



2019

Annual Report

Contents

Chairman's Message 3

Message from the CEO 4

Management's Discussion and Analysis 5

Organisational Overview 8

Providing Exceptional Customer Service 9

Strengthening Commercial Culture10

Developing Quality Talent Management12

Enhancing Enterprise Risk Management 14

Optimising Facilities and Infrastructure 14

Financial Statements and Analysis 19

Chairman's Message



I am honored to address you as the Chairman of the Board of the Cayman Islands Airports Authority (CIAA) for the year 2019. It is with great pride that I present this Annual Report, summarising the notable achievements and significant developments that have marked the course of our organisation in the past year.

The CIAA continues to play a pivotal role in the economic and social development of the Cayman Islands. Our airports, Owen Roberts International Airport (ORIA) on Grand Cayman and Charles Kirkconnell International Airport (CKIA) on Cayman Brac, serve as the primary gateways to our Islands, facilitating tourism, commerce, and connectivity with the rest of the world. In 2019, ORIA witnessed unprecedented growth in air arrivals, highlighting the ever-increasing appeal of the Cayman Islands as a premier travel destination. This growth is a testament to the dedication and hard work of our team, the support of our partners and the resilience of our Islands' economy.

Supported by our strong financial performance, we have made significant investments in enhancing the passenger experience, introducing innovative programmes like the Customer Service Ambassadors' Programme to ensure that every traveler feels welcomed and valued from the moment they step into our terminals. The successful completion of the ORIA Terminal Redevelopment and Expansion Project has provided a world-class facility that showcases the Cayman Islands' commitment to excellence.

Our Airports are not only places of transit but also centers of economic activity. We are proud of the role we play in fostering local businesses, job creation and tourism. The introduction of new routes, the expansion of our concessions programme and the commitment to promoting local art, through the Art at the Airport initiative, all contribute to creating a vibrant airport environment.

Safety and efficiency remain paramount to us, and our ongoing Airfield Upgrade Project is a testament to our dedication to ensuring a safe and secure environment for all travelers. We are grateful for the continued support of our partners in these efforts.

Lastly, I would like to express my heartfelt appreciation to our CEO, management team and all employees of the CIAA for their unwavering commitment and hard work. It is your dedication that propels our organisation forward. To our shareholders and stakeholders, your trust and support have been instrumental in our success. We are committed to delivering excellence in airport services, and we look forward to continuing our journey of growth and innovation in the years to come.

Thank you for being a part of our success story.

- Chairman Thomas Guyton

Message from the CEO



The past year has been a momentous one for the CIAA, marked by significant achievements and advancements as we continue to uphold our commitment to excellence in airport management and operations. As we reflect on our journey, it is important to acknowledge the remarkable growth and transformation that our Airports, as vital gateways connecting the Cayman Islands to the world, have experienced over the year.

The newly renovated and expanded ORIA terminal was a significant milestone in this journey. This state-of-the-art facility has transformed the first impression of the Cayman Islands for arriving passengers. We were honored to have Their Royal Highnesses, the Prince of Wales and Duchess of Cornwall, officially open the terminal, marking a new era for our Airports.

We proudly reached new milestones in enhancing the passenger experience at our Airports. The introduction of our Customer Service Ambassadors' Programme at ORIA exemplifies our dedication to making travel enjoyable for all. These ambassadors go above and beyond to ensure our traveling guests receive a warm welcome, assistance and a memorable journey through our terminals. We are committed to continuing these initiatives to ensure that the CIAA remains at the forefront of customer service in the aviation industry.

Our commitment to fostering a commercial culture at our Airports yielded record-breaking air arrivals in 2019, with a healthy 5.1 percent increase over the previous year. This in turn led to the Authority exceeding expectations once again in terms of financial performance, with a growth in surplus of 46.7 percent over the previous year providing the foundation for ongoing infrastructure development in line with the Master Plan. The introduction of new routes and the enhancement of our concessions programme contributed to this success. We are thrilled to provide passengers with a world-class shopping and dining experience that showcases the best of our local treasures.

At the heart of our achievements lies our dedicated team of professionals who are committed to ensuring the safety and satisfaction of all who pass through our doors. We value our employees as our greatest asset and invest in their development to maintain the highest standards of service and safety. In 2019, we provided training in various fields, including aerodrome safety, leadership essentials, and security awareness.

As we look ahead, the CIAA remains dedicated to optimising our facilities and infrastructure to meet the evolving needs of our passengers and partners. Our ongoing Airfield Upgrade Project is a testament to our commitment to safety and efficiency.

In closing, I extend my gratitude to our dedicated team, our Board of Directors and our Airport Partners for your unwavering support. Together, we have achieved remarkable success, and I am confident that our journey ahead will be marked by even greater achievements.

- CEO Albert Anderson

Management's Discussion and Analysis for the 12-Month Period Ended 31 December 2019

The Cayman Islands Airports Authority's discussion and analysis provides an overview of the financial activities for the accounting period, January to December 31, 2019. Since this information is designed to focus on the current period's activities, **resulting changes, and currently known facts, it should be read in conjunction with the CIAA's financial statements.**

Financial Highlights

The Cayman Islands economy experienced growth of 3.9% in 2019 with key financial indicators and population growth moving positively throughout the year. Growth was indicated in all sectors led by Hotels and Restaurants, Construction, Financing and Insurance services, Legal and accounting services and Wholesale and retail trade. This growth contributed to the results of the airport where 2019 stay-over visitors increased by 8.6% when compared to the calendar year 2018.

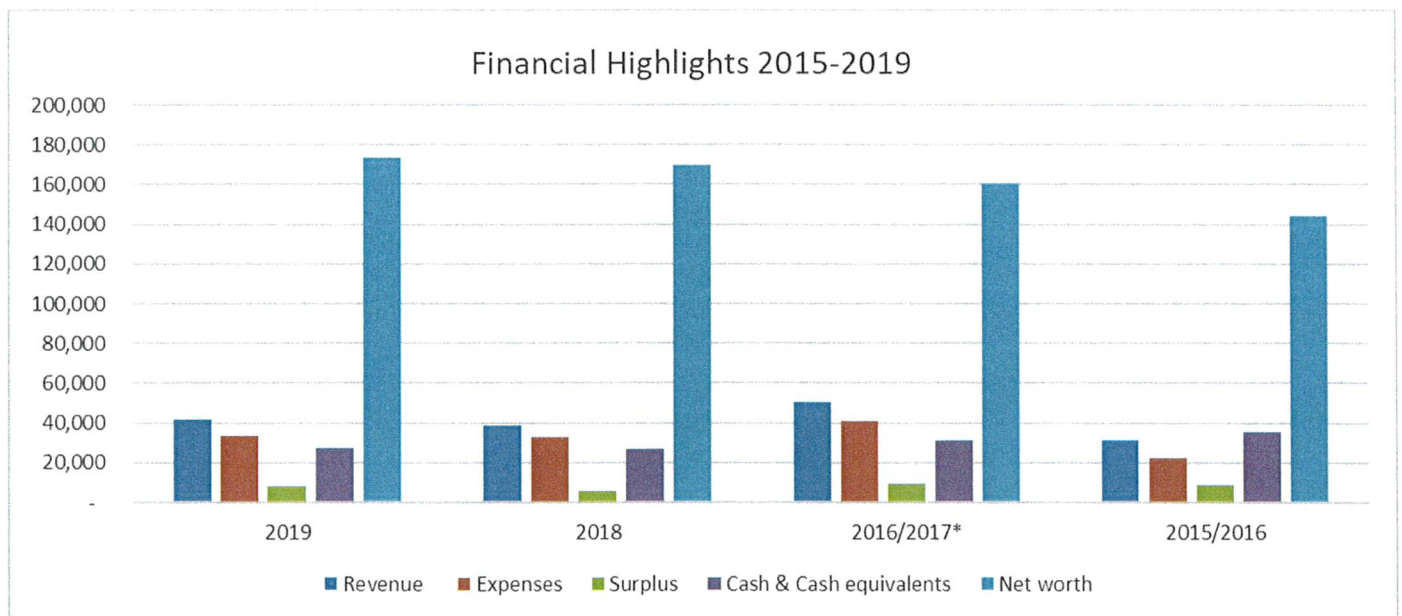
The CIAA realized \$41.5M in total revenue in 2019 due to higher passenger volumes, fees charged to airlines, continued strength in ground transportation and parking volumes which impacted revenue positively. As a result, the Authority finished 2019 by generating surplus after depreciation of \$7.98M.

As always, surpluses are reinvested in airport operations and developments in the interest of improved safety, efficiency, and customer experience.

Key Performance Indicators

Highlights (000's)	2019	2018	2016/2017*	2015/2016
Revenue	41,530	38,267	50,175	30,912
Expenses	33,555	32,825	41,096	22,481
Surplus	7,976	5,442	9,079	8,431
Cash & Cash equivalents	27,606	26,442	30,999	33,129
Net worth	173,617	169,603	160,417	144,205

* 18 months (July 2016 – December 2017)



Overall Performance

Profit before depreciation for the 12-month accounting period ended December 31, 2019 amounted to \$12.5M. Travel tax, passenger facility charges, Security tax and Terminal facility charges, and Aircraft handling and Rent, were the main contributors to revenue growth over the year.

Staff salaries and other staff costs of \$13.7M, repairs & maintenance and utilities costs amounting to \$4.7M, and passenger screening of \$2.4M were the main costs affecting net income during the period. In addition to a one-off building revaluation loss of \$4.7M.

Revenue

Total revenue increased to \$41.5M over the 12-month period in 2019 compared to \$38.3M in 2018.

Revenue by Category

(\$ in thousands)	2019	2018	Change	% Change
Travel tax	15,946	14,747	1,199	8.1%
Passenger Facility Charges	8,765	8,141	624	7.7%
Security tax and terminal facility charges	7,646	7,559	87	1.2%
Aircraft handling Income	3,920	3,862	58	1.5%
Rent	2,009	1,149	860	74.8%
Permits and Parking	1,070	986	84	8.5%
Petrol Concession	1,194	1,024	170	16.6%
Other Revenue	980	799	181	22.7%
TOTAL REVENUE	41,530	38,267	3,263	8.5%

Travel tax for the accounting period under review increased to \$15.9M; up from \$14.7M in 2018.

In 2019, \$36.3M of total aeronautical revenues, which includes Passenger Facility Charges (PFC), Security tax & terminal facility charges and Aircraft handling income, exceeded the revenues in 2018 of \$34.3M.

Rental revenues of \$2M increased from \$1.15M in 2018.

Permits and parking revenue of \$1.07M was realized in 2019.

Petrol concession revenues of \$1.2M was up from \$1.02M in 2018. This is revenue derived from aviation fuel concessionaires based on number of gallons sold.

Expenses

Total expenses were up to \$33.6M in 2019 when compared to \$32.8M in 2018. This is mainly attributable to increases in staff costs, repairs, maintenance and utilities and the building revaluation loss of \$4.7M.

Expenses by Category

(\$ in thousands)	2019	2018	Change	% Change
Staff costs	13,699	13,245	454	3.4%
Depreciation	4,489	7,845	(3,356)	42.8%
Repairs Maintenance & Utilities	4,677	4,318	359	8.3%
Passenger Screening	2,351	2,647	(296)	-11.2%
CAA Certification	1,000	1,003	(3)	0.3%
Bad Debt expense	-	1,795	(1,795)	-100.0%
Building revaluation loss	4,745	-	4,745	100.0%
Other Expenses	2,594	1,972	622	31.5%
TOTAL EXPENSES	33,555	32,825	730	2.2%

In 2018, the Authority adopted IFRS 9, a new accounting standard which required the Authority to have an expected credit losses model that replaced the incurred loss impairment model used in IAS 39. For financial assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and will be recognized earlier than under IAS 39. The allowance for bad debts is established through a provision for bad debts charged to expenses. Accounts receivables are written off against the allowance when management believes that the collectability of the account is unlikely. The allowance is the amount that management believes will be adequate to cover any bad debts, based on an evaluation of collectability and prior bad debts experience.

The Authority determined that the application of IFRS 9's impairment requirements for the financial year ended 31 December 2018, bad debt allowance increased by \$1.79M. There was no further increase in bad debt allowance for 2019.

Organisational Overview

The Cayman Islands Airports Authority (CIAA), established by the Cayman Islands Government in July 2004, is a statutory authority under the Ministry of District Administration, Tourism & Transport. The CIAA owns and operates two international aerodromes, Owen Roberts International Airport (ORIA) on Grand Cayman, which commenced operations in 1952, and Charles Kirkconnell International Airport (CKIA) on Cayman Brac, which commenced operations in 1955.

The CIAA is responsible for constructing, controlling and managing the Airports by providing and maintaining runways, taxiways and terminals to international standards and providing support and accommodation to those agencies involved in border control. The CIAA is dedicated to providing its customers with professional, innovative, "world class" airport services and facilities in a safe, efficient manner and being a catalyst of economic development for the Cayman Islands.

ORIA is the major gateway linking the Cayman Islands to destinations worldwide, providing the main point of entry and exit to Grand Cayman, Cayman Brac and Little Cayman. ORIA plays a major role in the Islands' tourism and financial sectors, catering to approximately 27,381 commercial and private aircraft movements and processing approximately 1,389,853 passenger movements in 2019, which include tourists, business visitors and residents alike. In addition, ORIA processed approximately 2,265,650 pounds of cargo and 233,251 pounds of mail. These figures highlight the importance of the Airport in sustaining the community, which is heavily dependent on imported goods.

Aerodrome services are provided to a variety of private and commercial customers, including the Islands' national flag carrier, Cayman Airways, various international airlines, local and international charter aircraft, private aircraft, government and military, local businesses, various Cayman Islands Government bodies and the general public.

Airlines serving the Cayman Islands with weekly, daily and charter services to international destinations include Cayman Airways, Air Canada, American Airlines, British Airways, Delta Airlines, JetBlue Airways, Southwest, United Airlines and WestJet. Cayman Airways Express services domestic flights to the sister islands Cayman Brac and Little Cayman.

The General Aviation Terminal (GAT) caters to private aircraft and is also home to the Cayman Islands National Weather Service (CINWS). There is one Fixed Based Operator at GAT, Island Air Ltd., which handles the majority of private aircraft movements on behalf of the CIAA and provides a full range of arrival and departure services to Private, Corporate/Business, Air Cargo, Air Ambulance and Military and Government flight operations.

