



Cayman Islands Airports Authority

2021 ANNUAL REPORT

VISION STATEMENT

To deliver an excellent airport experience.

MISSION STATEMENT

To provide our guests with world-class airport services, in collaboration with our partners and the Cayman community, delivered with innovation, in a safe and environmentally sustainable manner.

VALUES

T**rust:** We will build an environment of trust, by being accurate, open, honest and consistent in our actions, values, methods, measures, principles and expectations.

E**ngagement:** We will work with respect, knowledge and confidence to fulfil our duties to our Colleagues, Partners and Guests, while embracing diversity and sustainability.

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

M**ission oriented:** We will be dedicated to our team, its mission, vision and strategy, our guests and the Cayman community.

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MESSAGE FROM THE CHAIRMAN

The year 2021 marked a defining period for the Cayman Islands Airports Authority (CIAA), as the organisation navigated the ongoing global challenges brought about by the COVID-19 pandemic while maintaining operational readiness for recovery.

Throughout the year, the Board of Directors worked closely with executive leadership to ensure strong governance, financial oversight, and alignment with national priorities.

The Authority continued to invest in infrastructure, people, and systems, ensuring that both Owen Roberts International Airport (ORIA) and Charles Kirkconnell International Airport (CKIA) remained safe, compliant, and prepared for the reopening of Cayman's borders.

I extend my sincere appreciation to the management team and all CIAA employees for their dedication, professionalism and unwavering commitment during this challenging period. Their efforts ensured that our airports not only remained operational but also continued to evolve and improve.

As we look ahead, the progress made in 2021 has positioned CIAA for a strong and sustainable recovery. The Authority remains committed to delivering world-class airport services and supporting the continued growth and connectivity of the Cayman Islands.

“Despite significant disruptions to international travel, CIAA remained steadfast in its commitment to safety, resilience, and strategic progress.”

Johann Moxam

Chairman of the Board of Directors



MESSAGE FROM THE CEO

The year 2021 was defined by resilience, adaptability, and preparation. As the aviation industry continued to navigate the impacts of COVID-19, CIAA remained focused on safeguarding our people, maintaining operational excellence, and preparing for the eventual return of global travel.

Our teams across both airports demonstrated remarkable agility in responding to evolving public health requirements, regulatory changes, and operational constraints. We advanced key strategic initiatives, including safety audits, infrastructure enhancements, and digital transformation efforts, all while maintaining the highest standards of service and compliance.

Significant progress was also made in strengthening staff engagement, training, and well-being, recognising that our people are the foundation of our success. As the Cayman Islands prepared for the phased reopening of its borders in late 2021, CIAA stood ready — operationally, strategically, and organisationally.

The achievements of 2021 have laid a strong foundation for future growth. As we move forward, we remain committed to delivering safe, efficient, and world-class airport services while continuing to connect the Cayman Islands to the world.

“As the Cayman Islands prepared for the phased reopening of its borders in late 2021, CIAA stood ready — operationally, strategically, and organisationally.”

Albert Anderson

Chief Executive Officer



ORGANISATIONAL OVERVIEW

The Cayman Islands Airports Authority (CIAA) is responsible for the management, operation and development of the Cayman Islands' airports, including Owen Roberts International Airport and Charles Kirkconnell International Airport. The Authority plays a vital role in supporting the Cayman Islands' economy, tourism industry, connectivity, national security and emergency response capabilities by ensuring the safe, secure and efficient movement of passengers, aircrafts and cargo.

Throughout 2021, the CIAA continued to operate within one of the most challenging periods in global aviation history as the COVID-19 pandemic continued to impact international travel and border operations. Despite reduced passenger traffic and ongoing public health restrictions, the Authority remained steadfast in its commitment to operational excellence, safety, customer service and long-term strategic development.

The organisation worked collaboratively with the Cayman Islands Government, Public Health, Travel Cayman, airlines, tourism stakeholders and international aviation partners to support national pandemic response measures and prepare for the gradual reopening of Cayman's borders. Simultaneously, the CIAA continued to advance major infrastructure improvements, operational enhancements and customer service initiatives designed to position the airports for future growth and recovery.

The CIAA also remained focused on strengthening organisational culture and investing in its people through staff development, leadership training, health and safety initiatives and employee engagement programmes. Through resilience, adaptability and teamwork, the Authority successfully maintained critical airport operations while continuing to deliver strategic improvements that support the future of aviation in the Cayman Islands.

THE BOARD OF DIRECTORS

Mr. Johann Moxam — Chairman

Ms. Marva Reid — Deputy Chair

Mr. Roy Grant — Director

Mr. Alfred Thompson Jr — Director

Ms. Jacqueline Haynes — Director

Mr. Nathaniel Tibbetts — Director

Mr. Jonathan Edie — Director

Mr. Charles Clifford — Public Service Representative

Mr. Stran Bodden — Ministry Representative

CIAA MANAGEMENT TEAM

Mr. Albert Anderson — Chief Executive Officer

Mr. Wayne DaCosta — Chief Airport Operations Officer (Designate)

Mr. Andrew McLaughlin — Chief Safety Management Officer

Mr. Chad Yates — Chief Security Officer (Designate)

Mrs. Bianca Moore-Downey — Chief Commercial Officer

Mrs. Karen Baptiste — Chief Financial Officer

Mr. Mark Whiteside — Chief Information Technology Officer

Mrs. Dawn Mclean-Brady — Chief Human Resources Officer

YEAR IN REVIEW

The Cayman Islands Airports Authority's 2021 year was defined by resilience, recovery planning and continued operational progress during an unprecedented period for the global aviation industry. While international travel restrictions and public health protocols remained in effect for much of the year, the Authority continued to maintain safe and secure airport operations while preparing for the eventual reopening of Cayman's borders.



The Owen Roberts International Airport was instrumental in upholding Public Health Protocols during the COVID 19 Pandemic.

A major achievement during the year was the continued advancement and completion of critical airfield and operational infrastructure projects at Owen Roberts International Airport (ORIA). The upgraded airfield infrastructure received international recognition in several aviation and engineering publications, highlighting the Cayman Islands' commitment to safety, efficiency and future aviation growth opportunities.

The Authority also continued to support the Cayman Islands Government's COVID-19 response efforts through extensive collaboration with Public Health, Travel Cayman and other agencies. CIAA teams assisted with vaccination drives, testing programmes, transportation logistics and operational planning associated with quarantine and border management procedures. ORIA also hosted several public



Government Officials participate in the vaccination initiative at Owen Roberts International Airport.

vaccination initiatives, including a large-scale vaccination event that administered more than 1,100 vaccine doses in a single day.

Operational readiness and emergency preparedness remained key priorities throughout the year. The CIAA conducted multiple emergency exercises, mass casualty management training programmes and collaborative simulations involving emergency response agencies and aviation stakeholders. Both ORIA and CKIA successfully achieved Airports Council International (ACI) Airport Health Accreditation certification, recognising the airports' alignment with international health and safety best practices during the pandemic.

Customer service and passenger experience enhancements also continued throughout 2021. The Authority introduced new traffic flow and parking management systems at ORIA, upgraded parking technology and signage, improved wayfinding initiatives and continued planning for additional terminal and landside improvements. Service excellence workshops were also conducted for customer-facing teams and transportation operators to enhance the passenger experience as borders reopened.

Commercially, the CIAA focused on strengthening non-aeronautical revenue streams and improving operational efficiencies. Key initiatives included transitioning the airport advertising programme in-house, enhancing parking operations, improving commercial coordination and implementing new airport scheduling facilitation partnerships to support future airline growth and improved passenger flow management.

In November 2021, the Cayman Islands officially reopened its borders to international tourism, marking a



CIAA staff stand in front of a welcoming display commemorating the reopening of the Cayman Islands Borders.

significant milestone in the country's recovery efforts. The return of commercial airline services and increased passenger activity represented a positive step forward for the aviation and tourism sectors and reflected the tremendous dedication and hard work of CIAA employees throughout the pandemic period.

As the organisation looked ahead to 2022, the CIAA remained focused on operational excellence, strategic growth, customer service and continuing to build a modern, safe and efficient airport system capable of supporting the future needs of the Cayman Islands.

FINANCIAL OVERVIEW

The financial performance of CIAA in 2021 reflected both the challenges and early signs of recovery within the aviation sector. Through disciplined financial management and the support of the Cayman Islands Government, the Authority maintained stability and continued to progress key initiatives.

The Cayman Islands Airports Authority's discussion and analysis provides an overview of the financial activities for the accounting period, January to 31 December 2021. 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.

Management's Discussion and Analysis

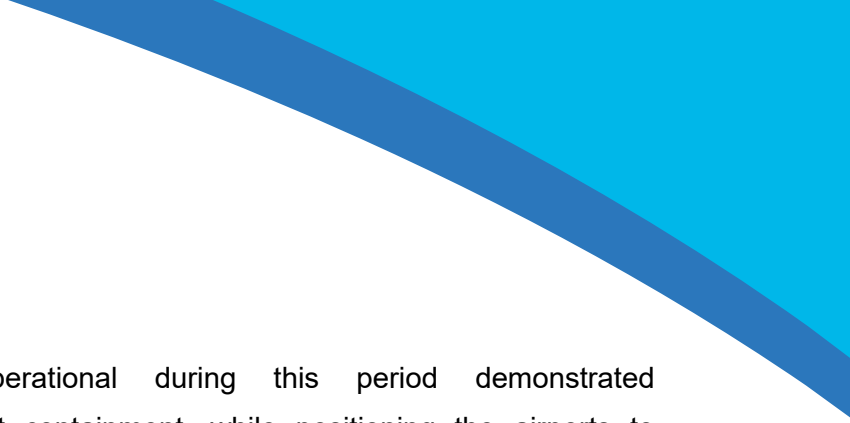
Business Strategy Overview: Impact of COVID-19 on Air Travel Operations

Air travel activity at Owen Roberts International Airport (ORIA) and Charles Kirkconnell International Airport (CKIA) declined sharply over the past year as a direct result of the global COVID-19 pandemic. In response, the Cayman Islands Government successfully implemented a strict public health “bubble,” allowing the local community to remain relatively virus-free.

While this strategy proved highly effective from a public health perspective, it came at a significant cost to the tourism sector and, by extension, to air travel demand and airport operations. Throughout much of 2021, our borders remained closed or heavily restricted, resulting in materially reduced passenger volumes and severely constrained commercial airline activity. As a result, the financial performance of the Cayman Islands Airports Authority (CIAA) was significantly impacted during the year, particularly with respect to operating revenues.

In the third quarter of 2021, the Government began a cautious phased reopening of the country, welcoming visitors back to the islands under controlled conditions. Full border reopening was implemented in November 2021, signaling the initial stages of a recovery in air travel demand. However, the prolonged closures that persisted throughout most of the year continued to weigh heavily on annual earnings and overall traffic performance.

Despite these challenges, the Airports Authority maintained full operational readiness throughout 2021. Leveraging reduced passenger volumes, high employee vaccination rates, and strong health and safety protocols, the airports successfully supported essential air services. This included the continuous operation of repatriation, cargo, and humanitarian flights, as well as scheduled services for Cayman Airways and British Airways, ensuring critical air connectivity for residents and businesses.



The Authority's ability to remain operational during this period demonstrated organizational resilience and effective cost containment, while positioning the airports to respond rapidly as travel demand began to recover following the reopening of borders. These experiences have informed ongoing strategic planning focused on operational flexibility, financial sustainability, and recovery-driven growth in a post-pandemic operating environment.

Financial Highlights

The tourism market experienced a significant downturn from second quarter of 2020 through 2021 as the full economic impact of the COVID-19 pandemic unfolded. This represented a sharp reversal from the strong annual growth achieved in the preceding three-year period, during which key financial indicators and employment levels had consistently trended positively year over year. In contrast, 2021 recorded negative growth across the majority of sectors of the Cayman Islands economy, with tourism among the most severely affected.

