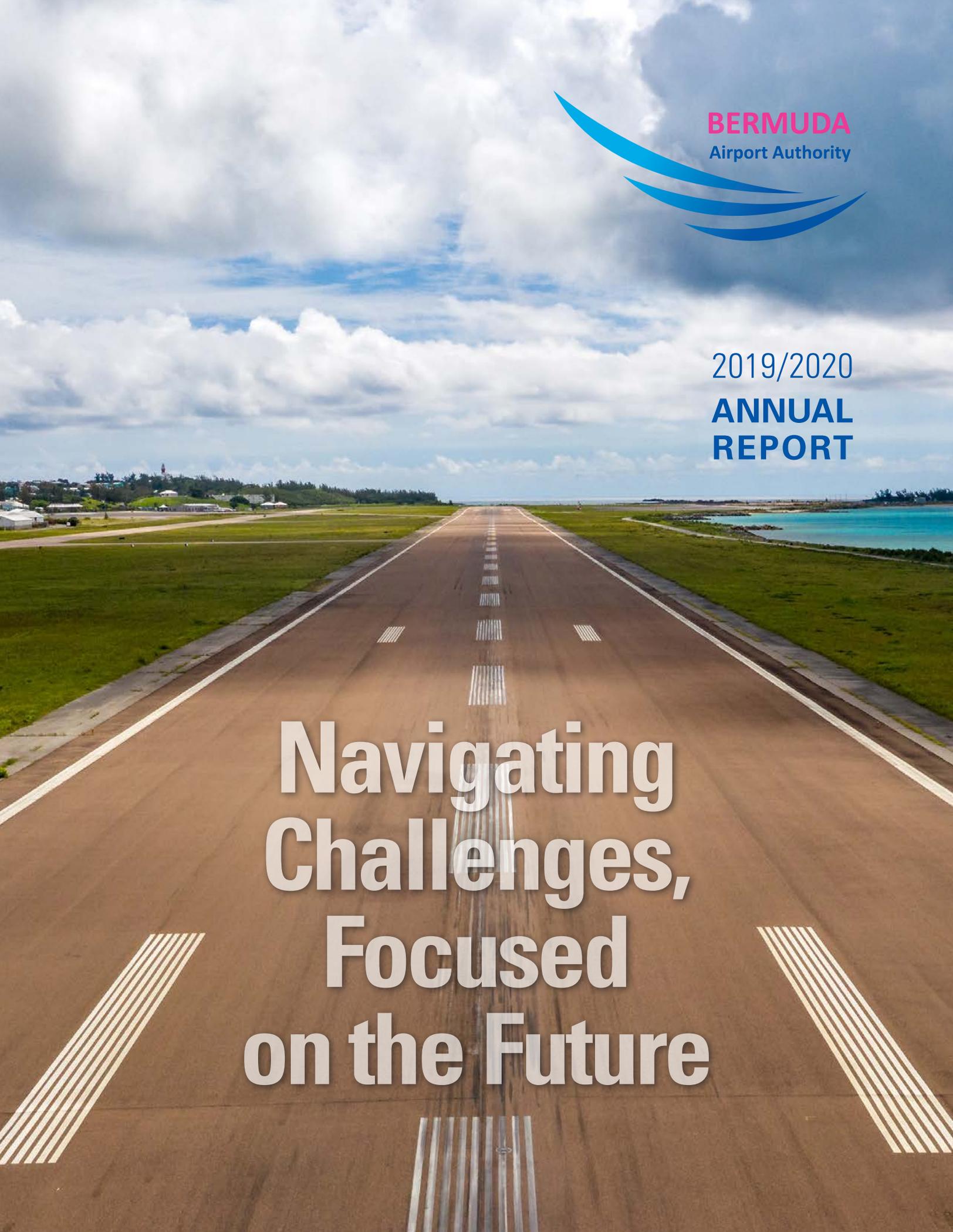




BERMUDA
Airport Authority

2019/2020
**ANNUAL
REPORT**



**Navigating
Challenges,
Focused
on the Future**



ABOUT

WHO WE ARE

The Government of Bermuda established the Bermuda Airport Authority (the “Airport Authority” or the “Authority”) on 2 March 2017 as owner of the LF Wade International Airport.

As a body corporate, quasi-autonomous non-governmental organisation (“QUANGO”), the Authority is governed by the Bermuda Airport Authority Act 2017. Although the Minister may give general directions, the Authority reports to a Board of Directors that is responsible for the actions and general administration of its affairs and business.

WHAT WE DO

The Authority’s mandate is to protect and advance Bermuda’s interests, with a focus on the redevelopment, operations, maintenance, management, and oversight of the LF Wade International Airport – Bermuda’s only airport.