The Board of Directors

NAME	ROLE
Thomas Guyton	Chairman
Joel Jefferson	Deputy Chairman
Vanessa Banks	Member
John Meghoo	Member
Roy Grant	Member
Nathaniel Tibbetts	Member
George Hunter	Member
Stran Bodden	Public Service Member
Charles Clifford	Public Service Member

The Cayman Islands Airports Authority is committed to:

Our Mission

To provide a pleasurable airport experience by enhancing our facilities and offering professional services in a safe and secure environment.

Our Vision

To Bring Excellence to Your Airport Experience.

Our Core Values

Accountability: We will account for our actions, accept individual and team responsibilities and disclose results irrespective of the outcome.

Commitment: We will be dedicated to our team, its mission, vision and strategy.

Integrity: We will be consistent in our actions, values, methods, measures, principles and expectations.

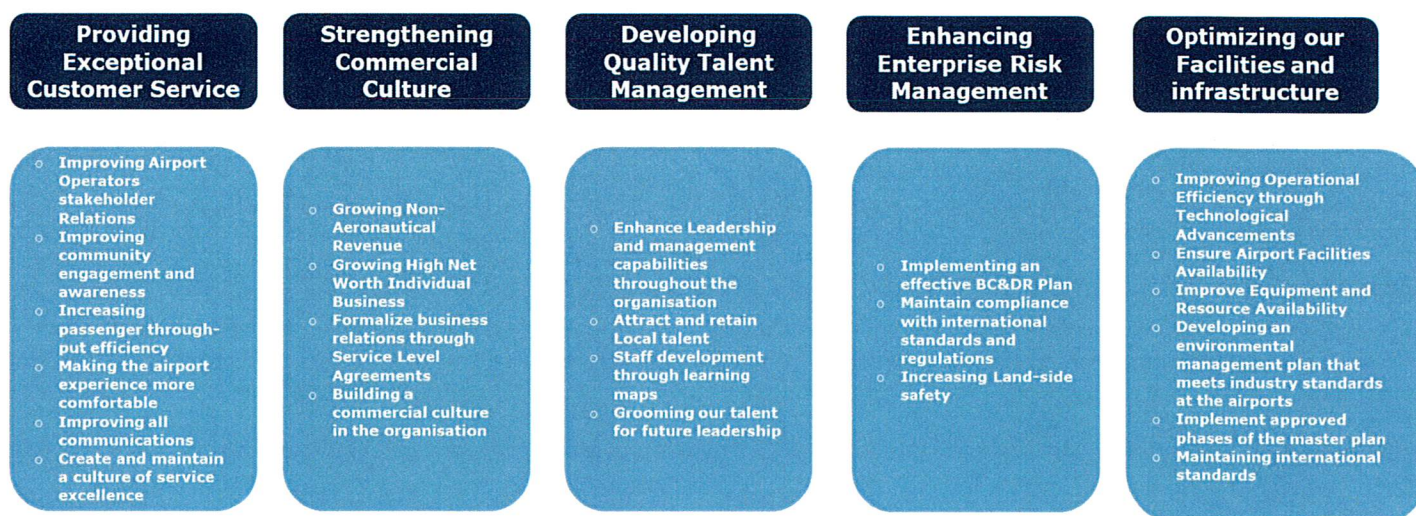
Professionalism: We will carry ourselves with respect and maturity and we will work with knowledge and confidence.

Transparency: We will be accurate, open and honest and build an environment of trust.

Customer Focus: We will put our customers and guests at the heart of what we do and strive to meet each of their needs.

Strategic Priorities

The following are the key strategic priorities of the CIAA for 2018 to 2021 along with the key objectives under each priority area. This is the guide to the CIAA's business activities over the three-year period and forms the basis for individual employee performance objectives. These objectives are reviewed annually and adjusted as necessary to address changes in the operating environment and/or Board policy.



Providing Exceptional Customer Service

The CIAA is committed to creating unforgettable experiences for travelers, ensuring that each journey starts and ends with warmth, genuine care and the embodiment of hospitality as they pass through ORIA and CKIA.

In May, the CIAA launched a new Customer Service Ambassadors' Programme at Owen Roberts International Airport to enhance the overall passenger experience and ensure a smooth and pleasant journey for its customers. The Customer Service Ambassadors will be

placed in various locations at ORIA to welcome guests, share information about the airport and offer assistance to arriving and departing passengers, especially those with special needs, the elderly and families with young children. The Ambassadors are also responsible for monitoring the appearance and tidiness of the terminal building, as well as managing the flow of passengers through the terminal, particularly during peak periods.

The CIAA currently has nine Ambassadors in the programme with the goal to attract 20 Ambassadors in total. Their dedication and efforts contribute to turning a mundane travel experience into a memorable one, leaving passengers with a positive impression of the Airports and the journey ahead.



Customer Service Officer Arvin Haylock (left) and Customer Service Manager Ivis Matute (right) welcome the new Customer Service Ambassadors to Owen Roberts International Airport. From left: Cheryl-Lynn Ebanks, Peter Gore, Marjorie Stewart, Jonathan Anderson, Eilene Sutton, Adrian Barnett, Jessy King and Demesha Bodden. Missing from photo: Carlene Leachman.

Strengthening Commercial Culture

The Cayman Islands ended the decade with record-breaking air arrivals, highlighting another year of steady growth in airlift and accommodations. For the calendar year 2019, air arrivals reached 694,907, a 5.5 percent increase over the same period in 2018 – or 36,185 additional persons. This is the highest number of stayover visits in recorded history (surpassing 2018), and it is the 10th consecutive year of growth in stayover visitation.

New Routes Introduced

Notable airline announcements in 2019 paved the way for a successful year and set the stage of increased accessibility for visitors in 2020. Southwest Airlines launched its Baltimore (BWI)/Washington route to Grand Cayman in June with direct flights operating on Saturdays throughout the summer. Welcomed in water cannon salute tradition, this is the third route for the US-based airline into Grand Cayman, which also offers service out of Fort Lauderdale, Florida and Houston, Texas. In December, Caribbean Airlines launched service between Kingston, Jamaica and Grand Cayman. The flights operate twice weekly each Tuesday and Saturday, using a Boeing 737-800 with a seating capacity of 150. National flag carrier, Cayman Airways, returned to Denver, Colorado in December through August 2020 with twice weekly service.



Southwest Airlines and Caribbean Airlines launch flight services to Grand Cayman

World-Class Shopping & Dining

As part of ORIA's redevelopment and terminal expansion, a newly improved concession programme was introduced to cater to the discerning customer. Under this new programme, a collaborative and dynamic retail concession model has been developed, which includes unparalleled shopping and dining experiences and local treasures. It is expected to yield significant benefits for the concessionaires, the CIAA and the travelling public.

In 2019, the CIAA launched an exciting advertising campaign to introduce the new food & beverage and retail concessions coming online or coming soon at Owen Roberts International Airport. In November, The Brew Hut and Churchill's Cigars celebrated their Grand Openings in the Departures Hall, followed in December with Island Jewellers, Jacques Scott, Last Chance Souvenirs, Subway, Tortuga Duty Free, Tortuga Taste of Cayman and Wendy's.



An exciting array of dining and shopping options at ORIA now serving the travelling public

Developing Quality Talent Management

An airport has highly technical equipment and deals with very complex systems and machinery, yet its basic function is delivering a service to the public. Even in this age of automation, delivering services to the public relies on people with the required skills to maintain and operate the business entity's equipment and protect the safety and security of all of its customers and their property. It is people who ultimately look after the aesthetics of the establishment and keep the infrastructure attractive and serviceable. The proven way to achieve this objective is to recruit carefully and invest in employees.

The CIAA recognises that its staff are its greatest asset and seeks to achieve excellence through effective communication, enhancing employee relations, fostering a culture of learning and ensuring compliance with best practices of people management.

Employee Training & Development

Many categories of jobs at an airport require initial training, and all positions require Safety & Security training in addition to their specific job skills. Some require extensive knowledge of regulations and many in the customer contact front line require a proficiency in First Aid. Some specialist positions require training for as long as 30 months, and most employees in senior management roles have decades of relevant experience under their belt.

During 2019, a number of employees undertook training in various subjects, such as aerodrome safety and operations, general airport security awareness, runway condition reporting, leadership essentials and various levels of Institute of Leadership & Management (ILM) certification courses.



CIAA staff members of the Air Traffic Control, Airport Operations, Safety and CKIA Maintenance departments successfully completed a course in "Basic & Advanced Airport Operations"

In April, six new Caymanian hires joined the Airport Security Unit. After undergoing airport security level 1 training and passing a final exam, the recruits completed two weeks of on-the-job training where they carried out their duties in safeguarding civil aviation operations within the Cayman Islands against unlawful interference.



AVSEC Training Supervisor Delia Roper (left) and AVSEC Instructor Owen Bailey (right) welcome the new Airport Security Unit recruits (back row) Barrington Oliver, Randy Ebanks, Jarhett Watler, Richard Seymour and (front row) Andy Rives and Chevar Taylor

In May, Ground Transport Officer Mark Wallace was promoted to Ground Transport Supervisor after a competitive recruitment process. In his new role, Mark will be responsible for leading a team in providing dispatch services for Ground Transportation at ORIA and ensuring a safe and orderly flow of vehicular traffic, in addition to conducting briefings and preparing various internal reports.



Ground Transport Supervisor Mark Wallace and team at Owen Roberts International Airport

Employer of Choice

In June, the Authority hosted a group of Year 10 students of the Travel & Tourism class of Cayman Prep & High School at ORIA. Members of various CIAA teams provided the students with a practical learning and rewarding experience, which included guided tours through the ORIA and General Aviation terminals, including a visit to the airport control tower and an inside look at the various departments, functions and processes of airport operations. CIAA staff participants included CEO Albert Anderson, Marketing Manager Rhonda Verhoeven, Marketing Assistant Lena Thorpe, Airport Operations Manager Robert Harris, Customer Service Officer Arvin Haylock and Chief Safety Management Officer Andrew McLaughlin.



Airport Operations Manager Robert Harris leads Cayman Prep and High School students and faculty on a tour of the Airport Operations Command Center and Air Traffic Control Tower.

In October, the CIAA hosted a group of Hospitality Certificate Students from the University College of the Cayman Islands at ORIA for an enriching and rewarding learning experience. The students were accompanied by their instructors Mr. Wayne Jackson, Mrs. Natalie Jirdan-Smillie and Mrs. Nordia England Prout as they were led by CIAA Chief Safety Management Officer Andrew McLaughlin on an exciting journey through the terminal and first-hand look at the roles and different functions and processes of airport operations.



UCCI students enjoy a day of learning at Owen Roberts International Airport

Enhancing Enterprise Risk Management

Keeping it Safe

Airports operate in an environment where the risk of incidents and accidents is high and can affect infrastructure, employees and guests alike. Minimising the risks at the airport is a continuous task and is the key element of the everyday duties of the Airport Operations team. This team is highly skilled in identifying hazards, assessing the impact and likelihood of that hazard causing an incident or accident and putting in place plans to eliminate the hazard. All of this results in departmental and enterprise-wide risk registers that must be managed on an ongoing basis to continually eliminate risk. A "belts and braces" approach is taken, by having an internal safety oversight team that "double-checks" to ensure airport operations are meeting requirements laid down in regulation, thus providing additional peace-of-mind with respect to overall safety.

These ongoing safety activities are bolstered by biennial safety audits by the Civil Aviation Authority of the Cayman Islands (CAACI) who ensure that the CIAA's airport systems, with respect to aerodrome operations, aeronautical telecommunications services and air navigation services, are meeting the requirements of the International Civil Aviation Organisation (ICAO) standards and recommended practices as well as the Overseas Territories Aviation Requirements (OTARs). Any discrepancies found are recorded as audit findings and must be addressed through an approved "Corrective Action Plan (CAP)".

The 2019 CAACI Audit was carried out in April and May. The resulting audit report contained 22 new observations and 16 new findings. Based on the agreed corrective action plans, the aerodrome certification was extended until 31 March 2020.

Wildlife Hazard Management

As the aviation industry continues to expand, the need to develop comprehensive strategies for mitigating wildlife interactions on and around the airport premises has become increasingly paramount. In November, the CIAA held its Annual Meeting of the Hazardous Wildlife Working Group, open to the general public, to discuss and raise awareness of the current measures used at ORIA to alleviate hazardous wildlife, as well as new measures to attract less wildlife at the Airport. Through collaboration, innovation and a deep commitment to safety of both passengers and aircraft, the CIAA continues to explore effective approaches that will safeguard the skies and enhance the operational integrity of the airport.

Optimising Facilities and Infrastructure

Completing the Transformation of ORIA

The ORIA Terminal Redevelopment and Expansion Project began construction in October 2015 as the core of the CIAA's 2032 Master Plan for delivering optimal passenger experience and high levels of safety and efficiencies. The original terminal, which served as the catalyst for the development of the Cayman tourism and financial industries, was built out of wood in the early 1950s. It was replaced in 1984 by a larger and more robust structure, designed to handle a maximum passenger throughput of 500,000 per annum, which took the country through the start of the tourism boom for the Cayman Islands. In 2013, when plans were started for the new ORIA terminal building, the airport was approaching nearly 1 million passenger throughput per annum.



Airside views of the nearly completed new ORIA terminal

The new ORIA terminal was designed to handle 2.5 million passengers per annum. In 2018, during the apex of construction, some 1.4 million passengers departed and arrived at ORIA and, in August that year, the final beam on the distinctive south arch was lowered into place, with government dignitaries, construction workers, and airport leaders, partners and staff signing the beam in a traditional “topping out” ceremony.

The expanded terminal design included enlarged customs and immigration halls, an extended check in hall and an expanded departure hall, complete with a new food court and concession area. The air conditioning systems with an added geothermal system was added. A complete overhaul of the Information Technology System “backbone” and electrical, security and fire suppression systems were added. A new baggage handling system was included in the renovations to support the continuing increase in passenger volumes, and additional staff parking was included along with renovated CIAA administration offices.

The project was completed in July 2019, delivering a modern, world-class airport experience to the traveling public.