Air traffic volumes were effectively reduced to near-standstill levels as a result of mandatory border closures and global travel restrictions, with airport operations largely limited to repatriation, cargo, and essential services flights only. The prolonged suspension of commercial passenger activity materially constrained the Airports Authority's revenue streams throughout the year.

Consequently, the Authority closed financial year 2021 with total revenues approximately 61% below 2020 levels, reflecting a year-over-year decline of approximately \$9.7 million. This contraction underscores the heavy reliance of airport revenues on tourism-driven air traffic and highlights the unprecedented financial challenges posed by the pandemic.

Key Performance Indicators

<i>Highlights</i>	<i>2021</i>	<i>2020</i>	<i>Restated 2019</i>	<i>2018</i>	<i>2016- 2017**</i>
	'000'	'000'	'000'	'000'	'000'
<i>Revenue</i>	6,335	16,038	41,457	38,267	50,175
<i>Expenses</i>	25,224	26,544	32,332	32,825	41,096
<i>(Loss) / Surplus</i>	(18,889)	(10,506)	9,125	5,442	9,079
<i>Cash & Cash equivalents</i>	6,066	5,775	27,606	26,442	30,998
<i>Net Worth</i>	217,799	155,079	171,970	169,603	160,417

** 18 months (July 2016 – December 2017)

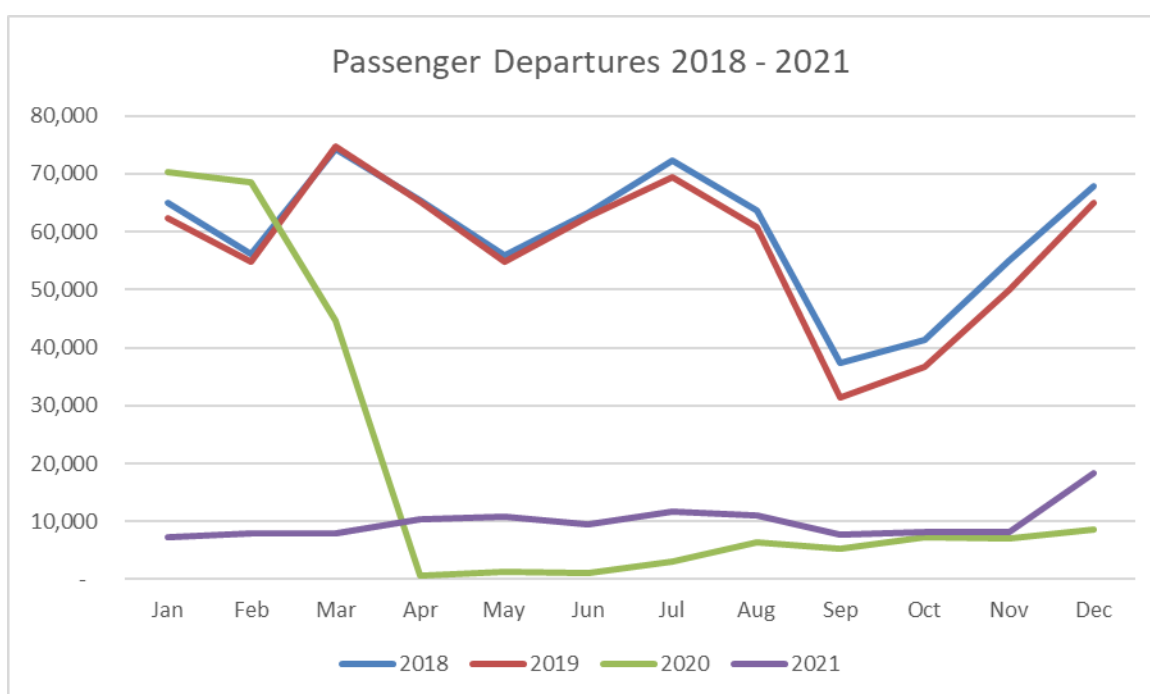
Loss before depreciation for the year ended 31 December 2021 amounted to \$9.4 million, compared with a loss of \$4.7 million for the year ended 31 December 2020, representing a year-over-year deterioration of \$8.4 million.

The increased loss was driven primarily by the significant decline in revenue resulting from prolonged border closures and reduced air traffic volumes. Despite reduced operational activity, the Authority continued to incur substantial fixed and unavoidable costs. Key expense contributors during 2021 included depreciation of \$9.5 million, staff costs totaling \$13.8 million, and repairs, maintenance, and utilities expenses of \$4.6 million. These expenditures were necessary to maintain airport infrastructure, ensure regulatory compliance, and preserve operational readiness throughout the pandemic period.

Passenger volumes through 2019 and prior years reflected sustained positive growth trends for the Authority. However, these gains were rapidly reversed following the onset of the COVID-19 pandemic in March 2020, when international border closures and travel restrictions were implemented. Monthly passenger activity declined sharply, falling to fewer than 10,000 passengers per month, and remained at historically low levels for the balance of the year.

This depressed passenger trend persisted throughout 2021, with airport traffic largely limited to repatriation, cargo, and essential services flights. A modest recovery in air travel demand was not observed until November 2021, when the Cayman Islands Government cautiously initiated the phased reopening of national borders. This reopening marked the first early signs of traffic recovery after nearly twenty months of unprecedented disruption to normal passenger operations.

The following graph shows passenger volume trend the 12 months ended 31 December 2021.



Revenue

Total revenue for the year ended 31 December 2021 declined significantly to \$6.3 million, compared with \$16.04 million in 2020. This represents a year-over-year decrease of approximately \$9.7 million, or 61%, driven primarily by prolonged border closures and severely reduced passenger traffic resulting from the COVID-19 pandemic.

Revenue by Category

(\$ in thousands)	2021	2020	Change	% Change
Travel tax	1,050	4,216	(3,166)	-75.1%
Passenger Facility Charges	554	2,290	(1,736)	-75.8%
Security tax and Terminal facility charges	902	2,412	(1,510)	-62.6%
Aircraft handling Income	663	1,290	(627)	-48.6%
Rent	513	877	(364)	-41.5%
Permits and Parking	99	299	(200)	-66.9%
Petrol Concession	241	477	(236)	-49.5%
Other Revenue	2,313	4,177	(1,864)	-44.6%
TOTAL REVENUE	6,335	16,038	(9,703)	-60.5%

Travel tax revenue for the year under review declined significantly to \$1.05 million, compared with \$4.2 million in 2020, reflecting the prolonged suspension of commercial passenger traffic during the year.

Total aeronautical revenues for 2021, which include Passenger Facility Charges (PFC), security charges, terminal facility charges, and aircraft handling income, amounted to \$2.1 million. This represents a substantial decrease from \$5.99 million in 2020, driven by sustained low flight frequencies and reduced passenger volumes.

Non-aeronautical revenues were similarly impacted. Rental income decreased by 41.5%, or \$364,000, compared to the prior year as concession activity remained subdued. Permits and parking revenues declined to \$200,000, down from \$299,000 in 2020, while petrol concession income fell to \$241,000, compared with \$477,000 in the previous year. These declines were largely attributable to reduced airport clients and limited commercial activity throughout 2021.

Expenses

Total expenses for the year ended 31 December 2021 decreased to \$25.2 million, compared with \$26.5 million in 2020. This reduction was driven primarily by non-cash accounting adjustments, including gains recognized from a comprehensive property revaluation exercise conducted in 2021, as well as the reversal of previously recorded impairment provisions following an updated impairment assessment.

These favorable valuation and impairment movements partially offset ongoing fixed operating costs incurred to maintain airport infrastructure and regulatory compliance during a period of significantly reduced activity.

Expenses by Category

(\$ in thousands)	2021	2020	Change	% Change
Staff costs	13,846	13,709	137	1.0%
Depreciation	9,456	5,791	3,665	63.3%
Repairs Maintenance & Utilities	4,621	3,991	630	15.8%
Passenger Screening	551	872	(321)	-36.8%
CAA certification	2	250	(248)	-99.2%
Building revaluation loss	(3,551)	-	(3,551)	-
Provision for impairment	(1,940)	84	(2,024)	-2410.0%
Other Expenses	2,239	1,847	393	21.3%
TOTAL EXPENSES	25,224	26,544	(1,319)	4.97%

Environmental responsibility

CIAA is committed to ensure that all our operations comply with applicable environmental laws and regulations with particular sensitivity to public concern. CIAA is keen to improve environmental footprint and wellbeing of Cayman community. Management is responsible for identifying environmental risks and priorities, develop mitigation plans, implemented, monitored and continuously improved and managing hazardous wildlife program are among many initiatives.

AIRPORT OPERATIONS

Throughout 2021, the Airport Operations teams at the Owen Roberts International Airport and Charles Kirkconnell International Airport continued to play a critical role in maintaining the safe, secure and efficient operation of the Cayman Islands' airports during one of the most challenging periods in aviation history. Despite the ongoing impacts of the COVID-19 pandemic and reduced passenger traffic for much of the year, the teams remained fully operational and focused on safety, regulatory compliance, operational readiness and customer service excellence.

A major operational focus throughout the year was preparing for the phased reopening of Cayman's borders and the gradual return of commercial passenger traffic. Airport Operations worked closely with Public Health, Travel Cayman, Customs and Border Control, airlines and other stakeholders to coordinate revised passenger processing procedures, testing protocols, transportation logistics



A celebration of opened borders! A group of tourists travelled to Grand Cayman to celebrate their friends 50th Birthday.

and terminal operations designed to support the safe movement of travellers while adhering to evolving local and international health requirements.

Operational preparedness and emergency response capabilities also remained a key priority. In accordance with international aviation regulatory requirements, the CIAA successfully conducted full-scale emergency exercises at both airports during the year. These exercises



brought together numerous emergency response agencies and

Full-scale emergency exercises successfully conducted at both airports in 2021.

aviation partners to test emergency procedures, communication systems and operational coordination in the event of a real-world airport or aircraft emergency. Additional Mass Casualty Management (MCM) training programmes were also conducted in collaboration with Hazard Management Cayman Islands and other emergency response partners to further strengthen preparedness and resilience.

Throughout 2021, the Airport Operations Department continued to support major operational and infrastructure improvements across the airports. This included the implementation of new landside security traffic flow measures, enhanced parking and terminal access procedures, upgraded wayfinding signage and ongoing operational coordination related to the reopening of international air services. The Authority also partnered with Airport Coordination Limited (ACL) to introduce aircraft schedule facilitation services and achieve IATA Level 2 schedule facilitation status, helping to improve operational efficiency and passenger flow management as commercial airline activity resumed.



As international carriers gradually returned to the Cayman Islands toward the end of the year, Airport Operations teams successfully managed increased activity levels, airline restart coordination, terminal readiness and customer support services.



A group of tourists after the borders reopened in November 2021.

The reopening of Cayman's borders in November

2021 marked a significant milestone for the aviation and tourism sectors and reflected the dedication, professionalism and resilience of the Airport Operations teams throughout the pandemic period.

The Department remains committed to maintaining the highest standards of operational safety, efficiency and customer service while continuing to support the long-term growth and development of aviation in the Cayman Islands.

AIRPORT SECURITY

The Airport Security Department of the Cayman Islands Airports Authority (CIAA) continued to play a critical role in safeguarding the Cayman Islands' airports throughout 2021, maintaining high standards of aviation security, operational readiness and regulatory compliance during the ongoing challenges presented by the COVID-19 pandemic.

Throughout the year, Airport Security personnel remained focused on protecting passengers, employees, airport partners and critical infrastructure at both Owen Roberts International Airport and Charles Kirkconnell International Airport. Teams continued to operate under enhanced public health and security protocols while supporting repatriation flights, cargo operations, emergency response activities and the gradual return of commercial air services.

A major focus during 2021 was supporting the phased reopening of Cayman's borders and implementing enhanced landside security measures at ORIA. In preparation for the return of increased passenger traffic, the CIAA introduced new vehicular traffic flow and curbside access procedures designed to strengthen airport landside security and improve traffic management around the terminal. These operational changes required extensive coordination between Airport Security, Airport Operations, Customer Service, transportation providers and local agencies.

