activities			
Surplus for the year		758,146	2,240,469
Adjustments for:			
Depreciation and amortisation	4	192,216	128,917
Interest accrued on loans and overdraft	17	384,703	111,956
Bad debt expense	16	7,550,978	734,656
Withholding of subvention	9	(64,200)	(64,200)
Recognition of artwork		(28,900)	-
Prior period adjustments		(4,786)	(4,542,817)
Cash flow before working capital changes		8,788,157	(1,391,019)
Movements in working capital:			
Trade and other receivables		(5,883,242)	2,154,511
Trade and other payables		(104,494)	121,018
Severance payable	10	48,865	249,400
Unearned revenues		502,121	1,685,198
Cash flows generated by operating activities		3,351,406	2,819,109
Cash flows from investing activities			
Payments for property, plant and equipment		(7,474,285)	(435,987)
Payments for intangible assets		-	(80,156)
Proceeds from disposals of property, plant and equipment		8,814	-
Deferred purchase	4	(25,000)	-
Cash flows (used in) investing activities		(7,490,471)	(516,143)
Cash flows from financing activities			
Proceeds from borrowings		5,000,000	-
Repayment of borrowings		(245,739)	(22,488)
Interest paid on bank loan and overdraft		(384,703)	(111,956)
Cash flows provided by/(used in) financing activities		4,369,558	(134,444)
Net change in cash and cash equivalents		230,493	2,168,523
Cash and cash equivalents at the beginning of the year		2,303,653	135,130
Cash and cash equivalents at the end of the year		2,534,146	2,303,653
Composed of:			
Cash in banks	8	2,503,295	2,161,237
Undeposited funds	8	28,400	140,511
Cash on hand	8	2,451	1,905
Cash and cash equivalents at the end of the year		2,534,146	2,303,653

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

SAN PEDRO TOWN COUNCIL

Notes to the financial statements

For the year ended 31 March 2023

In Belize dollars

1. General information

San Pedro Town Council (the Council) was constituted on 27 November 1984 and is governed by the Town Councils Act Chapter 87 of Belize. The Council's registered office is located at Barrier Reef Drive, San Pedro Town. The Council consists of 7 members: a Mayor and six councillors, who serve for a term of three years in accordance with the provisions of the Town Councils Act. Primary council duties include maintaining the welfare of San Pedro by maintenance/construction of public properties and infrastructure and enhancing the social environment for citizens and tourists within the town. Primary revenue producing functions include waste disposal management, business and property taxes administration, traffic control as well as business licensing.

During the years ended 31 March 2023 and 31 March 2022, the Mayor of San Pedro Town was Mr. Gualberto Nuñez. As of 31 March 2023, the Council had 174 employees (31 March 2022: 143).

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out as follows. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") for Small and Medium Enterprises (IFRS for SMEs) which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"). This complete set of financial statements for the year ended 31 March 2023 is the Councils' first financial statements that conform to the IFRS for SMEs. During the year ended 31 March 2023, the entity transitioned from applying full International Financial Reporting Standards (IFRS) to the IFRS for SMEs framework. The decision to adopt IFRS for SMEs was made based on the approval of the Financial Services Commission of Belize. The date of transition to IFRS for SMEs is 01 April 2022. This is the date at which the entity prepared its opening statement of financial position under IFRS for SMEs. The transition to IFRS for SMEs primarily involved revisions to the Council's accounting policies. However, these revisions did not result in any material changes to the figures previously reported under full IFRS, except for derecognition of certain assets that do not meet the IFRS for SMEs criteria (Note 5).

The effect of transitional changes is as follows:

Statement of financial position (extract):

	2022 (as previously reported under full IFRS)	Effect of transition to IFRS for SMEs	2022 (IFRS for SMEs)
Investment property	8,961,474	(1,500,000)	7,461,474
Total net assets	26,647,611	(1,500,000)	25,147,611

SAN PEDRO TOWN COUNCIL

Notes to the financial statements

For the year ended 31 March 2023

In Belize dollars

2. Significant accounting policies (continued)

2.1 Statement of compliance (continued)

Statement of activities (extract):

	2022 (as previously reported under full IFRS)	Effect of transition to IFRS for SMEs	2022 (IFRS for SMEs)
Adjustments due to adoption of IFRS for SMEs	-	(1,500,000)	-

2.2 Basis of preparation

The financial statements have been prepared under historical cost.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 Functional and presentation currency

The currency of the primary economic environment in which the Council operates (the functional currency) is Belize dollars and the financial statements are presented in Belize dollars (BZD), which is the Council's presentation currency. All amounts are rounded to the nearest dollar unless otherwise indicated.