In the execution of its mandate, the Authority’s primary duties include:

- Overseeing Bermuda Skyport Corporation Limited (“Skyport”) as they design, build, finance, operate, and maintain the airport passenger terminal facilities to ensure compliance with the Project Agreement and the protection of Bermuda’s interests.
- Assuming responsibility for the ongoing operations and maintenance of the airport passenger terminal facilities at the end of the 30-year Project Agreement (2047).
- Ensuring the provision of Air Traffic Control, Bermuda Weather Service, Air Traffic Engineering, and Airport Maintenance Services. Prior to 1 April 2019, these services were delivered via a third-party vendor contract; these services are now directly provided by the Authority.
- Ensuring the provision of Airport Rescue and Firefighting Services, currently provided under a Memorandum of Understanding with the Bermuda Fire and Rescue Services.
- Managing key aviation contracts and equipment including, U.S. Federal Aviation Administration (“FAA”) assets.
- Collaborating with the Government of Bermuda, the Bermuda Tourism Authority (“BTA”), Skyport, and related stakeholders to help develop and maintain sustainable, year-round air service to the Island.
- Conducting business in a cost-effective and efficient manner, while having regard to the Government of Bermuda’s desire to enhance opportunities for Bermudians and local investment at the airport.

Contents

Message from the Minister	1
Chairman’s Message	3
Chief Executive Officer’s Message	5
Airport Redevelopment Project Oversight	6
Retained Government Services	11
Air Service Development	15
Financial Statements	17
Board Members	40
Senior Management	41



Message from the Minister of Transport

The Hon. Neville Tyrrell JP MP



The Airport Authority's mandate is to protect and advance Bermuda's interests in the redevelopment and on-going operations of the LF Wade International Airport. In its third year of operations, the Airport Authority continues to deliver on this mandate through its many achievements.

It is my pleasure to report on a very successful year for the Bermuda Airport Authority.

As you will read in this report, the Bermuda Airport Authority's accomplishments in fiscal year 2019/2020 included identifying and negotiating cost savings within the airport terminal redevelopment project. The Airport Authority also assumed direct responsibility for Retained Government Services and, in coordination with other stakeholders, began implementation of a new air service development strategy. Additionally, Airport Authority team members achieved the definitive certification standard for public private partnership professionals. All of these accomplishments are advancing Bermuda's interests and providing career development opportunities for Bermudians in the air navigation services industry.

As we approach the major milestone of completion of the new airport passenger terminal building, the Bermuda Airport Authority has identified and negotiated preferable procurement terms for Bermuda Government furnishings and equipment in the new facility. Additionally, the Airport Authority is directly overseeing the procurement and installation of border management control systems, delivering cost savings and ensuring tight alignment with the requirements

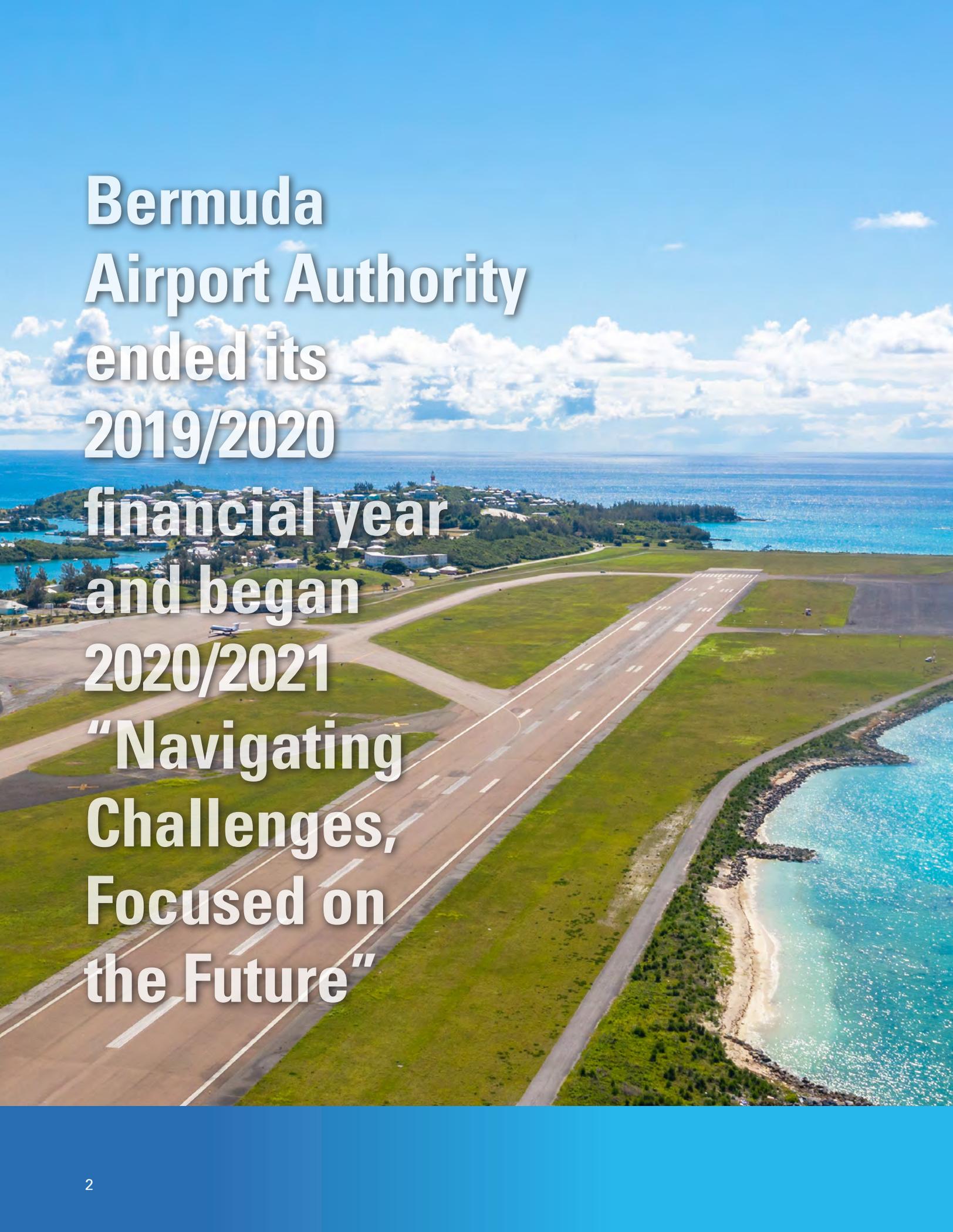
of the Ministry of National Security including the Departments of Immigration and Customs.