ORIA Grand Reopening

In March 2019, Their Royal Highnesses, King Charles III and Queen Camilla, formerly the Prince of Wales and Duchess of Cornwall, touched down in the Cayman Islands to officially open the newly renovated Owen Roberts International Airport terminal in a much-anticipated Grand Opening and plaque unveiling ceremony. The newly completed terminal expansion features 39 check-in counters, nine departure gates, a food court, retail concessionaires, digital flight information displays, water re-fill stations and a nursing station for mothers.

The Grand Opening of the new ORIA terminal building was preceded by a robust digital Marketing campaign, which featured an alluring video “unveiling” of the Airport called “It’s Time, Cayman. Welcome to YOUR airport.”.



King Charles III and Queen Camilla arrive in Grand Cayman for the Grand Opening Ceremony of the Owen Roberts International Airport



Deputy Premier, Hon. Moses Kirkconnell, amidst center stage with King Charles III and Queen Camilla gives congratulatory remarks to the “bigger, better airport”



Queen Camilla and King Charles III unveil the dedication plaque in front of a large crowd of dignitaries and well-wishers at Owen Roberts International Airport

In September, the CIAA hosted a staff and Airport partners appreciation event to commemorate the official grand opening of the newly redeveloped ORIA by Their Royal Highnesses, **King Charles III and Queen Camilla**.



A special event, with CIAA Chief Airport Operations Officer Wayne DaCosta as Master of Ceremonies, was held at ORIA to honor CIAA long-serving staff and commemorate the grand opening of the newly redeveloped airport terminal.

Art at the Airport

In May, the CIAA partnered with The National Gallery of the Cayman Islands for the Art at the Airport initiative, to celebrate the reopening of the newly redeveloped ORIA. Situated across several areas of the Airport, the inaugural displays are drawn entirely from the National Gallery's permanent collection and past exhibitions and include artwork by nationally recognised, award-winning artists and artisans. Providing a sense of place and local flavor, the carefully curated local works of art throughout the terminal helps to enrich the travel experience and overall atmosphere of the Airport.



Art at the Airport opens to the travelling public



Local art being installed in the mezzanine level of the Great Hall at ORIA

Airfield Upgrade Project Ramps Up

Dedicated to providing its customers with professional, innovative airport services and facilities in a safe, efficient manner, the CIAA entered project management and construction contracts totaling \$45.7 million which included all costs for construction and project management for the ORIA Airfield Upgrade Project works. The Airfield Upgrade Project consists of six sub-projects, which included the milling and re-paving of the existing runway surface, extending the runway, adding a partial parallel taxiway, the filling of the ponds within the airfield perimeter, establishing an airfield perimeter road and expanding the aircraft parking apron in an easterly direction to provide additional aircraft parking.

This newly formed partnership of the CIAA with IDL Projects Joint Venture brings focus to the continued airfield upgrades and improvement of Cayman's beloved airport, ORIA, for the people of the Cayman Islands. The IDL Projects Joint Venture comprised of three companies, which include leading company Island Paving, DECCO and IDL Projects. Island Paving and DECCO are Cayman based and operated, and IDL Projects is a Canadian based company that specialises in airports infrastructure.



The Owen Roberts International Airport Airfield Upgrade Project contract signing with (Standing L-R): Chris Lennon, DECCO, Roy Williams, Snr. Project Manager, Major Projects Office, PWD, Hon. Premier Alden McLaughlin, Hon. Deputy Premier Moses Kirkconnell, Stran Bodden, Chief Officer Ministry DAT&T and Peter Ranger, Chief Project Manager, Major Projects Office, PWD. (Seated L-R): Wayne DaCosta, Chief Airport Operations Officer and Acting CEO, Cayman Islands Airports Authority and Barry Bodden, Island Paving/DECCO/IDL Projects JV Ltd.

The Airfield Upgrade Project was originally scheduled to commence works in the summer of 2019. With only one runway serving ORIA, the CIAA was faced with the option of completing the runway works at night over 20 weeks, or to have closures during low traffic days when works could be completed in a shorter timeframe and to a higher quality. Ultimately, to meet the key objectives of the Airport and its airline partners, the decision was made to have closures during the day over an eight-week period. However, due to unexpected extended contract negotiations in August, the runway upgrade works, which included the milling and re-paving of the existing runway surface, could not be carried out as planned and was rescheduled to commence outside the normal operating hours of the Airport.

Construction of the project began in late November 2019.

Financial Statements and Analysis
Year ended 31 December 2019

**Cayman Islands Airports Authority
Financial Statements
Year ended December 31, 2019**

TABLE OF CONTENTS

Statement of Responsibility for the Financial Statements	Page 1
Auditor General's Opinion	Page 2-3
Statement of Financial Position	Page 4
Statement of Comprehensive Income	Page 5
Statement of Changes in Equity	Page 6
Statement of Cash Flows	Page 7
Notes to the Financial Statements	Page 8-54



STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS
31 December 2019

These financial statements have been prepared by the Cayman Islands Airports Authority (CIAA) in accordance with the provisions of the *Public Management and Finance Law (2018 Revision)* and the *Airports Authority Law (2005 Revision)*.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Law (2018 Revision)*.

As signatories below, we are responsible for establishing; and have established and maintained a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly record the financial transactions of the Cayman Islands Airports Authority. However, the Chairman and Chief Financial Officer were not part of the Cayman Islands Airports Authority during the financial year. Therefore, as Chief Executive Officer, I am responsible for ensuring appropriate internal controls were established and maintained throughout the financial year ended 31 December 2019.

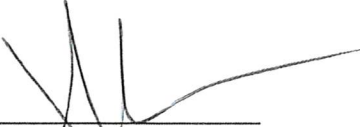
As signatories below, we are responsible for the preparation of the Cayman Islands Airports Authority financial statements and for the judgements made in them.

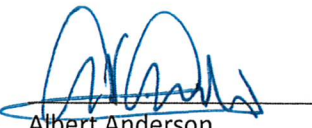
The financial statements fairly present the financial position, financial performance, and cash flows of the Cayman Islands Airports Authority for the financial year ended 31 December 2019.

To the best of our knowledge we represent that these financial statements:

- (a) Completely and reliably reflect the financial transactions of Cayman Islands Airports Authority for the year ended 31 December 2019;
- (b) Fairly reflect the financial position as at 31 December 2019;
- (c) Comply with International Financial Reporting Standards under the responsibility of the International Accounting Standards Board.

The Office of the Auditor General conducts an independent audit and expresses an opinion on the accompanying financial statements. The Office of the Auditor General has been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.


Johann Moxam
Chairman (Board of Directors)
Date: 15 May 2024


Albert Anderson
Chief Executive Officer
Date: 15 May 2024


Karen Baptiste
Chief Financial Officer
Date: 15 May 2024

AUDITOR GENERAL'S REPORT

To the Board of Directors of the Cayman Islands Airports Authority

Opinion

I have audited the financial statements of the Cayman Islands Airports Authority (the "Authority"), which comprise the statement of financial position as at 31 December 2019 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2019, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 10 to 55.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Cayman Islands Airports Authority as at 31 December 2019 and its financial performance and its cash flows for the year ended 31 December 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Authority in accordance with the International Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, together with the ethical requirements that are relevant to my audit of the financial statements in the Cayman Islands, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw your attention to Note 18(a) of the financial statements. According to the Public Authorities Law (2020 revision), section 47, all Statutory Authorities and Government Companies were required to standardise salaries and benefits from 1st June 2019. As of 31st December 2019, CIAA was not compliant with this law. CIAA transitioned to Public Sector scales in April 2023. My opinion is not modified with respect to this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards 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 Authority'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 Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

AUDITOR GENERAL'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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 misstatement 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.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Authority'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 Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have undertaken the audit in accordance with the provisions of Section 60(1)(a) of the *Public Management and Finance Law (2018 Revision)*. I 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 I identify during my audit.



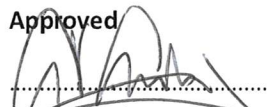
Sue Winspear
Auditor General

15 May 2024
Cayman Islands

Cayman Islands Airports Authority
Statement of Financial Position
As at 31 December 2019
(In Cayman Islands dollars)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
ASSETS			
Current assets			
Cash and cash equivalents	5	27,605,914	26,442,443
Term deposits	5(b)	2,074,364	2,065,243
Accounts Receivables	6	6,834,062	13,502,819
Other Receivables and prepaid expenses		4,018,370	506,538
		<u>40,532,710</u>	<u>42,517,043</u>
Non current assets			
Property, plant and equipment	7	166,909,185	156,577,791
Intangible assets	7	163,735	500,110
		<u>167,072,920</u>	<u>157,077,901</u>
TOTAL ASSETS		<u>207,605,630</u>	<u>199,594,944</u>
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued expenses		6,425,785	7,615,679
		<u>6,425,785</u>	<u>7,615,679</u>
Non current liabilities			
Unfunded pension liability	10	9,380,000	7,700,000
Unfunded health care obligations	11	18,183,000	14,676,000
		<u>27,563,000</u>	<u>22,376,000</u>
TOTAL LIABILITIES		<u>33,988,785</u>	<u>29,991,679</u>
Equity			
Contributed capital		34,675,212	34,675,212
Retained earnings		54,207,360	43,087,754
Asset revaluation reserve		74,893,556	80,649,106
Other comprehensive income		1,865,000	5,749,000
Current year surplus		7,975,717	5,442,193
		<u>173,616,845</u>	<u>169,603,265</u>
TOTAL LIABILITIES AND EQUITY		<u>207,605,630</u>	<u>199,594,944</u>

Approved


Albert Anderson
Chief Executive Officer
Date: 15 May 2024


Karen Baptiste
Chief Financial Officer
Date: 15 May 2024

The accompanying notes on pages 8-54 are an integral part of these financial statements.

Cayman Islands Airports Authority
Statement of Comprehensive Income
For the year ended 31 December 2019
(In Cayman Islands dollars)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
REVENUE			
AERONAUTICAL INCOME			
Passenger fees and charges		32,357,035	30,447,051
Aircraft handling income		3,920,301	3,861,574
Total AERONAUTICAL INCOME	12(a)	<u>36,277,336</u>	<u>34,308,625</u>
NON-AERONAUTICAL INCOME			
Property rental and concession management		3,202,766	2,172,935
Fees and charges		1,860,951	1,733,221
Interest earnings		53,626	36,858
Sundry		135,716	15,637
Total NON-AERONAUTICAL INCOME	12(b)	<u>5,253,059</u>	<u>3,958,651</u>
TOTAL INCOME		<u>41,530,395</u>	<u>38,267,276</u>
EXPENSES			
Staff costs	13, 17	13,699,401	13,245,081
Administrative and overheads			
Depreciation	7	4,488,831	7,844,600
Repairs and maintenance		2,926,945	2,702,549
Passenger screening		2,350,747	2,647,312
Utilities		1,750,045	1,615,957
CAA certification		1,000,000	1,002,800
Training		343,451	265,967
Legal and professional fees		850,103	710,849
Property and liability insurance		918,839	393,856
Security		244,920	244,605
Printing and stationary		122,769	194,611
Miscellaneous		175,640	98,902
Gain on disposal of property, plant, equipment and intangible assets		-	(850)
Travel and subsistence		5,290	15,442
Loan interest	8	-	3,460
Provision for impairment		-	1,794,982
Loss on building revaluation		4,745,167	-
Foreign exchange (gains) / losses		<u>(67,469)</u>	<u>44,961</u>
TOTAL EXPENSES		<u>33,554,678</u>	<u>32,825,083</u>
NET INCOME before:		<u>7,975,717</u>	<u>5,442,193</u>
OTHER COMPREHENSIVE (LOSSES) INCOMES			
Remeasurement of employee benefit obligation	10	(1,576,000)	1,398,000
Remeasurement of healthcare benefit obligation	11	<u>(2,308,000)</u>	<u>2,401,000</u>
COMPREHENSIVE INCOME FOR THE YEAR		<u>4,091,717</u>	<u>9,241,193</u>

The accompanying notes on pages 8-54 are an integral part of these financial statements.

Cayman Islands Airports Authority
Statement of Changes in Equity
For the year ended 31 December 2019
(In Cayman Islands dollars)

	Contributed Capital \$	Retained Earnings \$	Other Comprehensive Income (Loss) \$	Asset Revaluation Reserve \$	Total \$
Balance at 31 December, 2017	34,675,212	43,142,700	1,950,000	80,649,106	160,417,017
Prior period Adjustment	-	(54,945)	-	-	(54,945)
Balance at 1 January 2018	34,675,212	43,087,755	1,950,000	80,649,106	160,362,072
Net Income for the period	-	5,442,193	-	-	5,442,193
Other Comprehensive Income					
Remeasurement of employee pension benefit obligation	-	-	1,398,000	-	1,398,000
Remeasurement of employee health care benefit obligation	-	-	2,401,000	-	2,401,000
Balance at 31 December, 2018	34,675,212	48,529,948	5,749,000	80,649,106	169,603,265
Prior period Adjustment	-	(78,138)	-	-	(78,138)
Balance at 1 January 2019	34,675,212	48,451,810	5,749,000	80,649,106	169,525,127
Net Income for the period	-	7,975,717	-	-	7,975,717
Other Comprehensive Loss					
Remeasurement of employee pension benefit obligation	-	-	(1,576,000)	-	(1,576,000)
Remeasurement of employee health care benefit obligation	-	-	(2,308,000)	-	(2,308,000)
Revaluation gain realised upon retirement	-	5,755,550	-	(5,755,550)	0
Balance at 31 December, 2019	34,675,212	62,183,077	1,865,000	74,893,556	173,616,845

The accompanying notes on pages 8-54 are an integral part of these financial statements.