2.4 Going concern

These financial statements have been prepared based on the going concern assumption, which means that assets are realised and liabilities are settled in the course of normal business operations. These financial statements do not include any adjustments which would be required had the Council been unable to continue as a going concern.

2.5 Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are primarily used for administrative purposes. Land and buildings are stated in the financial position at their revalued amounts. For purposes of establishing a basis for land and buildings in the absence of historical values, independent appraisal valuations as of February 2023 were retroactively applied to initial balances established as of 31 March 2021. Other asset values were established based on estimated values from reputable sources for assets where the available cost basis less depreciation was not available. Additions during 2022 and 2023 were recorded at cost including expenditures that are directly attributable to the acquisition of the asset.

SAN PEDRO TOWN COUNCIL

Notes to the financial statements

For the year ended 31 March 2023

In Belize dollars

2. Significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

(ii) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repair and maintenance expenses are charged to the statement of activities as incurred.

(iii) Depreciation

Depreciation is calculated to write-off items of property, plant and equipment less their estimated residual values over their useful lives, using the straight line method. Land is not depreciated. Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use. The estimated useful lives, residual values, and depreciation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

(iv) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal of an item of property, plant and equipment calculated as the difference between the net proceeds from disposal and the carrying amount of the item is recognised in the statement of activities.

2.6 Intangible assets

Intangible assets are recorded at cost less any impairment losses.

Intangible assets represent amounts invested by the Council to acquire a non-exclusive, perpetual, and non-transferable right to use the Neo People computer software. Depreciation is calculated using the straight-line method over a period of five years.

The useful life of intangible assets is reviewed each reporting period by Management to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset.

2.7 Impairment of non-financial assets

At each reporting date, the Council reviews the carrying amounts of tangible and intangible assets to determine whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Council estimates the recoverable amount of cash-generating unit to which the asset belongs.

SAN PEDRO TOWN COUNCIL

Notes to the financial statements

For the year ended 31 March 2023

In Belize dollars

2. Significant accounting policies (continued)

2.7 Impairment of non-financial assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of activities. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of activities.

2.8 Trade and other receivables

Trade receivables consists of taxes and fees due from customers and are stated at their nominal value. Where there is objective evidence that the carrying amounts of receivables are not recoverable, an impairment loss is recognised in the statement of activities.

2.9 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks, cash on hand, undeposited funds and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents include credit card that is repayable on demand and forms an integral part of the Council's cash management. Cash and cash equivalents are carried at amortised cost which approximates fair value.

2.10 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently carried at amortised cost using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

2.11 Trade and other payables

Trade and other payables are accrued when the counterparty performs its obligations under the contract and are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.12 Provisions

Provisions are recognised when the Council has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the obligation.

SAN PEDRO TOWN COUNCIL

Notes to the financial statements

For the year ended 31 March 2023

In Belize dollars

2. Significant accounting policies (continued)

2.12 Provisions (continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the date of the statement of financial position, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Severance payable

In accordance with the Labour (Amendment) Act 2011 section 183, an employee continuously employed for the period from 5 to 10 years and terminated by the employer or retires is entitled to severance pay of one week's wages for each year of service. An employee continuously employed for 10 years is entitled to severance pay of two week's wages for each year of service. The Council has established a provision to reflect its liability for all existing employees with over 5 years of continuous service.

2.13 Revenue

The Council measures revenue at the fair value of the consideration received or receivable, for the period services are rendered by the Council, representing amounts for services and taxes levied. The Council recognises revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the Council.

The Councils' source of revenues includes the following: property tax, traffic related revenue, trade license fees, building permits, liquor license fees, other fees and services.

Deferred revenues

Revenue collected pursuant to legislation or agreement (trade licenses, property taxes, liquor permits) in a period prior to which the fees related are reported as unearned revenue. Unearned revenues are recognised as revenue in the year for which these prepayments apply.

2.14 Other income

Other income is recognised when it is probable that the economic benefits will flow to the entity and the amount can be measured reliably. Other income is measured at the fair value of the consideration received or receivable

2.15 Taxation

Business tax

In accordance with provisions of the Income and Business Tax Act, Chapter 55 of the Laws of Belize, the Council is exempted from business tax.

SAN PEDRO TOWN COUNCIL

Notes to the financial statements

For the year ended 31 March 2023

In Belize dollars

2. Significant accounting policies (continued)

2.16 Foreign currency translation

Assets and liabilities held in United States dollars are translated at a rate of USD 1.00 to BZD 2.00. Transactions in currencies other than the functional currency of the Council (foreign currencies) are recorded at the exchange rates at the dates of the transactions. At each statement of financial position date monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the date of statement of financial position. Exchange differences arising from changes in exchange rates are recognised in the statement of activities. Non-monetary items carried at historical cost are translated at the exchange rate on the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated at the exchange rate on the date on which the most recent fair value was determined. Effects of exchange rate changes on non-monetary items measured at fair value in a foreign currency are recorded as part of the fair value gain or loss.