Airport Security also participated in several emergency preparedness and operational readiness initiatives throughout the year, including full-scale emergency exercises and Mass Casualty Management training programmes conducted in collaboration with Hazard Management Cayman Islands, the Cayman Islands Regiment, the Coast Guard and other emergency response partners. These exercises helped to strengthen coordination, communication and emergency response capabilities across multiple agencies.

In addition to daily security operations, the Department continued to support broader organisational initiatives aimed at enhancing customer experience, operational efficiency and

regulatory compliance. Airport Security teams assisted with public vaccination initiatives hosted at ORIA, supported public health screening operations and worked closely with operational partners to ensure a safe and secure airport environment during evolving pandemic conditions.

The CIAA also recognised the important contributions of women within aviation security during 2021 through participation in the Women in Cayman initiative, highlighting the professionalism, leadership and dedication demonstrated by both men and women within the Airport Security Department.

As the aviation industry continued its gradual recovery, the Airport Security Department remained committed to maintaining international aviation security standards while supporting the safe, efficient and welcoming operation of the Cayman Islands' airports.

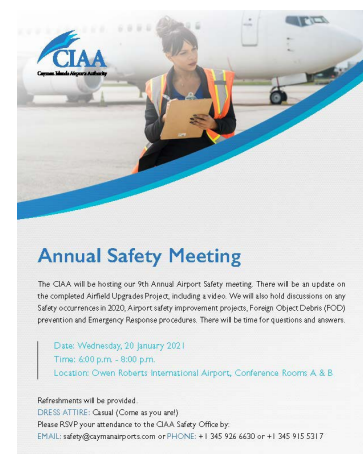


Chief Security Officer, Chad Yates, with several staff members pictured above.

SAFETY MANAGEMENT

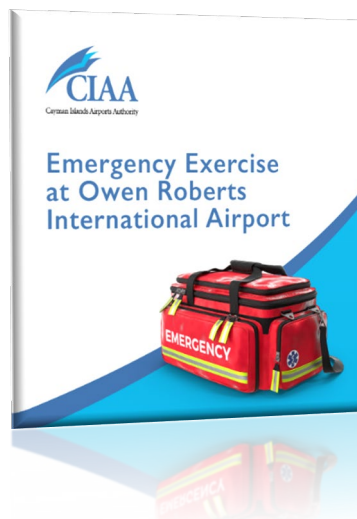
Safety remained a core priority for the Cayman Islands Airports Authority (CIAA) throughout 2021, as the organisation continued to uphold the highest standards of operational safety, regulatory compliance and emergency preparedness across both Owen Roberts International Airport and Charles Kirkconnell International Airport.

Despite the continued challenges posed by the COVID-19 pandemic, the Safety Management Department remained focused on maintaining a proactive and collaborative safety culture across all airport operations. The Department worked closely with internal departments, airline partners, government agencies and emergency response organisations to ensure that safety protocols, operational procedures and risk mitigation measures remained effective and aligned with local and international aviation standards.



A significant focus during the year was supporting operational readiness and emergency response preparedness. The CIAA conducted full-scale emergency exercises at both airports in accordance with international aviation regulatory requirements. These exercises tested emergency response coordination, communication systems and operational procedures

involving multiple local agencies and aviation partners. The exercises also incorporated COVID-19 health and safety considerations to reflect the evolving operational environment.



Additional safety and emergency preparedness initiatives included participation in Mass Casualty Management (MCM) training programmes facilitated in collaboration with Hazard Management Cayman Islands and other emergency response stakeholders. These programmes focused on strengthening

emergency response systems, improving inter-agency coordination and enhancing the overall preparedness of airport personnel and emergency responders in the event of a major incident.



Participants in the vaccination initiative held at Owen Roberts International Airport included current members of Government and their families.

Throughout 2021, the Safety Management Department also supported several operational improvement initiatives, including airfield safety enhancements, landside operational changes, traffic flow modifications and public health safety protocols associated with border reopening preparations. The Department played an important role in monitoring operational risks, supporting incident response processes and promoting ongoing safety awareness across the organisation.

The successful achievement of Airports Council International (ACI) Airport Health Accreditation certification for both ORIA and CKIA further demonstrated the CIAA's commitment to maintaining internationally recognised health, safety and operational standards during the pandemic period. This accreditation reflected the collaborative efforts of Safety Management and multiple operational departments working together to protect passengers, staff and airport partners.

As the aviation industry continued its gradual recovery throughout the year, the CIAA's Safety Management Department remained committed to continuous improvement, operational resilience and fostering a strong culture of safety across all areas of airport operations.

INFORMATION TECHNOLOGY

The Information Technology Department of the Cayman Islands Airports Authority (CIAA) continued to play an essential role in supporting safe, secure and efficient airport operations throughout 2021. During a year marked by ongoing operational challenges related to the COVID-19 pandemic, the Department remained focused on maintaining critical technology infrastructure, supporting operational continuity and advancing systems that enhanced efficiency, communication and customer service across both Owen Roberts International Airport and Charles Kirkconnell International Airport.

Throughout the year, the Information Technology team worked closely with operational departments to support evolving airport and public health requirements associated with border restrictions, testing protocols and the phased reopening of international travel. This included providing technical support for operational systems, internal communications, customer information platforms and various airport technology initiatives that enabled airport teams and stakeholders to operate efficiently in a rapidly changing environment.

The Department also supported several infrastructure and operational enhancement projects

during 2021, including upgrades related to parking systems, operational software, digital communications and customer service technologies. Significant collaboration took place between IT, Customer Service and operational teams to support the implementation and testing of upgraded parking equipment, automated systems and payment technologies designed to improve



The IT Department prepares for the phased opening of the borders in late 2021.



efficiency and enhance the passenger experience.

As part of the CIAA's continued focus on operational resilience and business continuity, the Information Technology Department remained committed to maintaining reliable network infrastructure, cybersecurity awareness and responsive technical support services for airport staff and stakeholders. The team also supported internal system improvements, digital collaboration tools and communications platforms that enabled employees to remain connected and operational throughout the pandemic period.

In addition, the Department collaborated on several customer-facing technology initiatives aimed at improving operational efficiency and the overall airport experience. These initiatives included supporting enhanced website communications, operational messaging systems, parking system upgrades and digital operational coordination tools associated with the reopening of Cayman's borders and the return of increased passenger activity.

The Information Technology Department remains committed to supporting innovation, operational reliability and secure technology solutions that enhance airport operations and position the Cayman Islands Airports Authority for future growth and continued operational excellence.

HUMAN RESOURCES

The Human Resources Department of the Cayman Islands Airports Authority (CIAA) remained focused on supporting employees, strengthening organisational culture and maintaining workforce resilience throughout 2021 as the aviation industry continued to navigate the impacts of the COVID-19 pandemic.

Throughout the year, the Human Resources team played a vital role in supporting the Authority's operational continuity by ensuring employees remained informed, supported and engaged during an evolving and challenging operational environment. The Department worked closely with executive leadership and operational departments to coordinate internal communications, staffing support, employee wellness initiatives and workplace policies associated with public health requirements and border reopening preparations.

Employee development and recognition remained important priorities throughout the year. The CIAA continued to invest in staff training, leadership development and professional growth opportunities across the organisation. Several employees successfully completed specialised industry and leadership training programmes, including leadership and Mass Casualty Management certifications, reflecting the Authority's commitment to continuous improvement and workforce development.

The Human Resources Department also coordinated multiple employee engagement and recognition initiatives during the year, including long-service recognition programmes, staff appreciation activities and organisational culture initiatives designed to foster teamwork, morale and employee wellbeing. A major highlight was the Long-Service Awards Ceremony and Staff



Awards pictured above from the Long-Service Awards Ceremony and Staff Appreciation Event held in August 2021.

Appreciation event held in August 2021, which recognised the dedication and contributions of employees across the organisation.

Recruitment and workforce planning activities also continued throughout 2021 as the CIAA prepared for the gradual return of commercial aviation activity and long-term organisational growth. Recruitment campaigns were conducted across several operational and administrative departments, including Airport Operations, Customer Service, Security, Aeronautical Information Services, Finance and Facilities.



Above and Below photos show presentations to staff during the Long-Service and Staff Appreciation Event.

The Department additionally supported important employee-focused operational changes during the year, including health insurance transitions, revised workplace policies, COVID-19 testing coordination, staff scheduling adjustments and internal health and safety communications. These initiatives helped ensure employees remained informed, protected and supported while continuing to deliver critical airport services throughout the pandemic period.

As the organisation looked toward recovery and future growth, the Human Resources Department remained committed to building a positive workplace culture, supporting employee wellbeing and ensuring the CIAA continues to attract, develop and retain a skilled and dedicated workforce.



COMMERCIAL DEPARTMENT

The Commercial Department of the Cayman Islands Airports Authority (CIAA) remained focused on strengthening revenue opportunities, enhancing customer experience and supporting the long-term sustainability of airport operations throughout 2021. Despite the ongoing impacts of the COVID-19 pandemic on global aviation and passenger traffic, the Department continued to advance several strategic commercial initiatives designed to position the Authority for recovery and future growth.

Throughout the year, the Commercial Department concentrated on strengthening both aeronautical and non-aeronautical revenue streams while supporting operational efficiency improvements across the airports. Key areas of focus included parking operations, concession management, advertising, customer service enhancements and commercial partnership development.

Significant progress was made in modernising parking operations at Owen Roberts International Airport through the continued implementation and testing of upgraded parking equipment, automated systems and payment technologies. New parking management processes, traffic flow adjustments, and improved customer signage were introduced as part of broader efforts to improve operational efficiency and enhance the passenger experience. Preparations were also completed for the resumption of paid parking services in early 2022.

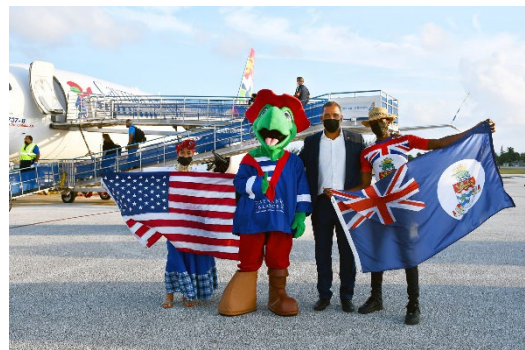
The Department also advanced efforts to strengthen commercial revenue opportunities by transitioning the airport advertising programme in-house following the conclusion of the Clear Channel contract at the end of 2021. This initiative created new opportunities for revenue growth, improved advertising management and the development of enhanced commercial partnerships and advertising packages.

Throughout the year, the Commercial Department worked closely with airlines, tourism stakeholders, government agencies and operational partners to support the reopening of

Cayman's borders and the gradual return of commercial airline services. Collaborative efforts included coordinating airline restart activities, passenger processing improvements, transportation logistics and customer service initiatives designed to support a safe, efficient and welcoming airport environment.

Customer experience enhancement remained a major priority throughout 2021. The Department coordinated several initiatives aimed at improving passenger convenience and service quality, including customer service training workshops, upgraded wayfinding signage, parking assistance services, terminal enhancements and operational support for major public and tourism-related events associated with the reopening of international travel.

As the aviation and tourism sectors began showing signs of recovery toward the end of the year, the Commercial Department remained focused on supporting operational resilience, enhancing commercial performance and identifying opportunities for sustainable long-term growth across the CIAA's airport network.



The Cayman Islands Airports Authority proudly partnered with the Cayman Islands Department of Tourism to bring an exciting day of cultural activity at Owen Roberts International Airport to welcome arriving passengers to our shores in Phase 4 of the Borders Reopening Plan.

John Gray High School Students on a guided tour through the ORIA terminal and, getting an up-close look at one of the British Airways planes.



CHARLES KIRKCONNELL INTERNATIONAL AIRPORT (CKIA)

Throughout 2021, Charles Kirkconnell International Airport continued to play a vital role in supporting domestic connectivity, emergency response readiness and essential air transportation services for the Sister Islands during an especially challenging period for the global aviation industry.