Cayman Islands Airports Authority
Statement of Cash Flows
For the year ended 31 December 2019
(In Cayman Islands dollars)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities			
Net income for year		7,975,717	5,442,193
Add items not affecting working capital:			
Loss on revaluation of property, plant, equipment and intangible assets	7	4,745,167	-
Loss on disposal of property, plant, equipment and intangible assets		-	(850)
Prior period adjustment		(78,138)	(54,945)
Provision for bad debts	6	-	1,794,982
Defined benefit expense	10,11	1,303,000	1,605,000
Depreciation		4,488,831	7,844,600
		<u>18,434,576</u>	<u>16,630,980</u>
Net changes in non-cash working capital balances			
Decrease in Accounts receivable	6	6,668,757	2,165,389
Decrease / (Increase) in Other receivables and prepaid expenses		(3,511,832)	2,559,635
Increase in Accounts payable and accrued expenses		(1,189,894)	487,509
Net cash from operating activities		<u>20,401,608</u>	<u>21,843,513</u>
Cash Flows used in Investing Activities			
Investment in term deposit		(9,122)	(5,182)
Purchase of fixed assets		(19,229,016)	(26,135,653)
Net cash used in investing activities		<u>(19,238,137)</u>	<u>(26,140,835)</u>
Cash Flows from (used in) Financing Activities			
Repayment of loans (Note 8)		-	(259,009)
Net cash used in financing activities		<u>-</u>	<u>(259,009)</u>
Increase in Cash and Cash Equivalents During Year		<u>1,163,471</u>	<u>(4,556,331)</u>
Cash and Cash Equivalents at Beginning of Year		<u>26,442,443</u>	<u>30,998,774</u>
Cash and Cash Equivalents at End of Year	5	<u>27,605,914</u>	<u>26,442,443</u>
Supplimentary information on Cash Flows from Operations			
Interest received during the year		53,626	25,080
Interest paid during the year (Note 8)		-	3,460

The accompanying notes on pages 8-54 are an integral part of these financial statements.

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2019
(In Cayman Islands dollars)

1. Background Information

The Cayman Islands Airports Authority ("the Authority") is a statutory body established on June 14, 2004 under The *Airports Authority Law, (2005 Revision)*, and began operations on July 1, 2004. The registered office of the Authority is 298 Owen Roberts Drive, P.O. Box 10098 APO, KY1-1001, Grand Cayman, Cayman Islands. The Authority had 201 employees as of 31 December 2019.

The Authority is principally engaged in the general management and operation of airports, air traffic, and navigation within the Cayman Islands as set out in the aforementioned law. The Authority currently operates two (2) airports, one on Grand Cayman and the other on Cayman Brac. In addition, the Cayman Brac Office oversees an airfield on Little Cayman.

The operations of the Authority are regulated by the Civil Aviation Authority ("CAA") of the Cayman Islands.

2. Significant Accounting Policies

The significant accounting policies adopted by the Authority in these financial statements are as follows:

a) Basis of accounting

The financial statements of the Authority are prepared on an accrual basis under the historical cost convention except for: (1) the revaluation of land and buildings and (2) unfunded past service obligation in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The reporting currency is Cayman Islands Dollars and figures presented have been rounded to the nearest dollar.

The accounting policies are consistent with those used in the previous year.

b) Relevant standards and amendments that are effective January 1, 2019:

(i) IFRS 16 Leases *(Effective for annual periods beginning on or after January 1, 2019)*

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The Authority does not anticipate any impact on its financial position because of this standard.

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2019
(In Cayman Islands dollars)

2. Significant Accounting Policies (continued)

b) Relevant standards and amendments that are effective January 1, 2019 (continued)

(ii) Amendments to IAS 19 Plan Amendment, Curtailment or Settlement *(Effective for annual periods beginning on or after 1 January 2019).*

If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Authority assessed that IAS 19 does not have significant impact on its financial statements.

(iii) Amendments on IAS 28 Long-term Interests in Associates and Joint Ventures *(Effective for annual periods beginning on or after 1 January 2019).*

Clarifies that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Authority assessed that IAS 28 does not have any impact on its financial statements.

c) Property, plant, equipment, and intangible assets

Land and buildings held for use in the supply of goods or services, or for administrative purposes, are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the Statement of Financial Position date.

Any revaluation increase arising on the revaluation of such land and buildings is credited in equity to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in the Statement of Comprehensive Income, in which case the increase is credited to Statement of Comprehensive Income to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of such land and buildings is charged to Statement of Comprehensive Income to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2019
(In Cayman Islands dollars)

2. Significant Accounting Policies (continued)

d) Property, plant, equipment, and intangible assets

Depreciation on revalued buildings is charged to the Statement of Comprehensive Income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognized.

Properties under construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Authority's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Property, plant, and equipment are depreciated on the straight-line basis over the estimated useful lives. The estimated useful lives of the other assets are as follows:

Computer Equipment	4 Years
Furniture and Fixtures	3-12 years
Motor Vehicles	4-12 Years
Equipment	5-20 Years
Building Improvements	10-30 Years
Building, Runways, Aprons and Car Parks	5-30 Years

Intangible assets

Intangible assets substantially include the value of computer software.

Intangible assets with finite lives are amortized over the useful economic life. Amortization is calculated using the straight-line method to write down the cost of intangible assets to their residual value over their estimated useful lives:

Computer Software	4 Years
-------------------	---------

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2019
(In Cayman Islands dollars)

2. Significant Accounting Policies (continued)

d) Property, plant, equipment, and intangible assets (continued)

(i) Additions

The cost of an item of property, plant, equipment and intangible asset is recognized as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Work in progress is recognized at cost less impairment and is not depreciated.

(ii) Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the Statement of Comprehensive Income.

(iii) Impairment

The carrying amount of the Authority's assets are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each Statement of Financial Position date.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

e) Use of estimates and judgements

Preparation of financial statements under IFRS requires management to make estimates and assumptions that affect reported assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year of the revision and future years, where applicable.

f) Cash and cash equivalents

Cash and cash equivalents include cash on demand and all term deposits with an original maturity date of three months or less.

g) Revenue recognition

The Authority recognizes revenues in the period in which they are earned. For example, taxes, rent and aircraft handling revenues are recognized when the related service is provided.

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2019
(In Cayman Islands dollars)

2. Significant Accounting Policies (continued)

h) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

i) Financial instruments

The Authority adopted IFRS 9 effective January 1, 2018. IFRS 9 supersedes IAS 39, Financial Instruments-Recognition and Measurement (IAS 39). IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of the financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. The Authority adopted IFRS 9 retrospectively with no restatements of comparatives. The adoption did not result in any material adjustment to the carrying amounts of financial assets, financial liabilities or opening general retained earnings.

(i) Recognition and Derecognition

The Authority recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when control over the contractual rights to receive cash flows and benefits related to the financial assets are transferred and/or substantially all the risk and rewards of ownership had been given to another party. Financial liabilities are derecognized when obligations under the contract expire and are discharged or cancelled.

(ii) Classification and Measurement

Under IFRS, Financial assets and financial liabilities are initially measured at fair value, with subsequent measurement determined in line with their classification. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognized immediately in the Statement of Comprehensive Income.

From January 1, 2018, the Authority classifies its financial assets (subsequently) in the following specified categories:

- Amortized cost;
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2019
(In Cayman Islands dollars)

2. Significant Accounting Policies (continued)

i) Financial instruments (continued)

(ii) Classification and Measurement (continued)

Amortized cost: Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. Financial assets at amortized cost include cash and cash equivalents, accounts receivable, other receivables and term deposits.

Financial assets at fair value through other comprehensive income (FVTOCI): Financial assets are measured at FVTOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL): Financial assets are measured at FVTPL unless they meet the criteria above to be measured at amortized cost or FVTOCI. The Authority does not currently have any financial assets measured subsequently at fair value

The following table presents the types of financial instruments held by the Authority within each financial instrument classification under IAS 39 and IFRS 9.

	IAS 39		IFRS 9
	Classification	Measurement basis	Classification & Measurement basis
Financial Assets:			
Cash and Cash Equivalents	Loans and Receivables	Amortized Cost	Amortized Cost
Term Deposits	Loans and Receivables	Amortized Cost	Amortized Cost
Accounts and other receivables	Loans and Receivables	Amortized Cost	Amortized Cost
Financial Liabilities			
Accounts payable and accrued expenses	Other liabilities	Amortized Cost	Amortized Cost

(iii) Impairment of Financial Assets

Under IFRS 9, financial assets under all categories are assessed for impairment based on the expected loss model. The expected loss model requires a loss allowance to be recorded at an amount equal to:

- (a) expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date; or

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2019
(In Cayman Islands dollars)

2. Significant Accounting Policies (continued)

i) Financial instruments (continued)

(iii) Impairment of Financial Assets (continued)

- (b) expected credit losses that result from all possible default events over the life of the financial instrument**

A loss allowance for lifetime expected credit losses is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. The Authority does not hold any financial instruments that exhibit such an increase in risk to warrant a loss allowance for lifetime expected credit losses.

Additionally, entities can elect an accounting policy of recognizing lifetime expected credit losses for all contract assets and/or trade receivables, including those that contain a significant financing component.

For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses.

The Authority assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. The only financial asset for which a loss allowance has been recorded equal to the 12-month expected credit losses as at the yearend is the account receivable, through the allowance for impairment losses. The measurement of the expected credit losses reflects an unbiased amount that is determined by evaluating the range of possible outcomes. To measure the expected credit losses, account receivable and other receivables have been grouped on shared credit risk characteristics using reasonable and supportable information about past events, current conditions, reasonable supportable forecast of future economic conditions and days past due.

Financial liabilities are initially measured at fair value net of transaction cost. Subsequently, they are measured at amortized cost using the effective interest method. Financial liabilities at amortized cost include accounts payable and accrued expenses.

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2019
(In Cayman Islands dollars)

2. Significant Accounting Policies (continued)

A. Cash and cash equivalents

For the purposes of the statement of cash flows, the Authority considers cash on hand and in banks to be cash and cash equivalents, as well as fixed deposits with original maturities of three months or less. Bank accounts held at the same institution are presented at net amounts.

B. Accounts receivable

A non-derivative financial asset with fixed or determinable payments and not quoted in an active market is classified as accounts receivable.

C. Accounts payable and accrued expenses

Accounts payable and accrued expenses are classified as financial liability and are measured at fair value when goods or services have been received or invoiced, with any adjustments to the carrying amount going through the Statement of Comprehensive Income.

(iv) De-recognition

A financial asset is derecognised when the Authority realises the rights to the benefits specified in the contract or loses control over any right that comprise that asset. A financial liability is derecognised when it is extinguished, that is when the obligation is discharged, cancelled, or expired.

j) Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at exchange rates in effect at the reporting date. Revenue and expense transactions denominated in currencies other than Cayman Islands dollars are translated at exchange rates ruling at the time of those transactions. Gains and losses on exchange are credited or charged in the Statement of Comprehensive Income.

Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Cayman Islands dollars at the foreign currency exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the Cayman Islands dollars at the foreign exchange rates ruling at the dates that the values were determined.

k) Allowance for impairment losses

The allowance for impairment losses is established through a provision for impairment charged to expenses. Accounts receivables are written off against the allowance when management believes that the collectability of the account is unlikely. The allowance is the amount that management believes will be adequate to cover any bad debts, based on an evaluation of collectability and prior bad debts experience.

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2019
(In Cayman Islands dollars)

2. Significant Accounting Policies (continued)

l) Employee benefits

The Authority's active employees receive free medical benefits while their dependants receive medical benefits in accordance with the Authority's policy for dependent beneficiaries.

The Authority provides post-employment benefits through defined benefit and defined contribution plan based on the employee's contractual entitlements.

Defined benefit plan

The Authority's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount, and deducting the fair value of plan assets. The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected unit credit method prorated on service and Management's best estimate of expected plan investment performance, salary escalation, retirement ages of employees, and mortality rates. When the calculation results in a net benefit asset, the recognised assets are limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (loss). The net interest expense on the net defined benefit liability for the period is determined by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the Statement of Comprehensive Income.

Defined benefit plan (continued)

The discount rate used to value the defined benefit obligation is based on a combination of high-quality corporate bonds, in the same currency in which the benefits are expected to be paid and with terms to maturity that, on average, match the terms of the defined benefit obligations and the long-term rate of return of plan assets.

Defined contribution plan

The Authority's obligations for contributions to employee defined contribution pension plans are recognized in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2019
(In Cayman Islands dollars)

3. Financial Risk Management

For certain of the Authority's financial instruments, including cash and cash equivalents, other receivables, accounts receivable, term deposits, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates. The Authority's activities expose it to various types of risk. The most important type of financial risks to which the Authority is exposed are as follows:

a) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Concentrations of credit risk relate to groups of customers or counterparts that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

Financial assets that potentially subject the Authority to credit risk consist principally of accounts receivable, and other receivables. The Authority is exposed to credit-related losses in the event of non-performance by counter parties to these financial instruments. However, 81% of the receivables relates to affiliates 100% owned by the Cayman Islands Government. The remaining 19% was spread over approximately 90 customers, none significant enough to negatively impact the Authority as a going concern. Accordingly, the Authority has no single significant third-party concentration of credit risk.

	Current	31 - 60 Days	61 - 90 Days	91 - 180 Days	181 - 360 Days	360+ Days	Total
CAL & Express	551,911	746,704	748,054	2,219,452	668,989	2,237,048	7,172,157
Other Government Departments	17,512	963	1,450	15,964	78,525	363,665	478,079
3rd Party Receivables	1,329,915	175,304	259,105	90,092	(77,665)	14,410	1,791,162
Gross Accounts Receivable	1,899,338	922,971	1,008,609	2,325,508	669,848	2,615,124	9,441,398

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2019
(In Cayman Islands dollars)

3. Financial Risk Management (continued)

b) Interest rate price risk

The Authority had third party loans with the European Community and were held and denoted in Euros (€). Details of rates and maturities are presented in Note 8. These loans matured and were paid off in 2018.

Interest rate risk is managed by the Authority through the Cayman Islands Treasury Department as part of a larger portfolio of government debts. In addition, the Authority monitors the daily cash position to prevent overdraft positions. The Authority negotiated to receive preferred interest rates as part of the Cayman Islands Government agreement with its bankers. The Authority is subject to interest rate risk on cash placed with local institutions which attracts interest.

This risk is managed by maintaining deposits in short, medium and long-term holdings based on projected market conditions (Note 5). The Authority has a minimal exposure on interest risk as none of the other financial instruments are exposed to this type of risk.

c) Liquidity risk

The Authority is subject to minimal liquidity risk. Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Authority's funding and liquidity management requirements. The Authority manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables indicate the contractual timing of cash flows arising from assets and liabilities included in the financial statements as of 31 December 2019.