2.17 Financial instruments

(i) Financial assets

Initial recognition and measurement

Financial assets are initially measured at the transaction price (this includes transaction cost except in the initial measurement of financial assets that will be measured at fair value through profit or loss). If however the arrangement constitutes a financing transaction it is then measured at the present value of the future payments, discounted at a market related interest rate.

At the end of each reporting period, management assesses whether there is objective evidence of impairment on accounts receivable and prepayments. Objective evidence includes significant financial difficulty of the debtor, breach in contract and probability of bankruptcy and repayment trends. Impairment is measured as the difference between the carrying value and the discounted estimated future cash flows. When objective evidence exists, the impairment is recorded immediately.

Derecognition

A financial asset or, where applicable a part of a financial asset or part of a group of similar financial assets is derecognised when the contractual rights to the cash flows from the asset expire, or when the Council transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Council neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Council recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Council retains substantially all the risks and rewards of ownership of a transferred financial asset, the Council continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that have been recognised in the other comprehensive income and accumulated in equity is recognised in profit and loss.

SAN PEDRO TOWN COUNCIL

Notes to the financial statements

For the year ended 31 March 2023

In Belize dollars

2. Significant accounting policies (continued)

2.17 Financial instruments (continued)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as either financial liabilities at fair value through profit or loss, or other financial liabilities, as appropriate. The Council determines the classification of its financial liabilities at initial recognition.

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The Council derecognises financial liabilities when, and only when, the Council's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of activities.

As at 31 March 2023 and 31 March 2022, the Council did not hold any financial assets or financial liabilities at fair value through profit or loss.

2.18 Presentational changes

In these financial statements the Council changed presentation of the statement of financial position and the statement of activities due to reclassification of certain elements of this statements. The Council made certain reclassifications to prior period comparatives to be consistent with the current period classifications. Management considers that the amended presentation results in a more informative and relevant presentation of the financial information and is more consistent with the market practice.

The effect of presentational changes is as follows:

Statement of financial position (extract):

	2022 (as previously reported)	Re- classification	2022
Property, plant and equipment	14,656,047	(10,529,607)	4,126,440
Investment property	-	10,461,474	8,961,474
Intangible assets		68,133	68,133
	14,656,047	-	13,156,047
Trade and other payables - non-current portion	1,597,236	(1,220,982)	376,254
Trade and other payables	-	971,582	971,582
Severance payable	-	205,500	205,500
Severance payable - current portion	-	43,900	43,900
	1,597,236	-	1,597,236

SAN PEDRO TOWN COUNCIL

Notes to the financial statements

For the year ended 31 March 2023

In Belize dollars

2. Significant accounting policies (continued)

2.18 Presentational changes (continued)

Statement of activities (extract):

	2022 (as previously reported)	Re- classification	2022
Revenues	9,194,353	(223,932)	8,970,421
Other income	-	223,817	223,817
General and administrative expenses	(5,683,113)	57,057	(5,626,056)
Finance costs	-	(56,942)	(56,942)
	3,511,240	-	3,511,240

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Council's accounting policies, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by Management on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, including those involving estimations (see as follows), that Management has made in the process of applying the Council's accounting policies and that have the most significant effect on the amounts recognised in the financial statements and affect the amounts of assets and liabilities within the next financial year; and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that affect the amounts recognised in the financial statements and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1 Useful life of property, plant and equipment

The Council's property, plant and equipment are depreciated using the straight-line method over their estimated useful lives which are based on Management's business plans and operational estimates, related to those assets. The factors that could affect the estimation of useful lives include the following: (i) changes in asset utilisation rates, (ii) changes in maintenance technology, (iii) changes in regulations and legislation and (iv) unforeseen operational issues. Any of the above could affect prospective depreciation of property, plant and equipment and their carrying and residual values. Management periodically reviews the appropriateness of assets' useful economic lives. The review is based on the current condition of the assets and the estimated period during which they will continue to bring economic benefits to the Council.

SAN PEDRO TOWN COUNCIL

Notes to the financial statements

For the year ended 31 March 2023

In Belize dollars

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

3.1 Useful life of property, plant and equipment (continued)

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Category	Useful lives, years
Buildings	40 - 50
Infrastructure (Boca del Rio bridge)	20
Furniture and office equipment	5 - 10
Motor vehicles	5 - 10
Land	indefinite
Artwork	indefinite

3.2 Impairment allowance on trade receivables

Management assesses the recoverability of trade receivables on an ongoing basis and has established a policy of creating an impairment allowance for trade receivables based on the age and collectability of the balances. For trade receivables that are more than 5 years old, a 100% impairment allowance is recorded. This policy reflects management's assessment that receivables of this age are not likely to be collected.