Despite the continued impacts of the COVID-19 pandemic and fluctuating passenger activity levels, the airport remained fully operational and focused on maintaining safe, secure and efficient operations for residents, essential workers, cargo services and approved travellers. Airport personnel demonstrated exceptional resilience and adaptability while operating under enhanced health, safety and operational protocols throughout the year.

A major operational highlight during the year was the successful execution of a full-scale emergency exercise at CKIA in July 2021. The exercise brought together multiple emergency response agencies and aviation partners to test operational preparedness, communication systems and emergency response coordination in the event of an airport or aircraft incident. The scenario also incorporated COVID-19 safety measures to reflect the evolving operational environment and further strengthen emergency response capabilities on Cayman Brac.

CKIA personnel also participated in specialised Mass Casualty Management (MCM) training programmes facilitated in collaboration with Hazard Management Cayman Islands and emergency response



Charles Kirkconnell International Airport remained fully operational during the continued impacts of the COVID-19 pandemic. The airport navigated the fluctuating passenger activity levels and staff focused on maintaining safe, secure and efficient operations for residents, essential workers, cargo services and approved travellers.

partners. These programmes focused on enhancing emergency preparedness, improving inter-agency coordination and strengthening operational resilience during major incidents or disasters.

Throughout the year, the airport continued working closely with the Cayman Islands Government, Public Health, Cayman Airways and other operational partners to support public health initiatives, transportation logistics and border management requirements associated with the pandemic response. Airport teams also assisted with customer service enhancements and operational coordination as the Cayman Islands prepared for the phased reopening of international travel later in the year.

A significant achievement for the airport during 2021 was obtaining Airports Council International (ACI) Airport Health Accreditation certification alongside Owen Roberts International Airport. This recognition demonstrated the airport's commitment to maintaining internationally recognised health and safety standards and highlighted the collaborative efforts of operational teams across the organisation.

As air travel activity gradually began to recover, Charles Kirkconnell International Airport remained committed to operational excellence, safety, customer service and supporting the continued connectivity and economic wellbeing of Cayman Brac and the wider Cayman Islands.



KEY ACHIEVEMENTS – 2021

- Successfully maintained safe and secure airport operations throughout the ongoing COVID-19 pandemic while supporting essential travel, cargo operations and repatriation flights.
- Supported the phased reopening of the Cayman Islands' borders and the gradual return of international commercial air services.
- Achieved Airports Council International (ACI) Airport Health Accreditation certification for both Owen Roberts International Airport and Charles Kirkconnell International Airport, recognising alignment with international health and safety standards.
- Conducted successful full-scale emergency exercises and Mass Casualty Management training programmes in collaboration with emergency response partners and government agencies.
- Continued major operational and infrastructure enhancements, including airfield improvements, landside traffic flow changes, upgraded parking systems and enhanced wayfinding signage.
- Introduced enhanced landside security and vehicular traffic flow measures at ORIA to improve operational safety and traffic management.
- Partnered with Airport Coordination Limited (ACL) and achieved IATA Level 2 schedule facilitation status to improve operational efficiency and airline scheduling coordination.
- Supported national COVID-19 vaccination and testing initiatives, including hosting major public vaccination drives at ORIA.
- Advanced commercial and customer service initiatives through parking modernisation projects, customer service training workshops and commercial revenue enhancement programmes.
- Transitioned the airport advertising programme in-house following the conclusion of the Clear Channel contract, creating opportunities for increased revenue generation and commercial growth.
- Continued investment in employee development, organisational culture and staff recognition through training initiatives, leadership development and the Long-Service Awards and Staff Appreciation Programme.
- Successfully coordinated airline restart activities and welcome-back events as commercial carriers resumed service to the Cayman Islands.

LOOKING AHEAD – 2022

As the aviation industry continues its gradual recovery from the impacts of the COVID-19 pandemic, the Cayman Islands Airports Authority (CIAA) remains focused on strengthening operational resilience, enhancing customer experience and supporting the continued growth and development of air transportation within the Cayman Islands.

In 2022, the Authority anticipates increased passenger traffic and the continued return of international airline services following the reopening of Cayman's borders in late 2021. Operational priorities include maintaining the highest standards of safety, security and customer service while ensuring the airports remain prepared to accommodate growing passenger volumes and evolving travel requirements.

Commercially, the Authority remains committed to strengthening both aeronautical and non-aeronautical revenue streams through expanded partnerships, improved advertising and parking programmes and enhanced passenger services. The transition of the airport advertising programme in-house is expected to create new revenue opportunities while supporting a more integrated and strategic commercial approach.

The CIAA also looks forward to continuing investments in employee development, organisational culture and operational preparedness through ongoing training initiatives, leadership development programmes and collaborative emergency response exercises. Maintaining strong partnerships with government agencies, airlines, tourism stakeholders and emergency response organisations remains critical to supporting the continued recovery and long-term success of the aviation sector in the Cayman Islands.

As the organisation moves through 2022, the CIAA remains committed to delivering safe, secure, efficient and world-class airport operations while continuing to support the Cayman Islands' economic recovery, connectivity and future growth.



Audited Financial Statements

Year ended 31 December 2021



**Cayman Islands Airports Authority
Financial Statements
Year ended 31 December 2021**

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STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

31 December 2021

These financial statements have been prepared by the Cayman Islands Airports Authority (CIAA) in accordance with the provisions of the *Public Management and Finance Act (2020 Revision)* and the *Airports Authority Act (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 Act (2020 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 act and properly record the financial transactions of the Cayman Islands Airports Authority. However, the Chairman was not part of the Cayman Islands Airports Authority during the financial year. Therefore, as Chief Executive Officer and Chief Financial Officer we are responsible for ensuring appropriate internal controls were established and maintained throughout the financial year ended 31 December 2021.

As signatories below, we are responsible for the preparation of the Cayman Islands Airports Authority's 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 2021.

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 2021;
- (b) Fairly reflect the financial position as at 31 December 2021 and comprehensive income for the year ended 31 December 2021;
- (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.

A blue ink signature of William Olson Anderson, consisting of a series of loops and a long horizontal stroke.

William Olson Anderson
Chairman (Board of Directors)
Date: 8 May 2026

A blue ink signature of Albert Anderson, featuring a stylized 'A' and 'A' followed by a horizontal line.

Albert Anderson
Chief Executive Officer
Date: 8 May 2026

A blue ink signature of Karen Baptiste, with a stylized 'K' and 'B' followed by a horizontal line.

Karen Baptiste
Chief Financial Officer
Date: 8 May 2026

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 2021 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2021, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 8 to 51.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 December 2021 and its financial performance and its cash flows for the year ended 31 December 2021 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 Ethics 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

As outlined in the Statement of Changes in Equity, the Cabinet of Ministers authorized supplementary funding of \$10,000,000 for the Authority for equity injection in accordance with section 12(1) of the Public Management and Finance Act (2020 Revision) ("PMFA"). A supplementary Appropriation Bill for the funding was not introduced in Parliament by 31 March 2022 as required by section 12(3) of the PMFA. My opinion is not qualified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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'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

AUDITOR GENERAL'S REPORT (continued)

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 Act (2020 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.



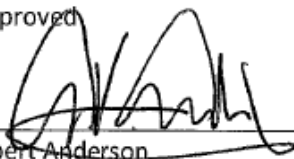
Patrick O. Smith CPA, CFE
Auditor General

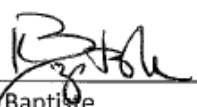
08 May 2026
Cayman Islands

Cayman Islands Airports Authority
Statement of Financial Position
As at 31 December 2021
(In Cayman Islands dollars)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Current assets			
Cash and cash equivalents	4(a)	6,065,811	5,774,568
Accounts receivable (net)	5(a)	5,708,772	6,895,527
Other receivables and prepaid expenses	5(c)	921,031	160,702
		<u>12,695,614</u>	<u>12,830,797</u>
Non current assets			
Property, plant and equipment	6	257,526,221	194,865,635
Intangible assets	6	38,426	83,453
		<u>257,564,647</u>	<u>194,949,088</u>
TOTAL ASSETS		<u>270,260,261</u>	<u>207,779,885</u>
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued expenses	7	5,394,653	7,908,046
		<u>5,394,653</u>	<u>7,908,046</u>
Non current liabilities			
Government loan	10	15,468,910	9,314,832
Unfunded pension liability	8	9,907,000	12,304,000
Unfunded health care obligations	9	21,691,000	23,174,000
		<u>47,066,910</u>	<u>44,792,832</u>
TOTAL LIABILITIES		<u>52,461,563</u>	<u>52,700,878</u>
Equity			
Contributed capital		44,829,212	34,829,212
Retained earnings		49,953,401	60,539,912
Asset revaluation		140,996,322	74,893,556
Other comprehensive income / (loss)		909,000	(4,678,000)
Current year (loss)		(18,889,238)	(10,505,673)
		<u>217,798,698</u>	<u>155,079,007</u>
TOTAL LIABILITIES AND EQUITY		<u>270,260,261</u>	<u>207,779,885</u>

Approved


 Albert Anderson
 Chief Executive Officer
 8 May 2026


 Karen Baptiste
 Chief Financial Officer
 8 May 2026

The accompanying notes on pages 42-85 to these financial statements are an integral part of these statements.

Cayman Islands Airports Authority
Statement of Comprehensive Income
For the year ended 31 December 2021
(In Cayman Islands dollars)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
REVENUE			
AERONAUTICAL INCOME			
Passenger fees and charges		2,505,336	8,917,897
Aircraft handling income		663,242	1,290,250
TOTAL AERONAUTICAL INCOME	11(a)	<u>3,168,578</u>	<u>10,208,146</u>
NON-AERONAUTICAL INCOME			
Government grant income	12	2,185,884	3,736,178
Property rental and concession management	11(b)	754,244	1,354,852
Fees and charges	11(b)	202,948	648,985
Sundry		23,438	50,796
Interest earnings		18	38,894
TOTAL NON-AERONAUTICAL INCOME		<u>3,166,532</u>	<u>5,829,705</u>
TOTAL INCOME		<u>6,335,110</u>	<u>16,037,852</u>
EXPENSES			
Staff costs	13, 17	13,845,995	13,709,055
Administrative and overheads			
Depreciation	6	9,456,155	5,790,807
Repairs and maintenance		3,216,321	2,664,862
Passenger screening		550,755	871,924
Utilities		1,405,470	1,326,010
Regulatory certification		2,373	250,000
Training		67,599	102,730
Legal and professional fees		680,005	576,397
Property and liability insurance		850,616	871,316
Security		1,920	54,960
Printing and stationary		63,903	114,661
Miscellaneous		29,747	85,965
Loss / (Gain) on disposal of property, plant, equipment and intangible assets		11,343	(28,800)
(Gain) on building revaluation		(3,551,005)	-
Travel and subsistence		41,974	10,325
Loan interest	10	439,963	51,010
Provision for impairment		(1,940,068)	84,197
Foreign exchange losses		51,282	8,106
TOTAL EXPENSES		<u>25,224,348</u>	<u>26,543,525</u>
NET LOSS before		<u>(18,889,238)</u>	<u>(10,505,673)</u>
OTHER COMPREHENSIVE INCOME /(LOSS)			
Remeasurement of employee benefit obligation	8	2,478,000	(2,863,000)
Remeasurement of healthcare benefit obligation	9	3,109,000	(3,680,000)
COMPREHENSIVE LOSS FOR THE YEAR		<u>(13,302,238)</u>	<u>(17,048,673)</u>

The accompanying notes on pages 42-85 to these financial statements are an integral part of these statements.