	Carrying Amount	Value at maturity	Contractual cash flows (undiscounted)					
			< 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	> 5 years
Cash and cash equivalents	27,605,914	-	27,605,914	-	-	-	-	-
Term deposits	2,074,364	-	2,074,364	-	-	-	-	-
Accounts receivables (net)	6,834,062	-	6,834,062	-	-	-	-	-
Other receivables	4,018,370	-	4,018,370	-	-	-	-	-
	40,532,710	-	40,532,710	-	-	-	-	-
Accounts payable and accrued expenses	6,425,785	-	6,425,785	-	-	-	-	-
Unfunded pension obligation	9,380,000	-	-	-	-	-	-	9,380,000
Unfunded health care obligation	18,183,000	-	171,000	209,000	250,000	298,000	341,000	16,914,000
	33,988,785	-	6,596,785	209,000	250,000	298,000	341,000	26,294,000
	6,543,925	-	33,935,925	(209,000)	(250,000)	(298,000)	(341,000)	(26,294,000)

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2019
(In Cayman Islands dollars)

3. Financial Risk Management (continued)

c) Liquidity risk (continued)

The Authority's approach to managing liquidity is to evaluate current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and restricted investments.

To minimize these risks, the Authority has invested in liquid fixed deposits and cash equivalents that, if necessary, can be sold to generate cash flow.

d) Fair values

The carrying amount of cash deposits, term deposits, accounts receivable, other receivables, accounts payables and accrued expenses approximate their fair value due to their short-term maturities. Fair values are made at specific points in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions, economic conditions and other factors could cause significant changes in fair value estimates.

4. Changes in Accounting Standards - IFRS

Standards issued but not yet effective up to the date of issuance of the Authority's financial statements are listed below. This listing of standards and interpretations issued are those that the Authority reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Authority intends to adopt these standards when they become effective.

a) Amendments to References to the Conceptual Framework in IFRS Standards - (Effective for annual periods beginning on or after 1 January 2020)

Together with the revised Conceptual Framework published in March 2018, the IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC-32.

b) IFRS 17 Insurance Contracts - (Effective for annual periods beginning on or after 1 January 2021)

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2021. The Authority is currently assessing the impact of the new standard.

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2019
(In Cayman Islands dollars)

4. Changes in Accounting Standards - IFRS (continued)

- c) *Amendments to IAS 1 and IAS 8 Definition of material - (Effective for annual periods beginning on or after 1 January 2020)*

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

5. Cash and Cash Equivalents and Term Deposits

- a. Cash and cash equivalents as of 31 December 2019 comprised:

	2019	2018
	Amount	Amount
Cash on hand	6,379	6,772
Current and call accounts	8,649,211	10,525,916
Term deposits (maturity of less than 90 days)	18,950,324	15,909,755
	<u>27,605,914</u>	<u>26,442,443</u>

Cash and cash equivalents include cash on demand and all term deposits with an original maturity date of three months or less.

- b. Term deposits

	2019	2018
	Amount	Amount
Term deposits (maturity dates over 90 days)	2,074,364	2,065,243
	<u>2,074,364</u>	<u>2,065,243</u>

Short-term deposits represent term deposits with banks or other financial institutions, with original maturities of greater than three months but less than twelve months, during the year these deposits were placed at an annual rate of 0.125% to 0.75%.

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2019
(In Cayman Islands dollars)

6. Accounts Receivables

a) Accounts receivables are stated at amortized cost (net of impairment) on the reporting date.

	<u>2019</u>	<u>2018</u>
	Amount	Amount
Accounts receivable	9,441,398	16,110,155
Allowance for impairment losses	<u>(2,607,336)</u>	<u>(2,607,336)</u>
Carrying value	<u>6,834,062</u>	<u>13,502,819</u>

Allowance for impairment losses increased by \$nil (2018: \$1,794,033).

b) The aging of the accounts receivable at the reporting date was as shown below.

	<u>2019</u>			<u>2018</u>		
Aging Schedule	Gross	Impairment	Net	Gross	Impairment	Net
1-30 days	1,899,338		1,899,338	5,755,726		5,755,726
31 - 60 days	922,971		922,971	962,456		962,456
61 - 90 days	1,008,609		1,008,609	11,204		11,204
91 - 180 days	2,325,508		2,325,508	3,296,665		3,296,665
181 - 360 days	669,848		669,848	1,681,986		1,681,986
360+ days	2,615,124	(2,607,336)	7,788	4,402,119	(2,607,336)	1,794,783
	<u>9,441,398</u>	<u>(2,607,336)</u>	<u>6,834,062</u>	<u>16,110,156</u>	<u>(2,607,336)</u>	<u>13,502,820</u>

Management makes a judgemental provision for accounts that are overdue. In addition to this judgemental provision, receivables that have been proven uncollectible are written off directly to expenses as bad debts.

A large number of accounts receivables are with government agencies, as such Sovereign Probability of Default (PD) and loss given default (LGD) was applied in assessing expected credit loss. The accounts receivable aging above shows a 41% reduction in the gross value. This improvement is primarily on account of the ongoing negotiations with CIG and Cayman Airways to resolve the longstanding debts.

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2019
(In Cayman Islands dollars)

6. Accounts Receivables (continued)

(i) Impairment losses on accounts receivables

Movement in the provision for impairment of receivables are as follows:

	<u>2019</u>	<u>2018</u>
Balance at 1 January	2,607,336	813,303
Increase in provisions during the year	-	1,794,033
Receivables written off during the year	-	-
Balance at 31 December	<u>2,607,336</u>	<u>2,607,336</u>

81% of the outstanding receivable is due from government entities and as such the recovery of same is highly probable and remains the subject of ongoing discussions between the CIAA and the entities involved (reference Note 16 of these financial statements).

Provision for impairment loss on accounts receivable are recognized in these statements.

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2019
(In Cayman Islands dollars)

7. Property, Plant, Equipment, and Intangible Assets

For the year ended 31 December 2019	Land	Building and Structures	Equipment	Other Assets	Construction in Progress	Sub-Total	Intangible Assets	Total
Cost								
At beginning of year	63,960,000	37,986,278	7,972,802	1,470,901	68,012,749	179,402,730	2,836,680	182,239,410
Additions during year	-	3,406,211	-	-	15,906,365	19,312,576	-	19,312,576
Disposals during year	-	(10,989,831)	-	-	-	(10,989,831)	-	(10,989,831)
Transfers and Adjustments	-	68,898,964	1,602,815	259,309	(70,905,066)	(143,978)	143,978	(0)
Revaluation adjustment	-	(5,183,816)	-	-	-	(5,183,816)	-	(5,183,816)
	63,960,000	94,117,806	9,575,617	1,730,209	13,014,048	182,397,681	2,980,658	185,378,339
Accumulated depreciation:								
At beginning of year	-	16,403,072	5,237,752	1,184,092	-	22,824,916	2,336,569	25,161,485
Charge for year	-	3,402,667	489,333	111,980	-	4,003,980	484,851	4,488,831
Disposals during year	-	(10,989,831)	-	-	-	(10,989,831)	-	(10,989,831)
Transfers and Adjustments	-	66,594	(27,095)	48,581	-	88,080	(4,497)	83,583
Revaluation adjustment	-	(438,649)	-	-	-	(438,649)	-	(438,649)
At end of year	-	8,443,853	5,699,990	1,344,653	-	15,488,496	2,816,923	18,305,419
Carrying value: At 31 December 2019	63,960,000	85,673,953	3,875,627	385,557	13,014,048	166,909,185	163,735	167,072,920
For the year ended 31 December 2018								
Cost								
At beginning of year	63,960,000	37,986,278	6,534,456	2,859,637	41,944,309	153,284,680	2,815,155	156,099,835
Additions during year	-	-	48,551	1,040	26,068,440	26,118,031	24,477	26,142,508
Transfers and Adjustments	-	-	1,389,795	(1,389,795)	-	-	-	-
Revaluation adjustment	-	-	-	-	-	-	-	-
	63,960,000	37,986,278	7,972,802	1,470,882	68,012,749	179,402,711	2,839,632	182,242,343
Accumulated depreciation:								
At beginning of year	-	9,826,099	3,275,908	2,396,569	-	15,498,576	1,815,260	17,313,836
Charge for year	-	6,550,625	653,639	119,028	-	7,323,292	521,308	7,844,600
Transfers and Adjustments	-	-	1,334,557	(1,331,505)	-	3,052	2,954	6,006
Revaluation adjustment	-	-	-	-	-	-	-	-
At end of year	-	16,376,724	5,264,104	1,184,092	-	22,824,920	2,339,522	25,164,442
Carrying value: At 31 December 2018	63,960,000	21,609,554	2,708,698	286,790	68,012,749	156,577,791	500,110	157,077,901

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

7. Property, Plant, Equipment, and Intangible Assets (continued)

Phase II of the Owen Roberts International Airport Terminal Expansion and Renovation Project began construction during 2017 and was carried out in several phases to include the full renovation and expansion of the existing terminal facility. The Terminal Expansion project was completed in July 2019. In late 2019, another major project was initiated, which was the Airfield Upgrades Project which was completed in 2021.

Construction in Progress at the end of the year ended 31 December 2019 comprised of the following projects:

Description	Amount
ORIA Airfield Upgrade and Extension	6,632,916
Baggage Handling	2,427,649
Carpark Upgrade *	637,670
Fencing Project	423,165
CKIA Baggage Scan	399,305
Departure Hall Seating	253,358
CKIA Terminal Renovations	358,313
Tent and Flooring	244,531
CKIA Departure System *	142,532
Admin Office Furniture and Conference	164,834
Runway Regulators	111,971
ATC Furniture and Fixtures	63,074
General Aviation Terminal Generator	47,006
NDB Tower Project - Brac	45,965
Storage Unit and Courier Building	63,675
CCTV Camera Upgrade	56,374
Motor Vehicles and Trolleys	94,903
Fire Alarm and Suppression System *	57,589
AVCOM and MHZ Radios and Transmitters	80,612
Kiosks	23,313
X-Ray Machine	22,632
Survey charge	22,527
AWOS	18,255
Beacon House	15,825
Bush Hog Tractor	15,170
Counters	15,000
Other Small Projects or Purchases	575,886
Total	13,014,048

* Includes Intangible Assets

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

7. Property, Plant, Equipment, and Intangible Assets (continued)

Fair Value Measurements

IFRS No. 13, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under IFRS 13 are described below:

- | | |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that has the ability to access. |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none"> • Quoted prices for similar assets or liabilities in active markets; • Quoted prices for identical or similar assets or liabilities in inactive markets; • Inputs other than quoted prices that are observable for the asset or liability; • Inputs that are derived principally from or corroborated by observable market data by correlation or other means. <p style="margin-left: 40px;">If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.</p> |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

IFRS 13 requires additional disclosures for the assets measured at fair value in the Statement of Financial Position on a recurring or non-recurring basis after initial recognition, the valuation techniques used and details of inputs used to develop the measurements. There were no other significant valuations performed using unobservable inputs. Consequently, the fair value hierarchy for the inputs utilized by the Authority to obtain the market value is assessed at level 2.

Assets and Fair Values as at September 2019, buildings include the new terminal building valued at \$65,000,000:

Asset Class	Level 1	Level 2	Level 3	Total
Land	-	63,960,000	-	63,960,000
Buildings	-	69,894,085	-	69,894,085
Total	-	133,854,085	-	133,854,085

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

7. Property, Plant, Equipment, and Intangible Assets (continued)

Completion of the new passenger terminal building

In September 2019, following the completion of construction works, a property valuation expert engaged by management opined that the new passenger terminal building's fair market value was \$65 million. On valuation of the new building, there was a revaluation loss of \$4,745,167.

At the same time of revaluation of the new building, the remaining portion of the old terminal building with an initial value of \$10,939,831 was retired; the revaluation reserve effect was \$5,755,550 which was transferred to Retained Earnings on retirement date of 17 September 2019.

Furthermore, in 2019 CIAA started the Airfield Upgrades Project which consisted of a runway repaving and extension, the easterly apron expansion, filling the airfield ponds, and constructing a new airfield perimeter road. As of 31 December 2019, ORIA had entered into project management and construction contracts totalling \$45.7 million, which included all costs for construction and project management for the Airfield Upgrades project. Construction was substantially started in October 2019 and completed in March 2021. Final project, costs updated as of March 2021, was \$43.4 million.

8. Short- and Long-Term Debt Payable

The Authority held two (2) European Community Loan as follows:

1981 Loan – Cayman Brac Airport: €330,000 repayable over 30 years, commencing 1990 at interest rate of 1% on outstanding balance.

1987 Loan – Cayman Brac Airport: €658,000 repayable over 30 years, commencing 1997 at interest rate of 1% on outstanding balance.

Both loans were paid off during 2018. Interest paid during the year was \$nil (2018: \$3,460).

9. Accounts Payable & Accrued Expenses

The Authority's accounts payable and accrued expenses are summarized as below.

a) Trade creditors

Trade creditors are stated at amortized cost with an aging profile as shown below. Included in the over 90 days are amounts due to other government entities and is disclosed under Note 16- Related Party Transactions. The aging profile of trade creditors is shown immediately below:

	Current period	31 - 60 days	61 - 90 days	91 - 180 days	181 - 360 days	361 - 720 days	Over 720 days	Total
2019	4,854,681	507,540	75,625	123,410	165,225	(154,602)	18,031	5,589,911
2018	2,756,179	301,052	116,752	187,913	337,084	56,039	636,176	4,391,194

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

9. Accounts Payable & Accrued Expenses (continued)

- b) Accruals represents trade invoices not yet posted to the payables subledger. Included in the amounts at year end were stage payments due in relation to the ORIA Runway and Airside upgrades. These amounts were settled in 2020.

- c) Employee entitlements

Employee entitlements represents outstanding leave entitlements. In keeping with CIG's leave policy employees are encouraged to carry no more than 5 days into the new financial year. The value of outstanding vacation entitlement was \$76,527 (2018: \$78,715).

The Authority facilitates a Christmas savings programme on behalf of the staff. Participation in the programme is voluntary and savings achieved by way of monthly payroll deduction with funds being returned to participants by the agreed date. The programme pays no interest. All amounts were fully reimbursed to employees as at the reporting date.