3.3 Impairment of property, plant and equipment

At each reporting date the Council's management assesses whether there is any indication of impairment of property, plant and equipment. If at least one such indication exists, Management estimates the recoverable amount of assets, which is calculated as a higher of fair value less costs to sell and the value in use. An asset's carrying amount is written down to its recoverable amount and the difference is charged as impairment to loss to the statement of profit or loss and other comprehensive income in the period when the fact of impairment was established. If the circumstances change and management decides that the value of property, plant and equipment and assets under construction has increased, the provision for impairment will be fully or partially reversed.

The estimation of the recoverable amount requires the Council to make judgements regarding long-term forecasts of future revenues and costs related to the assets subject to review. In turn, these forecasts are uncertain in that they require assumptions about demand for products and future market conditions. Significant and unanticipated changes to these assumptions and estimates included within the impairment reviews could result in significantly different results than those recorded in the financial statements.

SAN PEDRO TOWN COUNCIL
Notes to the financial statements
For the year ended 31 March 2023
In Belize dollars

4. Property, plant and equipment

	Land	Buildings	Furniture and office equipment	Machinery	Motor vehicles	Artwork	Infrastructure work in progress	Total
Cost:								
As at 01 April 2022	2,714,703	700,650	93,056	21,269	470,425	-	243,231	4,243,334
Additions	100,000	-	251,686	26,800	479,443	28,900	6,616,356	7,503,185
Disposals	-	-	-	-	(13,500)	-	-	(13,500)
As at 31 March 2023	2,814,703	700,650	344,742	48,069	936,368	28,900	6,859,587	11,733,019
Accumulated depreciation:								
As at 01 April 2022	-	(17,516)	(7,309)	(958)	(91,111)	-	-	(116,894)
Charge	-	(17,516)	(31,417)	(3,098)	(124,153)	-	-	(176,184)
Disposals	-	-	-	-	4,688	-	-	4,688
As at 31 March 2023	-	(35,032)	(38,726)	(4,056)	(210,576)	-	-	(288,390)
Net book value:								
As at 31 March 2023	2,814,703	665,618	306,016	44,013	725,792	28,900	6,859,587	11,444,629
As at 31 March 2022	2,714,703	683,134	85,747	20,311	379,314	-	243,231	4,126,440

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4. Property, plant and equipment (continued)

	Land	Buildings	Furniture, fixture and equipment	Machinery and equipment	Motor vehicles	Artwork	Assets under construction	Total
Cost:								
As at 01 April 2021	13,176,177	655,294	129	-	437,222	-	-	14,268,822
Additions	-	45,356	92,927	21,269	33,203	-	243,231	435,986
Disposals	-	-	-	-	-	-	-	-
Reclassification (Note 5)	(10,461,474)	-	-	-	-	-	-	(10,461,474)
As at 31 March 2022	2,714,703	700,650	93,056	21,269	470,425	-	243,231	4,243,334
Accumulated depreciation:								
As at 01 April 2021	-	-	-	-	-	-	-	-
Charge	-	(17,516)	(7,309)	(958)	(91,111)	-	-	(116,894)
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2022	-	(17,516)	(7,309)	(958)	(91,111)	-	-	(116,894)
Net book value:								
As at 31 March 2022	2,714,703	683,134	85,747	20,311	379,314	-	243,231	4,126,440
As at 31 March 2021	13,176,177	655,294	129	-	437,222	-	-	14,268,822

Impairment testing

As at 31 March 2023, for the purpose of impairment testing, Management analysed changes in the economic environment and concluded that no impairment indicators were identified for the items of the Entity's property, plant and equipment (2022: no impairment indicators).

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Notes to the financial statements

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4. Property, plant and equipment (continued)

Deferred purchase

In February 2023, the Council entered into the contract over purchase of land in San Pedro Town. Purchase price per contract is BZD 100,000. In the reporting period Council made a payment of BZD 25,000. In fiscal year 2024, prior to the date these financial statements were authorised for issue, payments in the total amount of BZD 70,000, were made to the seller. For the purpose of these financial statements this purchase was recognised as a deferred purchase. Management expects that transfer of title will take place in fiscal year 2025.

Infrastructure work in progress

In October 2021, the Council entered into the agreement with JV Precast Supply/RJB Construction Company Ltd. for the design, financing, erection and part maintenance of the new bridge to be known as "Sir Barry Bowen Bridge" and resurfacing and upgrade of the streets of San Pedro Town.

Substantial completion of the project involving the construction of a 3-span concrete land highway bridge complete with pedestrian walkway and barriers was established as of March 2023.