Cayman Islands Airports Authority
Statement of Changes in Equity
For the year ended 31 December 2021
(In Cayman Islands dollars)

	Contributed Capital \$	Retained Earnings \$	Other Comprehensive (Loss) / Income \$	Asset Revaluation \$	Total \$
Balance at 31 December, 2019 (Restated)	34,675,212	60,539,912	1,865,000	74,893,556	171,973,680
Capital contributions	154,000	-	-	-	154,000
Capital withdrawals	-	-	-	-	-
Net Loss for the year	-	(10,505,673)	-	-	(10,505,673)
Other Comprehensive Loss					
Remeasurement of employee pension benefit obligation	-	-	(2,863,000)	-	(2,863,000)
Remeasurement of employee health care benefit obligation	-	-	(3,680,000)	-	(3,680,000)
Balance at 31 December, 2020	34,829,212	50,034,239	(4,678,000)	74,893,556	155,079,007
Prior period Adjustment	-	(80,838)	-	-	(80,838)
Balance at 31 December, 2020 Adjusted	34,829,212	49,953,401	(4,678,000)	74,893,556	154,998,169
Capital contributions	10,000,000	-	-	-	10,000,000
Capital withdrawals	-	-	-	-	-
Net Loss for the year	-	(18,889,238)	-	-	(18,889,238)
Other Comprehensive Gain					
Remeasurement of employee pension benefit obligation	-	-	2,478,000	-	2,478,000
Remeasurement of employee health care benefit obligation	-	-	3,109,000	-	3,109,000
Revaluation gain realised	-	-	-	66,102,766	66,102,766
Balance at 31 December, 2021	44,829,212	31,064,163	909,000	140,996,322	217,798,698

The accompanying notes on pages 42-85 to these financial statements are an integral part of these statements.

Cayman Islands Airports Authority
Statement of Cash Flows
For the year ended 31 December 2021
(In Cayman Islands dollars)

	Note	2021	2020
Cash Flows used in Operating Activities			
Net Loss for year		(18,889,238)	(10,505,673)
Add items not affecting working capital:			
Loss on revaluation of property, plant, equipment and intangible assets	6	11,343	-
(Gain) on disposal of property, plant, equipment and intangible assets		-	(28,800)
Prior period adjustment		(80,838)	-
Defined benefit expense	8, 9	1,707,000	1,372,001
Depreciation	6	9,456,155	5,790,807
Interest expense		439,963	51,010
Government grant income	10	(2,185,884)	(3,736,178)
		(9,541,499)	(7,056,834)
Net changes in non-cash working capital balances			
Decrease in Accounts receivable		1,186,756	719,980
(Increase) / Decrease in Other receivables and prepaid expenses		(760,330)	3,759,791
Increase / (Decrease) in Accounts payable and accrued expenses		(2,513,393)	2,971,424
Net cash used in / from operating activities		(11,628,467)	394,361
Cash Flows from Investing Activities			
Investment in term deposit		-	2,113,258
Purchase of fixed assets		(5,980,291)	(37,492,963)
Net cash used in investing activities		(5,980,291)	(35,379,705)
Cash Flows from Financing Activities			
Equity Injection		10,000,000	154,000
Loan proceeds	10	7,900,000	13,000,000
Net cash from financing activities		17,900,000	13,154,000
Increase / (Decrease) in Cash and Cash Equivalents During Year		291,242	(21,831,345)
Cash and Cash Equivalents at Beginning of Year		5,774,568	27,605,913
Cash and Cash Equivalents at End of Year	4	6,065,811	5,774,568
Supplementary Information on Cash Flows from Operations			
Interest received during the year		(18)	(38,894)
Interest paid during the year		439,963	51,010

The accompanying notes on pages 42-85 to these financial statements are an integral part of these statements.

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2021
(In Cayman Islands dollars)

1. Background Information

The Cayman Islands Airports Authority ("the Authority") is a statutory body established on 14 June 2004, under The *Airports Authority Act (2005 Revision)*, and began operations on 1 July 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 188 employees as of 31 December 2021.

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 Act. 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

These financial statements are prepared on a going concern basis. 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 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board except for unfunded past service obligation.

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

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

b) Relevant standards and amendments that are effective 1 January 2021:

Amendments to References to the Conceptual Framework in IFRS Standards - (Effective for annual periods beginning on or after 1 January 2021)

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.

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2021
(In Cayman Islands dollars)

2. Significant Accounting Policies (continued)

b) Relevant standards and amendments that are effective 1 January 2021: (continued)

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16) – Effective 1 January 2021:

The amendments affect entities with financial assets, financial liabilities or lease liabilities that are subject to interest rate benchmark reform and those that apply hedging accounting requirements in IFRS 9 and IAS 39 to hedging relationships that are affected by the reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and / or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Airports Authority as it does not have any interest rate hedge relationships.

c) 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.

i) IFRS 17 Insurance Contracts - (Effective for annual periods beginning on or after 1 January 2023)

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 2023. The Authority does not anticipate any impact from this new standard.

ii) IFRS 18 Presentation of Financial Statements (Effective for annual periods beginning on or after 1 January 2027)

IFRS 18, which replaces IAS 1, outlines the requirements for presenting financial statements, including the classification of income and expenses into specified categories and the provision of totals and subtotals in the Statement of Financial Performance. The Authority intends to adopt these standards when they become effective.

d) 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

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2021
(In Cayman Islands dollars)

2. Significant Accounting Policies (continued)

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

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 net worth 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.

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 2021
(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

The preparation of financial statements, in conformity with IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those 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. Bank accounts held at the same institution are presented at net amounts.

g) Accounts receivable

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

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2021
(In Cayman Islands dollars)

2. Significant Accounting Policies (continued)

h) Accounts payable and accrued expenses

Accounts payable and accrued expenses are classified as financial liabilities 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.

i) 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.

j) Leases

IFRS 16 became effective for annual reporting periods beginning on or after 1 January 2019 and requires lessees to recognize a right-of-use asset and a corresponding lease liability for most lease arrangements.

As at the reporting date, the Authority has not recognized any right-of-use assets or lease liabilities. Management has assessed its leasing arrangements and determined that the lease held by the Authority qualify for recognition exemptions under IFRS 16, specifically as short-term leases (with a lease term of 12 months or less) and/or leases of low-value assets.

Accordingly, lease payments associated with these arrangements are recognized as an expense on a straight-line basis over the lease term and are included in profit or loss within operating expenses.

k) Financial instruments

(i) Recognition and Derecognition

IFRS 9 sets out requirements for recognising and measuring financial assets and financial liabilities. IFRS 9 establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit and loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership. Financial assets are carried at amortised cost using the effective interest method.

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2021
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2. Significant Accounting Policies (continued)

k) Financial instruments (continued)

(ii) Classification and Measurement

Financial assets

The Authority classifies its financial assets, cash and cash equivalents, fixed deposits and accounts receivable, as amortised cost. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as noncurrent assets.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the authority has transferred substantially all risks and rewards of ownership. The Authority's financial assets are carried at amortised cost using the effective interest method.

Financial liabilities

The Authority classifies its financial liabilities as other financial liabilities. Such financial liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable and loans payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount presented in the Authority's statement of financial position when, and only when, the Authority has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

l) Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate ruling on 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 the exchange rates at the time of those transactions. Gains and losses on exchange are credited or charged in the Statement of Comprehensive Income.

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2021
(In Cayman Islands dollars)

2. Significant Accounting Policies (continued)

l) Foreign currency translation (continued)

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.

m) Allowance for impairment losses

The allowance for impairment losses is established through a provision for impairment charged to expenses. Accounts receivable 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.

n) Employee benefits

The Authority's active employees receive free medical benefits while their dependents 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 plans 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

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2021
(In Cayman Islands dollars)

2. Significant Accounting Policies (continued)

n) Employee benefits (continued)

Defined benefit plan (continued)

and other expenses related to defined benefit plans are recognized in profit or loss. 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.

3. Financial Risk Management

For certain of the Authority's financial instruments, including cash and cash equivalents, term deposits, accounts receivable, other receivables, 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, 88% of the receivables relate to related parties also 100% owned by the Cayman Islands Government. The remaining 12% was spread over 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.

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2021
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3. Financial Risk Management (continued)

a) Credit risk (continued)

	Current	31-60 Days	61-90 Days	91-180 Days	181-360 Days	360+ Days	Total
CAL & Express	209,573	192,685	2,150	86,880	196,501	4,588,787	5,276,576
Other Government Departments	-	14,984	990	19,279	5,466	369,288	410,007
Third Party Receivables	228,952	20,053	58,015	16,219	23,735	400,567	747,541
Gross Accounts Receivables	438,525	227,722	61,155	122,378	225,702	5,358,642	6,434,124

b) Interest rate price risk

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 to interest risk as none of the other financial instruments is 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 2021.

	Carrying Amount	Value at maturity	Contracted cash flows (undiscounted)					
			< 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	> 5 years
Cash and cash equivalents	6,065,811	-	6,065,811	-	-	-	-	-
Accounts receivables (net)	5,708,772	-	5,708,772	-	-	-	-	-
Other receivables	921,031	-	921,031	-	-	-	-	-
	12,695,613	-	12,695,614	-	-	-	-	-
Accounts payable and accrued expenses	5,394,653	-	5,394,653	-	-	-	-	-
Long term debt	15,468,911	-	-	-	1,393,333	1,393,333	1,393,333	11,288,911
Unfunded pension obligation	9,907,000	-	9,907,000	-	-	-	-	-
Unfunded health care obligation	21,691,000	-	21,691,000	-	-	-	-	-
	52,461,564	-	36,992,653	-	1,393,333	1,393,333	1,393,333	11,288,911

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2021
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3. Financial Risk Management (continued)

d) Liquidity risk (continued)

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

e) Fair values

The carrying amount of cash deposits, term deposits, accounts receivable, other receivables, accounts payable 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 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. Cash and Cash Equivalents

a. Cash and cash equivalents as of 31 December 2021 comprised:

	<u>2021</u>	<u>2020</u>
	Amount	Amount
Cash on hand	5,916	5,926
Current and call accounts	<u>6,059,895</u>	<u>5,768,642</u>
	<u>6,065,811</u>	<u>5,774,568</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

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. There were no term deposits in 2020 or 2021.

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2021
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5. Accounts Receivable

a) Accounts receivable are stated at fair value (net of impairment) on the reporting date.

	2021	2020
	Amount	Amount
Accounts receivable	6,434,125	9,563,636
Allowance for impairment losses	(725,353)	(2,668,109)
Carrying value	5,708,772	6,895,527

Allowance for impairment losses decreased by \$1,942,756 (2020: \$60,773) due to a large repayment of old invoices from a related party.

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

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

A large number of accounts receivable are with government agencies; as such, the Sovereign Probability of Default (PD) and loss given default (LGD) were applied in assessing expected credit loss. These are accounts that are more than 90 days past due.

The accounts receivable aging below shows a 33% (2020: 6%) reduction in the gross value. This improvement is primarily on account of the border closures and the significant closure of the airports.