- d) Other current liabilities

Other current liabilities represent amounts collected for Environmental Fees in relation to fixed based operators (FBOs) and private aircraft activity on behalf of the Treasury. Environmental fees generated from commercial activity is invoiced and collected directly from the airlines and submitted to the CIG Treasury Department.

10. Unfunded Pension Liability

In March 2005, the Government's Financial Secretary requested that all Government entities recognize its fair portion of the unfunded defined benefit liability on its financial statements. The Public Services Pension Plan (the "Plan") is managed by the Public Services Pension Board (the "PSPB"). Pension contributions for eligible employees of the Authority are paid to the Public Service Pensions Fund (the "Fund"). The Fund is administered by the Public Service Pensions Board (the "Pensions Board") and is operated as a multi-employer program.

Prior to 14 April 1999, the Fund operated as a defined benefit plan. With effect from 14 April 1999, the Fund has both a defined benefit and a defined contribution scheme. Participants joining after 14 April 1999 are members of the defined contribution scheme. The PSPB is responsible for, among other things, administering the Public Service Pensions Fund (the "Fund"), communicating with plan participants and employers, prescribing contribution rates in accordance with the latest actuarial valuation and recommending amendments to the Plan as needed.

Contributions towards benefits accruing in respect of the current service (i.e., for the period since the employee was enrolled in the plan) are funded at rates periodically advised by the Pensions Board and are recognized as an expense in the period incurred. The Authority makes payments to the plan to fund benefits accruing in respect of past service (the "past service funding liability").

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

10. Unfunded Pension Liability (continued)

This past service funding liability, which is generally equivalent to the actuarially determined present value of the defined benefit obligations less the value of the assets available to meet such obligations, is calculated periodically by the Plan actuaries.

The Authority recognizes changes in the past service funding liability, adjusted for funding payments made, as an expense or gain in the period in which such changes are incurred. In the absence of formal notification from the Pensions Board, the Authority has no reliable way to quantify its liability to the Plan in respect of unfunded past service benefits.

Administration costs that are not investment related were recognized in the Statement of Comprehensive Income as an operating charge under IAS 19R – Employee Benefits. This differs from the previous approach under IAS 19 Employee Benefits, where all administration costs are allowed for within the expected rate of return of assets. Under International Accounting Standards (IAS) 19R – employee benefits, the expected return on assets is no longer used in the determination of the defined benefit cost, but it continues to be used in the determination of the asset limit under IFRIC 14. The expected return on assets assumption continues to be management best estimate. Using the projected unit credit method of measuring costs and obligations, the actuaries assessed the minimum normal annual contribution for defined cost to be 12.4% while the contribution for defined benefit was 30.2%.

(a) Defined benefit pension plan

Under the Defined Benefit plan, participants are reimbursed by the CIAA for their contributions as per contractually obligated to employees engaged under General Orders (Pre-1999) and grandfathered in under the new Public Services Pension Plan.

To determine the defined benefit obligation under the Plan, an actuary approved by the PSPB was engaged to conduct annual studies. Effective 1 July 2016, separate discount rates are being used to value the benefit obligation, service cost, interest cost and interest cost on the service cost. The discount rate used to calculate the benefit obligations is determined by multiplying the liability cash flows by the spot rates and determining a level equivalent discount rate. The discount rate used to calculate the service cost is determined by multiplying the service cost cash flows by the spot rates and determining level discount rate. Interest cost is determined by summing the product of the discounted liability cash flows and the spot rates. Interest on the service cost is determined by summing the product of the discounted service cost cash flows and the spot rates.

The most recent provisional actuarial estimate was performed as of 31 December 2019 indicated a plan deficit attributable to the Authority of \$9,380,000 (2018: \$7,700,000). The total amount recognized as a pension expense for the year ended 31 December 2019, inclusive of both defined benefit and defined contribution parts, was \$461,000 (2018: \$285,000). The defined benefit obligation as at 31 December 2019 as it relates to its participation in the Plan is based on the 48 members as at 30 September 2019 (2018: 50 members).

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

10. Unfunded Pension Liability (continued)

(a) Defined benefit pension plan (continued)

The latest actuarial valuation (of the defined benefit plan) recorded in the accounts of the Authority reflects the following:

The pension plans are funded at the following rates:	2019	2018
Defined Contribution Plans - Employee	6.00%	6.00%
- Employer	6.40%	6.40%
Defined Benefit Plans - Employee	6.00%	6.00%
- Employer	30.20%	30.20%

Financial year ended on	2019	2018
The actuarial position is as follows:		
Net present value of funded obligation beginning of year	(13,411)	(10,807)
Fair value of plan assets	4,031	3,107
Net liability in Statement of Financial Position, end of year	(9,380)	(7,700)

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

10. Unfunded Pension Liability (continued)

(a) Defined benefit pension plan (continued)

	31 December	
	2019	2018
A. Defined benefit obligation (\$'000's)		
1. Defined benefit obligation at end of prior year	10,807	12,134
2. Service cost		
a. Current service cost	251	275
b. Past service cost	-	-
c. (Gain) / loss on settlements	-	-
3. Interest expense	454	425
4. Cash flows		
a. Benefit payments from plan assets	(168)	(122)
b. Transfers between Other Participating employers	(296)	(305)
c. Settlement payments from plan assets	-	-
d. Settlement payments from employer	-	-
e. Participant contributions	89	58
f. Administrative expenses included in the DBO	-	-
g. Taxes included in the DBO	-	-
h. Insurance premiums for risk benefits	-	-
5. Other significant events	-	-
a. Increase (decrease) due to effect of any business	-	-
- combinations / divestitures / transfers	-	-
b. Increase (decrease) due to plan combinations	-	-
6. Remeasurements		
a. Effect of changes in demographic assumptions	(53)	(104)
b. Effect of changes in financial assumptions	2,513	(1,729)
c. Effect of experience adjustments	(186)	175
7. Effect of changes in foreign exchange rates	-	-
8. Defined benefit obligation at end of year	13,411	10,807

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

10. Unfunded Pension Liability (continued)

(a) Defined benefit pension plan (continued)

	31 December	
	2019	2018
B. Change in fair value of plan assets (\$'000's)		
1. Fair value of plan assets at end of prior year	3,107	3,327
2. Interest income	140	124
3. Cash flows		
a. Total employer contributions		
(i) Employer contributions	461	285
(ii) Employer direct benefit payments	-	-
(iii) Employer direct settlement payments	-	-
b. Participant contributions	89	58
c. Benefit payments from plan assets	(168)	(122)
d. Transfers between Other Participating employers	(296)	(305)
e. Settlement payments from plan assets	-	-
f. Settlement payments from employer	-	-
g. Administrative expenses paid from plan assets	-	-
h. Taxes paid from plan assets	-	-
i. Insurance premiums for risk benefits	-	-
4. Other significant events		
a. Increase (decrease) due to effect of any business	-	-
- combinations / divestitures / transfers		
b. Increase (decrease) due to plan combinations	-	-
5. Remeasurements		
a. Return on plan assets (excluding interest income)	698	(260)
6. Effect of changes in foreign exchange rates	-	-
7. Fair value of plan assets at end of year	4,031	3,107

	31 December	
Financial year ending on	2019	2018
C. Amounts recognized in the Statement of Financial Position (\$'000's)		
1. Defined benefit obligation	13,411	10,807
2. Fair value of plan assets	4,031	3,107
3. Funded status	9,380	7,700
4. Effect of asset ceiling/onerous liability	-	-
5. Net defined benefit liability (asset)	9,380	7,700

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

10. Unfunded Pension Liability (continued)

(a) Defined benefit pension plan (continued)

D. Components of defined benefit cost (\$'000's)	31 December	
	2019	2018
1. Service cost		
a. Current service cost	251	275
b. Reimbursement service cost	-	-
c. Past service cost	-	-
d. (Gain) / loss on settlements	-	-
e. Total service cost	251	275
2. Net interest cost		
a. Interest expense on DBO	454	425
b. Interest (income) on plan assets	(140)	(124)
c. Interest (income) on reimbursement rights	-	-
d. Interest expense on effect of (asset ceiling)/onerous liability	-	-
e. Total net interest cost	314	301
3. Remeasurements of Other Long Term Benefits	-	-
4. Administrative expenses and/or taxes (not reserved within DBO)	-	-
5. Defined benefit cost included in P&L	565	576
6. Remeasurements (recognized in other comprehensive income)		
a. Effect of changes in demographic assumptions	(53)	(104)
b. Effect of changes in financial assumptions	2,513	(1,729)
c. Effect of experience adjustments	(186)	175
d. (Return) on plan assets (excluding interest income) *	(698)	260
e. (Return) on reimbursement rights (excluding interest income)	-	-
f. Changes in asset ceiling/onerous liability (excluding interest income)	-	-
g. Total remeasurements included in OCI	1,576	(1,398)
7. Total defined benefit cost recognized in P&L and OCI	2,141	(822)

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

10. Unfunded Pension Liability (continued)

a) Defined benefit pension plan (continued)

	31 December	
E. Net defined benefit liability (asset) reconciliation (\$'000's)	2019	2018
1. Net defined benefit liability (asset)	7,700	8,807
2. Defined benefit cost included in P&L	565	576
3. Total remeasurements included in OCI	1,576	(1,398)
4. Other significant events	-	-
a. Net transfer in/(out) (including the effect of any business - combinations/divestitures)	-	-
b. Amounts recognized due to plan combinations	-	-
5. Cash flows		
a. Employer contributions	(461)	(285)
b. Employer direct benefit payments	-	-
c. Employer direct settlement payments	-	-
6. Credit to reimbursements	-	-
7. Effect of changes in foreign exchange rates		
8. Net defined benefit liability (asset) as of end of year	9,380	7,700
F. Significant actuarial assumptions		
<i>Weighted-average assumptions to determine defined benefit obligations</i>		
Effective discount rate for defined benefit obligation	3.5%	4.5%
Rate of salary increase	2.5%	2.5%
Rate of price inflation	2.0%	2.0%
Rate of pension increases	2.0%	2.0%
Mortality assumption	RP-2014 scaled back to 2006 using Scale MP-2014 then generationally projected from 2006 using Scale MP-2019	RP-2014 scaled back to 2006 using Scale MP-2014 then generationally projected from 2006 using Scale MP-2018
Cost Method	Projected Unit Credit	Projected Unit Credit
Asset Valuation Method	Market Value	Market Value

<i>Weighted-average assumptions to determine defined benefit cost</i>		
Discount rate used to determine current service cost	4.20%	3.50%
Discount rate used to determine interest on current service cost	4.55%	3.85%
Discount rate used to determine interest on defined benefit obligation	4.40%	3.50%
Rate of salary increase	2.50%	2.50%
Rate of price inflation	2.00%	2.00%
Rate of pension increases	2.00%	2.00%
Mortality assumption	RP-2014 scaled back to 2006 using Scale MP-2014 then generationally projected from 2006 using Scale MP-2018	RP-2014 scaled back to 2006 using Scale MP-2014 then generationally projected from 2006 using Scale MP-2016

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

10. Unfunded Pension Liability (continued)

(a) Defined benefit pension plan (continued)

G. Sensitivity analysis (\$'000's)	31 December	
	2019	2018
Discount rate		
a. Discount rate - 25 basis points	14,158	11,375
b. Discount rate + 25 basis points	12,717	10,278
Inflation rate		
a. Inflation rate - 25 basis points	12,758	10,311
b. Inflation rate + 25 basis points	14,110	11,337
Mortality rates		
a. Mortality - 10% of current rates	13,755	11,043
b. Mortality + 10% of current rates	13,098	10,591
<i>Weighted average duration of defined benefit obligation (in years)</i>		
Discount rate - 25 basis points	21.68	21.39
Discount rate + 25 basis points	21.25	21.00
H. Expected cash flows for following fiscal year		
1. Expected employer contributions	349	360
I. Defined benefit obligation		
1. Defined benefit obligation by participant status		
a. Actives	11,914	9,657
b. Vested deferreds	1,497	1,150
c. Retirees	-	-
d. Total	13,411	10,807

Participant data	September 30 , 2 0 1 9	November 3 0 , 2 0 1 8
Actives		
Number	18	20
Payroll (CI\$000)	1,121	1,252
Age (years)	49.96	49.50
Authority Service (years)	21.18	21.48
Total Service (years)	24.90	24.83
Transfers		
Number	12	12
Payroll (CI\$000)	854	731
Age (years)	45.82	46.06
Authority Service (years)	16.02	14.08
Total Service (years)	26.95	26.56

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

10. Unfunded Pension Liability (continued)

(b) Defined contribution plan

Employees who are not participants in the defined benefit part of the Plan are enrolled in the defined contribution part of the Plan. During the 12-month period ended 31 December 2019, the Authority and its employees contributed to the fund 6.4% and 6%, respectively.

(c) Actuarial assumptions

We have used actuarial assumptions approved by the Financial Secretary, the main sponsor of the Plan on 10 August 2016. The assumptions as at the reporting date are used to determine the present value of the benefit obligation at that date and the defined benefit cost for the following year. We have used actuarial assumptions approved by the Financial Secretary. The principal financial and demographic assumptions used at 31 December 2019 and 31 December 2018 are shown in the table below. There have been no changes in actuarial assumptions since the prior valuation other than the changes to the principal assumptions shown in the table above.