In February 2023, the Supplementary Agreement was signed by the Council and JV Precast/RJB Construction Company Ltd ("JV") for *inter alia* San Pedro Road Enhancement. The Council proposed an expansion in capital movements, namely, cementing and enhancement of roads subject to the same prior terms and conditions. The parties reiterated that 12% per annum will be added for any sum due that remains unpaid, late or pending. The Council agreed to pay all costs and overdraft interest (fixed or variable) of 9% that the JV incurs due to the JV's commencement without payment as soon as JV spends BZD 2 mln of its capital on the project while waiting for the Council to procure its financing. The Council further agreed to assign all income revenue control, management and governance of the bridge towards repayment of any outstanding debt at the written option of the JV.

As of the date of these financial statements, the project for resurfacing and upgrading the streets in San Pedro Town is still in progress. Management estimates the project's completion date to be March 2025.

In 2023, the amount of capitalised borrowing costs comprised BZD 363,580 (2022: BZD 80,729).

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Notes to the financial statements

For the year ended 31 March 2023

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5. Investment property

	2023	2022
Cost		
As at 01 January	8,961,474	-
Reclassification (Note 4)	-	10,461,474
Derecognition (Note 3.1)	-	(1,500,000)
	8,961,474	8,961,474

Investment property comprise of land parcels held by the Council for capital appreciation.

6. Intangible assets

	2023	2022
Cost		
As at 01 January	80,156	-
Additions	-	80,156
Disposals	-	-
Total cost	80,156	80,156
Accumulated amortisation		
As at 01 January	(12,023)	-
Charge	(16,032)	(12,023)
Disposals	-	-
Total accumulated amortisation	(28,055)	(12,023)
	52,101	68,133

7. Trade and other receivables

	2023	2022
<i>Financial assets</i>		
Property tax receivables	19,552,610	12,912,181
Trade license fees receivable	2,888,287	3,108,257
Garbage collection fees receivable	1,075,139	1,613,397
Liquor license fees receivable	941,230	1,029,893
Miscellaneous fees receivable	52,531	31,277
	24,509,797	18,695,005
Less: impairment allowance	(11,958,913)	(4,407,935)
	12,550,884	14,287,070

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Notes to the financial statements

For the year ended 31 March 2023

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7. Trade and other receivables (continued)

	2023	2022
<i>Non-financial assets</i>		
Advances and prepayments	99,364	30,914
	99,364	30,914
	12,650,248	14,317,984

8. Cash and cash equivalents

	2023	2022
<i>Current accounts</i>		
Atlantic Bank Limited	1,291,795	1,099,777
The Belize Bank Limited	1,221,066	1,061,460
	2,512,862	2,161,237
<i>Credit cards</i>		
The Belize Bank (credit card)	(9,567)	-
	(9,567)	-
Cash in banks	2,503,295	2,161,237
Undeposited funds	28,400	140,511
Cash on hand	2,451	1,905
	2,534,146	2,303,653

Credit card

Town Council utilises a credit card with The Belize Bank Limited, with an interest rate of 18% (2022: 18%), and a credit limit of BZD 10,000 (2022: BZD 10,000). The facility is unsecured.

9. Borrowings

	2023	2022
Atlantic Bank Limited (i)	4,776,817	-
Government of Belize (ii)	1,009,219	1,073,419
Private party (iii)	251,665	274,221
	6,037,701	1,347,640
Less: current portion	(564,377)	(86,753)
Total long-term borrowings	5,473,324	1,260,887

SAN PEDRO TOWN COUNCIL

Notes to the financial statements

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9. Borrowings (continued)

Terms and conditions of borrowings:

(i) Atlantic Bank Limited

The loan was issued in December 2022 to assist with the costs of a new bridge connecting San Pedro Town and North Ambergris Caye, and for the resurfacing of main roads and upgrades in San Pedro Town. The facility bore interest at 8.5% per annum. The loan was repayable over a term of 96 months with monthly blended payments to principal and interest of BZD 71,961. Original maturity date was September 2030. In August 2023, the loan was fully repaid through a new refinancing arrangement: a loan in the amount of BZD 7,139,000 issued by Atlantic Bank Limited. The details of a new loan are disclosed in Note 21. The loan was secured by various properties that are held as collateral under a charge in the name of the San Pedro Town Council.

(ii) Government of Belize

As of 31 March 2023 and 2022, the Council's books reflect a loan with the Government of Belize (GOB) which was obtained under the Council's previous management in September 2011 for the total of BZD 1,500,000 with an interest rate of 9% with an initial instalment of 25,395 followed by 59 instalments of BZD 31,140. When previous management defaulted on loan repayment terms, GOB issued a letter dated 29 November 2012 stating that the Council's monthly governmental subvention would be withheld and applied to outstanding loan amounts due. Monthly subventions are recognised as other income when due in the amount of BZD 5,750. Out of that amount BZD 5,350 are applied to the current loan balance. In November 2024, the Council had requested the waiver of the outstanding balance of the loan from the Government of Belize. As of the date these financial statements were authorized for issue, the Council is awaiting a response to this request.