Aging Schedule	2021			2020		
	Gross	Impairment	Net	Gross	Impairment	Net
1-30 days	498,300	-	498,300	441,800	-	441,800
31-60 days	227,722	-	227,722	15,769	-	15,769
61-90 days	61,155	-	61,155	150,574	-	150,574
91-180 days	62,604	-	62,604	374,492	-	374,492
181- 360 days	225,702	-	225,702	3,307,718	-	3,307,718
360+ days	5,358,642	(725,353)	4,633,289	5,273,283	(2,668,109)	2,605,174
	6,434,125	(725,353)	5,708,772	9,563,636	(2,668,109)	6,895,527

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2021
(In Cayman Islands dollars)

5. Accounts Receivable (continued)

(i) Impairment losses on accounts receivable

	<u>2021</u>	<u>2020</u>
Balance at 1 January	2,668,109	2,607,336
Increase in provisions during the year	(1,942,756)	60,773
Balance at 31 December	<u>725,353</u>	<u>2,668,109</u>

88% 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.

b) Other receivables and prepaid expenses on the reporting date:

	<u>2021</u>	<u>2020</u>
	<u>Amount</u>	<u>Amount</u>
Security Deposits	1,578	1,578
Reimbursable expenses	984	5,586
Prepaid expenses	59,712	26,538
Accrued Revenue	<u>858,757</u>	<u>127,001</u>
	<u>921,031</u>	<u>160,702</u>

Cayman Islands Airports Authority
Notes to the Financial Statements 31 December 2021
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6. Property, Plant, Equipment, and Intangible Assets

For the year ended 31 December 2021	Land	Building and Structures	Equipment	Other Assets	Construction in Progress	Sub-Total	Intangible Assets	Total
Cost								
At 1-Jan-2020	63,960,000	137,977,368	11,435,271	2,238,262	680,517	216,291,418	2,985,158	219,276,576
Additions	-	-	3,280	24,800	2,405,724	2,433,804	-	2,433,804
Transfers from WIP	-	2,144,189	557,267	28,444	(2,729,901)	-	-	-
Adjustments	-	(13,634,341)	1,112	(6,476)	-	(13,639,705)	-	(13,639,705)
Disposals	-	(201,525)	(747,541)	(338,505)	-	(1,287,571)	(222,263)	(1,509,834)
Revaluation adjustment	40,663,000	29,210,606	-	-	-	69,873,606	-	69,873,606
As at 31-Dec-2021	104,623,000	155,496,297	11,249,389	1,946,525	356,340	273,671,551	2,762,895	276,434,446
Accumulated Depreciation								
At 1-Jan-2020	-	13,595,584	6,504,588	1,325,611	-	21,425,783	2,901,705	24,327,488
Depreciation 2021	-	8,743,688	534,155	133,286	-	9,411,129	45,026	9,456,155
Disposal and adjustment	-	(109,261)	(747,670)	(337,766)	-	(1,194,697)	(222,261)	(1,416,958)
Revaluation adjustment	-	(13,496,886)	-	-	-	(13,496,886)	-	(13,496,886)
As at 31-Dec-2021	-	8,733,126	6,291,073	1,121,131	-	16,145,330	2,724,470	18,869,799
Net Book Value at 31 December 2021	104,623,000	146,763,172	4,958,317	825,394	356,340	257,526,221	38,426	257,564,647
Cost								
At 1-Jan-2020 (Restated)	63,960,000	94,574,789	10,438,447	1,745,361	8,242,072	178,960,669	2,980,658	181,941,327
Additions	-	-	140,218	145,805	37,480,959	37,766,982	-	37,766,982
Transfers from WIP	-	43,402,579	856,606	498,667	(44,762,352)	(4,500)	4,500	-
Adjustments	-	-	-	-	(280,162)	(280,162)	-	(280,162)
Disposals	-	-	-	(151,571)	-	(151,571)	-	(151,571)
As at 31-Dec-2020	63,960,000	137,977,368	11,435,271	2,238,262	680,517	216,291,418	2,985,158	219,276,576
Accumulated Depreciation								
At 1-Jan-2020 (Restated)	-	8,531,160	6,004,007	1,349,341	-	15,884,508	2,803,805	18,688,313
Depreciation 2020	-	5,064,424	500,581	127,841	-	5,692,847	97,960	5,790,807
Disposal and adjustment	-	-	-	(151,571)	-	(151,571)	(60)	(151,631)
As at 31-Dec-2020	-	13,595,584	6,504,588	1,325,611	-	21,425,783	2,901,705	24,327,488
Net Book Value at 31 December 2020	63,960,000	124,381,784	4,930,684	912,651	680,517	194,865,635	83,453	194,949,088

* Other Assets includes Computers, Motor vehicles, and Furniture

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
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6. Property, Plant, Equipment, and Intangible Assets (continued)

In late 2019, a major project was initiated, which was the Airfield Upgrades Project and was completed in 2021.

Construction in Progress at the end of the year ended 31 December 2021 totalled \$356,340, which included the following projects:

Description	Amount
Hi Scan 6040-2is dual view x-ray inspection system	71,955
East Canopy	65,671
CKIA Camera Foundation	61,411
Departure Lounge design	59,111
ATC Membrane	36,975
CCTV Equipment	24,220
Baggage Cart Roof	17,964
Golf Cart	7,850
Maintenance warehouse	5,879
Beacon House Flooring	5,304
Total	356,340

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. |

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
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6. Property, Plant, Equipment, and Intangible Assets (continued)

Fair Value Measurements (continued)

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.

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.

In April 2021, the property portfolio of the Cayman Islands Airports Authority was revalued by a local property valuation expert engaged by management and coordinated by the Lands and Survey Department with a valuation date of 1 January 2021. The exercise resulted in net valuation gain of \$66,102,766 recognized in OCI and a valuation loss of \$133,650 recognized in the Statement of Financial Performance. The assets and fair values as at 1 January 2021:-

Asset Class	Level 1	Level 2	Level 3	Total
Land	-	104,623,000	-	104,623,000
Buildings and Land Improvements	-	155,483,982	-	155,483,982
Total	-	260,106,982	-	260,106,982

There were no transfers between Level 1 and Level 2 during the period.

Cayman Islands Airports Authority
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6. Property, Plant, Equipment, and Intangible Assets (continued)

Fair Value Measurements (continued)

Description	Opening	Revaluation Loss recoveries	OCI	2021 Cost basis Balance	Revaluation Surplus Reserve
<u>Land</u>					
299 Walkers Road	304,260		245,740	550,000	245,740
Owen Roberts Drive	59,695,740		39,857,260	99,553,000	91,108,871
Cayman Brac Central	-		60,000	60,000	60,000
Cayman Brac West	-		45,000	45,000	45,000
25 Church Close	1,960,000		580,000	2,540,000	2,467,461
Little Cayman West	2,000,000	(125,000)	-	1,875,000	1,678,177
<u>Buildings</u>					
NDB Site Building	-		21,875	21,875	21,875
New Terminal Building	72,921,688	3,423,708	2,087,980	67,410,000	2,087,980
Courier Facility	424,234	-	34,754	389,480	272,852
Met Office	445,120	69,626	(69,626)	445,120	202,632
Office and Control Tower	1,065,425		136,665	928,760	705,091
Terminal Buildings	2,551,860	127,297	127,296	2,297,267	
Land Improvements	106,971,421	(8,650)	22,975,822	84,004,249	42,100,643
	248,339,748	3,486,981	66,102,766	260,119,751	140,996,322

7. Accounts Payable & Accrued Expenses

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

	2021	2020
	Amount	Amount
Accounts Payables	4,053,785	6,357,514
Other payables	1,073,697	893,290
Accrued expenses	267,171	657,242
	<u>5,394,653</u>	<u>7,908,046</u>

a) Trade creditors

Trade creditors are stated at fair value 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 17- 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
2021	1,896,508	57,744	12,646	108,252	754	1,261,551	716,330	4,053,785
2020	2,090,315	2,739,463	159,318	108,959	577,005	666,525	15,930	6,357,514

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
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7. Accounts Payable & Accrued Expenses (continued)

- a) Accruals represent trade invoices not yet posted to the payables subledger. Included in the amounts at year-end were stage payments due in relation to projects in process and expenses in the normal operation of the business. These amounts were settled in 2022.
- b) Employee entitlements

Employee entitlements represent 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 \$nil (2020: \$85,407).

The Authority facilitates a Christmas savings programme on behalf of the staff. Participation in the programme is voluntary, and savings are 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.

- c) 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.

8. 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.

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8. Unfunded Pension Liability (continued)

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”).

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 44.5%.

(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.

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8. Unfunded Pension Liability (continued)

(a) Defined benefit pension plan (continued)

The most recent provisional actuarial estimate was performed as of 31 December 2021 indicated a plan deficit attributable to the Authority of \$9,907,000 (2020: \$12,304,000). The total amount recognized as a pension expense for the year ended 31 December 2021, inclusive of both defined benefit and defined contribution parts, was \$552,000 (2020: \$412,000). The defined benefit obligation as of 31 December 2021 as it relates to its participation in the Plan is based on the 47 members as at 31 October 2021 (2020: 46 members).

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:	2021	2020
Defined Contribution Plans - Employee	6.00%	6.00%
- Employer	6.40%	6.40%
Defined Benefit Plans - Employee	6.00%	6.00%
- Employer	38.50%	38.50%

Financial year ended on	2021	2020
The actuarial position is as follows:		
Net present value of funded obligation beginning of year	(16,517)	(17,562)
Fair value of plan assets	6,610	5,258
Net liability in Statement of Financial Position, end of year	(9,907)	(12,304)

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
(In Cayman Islands dollars)

8. Unfunded Pension Liability (continued)

(a) Defined benefit pension plan (continued)

	31 December	
	2021	2020
A. Defined benefit obligation (\$'000's)		
1. Defined benefit obligation at end of prior year	17,562	13,411
2. Service cost		
a. Current service cost	369	271
b. Past service cost	-	-
c. (Gain) / loss on settlements	-	-
3. Interest expense	386	422
4. Cash flow s		
a. Benefit payments from plan assets	-	(4)
b. Transfers between Other Participating employers	-	(12)
c. Settlement payments from plan assets	-	-
d. Settlement payments from employer	-	-
e. Participant contributions	74	66
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	36	(488)
b. Effect of changes in financial assumptions	(1,082)	3,134
c. Effect of experience adjustments	(828)	762
7. Effect of changes in foreign exchange rates	-	-
8. Defined benefit obligation at end of year	16,517	17,562

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
(In Cayman Islands dollars)

8. Unfunded Pension Liability (continued)

(a) Defined benefit pension plan (continued)

	31 December	
B. Change in fair value of plan assets (\$'000's)	2021	2020
1. Fair value of plan assets at end of prior year	5,258	4,031
2. Interest income	122	134
3. Cash flow s		
a. Total employer contributions		
(i) Employer contributions	552	412
(ii) Employer direct benefit payments	-	-
(iii) Employer direct settlement payments	-	-
b. Participant contributions	74	66
c. Benefit payments from plan assets	-	(4)
d. Transfers between Other Participating employers	-	(12)
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	-	86
b. Increase (decrease) due to plan combinations	-	-
5. Remeasurements		
a. Return on plan assets (excluding interest income)	604	545
6. Effect of changes in foreign exchange rates	-	-
7. Fair value of plan assets at end of year	6,610	5,258

	31 December	
Financial year ending on	2021	2020
C. Amounts recognized in the Statement of Financial Position (\$'000's)		
1. Defined benefit obligation	16,517	17,562
2. Fair value of plan assets	6,610	5,258
3. Funded status	9,907	12,304
4. Effect of asset ceiling/onerous liability	-	-
5. Net defined benefit liability (asset)	9,907	12,304

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
(In Cayman Islands dollars)

8. Unfunded Pension Liability (continued)

a) Defined benefit pension plan (continued)

D. Components of defined benefit cost (\$'000's)	31 December	
	2021	2020
1. Service cost		
a. Current service cost	369	271
b. Reimbursement service cost	-	-
c. Past service cost	-	-
d. (Gain) / loss on settlements	-	-
e. Total service cost	369	271
2. Net interest cost		
a. Interest expense on DBO	386	422
b. Interest (income) on plan assets	(122)	(134)
c. Interest (income) on reimbursement rights	-	-
d. Interest expense on effect of (asset ceiling)/onerous liability	-	-
e. Total net interest cost	264	288
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	633	559
6. Remeasurements (recognized in other comprehensive income)		
a. Effect of changes in demographic assumptions	36	(488)
b. Effect of changes in financial assumptions	(1,082)	3,134
c. Effect of experience adjustments	(828)	762
d. (Return) on plan assets (excluding interest income) *	(604)	(545)
e. (Return) on reimbursement rights (excluding interest income)	-	-
f. Changes in asset ceiling/onerous liability (excluding interest income)	-	-
g. Total remeasurements included in OCI	(2,478)	2,863
7. Total defined benefit cost recognized in P&L and OCI	(1,845)	3,422

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
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8. Unfunded Pension Liability (continued)

(a) Defined benefit pension plan (continued)