Measurement Date	31 December 2019	31 December 2018
Discount rate		
• BOY disclosure and current year expense	4.50% per year	3.80% per year
• EOY disclosure	3.50% per year	4.50% per year
• Following year current service cost	3.60% per year	4.55% per year
• Rate used to determine interest on defined benefit obligation and plan assets for following year expense	3.15% per year	4.20% per year
• Rate used to determine interest on current service cost for following year expense	3.40% per year	4.40% per year
Increases in pensionable earnings	2.50% per year	2.50% per year
Rate of pension increases	2.00% per year	2.00% per year
Mortality		
• BOY disclosure and current year expense	RP-2014 scaled back to 2006 using Scale MP- 2014, then generationally projected using Scale MP-2018	RP-2014 scaled back to 2006 using Scale MP- 2014, then generationally projected using Scale MP-2016
• EOY disclosure and following year expense	RP-2014 scaled back to 2006 using Scale MP- 2014, then generationally projected using Scale MP-2019	RP-2014 scaled back to 2006 using Scale MP- 2014, then generationally projected using Scale MP-2018
Disability	None	None

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

10. Unfunded Pension Liability (continued)

(c) Actuarial assumptions (continued)

Measurement Date	31 December 2019	31 December 2018
Turnover rates	Age related table	Age related table
Retirement	Age-related retirement rates used. See table below	Age-related retirement rates used. See table below
Assumed life expectations on retirement	Retiring today (member age 57): 28.66	Retiring today (member age 57): 28.80
	Retiring in 25 years (at age 57): 30.93	Retiring in 25 years (at age 57): 31.08
Liability cost method	Projected unit credit method	Projected unit credit method
Asset value method	Market value of assets	Market value of assets
Commutation of pension	All members commute 25% at retirement	All members commute 25% at retirement

TURNOVER RATES		
Turnover rates at sample ages:		
Age	Male	Female
20	7.50%	12.50%
25	5.00%	12.50%
30	3.50%	7.50%
35	2.50%	4.50%
40	1.50%	2.50%
45	0.50%	5.00%
50	0.00%	0.00%

RETIREMENT RATES	
Age	
Below 55	0%
55-59	8%
60	60%
61-64	8%
65	100%

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

11. Unfunded Health Care Obligation

The Authority provides full pension and healthcare benefits for staff who were previously hired by the Cayman Islands Government under General Orders (pre-1990) in line with the established and agreed contractual obligations prior to establishment of the Authority. These staff had given ten (10) years' continuous service and will become eligible for the benefit when they attain at least 55 years old.

The healthcare benefit is in the form of continuation of their health insurance coverage on the medical plan in force for active employees. The premiums for this health insurance coverage are paid for by the Authority for all eligible retirees until the end of their lives. The continued payment of these medical bills constitutes a constructive obligation on the Authority to be liable for future medical bills of such retirees. This liability has been estimated and recognized in these financial statements. This coverage falls within the definition of a defined benefit by the IFRS and as such represents a future liability of the Authority.

This post-employment benefit has been formalized and recognized and implemented since 2014, allowing entitled retirees to continue to benefit from the medical coverage as per contractual obligations under General Orders. The Authority is required to use the actuarial valuation method to determine the present value of its health insurance benefit obligations for its former workers as well as future retirees and the related current service costs. IAS 19 directs that funded or unfunded post-employment benefits must be recognized in the Statement of Financial Position (in the case of net defined liability or asset) and the Statement of Comprehensive Income (for the annual expense). These actuarial valuations use several financial and demographic assumptions to determine the liability and current expense of the benefits which will be honored on behalf of the retirees. Financial assumptions include, the discount rate, estimated future costs of the medical premiums, and the claims rate for the medical plans. Demographic assumptions include estimated mortality and benefits levels.

The defined benefit cost for the 12- month period ended 31 December 2019 was \$3,668,000 (2018: credit of \$966,000). The defined benefit cost comprises a Profit & Loss charge of \$1,360,000 (2018: \$1,435,000) and an Other Comprehensive income (OCI) debit of \$2,308,000 (2018: credit of \$2,401,000). The actuarial liability as at 31 December 2019, calculated using a discount rate of 3.60% (2018: 4.55%), is \$18,183,000 (2018: \$14,676,000).

The details of the valuation and the assumptions used are reproduced hereunder in accordance with IAS 19. There has been full recognition of this liability and annual expense in the financial statements of the Authority. The current unfunded past service healthcare liability is estimated at \$18,183,000 (2018: \$14,676,000).

The Authority's commissioned actuary assessment of the future healthcare costs are included hereunder.

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

11. Unfunded Health Care Obligation (continued)

	31 December	
	2019	2018
Change in defined benefit obligation over year ended	\$'000	\$'000
A. Defined benefit obligation		
1. Defined benefit obligation at beginning of year	14,676	15,763
2. Current service cost	725	862
3. Interest Expense	635	573
4. Cash Flow s		
a. Benefit payments from employer	(161)	(121)
5. Remeasurements		
a. Effect of changes in demographic assumptions	(2,066)	(147)
b. Effect of changes in financial assumptions	3,382	(2,285)
c. Effect of experience adjustments	992	31
Defined benefit obligation at end of year	18,183	14,676

	31 December	
	2019	2018
B. Change in fair value of plan assets	\$'000	\$'000
1. Fair value of plan assets at start of year	-	-
2. Interest income	-	-
3. Cash flow s		
a. Total employer contributions		
(i) Employer direct benefit payments	161	121
(ii) Benefit payment from employer	(161)	(121)
Total	-	-

	31 December	
C. Amounts recognized in Statement of Financial Position	2019	2018
	\$'000	\$'000
1. Defined benefit obligation	18,183	14,676
Funded status	18,183	14,676
Effect of experience adjustment	-	-
Net defined benefit liability	18,183	14,676

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

11. Unfunded Health Care Obligation (continued)

	31 December	
D. Components of defined benefit cost	2019	2018
	\$'000	\$'000
1. Service cost		
Current service cost	725	862
2. Net interest cost		
Interest expense on DBO	635	573
Defined benefit cost included in P&L	1,360	1,435
3. Remeasurements (recognized in other comprehensive income)		
a. Effect of changes in demographic assumptions	(2,066)	(147)
b. Effect of changes in financial assumptions	3,382	(2,285)
c. Effect of experience adjustments	992	31
Total remeasurements included in OCI	2,308	(2,401)
Total defined benefit cost recognized in P&L and OCI	3,668	(966)

	31 December	
E. Net defined benefit liability (asset) reconciliation	2019	2018
	\$'000	\$'000
1. Net defined benefit liability (asset)	14,676	15,763
2. Defined benefit cost included in P&L	1,360	1,435
3. Total remeasurements included in OCI	2,308	(2,401)
4. Cash flows		
a. Employer direct benefit payments	(161)	(121)
Net defined benefit liability as at the end of year	18,183	14,676

	2019	2018
F. Defined benefit obligation	\$'000	\$'000
Defined benefit obligation by participant status		
Actives	12,310	11,224
Retirees	5,873	3,452
Total	18,183	14,676

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

11. Unfunded Health Care Obligation (continued)

	31 December	
	2019	2018
G. Significant actuarial assumptions		
<i>Weighted-average assumptions to determine defined benefit obligations</i>		
Effective discount rate for defined benefit obligation	3.60%	4.55%
Healthcare cost trend rates		
Immediate trend rate	5.00%	5.00%
Ultimate trend rate	5.00%	5.00%
Year rate reaches ultimate trend rate	n/a	n/a
Mortality rate assumption	RP-2014 projected with MP-2019	RP-2014 projected with MP-2018

<i>Weighted-average assumptions to determine defined benefit cost</i>		
Effective discount rate for defined benefit obligation	4.55%	3.85%
Effective rate for net interest cost	4.35%	3.65%
Effective rate for service cost	4.60%	3.90%
Effective rate for interest on service cost	4.60%	3.85%
Healthcare cost trend rates		
Immediate trend rate	5.00%	5.00%
Ultimate trend rate	5.00%	5.00%
Year rate reaches ultimate trend rate	n/a	n/a
Mortality rate assumption	RP-2014 projected with MP-2018	RP-2014 projected with MP-2016

	2019	2018
H. Sensitivity analysis		
Change in the defined benefit obligation		
Effective discount rate -25 basis points	1,059	813
Effective discount rate +25 basis points	(984)	(756)
Health care cost trend rates - 100 basis points	(3,418)	(2,714)
Health care cost trend rates + 100 basis points	4,491	3,540
Mortality assumption + 10%	(818)	(591)

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

11. Unfunded Health Care Obligation (continued)

I. Expected cash flows for following year:	2019	2018
Expected employer contributions	171	161
Expected total benefit payments		
Year 1	171	161
Year 2	209	186
Year 3	250	223
Year 4	298	265
Year 5	341	310
Next 5 years	2,323	2,171

Participant data as of	December 31, 2019	April 1, 2017
Active Members		
Number	41	49
Average years of service	20.9	19.2
Average years of service after age 40	9.6	7.7
Average age	50.0	47.4
Pensioners		
Number	17	11
Average age	63.2	60.4
Number of covered spouses	7	2

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

11. Unfunded Health Care Obligation (continued)

Actuarial assumptions

The assumptions as at the reporting date are used to determine the present value of the defined benefit obligation (DBO). The actuarial assumptions are consistent with the determined results for the Cayman Islands Government post-retirement healthcare program. The principal financial and demographic assumptions used at 31 December 2019 and 2018 are as follows.

Economic Assumptions	Post Retirement Healthcare	Basis of Development - accounting specific assumptions
Discount rate for benefit obligations (p.a)		
- 31 December 2018	4.55%	Per IAS 19 para. 83, determined by reference to market yields on high quality corporate bonds (consistent with the term of the benefit obligations) at the fiscal year end date. Mercer US Above Mean Yield Curve (referencing US corporate bonds yields) used to determine discount rates due to strong economic and currency links between the US and Cayman Islands.
- 31 December 2019	3.60%	
Discount rate for following year's service cost (p.a.)		
- 31 December 2018	4.60%	
- 31 December 2019	3.70%	

Administrative expenses	Included in projected premiums	
Rate of Medical inflation (p.a)	5.00%	Based on an analysis of historical claims information and long-term medical inflation expectations

Turnover rates	Age	Rate	
		Male	Female
	20-24	7.50%	12.50%
	25-29	5.00%	12.50%
	30-34	3.50%	7.50%
	35-39	2.50%	4.50%
	40-44	1.50%	2.50%
	45-49	0.50%	0.50%
	50+	0.00%	0.00%

Disability rates	None
-------------------------	-------------

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

11. Unfunded Health Care Obligation (continued)

Actuarial assumptions (continued)

Retirement age	Age	Rate
31 December 2018	< 55	0.0%
	55-59	8.0%
	60	60.0%
	61-64	8.0%
	65	100.0%

Martial assumption	80% married, wife 3 years younger	80% married, wife 3 years younger
--------------------	-----------------------------------	-----------------------------------

Demographic Assumptions	Post Retirement Healthcare	Basis of Development - accounting specific assumptions
Current mortality rates		
- 31 December 2018	RP-2014 Mortality Table scaled back to 2006 using MP-2014	Recent mortality studies in the U.S. and Canada show that people are living longer. New mortality tables have been issued by U.S. and Canada.
- 31 December 2019	RP-2014 Mortality Table scaled back to 2006 using MP-2014	The mortality table has been updated to better reflect actual mortality improvement rates experienced in the U.S. over the last 20 years.
Mortality improvements		
- 31 December 2018	Scale MP-2018	Broad consensus amongst longevity experts that mortality improvement will continue in the future.
- 31 December 2019	Scale MP-2019	In the U.S., the future mortality improvement scale has been updated to Scale MP-2018.

12. Revenues

(a) Aeronautical revenue

The Authority is self-sufficient with respect to its financing. The primary source of funds being derived from passenger and aircraft movements. As part of the management services at both aerodromes, the Authority provides a range of services directly to passengers and commercial, FBO and private aircraft. These services are in keeping with the various aviation safety and security standards as directed by the International Civil Aviation Organization (ICAO) and the Overseas Territories Aviation Regulations (OTARs). The charges for these services are in keeping with industry standards and are monitored on behalf of carriers through the International Air Transport Association (IATA).

Aircraft handling income and Passenger fees and charges are driven by activity levels. Combined, these revenue streams account for 87% of the average annual revenue.

In June 2014, the Government brokered an agreement with the CIAA to provide accommodation for government entities in exchange for the retention of the full per head departure tax levied

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

12. Revenues (continued)

(a) Aeronautical revenue (continued)

on departing international passengers. This support is also part and parcel of the ongoing capital support required by the Authority in order to execute its development masterplan.

For the reporting period under consideration the Authority earned \$32,357,035 (2018: \$30,447,051) from passenger fees and another \$3,920,301 (2018: \$3,861,574) from aircraft handling.

(i) Passenger fees and charges

Passenger fees and charges are based on passenger departure to domestic and international destinations. These are levied per passenger as approved in the various legislations governing such fees and remitted to the Authority under an agency relationship with each airline carrier.

	2019	2018
	Amount	Amount
Travel Tax	15,945,722	14,746,805
Passenger facility Charges	8,765,379	8,141,263
Security tax and Passenger terminal charges	7,645,934	7,558,983
	<u>32,357,035</u>	<u>30,447,051</u>

(ii) Aircraft handling income

Through the management services at both aerodromes, the Authority provides a range of services directly to commercial and private aircrafts. These services are in keeping with the various aviation safety and security standards established by the aviation industry.

	2019	2018
	Amount	Amount
Landing fees	2,919,061	2,980,844
Parking fees	533,656	504,998
Terminal facility charges	368,125	273,841
Navigation fees	99,460	101,891
	<u>3,920,301</u>	<u>3,861,574</u>

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

12. Revenues (continued)

(b) Non-aeronautical revenue

Non-aeronautical revenue accounts for an average 13% (2018: 10%) of total revenue each year. This class of revenue comprises fees and charges levied on airport partners and passengers doing business at the aerodromes.

Non-aeronautical revenues are broadly categorized as property rental and concession management, fees and charges and other miscellaneous revenues incident to daily operations.

(i) Property rental and concession management

The Authority provides a number of retail stores and concession opportunities to airport partners such as ground handlers and support services for airlines (such as fueling and janitorial services) and border control agents such as Customs and Border Control, Public Health, Agriculture Department, Protocol Office and the Tourism department.

Non-government tenants are offered the use of the facility at commercial rates while government entities reimburse the Authority for throughput fees and charges such as utilities.

The table below shows the earnings from the various property rental and concession arrangements.

	2019	2018
	Amount	Amount
Petrol concession	1,194,056	1,023,948
Rent - commercial	1,694,840	467,659
Rent - government	313,870	681,328
	<u>3,202,766</u>	<u>2,172,935</u>

(ii) Fees and charges

	2019	2018
	Amount	Amount
Permits and Parking	1,070,148	985,984
Advertising	344,493	310,385
Airport concierge service	397,020	403,072
Cargo screening services	49,290	33,780
	<u>1,860,951</u>	<u>1,733,221</u>

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

12. Revenues (continued)

(a) Permits and parking

The Authority earned \$1,070,148 for the year ended 31 December 2019 (2018: \$985,984) from the use of its paid parking facility as well as tour and taxi permit services. Tour operators are invoiced based on passenger volumes transported while taxi services are licensed at a monthly flat fee. Both services are strictly managed by the Authority to ensure the standards as laid out by the Public Transport Board are satisfied both in terms of the customer service and the vehicular equipment used to transport guests.