(ii) Private party

As of 31 March 2022, the Council held one loan with a private third party. The Council obtained this loan under the previous management in December 2020 for the total of BZD 300,000. The loan bears an interest rate of 8% per annum is repayable over a period of 10 years with monthly payments including interest and principal of BZD 3,639. The maturity date is December 2030. The loan is unsecured.

10. Severance payable

	2023	2022
Severance payable	298,265	249,400
Less: current portion	(26,972)	(43,900)
Total severance payable	271,293	205,500

Movement in severance payable

Balance at the beginning of the year	249,400	-
Accruals during the year	92,765	249,000
Payments during the year	(43,900)	-
Balance at the end the year	298,265	249,400

SAN PEDRO TOWN COUNCIL

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For the year ended 31 March 2023

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11. Trade and other payables

	2023	2022
<i>Financial liabilities</i>		
Accounts payable	552,282	783,818
Unidentified deposits	195,101	157,638
	747,383	941,456
<i>Non-financial liabilities</i>		
Employee withholdings	376,204	280,129
Other payables and accruals	19,755	126,251
	395,959	406,380
	1,143,342	1,347,836
Less: non-current portion of accounts payable	(169,594)	(376,254)
	973,748	971,582

Non-current portion of accounts payable represent obligations to suppliers that are due beyond the next 12 months from the reporting date. The non-current classification is based on the agreed payment terms, which extend the settlement of these obligations over a longer period.

12. Unearned revenues

	2023	2022
Trade license fees	991,253	1,000,908
Property tax	831,422	502,570
Liquor license fees	271,051	161,700
Garbage collection fees	93,594	20,020
	2,187,319	1,685,198

13. Revenues

	2023	2022
Property tax	11,187,694	4,883,487
Traffic related revenue	2,861,396	2,231,487
Trade license fees	1,399,080	837,863
Other fees and services	472,303	653,715
Building permits	393,137	228,981
Liquor license fee	229,613	134,888
	16,543,223	8,970,421

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14. Other income

	2023	2022
Funding from Government of Belize	1,069,000	69,000
Rent and concessions	99,668	52,934
Donations	96,798	101,383
Miscellaneous	-	500
	1,265,466	223,817

In 2023, funding from the Government of Belize received by the Council comprised of contributions towards payments due to San Pedro Bridge construction project in the total amount of BZD 1,000,000 and subvention in the total amount of BZD 69,000 (in 2022: subvention in the total amount of BZD 69,000).

15. Operating costs

	2023	2022
Council supported events	1,250,574	144,564
Repairs and maintenance	944,727	540,777
Social assistance and contributions	473,162	176,116
Fuel	338,383	269,556
Traffic accessories	98,151	80,474
Other operating costs	89,216	40,941
Mail delivery	44,121	18,343
	3,238,334	1,270,771

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16. General and administrative expenses

	2023	2022
Salaries and wages	3,835,866	3,182,738
Bad debt expense	7,550,978	734,656
Repairs and maintenance	552,249	395,422
Legal and consultancy fees	287,182	67,140
Tax reassessments and penalties	209,477	-
Travel and subsistence	245,632	115,434
Depreciation and amortisation	192,216	128,917
Computer and internet	180,803	166,962
Social security expense	165,030	138,909
Office supplies	143,505	147,607
Utilities	106,513	72,817
Severance	92,765	249,400
Bank charges	66,056	9,008
Office improvements	56,629	42,207
Accounting and audit fees	17,039	31,184
Licenses and insurance	16,056	12,771
Training and entertainment	13,065	15,974
Rent	10,534	18,886
Cash shortage/(overage)	151	(115)
Indemnities	-	96,139
	13,741,744	5,626,056

17. Finance costs

	2023	2022
Credit card charges	49,342	25,715
Interest expense on loans	21,123	24,829
Interest expense on bank overdraft	-	6,398
	70,465	56,942

18. Related parties

The Mayor, Councillors, Town Administrator of the Council, their close family members, entities controlled or significantly influenced by these individuals, and the Government of Belize are considered related parties of the Council.

Details of balances and transactions with related parties as at 31 March 2023 and 2022 and during the years then ended are set out as follows:

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18. Related parties (continued)

Balances outstanding

Trade and other receivables	2023	2022
Key management	55,953	10,592
Other related parties	14,300	7,895
	70,253	18,487

Trade and other payables	2023	2022
Other related parties	6,992	9,085
	6,992	9,085

Unearned revenues	2023	2022
Other related parties	1,225	1,560
	1,225	1,560

Borrowings	2023	2022
Other related parties	1,009,219	1,073,419
	1,009,219	1,073,419

The amounts outstanding are unsecured and will be settled in cash.