E. Net defined benefit liability (asset) reconciliation (\$'000's)	31 December	
	2021	2020
1. Net defined benefit liability (asset)	12,304	9,380
2. Defined benefit cost included in P&L	633	559
3. Total remeasurements included in OCI	(2,478)	2,863
4. Other significant events	-	-
a. Net transfer in/(out) (including the effect of any business combinations/divestitures)	-	(86)
b. Amounts recognized due to plan combinations	-	-
5. Cash flows		
a. Employer contributions	(552)	(412)
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	9,907	12,304
F. Significant actuarial assumptions		
<i>Weighted-average assumptions to determine defined benefit obligations</i>		
Effective discount rate for defined benefit obligation	2.9%	2.6%
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-2021	RP-2014 scaled back to 2006 using Scale MP-2014 then generationally projected from 2006 using Scale MP-2020
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	2.20%	3.15%
Discount rate used to determine interest on current service cost	2.70%	3.60%
Discount rate used to determine interest on defined benefit obligation	2.50%	3.40%
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-2020	RP-2014 scaled back to 2006 using Scale MP-2014 then generationally projected from 2006 using Scale MP-2019

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
(In Cayman Islands dollars)

8. Unfunded Pension Liability (continued)

(a) Defined benefit pension plan (continued)

G. Sensitivity analysis	(\$'000's)	31 December	
		2021	2020
Discount rate			
a. Discount rate - 25 basis points		17,412	18,593
b. Discount rate + 25 basis points		15,685	16,606
Inflation rate			
a. Inflation rate - 25 basis points		15,734	16,629
b. Inflation rate + 25 basis points		17,354	18,564
Mortality rates			
a. Mortality - 10% of current rates		16,968	18,075
b. Mortality + 10% of current rates		16,110	17,099

Weighted average duration of defined benefit obligation (in years)

Discount rate - 25 basis points	21.11	22.82
Discount rate + 25 basis points	20.67	22.39

H. Expected cash flows for following fiscal year

1. Expected employer contributions	481	481
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I. Defined benefit obligation

1. Defined benefit obligation by participant status		
a. Actives	14,742	15,748
b. Vested deferreds	1,775	1,814
c. Retirees	-	-
d. Total	16,517	17,562

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
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8. Unfunded Pension Liability (continued)

(a) Defined benefit pension plan (continued)

Participant data	October 31 , 2 0 2 1	September 30 , 2 0 2 0
Actives		
Number	18	18
Payroll (CI\$000)	1,181	1,186
Age (years)	52.04	50.96
Authority Service (years)	23.60	22.18
Total Service (years)	27.85	26.41
Transfers		
Number	12	12
Payroll (CI\$000)	895	892
Age (years)	47.90	46.82
Authority Service (years)	16.02	16.02
Total Service (years)	28.59	27.95
Deferred Vested		
Number	17	16
Pension payable at age 60 (CI\$000)	89	87

(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 year ended 31 December 2021, the Authority and its employees contributed 6.4% and 6%, respectively, to the fund.

(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 2021 and 31 December 2020 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.

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Notes to Financial Statements 31 December 2021
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8. Unfunded Pension Liability (continued)

(c) Actuarial assumptions (continued)

Measurement Date	31 December 2021	31 December 2020
Discount rate		
• BOY disclosure and current year expense	2.60% per year	3.50% per year
• EOY disclosure	2.90% per year	2.60% per year
• Following year current service cost	2.95% per year	2.70% per year
• Rate used to determine interest on defined benefit obligation and plan assets for following year expense	2.65% per year	2.20% per year
• Rate used to determine interest on current service cost for following year expense	2.85% per year	2.50% 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-2020	RP-2014 scaled back to 2006 using Scale MP- 2014, then generationally projected using Scale MP-2019
• EOY disclosure and following year expense	RP-2014 scaled back to 2006 using Scale MP- 2014, then generationally projected using Scale MP-2021	RP-2014 scaled back to 2006 using Scale MP- 2014, then generationally projected using Scale MP-2020
Disability	None	None

Measurement Date	31 December 2021	31 December 2020
Turnover rates	Age related table	Age related table
Retirement	Revised age-related retirement rates used. See table below	Revised age-related retirement rates used. See table below
Assumed life expectations on retirement	Retiring today (member age 57): 28.61	Retiring today (member age 57): 28.45
	Retiring in 25 years (at age 57): 30.75	Retiring in 25 years (at age 57): 30.61
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

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
(In Cayman Islands dollars)

8. Unfunded Pension Liability (continued)

(c) Actuarial assumptions (continued)

T U R N O V E R R A T E S		
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%

R E T I R E M E N T R A T E S	
Age	
Below 55	0%
55-59	8%
60-64	15%
65	100%

9. 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 the 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

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
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9. Unfunded Health Care Obligation (continued)

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 year ended 31 December 2021 was \$1,322,000 (2020: \$5,142,000). The defined benefit cost comprises a Profit & Loss charge of \$1,787,000 (2020: \$1,462,000) and an Other Comprehensive income (OCI) credit of (\$3,109,000) (2020: debit of \$3,680,000). The actuarial liability as at 31 December 2021, calculated using a discount rate of 2.95% (2020: 2.70%), is \$21,691,000 (2020: \$23,174,000).

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 \$21,691,000 (2020: \$23,174,000).

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

	31 December	
Change in defined benefit obligation over year ended	2021	2020
	\$'000	\$'000
A. Defined benefit obligation		
1. Defined benefit obligation at beginning of year	23,174	18,183
2. Current service cost	1,233	856
3. Interest Expense	554	606
4. Cash Flow s		
a. Benefit payments from employer	(161)	(151)
5. Remeasurements		
a. Effect of changes in demographic assumptions	277	(657)
b. Effect of changes in financial assumptions	(3,440)	4,284
c. Effect of experience adjustments	54	53
Defined benefit obligation at end of year	21,691	23,174

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
(In Cayman Islands dollars)

9. Unfunded Health Care Obligation (continued)

	31 December	
B. Change in fair value of plan assets	2021	2020
	\$'000	\$'000
1. Fair value of plan assets at start of year	-	-
2. Interest income	-	-
3. Cash flows		
a. Total employer contributions		
(i) Employer direct benefit payments	161	151
(ii) Benefit payment from employer	(161)	(151)
Total	-	-

	31 December	
C. Amounts recognized in Statement of Financial Position	2021	2020
	\$'000	\$'000
1. Defined benefit obligation	21,691	23,174
Funded status	21,691	23,174
Effect of experience adjustment	-	-
Net defined benefit liability	21,691	23,174

	31 December	
D. Components of defined benefit cost	2021	2020
	\$'000	\$'000
1. Service cost		
Current service cost	1,233	856
2. Net interest cost		
Interest expense on DBO	554	606
Defined benefit cost included in P&L	1,787	1,462
3. Remeasurements (recognized in other comprehensive income)		
a. Effect of changes in demographic assumptions	277	(657)
b. Effect of changes in financial assumptions	(3,440)	4,284
c. Effect of experience adjustments	54	53
Total remeasurements included in OCI	(3,109)	3,680
Total defined benefit cost recognized in P&L and OCI	(1,322)	5,142

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
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9. Unfunded Health Care Obligation (continued)

	31 December	
E. Net defined benefit liability (asset) reconciliation	2021	2020
	\$'000	\$'000
1. Net defined benefit liability (asset)	23,174	18,183
2. Defined benefit cost included in P&L	1,787	1,462
3. Total remeasurements included in OCI	(3,109)	3,680
4. Cash flows		
a. Employer direct benefit payments	(161)	(151)
Net defined benefit liability as at the end of year	21,691	23,174

	31 December	
	2021	2020
F. Defined benefit obligation	\$'000	\$'000
Defined benefit obligation by participant status		
Actives	14,581	15,903
Retirees	7,110	7,271
Total	21,691	23,174

	31 December	
	2021	2020
G. Significant actuarial assumptions		
<i>Weighted-average assumptions to determine defined benefit obligations</i>		
Effective discount rate for defined benefit obligation	2.95%	2.70%
Healthcare cost trend rates		
Immediate trend rate	5.33%	5.00%
Ultimate trend rate	4.00%	5.00%
Year rate reaches ultimate trend rate	2045	n/a
Mortality rate assumption	RP-2014 projected with MP -2021	RP-2014 projected with MP -2020

<i>Weighted-average assumptions to determine defined benefit cost</i>		
Effective discount rate for defined benefit obligation	2.70%	3.60%
Effective rate for net interest cost	2.40%	3.35%
Effective rate for service cost	2.75%	3.70%
Effective rate for interest on service cost	2.75%	3.65%
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 -2020	RP-2014 projected with MP -2019

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
(In Cayman Islands dollars)

9. Unfunded Health Care Obligation (continued)

	31 December	
	2021	2020
H. Sensitivity analysis	\$'000	\$'000
Change in the defined benefit obligation		
Effective discount rate -25 basis points	1,218	1,412
Effective discount rate +25 basis points	(1,133)	(1,309)
Health care cost trend rates - 100 basis points	(4,039)	(4,557)
Health care cost trend rates + 100 basis points	5,272	6,028
Mortality assumption + 10%	(924)	(1,112)

I. Expected cash flows for following year:	2021	2020
	\$'000	\$'000
Expected employer contributions	230	197
Expected total benefit payments		
Year 1	230	197
Year 2	274	232
Year 3	308	275
Year 4	350	308
Year 5	404	347
Next 5 years	2,791	2,479

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 2021
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9. 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 on 31 December 2021 and 2020 are as follows.

Economic Assumptions	Post Retirement Healthcare	Basis of Development - accounting specific assumptions
Discount rate for benefit obligations (p.a)		
- 31 December 2020	2.70%	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 2021	2.95%	
Discount rate for following year's service cost (p.a.)		
- 31 December 2020	2.75%	
- 31 December 2021	2.95%	

Administrative expenses	Included in projected premiums	
Rate of Medical inflation (p.a)	5.00%	Based on short-term and long-term medical inflation expectations for the Cayman Islands and overseas care.

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
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Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
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9. Unfunded Health Care Obligation (continued)

Actuarial assumptions (continued)

Retirement age	Age	Rate
31 December 2021	< 50	0.0%
	55-59	8.0%
	60-64	15.0%
	65+	100.0%

Martial assumption	80% married, wife 3 years younger	80% married, wife 3 years younger
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Demographic Assumptions	Post Retirement Healthcare	Basis of Development - accounting specific assumptions
Current mortality rates		
- 31 December 2019	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 2020	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 2020	Scale MP-2020	Broad consensus amongst longevity experts that mortality improvement will continue in the future.
- 31 December 2021	Scale MP-2021	In the U.S., the future mortality improvement scale has been updated to Scale MP-2020.

10. Government Loan

The Authority entered into an agreement with the Cayman Islands Government Treasury for a loan facility of up to \$50,000,000. The purpose of the loan was to facilitate the completion of the Runway Development project and assist with operational expenses due to the COVID-19 pandemic. As of 31 December 2021, a total of CI\$ 20.9 million (2020: \$13.0 million) had been disbursed to the Authority.

The repayment starts in 2024, for a period of fifteen years. No interest is payable as per the agreement. This was accounted for under IFRS 9, and IAS 20 is recorded at the net present value of \$15,468,910 (2020: \$9,314,832) and consequently, a government grant income of \$2,185,884 (2020: \$3,736,178) and an interest expense of \$439,963 (2020: \$51,010) arising from the unwinding of discounted cash flows was recognized in the Statement of Comprehensive Income. A discount rate of 3.25% was used in the computation.

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
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11. Revenues

(a) Aeronautical income

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 64% 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 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.

Due to the border control restrictions and quarantine measures in 2021 because of Covid which contributed to the job and economic loss in our primary market (USA), this translated into significant revenue loss for the Authority. In 2021, the Authority earned \$2,505,336 (2020: \$8,917,897) from passenger fees and another \$663,242 (2020: \$1,290,250) 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.

	2021 <u>Amount</u>	2020 <u>Amount</u>
Travel Tax	1,049,855	4,215,971
Passenger Facility Charges	553,578	2,289,923
Security Tax and Passenger Terminal Charges	<u>901,903</u>	<u>2,412,003</u>
	<u>2,505,336</u>	<u>8,917,897</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.