(b) Advertising

The Authority engaged a concessionaire to manage local and international businesses advertising at both aerodromes. The ability to earn revenue from this program is based on traffic levels. Advertising revenue collected was \$344,493 (2018: \$310,385).

(c) Airport concierge service

This is the flagship meet and greet service offered to the travelling public and is primarily targeted to high-net-worth individuals, groups and persons traveling to and from the Cayman Islands for medical services. The service is offered at a per-person rate.

(d) Cargo screening services

This charge is levied on commercial carriers and courier services in accordance with international requirements to screen all packages being carried on a commercial aircraft with a maximum takeoff weight of 10,000 lbs. The Authority provides this service as part of its security hold baggage screening quality control operations. The rate is levied on a per-hour basis.

13. Staff Costs

The Authority had a staff complement of 206 persons as the end of the reporting period. The approved head count based on regulations and international standards is 220 persons.

The Authority has 95% Caymanian staffing complement in a field where the skills sets are not easily transferable or had locally. In order to keep currency and maintain its operating permit, ongoing training for staff is mandatory for the technical teams to ensure passenger and aircraft safety.

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

13. Staff Costs (continued)

	2019 Amount	2018 Amount
Salaries and wages	10,204,583	9,601,760
Past service health care expense	1,328,384	1,435,673
Pension contributions	1,025,603	968,625
Medical	995,486	915,885
Past service pension expense	104,000	291,000
Uniforms	41,345	32,138
	<u>13,699,401</u>	<u>13,245,081</u>

Refer to note 10 and 11 above for details on past service pension and healthcare costs.

14. Provision for Legal and Civil Claims

The Authority is a defendant to claims that have been brought against it during the course of its business operations. As of 31 December 2019, \$NIL (2018: \$NIL) was paid out as settlement of claims.

15. Contingencies and Commitments

(a) Contingent legal claims

The Authority believes that the outflow of funds for legal claims are less than probable to be successful and are covered by insurance in excess of deductible; accordingly, no provisions were recognized for possible losses.

(b) Capital and operating commitments

	< 1 year	1 - 5 years	> 5 years	Total
Capital commitments:				
Buildings	750,000	380,879	-	1,130,879
Airside Upgrade Design and Construction	25,334,406	1,715,000	-	27,049,406
Furniture and Fixtures	50,271	-	-	50,271
	<u>26,134,677</u>	<u>2,095,879</u>	<u>-</u>	<u>28,230,556</u>
	< 1 year	1 - 5 years	> 5 years	Total
Operating commitments:				
Janitorial services	129,060	-	-	129,060
Other	961,742	2,255,298	-	3,217,040
	<u>1,090,802</u>	<u>2,255,298</u>	<u>-</u>	<u>3,346,100</u>
Total Commitments	<u>27,225,479</u>	<u>4,351,177</u>	<u>-</u>	<u>31,576,656</u>

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

15. Contingencies and Commitments (continued)

(b) Capital and operating commitments (continued)

As disclosed in Note 7, management has entered into construction contracts that were in progress as at period ended 31 December 2019. The amounts disclosed above represent the remaining amounts on the contract after being updated subsequent to yearend and considering change orders.

(c) Management of cash reserves and dividends payable

The CIAA is required to comply with the stated management and governance principles and practices as laid out under the Public Authorities Law (PAL) 2017.

Per Sections 39(2) and 39(3) of said Law, there is an explicit requirement to remit to the Treasury, surplus cash reserves held for a period in excess of ninety days, unless otherwise directed by Cabinet, after written consultation with the Board. The CIAA has after Board consultation, presented its position and requested an exemption for both cash reserve return and dividends on the basis that its cash needs to service upcoming capital development projects, far outstrips the cash holdings. The Cabinet issued a general exemption to all SAGCs in 2018. There was therefore no demand for payment in 2018 or 2019.

16. Related Party Balances and Transactions

The Authority is directly controlled by the Government and has transactions with entities directly or indirectly controlled by the Government through its government authorities, agencies, affiliations and other organizations (collectively referred to as "government-related entities").

Statement of Financial Position

Included in the Statement of Financial Position and Statement of Comprehensive Income are the following transactions not disclosed elsewhere in the financial statements, which are related parties.

(a) Accounts receivable

	2019	2018
	Amount	Amount
Cayman Airways / Cayman Airways Express	7,172,157	10,197,171
Other Government departments	478,079	419,003
	<u>7,650,236</u>	<u>10,616,174</u>

In November 2013, the Authority agreed to extend payment terms to Cayman Airways from 30 days to 45 days for all invoices. It was further agreed that based on the receivable balance at 30 June 2014, Cayman Airways would pay monthly CI\$ 145,833 over 6 years towards aged balance and remain current by paying all taxes and pass through fees billed on a monthly basis.

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

16. Related Party Balances and Transactions (continued)

Statement of Financial Position (continued)

Due to ongoing collection challenges with the sister company, this agreement was revisited. The Authority agreed to extend a 120-day credit for taxes while all other charges would continue to be handled under the old payment terms.

The Authority continues to be in active negotiation regarding the way forward with respect to debts not covered under the brokered agreement as well as future payables.

(b) Accounts payable

	2019	2018
	Amount	Amount
Cayman Airways / Cayman Airways Express	9,671	727,540
Civil Aviation	250,000	250,000
Other Government Entities	942,903	490,954
	<u>1,202,574</u>	<u>1,468,494</u>

The amounts payable to the Civil Aviation Authority were in respect of regulatory oversight. In 2019 a debt swap of \$756,884 occurred within the Cayman Airways accounts receivables and account payables. This allowed for the write down of balances for landing and parking fees owed to CIAA by CAL against airline tickets owed - CAL by CIAA.

Statement of Comprehensive Income

The Authority has transactions with other government-related entities including but not limited to the sale and purchase of goods and ancillary materials, rendering, and receiving services, lease of assets, depositing money, and use of public utilities.

These transactions are conducted in the ordinary course of the Authority's business on terms comparable with other entities that are not government related. The Authority has established procurement policies, pricing strategy and approval process for purchases and sales of goods and services, which are independent of whether the counterparties are government-related entities or non-government-related entities.

In March 2014, the Cayman Islands Government entered into an agreement with the Authority to name the Authority as the collector of Departure Tax. In exchange for retaining these funds, the Authority agreed to waive rent for all government agencies at each aerodrome facility. However, the various entities are expected to settle directly to the Authority any additional charges and fees. This agreement took effect as at 1 July 2014.

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

16. Related Party Balances and Transactions (continued)

(c) Revenue

The Authority provides aerodrome facilities for border control activities to government and related entities. The revenue earned from these entities was \$9,056,575 (2018: \$10,673,403) while purchases from these entities by the Authority was \$2,119,130 (2018: \$2,299,173). The procedure is for the Authority to be reimbursed by each entity directly for the services provided.

As at the end of the reporting period under review, the Authority recorded income from government entities as shown below. The revenue below is equal to 22% (2018: 28%) of the total earnings for the Authority.

	2019	2018
	Amount	Amount
Cayman Airways Ltd.	8,744,911	10,414,546
Workforce Opportunities and Residency Cayman	87,990	93,715
Cayman Islands Customs & Border Control	85,688	82,323
District Administration	15,436	14,058
Ministry of District Administration, Tourism & Transport	64,794	20,000
Mosquito Research & Control Unit	13,008	12,758
Water Authority - Cayman	12,335	12,335
Protocol Office	6,783	7,058
Tourism Department	6,452	2,572
Agriculture Department	5,706	5,966
Ministry of Human Resources & Immigration	5,000	-
Civil Aviation Authority	2,445	2,695
Legislative Assembly	1,100	-
Health Services Authority	1,277	1,277
Other government departments	3,650	4,100
	<u>9,056,575</u>	<u>10,673,403</u>

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

16. Related Party Transactions (continued)

Statement of Comprehensive Income (continued)

(d) Expense

The Authority incurred charges from government entities as shown below over the course of the operating period. The total expenses amount to 6% (2018: 7%) of operating expenditure for the Authority.

	2019	2018
	Amount	Amount
Civil Aviation Authority	1,000,000	1,017,920
Royal Cayman Islands Police	244,920	245,325
Cayman Islands Treasury Department / Risk management Unit	212,099	440,257
Public Works Department	121,643	123,285
Water Authority	115,204	72,138
Office of the Auditor General	106,178	60,338
Workforce Opportunities and Residency Cayman	92,425	38,045
Cayman Airways	87,408	67,860
Accountant General - Grand Court	67,250	45,377
Department of Vehicles	30,987	29,791
Environmental Health Department	16,380	8,190
Public Services Pensions	12,579	-
Cayman Islands Licensing Department	6,583	6,795
Other government entities	3,597	43,850
National Roads Authority	1,878	91,699
District Administration	-	8,303
	2,119,130	2,299,173

17. Key Management

Key management is defined as Board Members, Senior Management Team any other person(s) who has significant influence over the Authority. For the 12 months ended 31 December 2019, the Authority had 17 key management personnel (2018: 17). There were 7 (2018: 7) board of directors and 10 (2018: 10) key senior managers.

Total compensation to key management personnel for the year amounted to \$1,157,291 (2018: \$1,112,740) representing salary, pension, and other benefits. No key management personnel had any loan or any additional form of compensation/benefit other than stated above with the Authority during the year under consideration.

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

17. Key Management (continued)

	2019	2018
	Amount	Amount
Senior Management	1,137,641	1,087,990
Board of Directors	19,650	24,750
	<u>1,157,291</u>	<u>1,112,740</u>

The remuneration of directors and other members of key management mainly included as staff costs including pension and healthcare was as follows:

	2019	2018
	Amount	Amount
Salaries	927,298	874,379
Benefits (pension and healthcare)	168,275	165,238
PR / Work permit payment	10,463	10,463
Training and conferences	31,605	17,518
Accommodation, travel and motor vehicle	-	5,813
Bonus	-	14,579
	<u>1,137,641</u>	<u>1,087,990</u>

Related parties conduct businesses as concessionaires at Owen Roberts International Airport. All transactions were conducted during the normal course of business and were all done at arm's length. The entities were billed \$nil (2018: \$209,582) for rent and other fees. In 2019 due to the terminal building construction the majority of concessionaires were closed, as a result there were no billings to related party concessionaires.

18. Subsequent Events

a. June 2019 – Public Sector salary realignment exercise

Section 47 of the PAL came into effect on 1 June 2019 mandating public authorities to align their salary scale with those of central government as a means of achieving pay equity across the entire public sector. This realignment exercise requires the remuneration packages of public authorities to be adjusted (up or down) to reduce differences between the public authorities' and public service's pay grades.

The Authority transitioned to the Public Sector salary scale in April 2023. No adjustments were required in the current reporting period as this was not a retroactive decision.

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

18. Subsequent Events (continued)

b. March 2020 - COVID-19 Pandemic

With the spread of COVID-19 throughout the world since 31 December 2019 and the first positive case reported in the Cayman Islands on 17 March 2020, it was announced shortly thereafter by the Cayman Islands Government that the borders to our shores would be temporarily closed as part of a number of mitigation measures to slow the spread of the Coronavirus. As a result, Owen Roberts International Airport saw the last scheduled international passenger flight depart on 22 March 2020, with the exception of any air bridges or repatriation flights that the Cayman Islands Government approved.

Due to the border control restrictions and quarantine measures coupled with the obvious job and economic loss in our primary market (USA), this translated into significant revenue loss for CIAA which required support from the Cayman Islands government. The borders re-opened in November 2022.

In addition to Cabinet support, the CIAA has also implemented multiple internal cost saving measures, such as a temporary freeze on recruitment, redeployment of non-essential staff and resources, reduction in reliance on external contractors, renegotiation of contracts and consultancy in line with operation levels, deferral of some capital projects and utility management across all locations.

c. May 2020 – Support to national airline and stimulation of domestic travel during pandemic

In an effort to further relieve hardship on Cayman Airways as well as stimulate domestic travel, in May 2020, the Board of CIAA took a decision to temporarily waive landing and parking fees on domestic travel from CKIA. In addition, landing fees on domestic travel was waived at ORIA. The decision remains in effect and is reviewed annually by the board.

d. Cash reserves depletion

The Authority depleted its cash reserves in 2020 due to the delays in external funding and the marked decline in travel due to border closures worldwide. The build-up of term deposits was earmarked for capital development hence the depletion of said funds as the redevelopment programme progressed throughout 2019 and 2020. Subsequent to the pandemic and the return to regular air travel, cash deposits are replenishing.

e. March 2021 – Airside Upgrade complete

In 2018, the CIAA began preparatory work on the airside upgrade as outlined in the redevelopment masterplan. A contract was awarded for the design works which are now complete and the project put to tender in 2019. In Q4 of 2019, the airside works contract was awarded. With the advent of COVID-19 and the resulting limited airside activity in 2020, the CIAA accelerated the project works. The project was completed in Q3 of 2020 and all retention settled in Q1 of 2021. Final project, costs updated as of March 2021, was \$43.4 million.

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2019
(In Cayman Islands dollars)

18. Subsequent Events (continued)

e. March 2021 – Airside Upgrade complete (continued)

During the airside project, change orders accelerated by COVID 19 resulted in an increase in the project cost. Following discussions with the service provider a settlement was reached in the region of \$1.4 million dollars. This matter is considered resolved and closed.

f. February 2022 – Loan agreement

A loan agreement was finalised with the Cayman Islands Government (the lender) on February 15th, 2022 for the principal sum of \$50,000,000. As of 31 December 2023, CI\$50,000,000 was disbursed by the lender to CIAA. CIAA began loan re-payments in 2024 having paid \$1,111,111 as at April 30, 2024.

g. June 2023 – Masterplan Approval

An updated masterplan was approved by parliament in June 2023. An OBC and Strategic Plan was initiated in July 2022. The Authority will begin work on the projects approved in the updated Masterplan.