Transactions during the period

Revenues	2023	2022
Key management	2,146	1,395
Other related parties	4,795	3,760
	6,941	5,155

Other income	2023	2022
Other related parties	1,069,000	69,000
	1,069,000	69,000

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Notes to the financial statements

For the year ended 31 March 2023

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18. Related parties (continued)

Transactions during the period (continued)

Operating costs	2023	2022
Key management	51,700	18,005
Other related parties	136,272	26,322
	187,972	44,327

General and administrative expenses	2023	2022
Key management	660,668	487,227
Other related parties	174,067	12,007
	834,735	499,234

The total amount of key management remuneration (included in general and administrative expenses) accrued in 2023 comprised BZD 564,450 (2022: BZD 431,803).

19. Categories for financial instruments

Financial instruments

Financial assets at amortised cost

	2023	2022
Trade and other receivables	12,550,884	14,287,070
Cash and cash equivalents	2,534,146	2,303,653
Total financial assets	15,085,029	16,590,723

Financial liabilities at amortised cost

	2023	2022
Borrowings	6,037,701	1,347,640
Trade and other payables	1,143,342	1,347,836
Total financial liabilities	7,181,042	2,695,476

20. Financial risk management

The Council has exposure to the following risks from its use of financial instruments:

- Liquidity risk
- Credit risk
- Operational risk

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Notes to the financial statements

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20. Financial risk management (continued)

The Government of Belize has overall responsibility for the establishment and oversight of the Council's efficient management. Management is responsible for directing and managing the affairs of the Council.

The Council's financial instruments consist mainly of cash and cash equivalents, accounts receivable and payable, borrowings.

(i) Liquidity risk

Liquidity risk is the risk that the Council will not be able to settle all liabilities as they fall due. The ultimate responsibility for liquidity risk rests with management. The Council's liquidity position is carefully monitored and managed.

(ii) Credit risk

Credit risk refers to the risk that one party to a financial instrument will default on its contractual obligations resulting in a financial loss to the Council. Credit risk arises from cash and cash equivalents and deposits with banks, as well as, credit exposures to customers and other counterparties, including outstanding uncollateralised accounts receivable and other receivables.

The Council's maximum exposure to credit risk is represented by the carrying amount of financial assets recorded in the financial statements, net of any impairment losses.

(iv) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Council's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Council's operations.

The Council's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Council's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Council standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- training and professional development; and
- ethical and business standards.

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Notes to the financial statements

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21. Commitments and contingencies

Claims and litigations

As per Management of San Pedro Town Council and its legal counsels there have been no significant litigation, claims or assessments brought against the Council. As at 31 March 2022, a reserve for employee litigation was recognised by the Council in the amount of BZD 96,139. A settlement was concluded in May 2022, with a total payment of BZD 82,997. As at 31 March 2023, the total amount of reserve for employee litigation comprised BZD 13,142.

22. Subsequent events

In August 2023, the Council obtained a loan from Atlantic Bank Limited in the total amount of BZD 7,139,000. The loan was provided to assist the Council with payoff of a loan provided by the bank in December 2022 (Note 8), costs of a new bridge connecting San Pedro Town and North Ambergris Caye, and for the resurfacing of main roads and upgrades in San Pedro Town plus loan closing costs. The facility bears interest at 8.5% per annum and is subject to change at the sole discretion of the lender. The loan is repayable over a term of 108 months with monthly blended payments to principal and interest of BZD 94,801. Maturity date is July 2032. The loan is secured by various properties that are held as collateral under a charge in the name of the San Pedro Town Council.

In August 2024, the Council obtained a temporary overdraft facility of BZD 4,000,000 from Atlantic Bank Limited. The facility was provided to assist the Council with working capital for the ongoing street upgrades in San Pedro Town. It bore interest at 9.5% per annum, subject to change at the sole discretion of the lender. Initially repayable over a term of two months, the facility was extended for an additional three months in October 2024 and for one more month in December 2024. It was fully repaid in January 2025. The Council submitted a request to Atlantic Bank Limited to cancel/close the overdraft facility.

In August 2023, the Council approved a Public Investment Program (PIP) for the overall development of San Pedro Town with the estimated cost of BZD 28,000,000, the financing of the PIP through the issuance of approximately BZD 28,000,000 in bonds and the use of the proceeds from the bonds issuance exclusively for the purpose outlined in Reconstruction and Development Corporation (RECONDEV) Public Investment Program.