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(In Cayman Islands dollars)

11. Revenues (continued)

(a) Aeronautical revenue (continued)

(ii) Aircraft handling income (continued)

	2021 Amount	2020 Amount
Landing fees	384,795	944,650
Parking fees	218,045	214,819
Terminal facility charges	38,147	82,204
Navigation fees	22,255	48,577
	<u>663,242</u>	<u>1,290,250</u>

In an effort to further relieve hardship on Cayman Airways and stimulate domestic travel, in May 2020, the Board of the Authority took a decision to temporarily waive landing and parking fees for domestic travel to Cayman Brac. In addition, landing fees on domestic travel was waived at the Owen Roberts International Airport. The decision remains in effect and is reviewed annually by the board. This decision remains in effect as of April 2026.

(b) Non-aeronautical revenue

Non-aeronautical revenue accounts for an average 50% (2020: 36%) 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.

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
(In Cayman Islands dollars)

11. Revenues (continued)

(b) Non-aeronautical revenue (continued)

(ii) Property rental and concession management (continued)

	2021	2020
	Amount	Amount
Petrol concession	240,624	476,953
Rent - commercial	301,315	628,484
Rent - government	212,305	249,415
	<u>754,244</u>	<u>1,354,852</u>

(iii) Fees and charges

	2021	2020
	Amount	Amount
Permits and Parking	98,729	298,510
Advertising	-	71,349
Airport concierge service	70,919	252,336
Cargo screening services	33,300	26,790
	<u>202,948</u>	<u>648,985</u>

- **Permits and parking**

The Authority earned \$100,542 for the year ended 31 December 2021 (2020: \$298,510) from the use of its paid parking facility and 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.

- **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. Due to border closures during the financial reporting period, no advertising revenue was collected in 2021 (\$nil) (2020: \$71,349).

- **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.

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
(In Cayman Islands dollars)

11. Revenues (continued)

(b) Non-aeronautical revenue (continued)

(iii) Fees and charges (continued)

- **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.

12. Government Grant Income

Further to Note 11, the Authority entered into an agreement with the Cayman Islands Government Treasury for a loan facility that bore no interest. The benefit of the interest being below market was classified as a government grant in accordance with IAS 20. Consequently, during the reporting period, the Authority recognized government grant income totaling \$2,185,884 (2020: \$3,736,178) in the Statement of Comprehensive Income related to this benefit.

There were no unfulfilled conditions or other contingencies associated with the government assistance recognized in the financial statements.

13. Staff Costs

The Authority had a staff complement of 188 persons at the end of 31 December 2021. The approved head count based on regulations and international standards is 220 persons.

The Authority has 94% Caymanian staffing complement in a field where the skills sets are not easily transferable or had locally. In order to keep current 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 2021
(In Cayman Islands dollars)

13. Staff Costs (continued)

	2021 Amount	2020 Amount
Salaries and wages	9,784,838	10,073,575
Past service health care expense	1,788,376	1,459,889
Pension contributions	1,136,152	1,077,107
Medical insurance	1,021,845	1,028,187
Past service pension expense	81,000	61,000
Uniforms	33,785	9,297
	<u>13,845,995</u>	<u>13,709,055</u>

Refer to notes 8 and 9 above for details on past service pension and healthcare costs.

14. Provision for Legal and Civil Claims

There were no legal or civil claims against the Authority during the period.

15. Contingencies and Commitments

(a) Contingent legal claims

There were no legal claims against the authority during the financial reporting year 2021. During 2020, the Authority was a defendant in a labour tribunal claim by a former employee. The tribunal found in favour of the employee; this matter was settled in 2021.

(b) Capital and operating commitments

Capital commitments	< 1 year	1 - 5 years	> 5 years	Total
Capital projects	232,087	996,814	-	1,228,901
Operating commitments	< 1 year	1 - 5 years	> 5 years	Total
Janitorial services	1,312,252	5,370,507	-	6,682,759
Various operational contracts	1,173,578	6,695,044	-	7,868,622
Total Commitments	2,485,830	12,065,552	-	14,551,381
Total Commitments	<u>2,717,917</u>	<u>13,062,366</u>	<u>-</u>	<u>15,780,282</u>

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
(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 the year ended 31 December 2021. The amounts disclosed represent the remaining amounts on the contract after being updated subsequent to yearend and considering change orders. Other operating commitments include contractual agreements for air conditioning, landscaping, CCTV and computer software maintenance.

(c) Management of cash reserves and dividends payable

The Authority is required to comply with the Public Authorities Act (2020 revision) (PAA). According to Section 39(2), if a public authority has surplus cash reserves for more than ninety days, those funds should be paid to the core government, unless the Cabinet directs otherwise after written consultation with the Board. However, as of 31 December 2021, the Cabinet exempted statutory authorities from this requirement.

Section 39(3) of the Public Authorities Act (PAA) requires public authorities to pay dividends according to the formula set by the Minister of Finance and Economic Development. However, the Authority was exempt from paying dividends in 2021 due to an operating loss.

Section 36(1) of the PAA requires public authorities to pay an annual capital charge for the use of equity invested by the Government in the authority. The capital charge is set by the Minister of Finance after consultation with the public authority's board. Based on past practice, the Authority expects that the applicable rate for the 2021 financial year will be set at 0% (2020: 0%) and that no capital charge will be payable for 2021 (2020: \$0).

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, Cayman Islands Government entities, all of which are related parties.

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
(In Cayman Islands dollars)

16. Related Party Balances and Transactions (continued)

Statement of Financial Position (continued)

(a) Accounts receivable

	2021 Amount	2020 Amount
Cayman Airways / Cayman Airways Express	5,262,610	8,158,432
Other Government departments	410,007	492,375
	<u>5,672,617</u>	<u>8,650,807</u>

The Authority continues to be in active negotiation with Cayman Airways regarding the way forward with respect to old debts and future payables.

(b) Accounts payable

	2021 Amount	2020 Amount
Cayman Airways / Cayman Airways Express	791,059	779,654
Ministry of Finance	2,326,946	1,481,330
Other Government Entities	378,377	286,827
	<u>3,496,381</u>	<u>2,547,811</u>

The amount due to the Ministry of Finance is in relation to insurance premiums as part of the Cayman Islands Government's insurance policies.

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 the purchase and sale of goods and services, which are independent of whether the counterparties are government-related or non-government-related entities.

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
(In Cayman Islands dollars)

16. Related Party Balances and Transactions (continued)

Statement of Comprehensive Income (continued)

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 with the Authority any additional charges and fees. This agreement took effect as at 1 July 2014.

(c) Revenue

The Authority provides aerodrome facilities for border control activities to government and related entities. The revenue earned from these entities was \$2,019,122 (2020: \$3,338,299) while purchases from these entities by the Authority was \$2,131,572 (2020: \$1,467,362). The procedure is for each entity to reimburse the Authority 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 32% (2020: 20%) of the Authority's total earnings.

	2021 Amounts	2020 Amounts
Cayman Airways Ltd.	1,796,733	3,114,506
Cayman Islands Customs & Border Control	187,350	123,066
Water Authority - Cayman	12,335	12,335
Protocol Office	6,208	6,008
Mosquito Research & Control Unit	5,412	9,898
Agriculture Department	3,400	4,630
Ministry of Financial Services and Commerce	2,650	2,000
Health Services Authority	1,277	1,277
Postal Department	850	1,150
Parliament	800	800
Royal Cayman Islands Police	450	470
Tourism Department	226	176
Ministry of Education	-	160
Other Government Departments	1,380	1,227
	<u>2,019,072</u>	<u>3,277,703</u>

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
(In Cayman Islands dollars)

16. Related Party Balances and 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 7% (2020: 6%) of operating expenditure for the Authority.

	2021 Amount	2020 Amount
Public Services Pensions	1,136,152	1,077,107
Cayman Islands Treasury Department / Risk Management Unit	845,616	847,283
Cayman Airways	776,643	12,988
Public Works Department	150,540	-
Workforce Opportunities and Residency Cayman	93,335	42,900
Office of the Auditor General	86,039	100,000
Account General - Grand Court	58,000	-
Water Authority	51,640	72,104
Department of Vehicles and Drivers License	25,416	25,474
Environmental Health Department	16,380	16,380
Cayman Islands Licensing Department	5,460	10,934
Royal Cayman Islands Police	1,920	54,960
Civil Aviation Authority	-	250,000
Other government entities	20,582	12,132
	<u>3,267,724</u>	<u>2,522,262</u>

17. Key Management

Key management is defined as the Board Members, the Senior Management Team, and any other person(s) who have significant influence over the Authority. As at the year ended 31 December 2021, the Authority had 18 key management personnel (2020: 18). There were 9 (2020: 9) board of directors and 9 (2020: 9) senior managers. During the year, two senior managers resigned and were replaced.

Total compensation to key management personnel for the year amounted to \$1,176,382 (2020: \$1,275,181) representing salary, pension, and other benefits. Within total compensation is \$44,680 for defined pensions benefits paid for one senior manager. 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 2021
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17. Key Management (continued)

	2021 <u>Amount</u>	2020 <u>Amount</u>
Senior Management	1,169,632	1,264,381
Board of Directors	<u>6,750</u>	<u>10,800</u>
	<u>1,176,382</u>	<u>1,275,181</u>

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

	2021 <u>Amount</u>	2020 <u>Amount</u>
Salaries	984,515	1,049,451
Benefits (pension and health care)	176,042	200,952
Training and conferences	2,825	2,770
Accommodation, travel and motor vehicle	-	(542)
Bonus / COLA	<u>6,250</u>	<u>11,749</u>
	<u>1,169,632</u>	<u>1,264,381</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 (2020: \$nil) 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 in 2020 and 2021.

Comparative figures have been restated to reflect these corrections. The adjustments enhance the alignment with applicable standards and improve the accuracy and integrity of financial reporting.

18. Subsequent Events

a. April 2023 – 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 the 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.

Cayman Islands Airports Authority
Notes to Financial Statements 31 December 2021
(In Cayman Islands dollars)

18. Subsequent Events (continued)

b. April 2023 – Public Sector salary realignment exercise (continued)

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.

c. June 2023 – Masterplan Approval

An updated masterplan was approved by Parliament in June 2023. An Outline Business Case (OBC) and Strategic Plan was initiated in July 2022. The Authority will begin work on the projects approved in the updated Masterplan. The approved projects and their estimated costs are:

- General Aviation Terminal and Aircraft Parking Apron for \$42,061,000;
- The Runway Extension at ORIA for \$27,700,000;
- Runway Strip works at CKIA for \$79,009,000; and
- The Air Traffic Management Surveillance System for \$4,700,000.

d. January 2024 – Increase in Terminal Charge and implement new Airport Development Fee

In exercise of the powers conferred by section 41 of the Airports Authority Act (2005 Revision), the Cayman Islands Airports Authority, with the approval of the Cabinet, was given permission to increase the terminal charge from \$1 to \$5 per passenger. And implement a new fee – airport development fee of \$15, which commenced on 1 January 2024 and runs until 31 December 2029.

e. April 2025 – Cayman Islands General Elections

Following the General Elections held on 30 April 2025, the Cayman Islands Airports Authority was transferred from the Ministry of Tourism and Ports to the Ministry of Planning, Lands, Agriculture, Housing and Infrastructure (MPLAHI).

f. March 2026 - Government Loan – Repayments

CIAA began loan repayments in January 2024. As of March 2026, a total of \$7,500,000 in principal has been repaid.

g. May 2026 – Cessation of airline services – Spirit Airlines

An airline that previously provided airline services to the Cayman Islands ceased operations to the Cayman Islands on 12 April 2026 and subsequently commenced wind-up (liquidation) proceedings on 2 May 2026. As at the reporting date, unpaid invoices owed to the Cayman Islands Airports Authority (CIAA) total \$95,500. Management is in communication with the airline representatives on the collectability of these invoices.



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