In August 2023, the Council approved the issuance of San Pedro Town Council 2024 Series I Municipal Bond up to an aggregate sum of BZD 28,000,000 to be issued for its Public Investment Programs, including retirement of an existing loan to finance infrastructure works (13 miles of all-weather road in San Pedro, renovations and improvement of the Sir Barry Bowen Bridge, construction of a new Bridge at Boca del Rio of San Pedro Town) and Construction of 13 concrete streets equivalent to 8 miles.

In January 2024, the Council obtained an approval from Ministry of Finance to issue municipal bonds.

Legacy Fund Limited acts as the lead Financial Advisor, and Alpha Capital LLP acts as the secondary Financial Advisor for the Council under the 2024 Series I Municipal Securities offering. Heritage Financial Services Limited is the Fiscal Agent for the SPTC 2024 Series I Municipal Securities.

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Notes to the financial statements

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22. Subsequent events (continued)

In March 2024, the Council approved the following transfers of the gross aggregate of property tax revenue, tax license revenue and traffic related fees to the sinking fund (segregated account held under the custody of the Fiscal Agent): a) Year 1 to Year 2 - 8.7%, Year 3 to Year 5 - 11.5%, Year 6 to Year 10 - 14.8%, Year 11 to Year 15 - 12.8%, Year 16 to Year 20 - 0%.

In May 2024, the Council approved that The SPTC Series I Municipal Securities would initially be exclusively issued to accredited investors. The Councils plans to broaden the Municipal Securities offering to retail investors upon submission of the 2022/2023 and 2023/2024 audited financial statements to the Financial Services Commission.

In November 2024, Final Public Prospectus was issued. In accordance with the terms of initial public offering:

- The Council will issue the 2024 Series I Municipal Securities with a total face value of BZD 28,000,000.
- The subscription period for the SPTC Bonds initially opened from 22 July 2024 to 22 November 2024, was extended to 31 March 2025.
- The expected total number of issued certificates of the 2024 Series I Municipal Securities is anticipated at 5,600 for accredited investors.
- The 2024 Series I Municipal Securities are issued in denominations of BZD 5,000 and integrals thereof, but not less than BZD 100,000 for accredited investors.

The 2024 Series I Municipal Securities are semi-tradable bonds structured as follows:

Tranches	Amount (BZD '000)	Maturity (Years)	Coupon rate (%)
1	5,000	5	5.00
2	5,000	10	6.00
3	8,000	15	6.25
4	10,000	20	6.50
Total/weighted average (*)	28,000	14	6.07

(*) Total face value of BZD 28,000,000 and weighted average coupon of 6.07%.

The expenses for the issuance of the 2024 Series I Municipal Securities amount to BZD 1,200,000. The net proceeds available from the issue after deducting expenses incurred is BZD 26,800,000.

Seventeen percent of the proceeds from the Bonds will be allocated by the Council for the retirement of the existing infrastructure work loan.

Interest on the Municipal Securities will be payable semi-annually on the 1st of March and September. Interest payments will start on 01 March 2025.

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22. Subsequent events (continued)

Under the Municipal Securities Act, 2023, the Council must maintain a debt limit as follows:

- The Council may not borrow additional money (whether it be loan or debt securities) for any purpose if the interest payments to service the total borrowings in any year exceeds twenty percent (20.0%) of the Council's average recurrent revenue during the previous 3 fiscal years;
- The Council shall not incur total debt at any one time that shall exceed in aggregate the sum of four times (4x) its average recurrent revenue during the previous 3 fiscal years.

The Council will maintain a one-year Interest Reserve Fund (IFR) in a segregated account under the custody of the Fiscal Agent. These funds may be drawn on by the Fiscal Agent on behalf of the municipal security holders to meet debt servicing requirements if the Council is unable to make payment of any interest that may become due and payable as a result of force majeure.

In accordance with the Municipal Securities Act, 2023 a municipal security holder may, if the Council defaults on the payment of any interest or principal payable to that municipal security holder, deduct the equivalent sum from any payment due to the Council in respect of any trade license fee, property tax, traffic-related or other fees due by that municipal security holder to the Council.

The SPTC 2024 Series I Municipal Securities have not been rated by any international or regional rating agency.

As of the date these financial statements were authorised for issue, the Council had raised a total of BZD 9,900,000 from the bond issuance.

As at the date these financial statements were authorised for issue, the Council does not expect to issue additional municipal securities until the retirement of Tranche 1 of the outstanding municipal securities in 2029. Additional future bond issues would be tied to medium to long-term urban development plans; but these issues would be limited or constrained to the debt limit as required under the Municipal Securities Act, 2023.

Subsequent events have been evaluated through 14 February 2025. Management is unaware of any events after that date that they believe would materially and adversely affect these financial statements. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

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