Prior to Spring 2020, the Airport Authority in partnership with the Bermuda Tourism Authority and aviation consultants were working on a new air services development strategy to introduce new air routes and expand existing airline services to Bermuda. Following closure of the airport to commercial traffic, from 20 March to 1 July 2020, due to the COVID-19 pandemic, the Bermuda Airport Authority is now working with stakeholders to rebuild airport passenger traffic, while also looking for new opportunities that may become available to Bermuda as a result of the significant reductions and changes in global air travel.

On 1 April 2019, after having meticulously planned the transition of Retained Government Services to the Bermuda Airport Authority during the previous year, Air Traffic Control, the Bermuda Weather Service, Air Traffic Engineering and Airport Maintenance Services seamlessly joined the Airport Authority team. This has resulted in reduced costs as the Authority is able to retain vendor management and administration fees formerly paid to an overseas third party.

These are just some of the accomplishments achieved by the Bermuda Airport Authority during the past year. I hope you will take time to read through this annual report for better insight as to how the Bermuda Airport Authority is advancing and protecting Bermuda's interests.

The Hon. Neville Tyrrell, JP MP

An aerial photograph of the Bermuda Airport, showing a long runway extending from the foreground towards the horizon. The runway is flanked by green grass and a paved taxiway. In the background, there is a coastal town with buildings and a lighthouse, situated on a small island. The ocean is a vibrant blue, and the sky is filled with white, fluffy clouds. The overall scene is bright and sunny.

**Bermuda
Airport Authority
ended its
2019/2020
financial year
and began
2020/2021
“Navigating
Challenges,
Focused on
the Future”**

Chairman's Message

By any measure, fiscal year 2019/2020 has been extraordinary, leaving the world and Bermuda significantly changed and challenged!

For the Bermuda Airport Authority, the year began as planned.

On day one, 1 April 2019, the Airport Authority successfully completed the transition of air navigation and weather services from vendor-supplied, to in-house operations; adding Air Traffic Control, the Bermuda Weather Service, Air Traffic Engineering, Airport Maintenance Services and welcoming an additional 32 employees to our team.

The redevelopment of the new airport passenger terminal building was progressing as planned; scheduled for opening in July 2020. The Bermuda Airport Authority was moving forward with its strategic initiatives: Building capacity in air navigation services; partnering with other stakeholders to improve Air Service to Bermuda, and developing an Infrastructure Procurement Readiness ("IPR") Initiative. A great start to a year with many major achievements!

However, by 31 March 2020, everything had changed. The world was plunged into crisis by the COVID-19 pandemic. Several airlines began cancelling flights in mid-March, and Government was forced to close the LF Wade International Airport to commercial traffic on 20 March. Substantial completion of the new passenger terminal building, originally scheduled for May 2020, was pushed out to September and the official opening, initially planned for July, is now scheduled for December 2020.

Limited commercial air service to Bermuda resumed on 7 July but is only slowly returning to normal levels, which is making both short and long-term projections of future passenger levels difficult to predict. As a result, the Bermuda Airport Authority ended its 2019/2020 financial year and began the new fiscal year, **Navigating Challenges, Focused on the Future.**

The impact of COVID-19 – near zero air passengers for more than a quarter of the year – meant that aeronautical revenues collected by Bermuda Skyport Corporation Limited ("Skyport") did not meet quarterly minimum revenue guarantee targets defined in the Project Agreement. As a result, in July 2020, the Bermuda Airport Authority was required to pay Skyport almost \$5.8 million to fund the minimum revenue guarantee shortfall for the June quarter. Over the previous

three and a half years of the Project Agreement the Bermuda Airport Authority has never had to make such a payment, which is based on a formula for each quarter of the calendar year. Projections are that Q3 2020 will see about 50% less activity than during the same period in 2019, but there are no firm long-term forecasts as it is difficult to predict the severity of impact that the virus will continue to have on global travel.

As circumstances evolve, we continue to work closely with our Public Private Partnership ("PPP") legal advisers to ensure Bermuda's interests, as defined by the terms of the Project Agreement, are protected. We are partnering with the Bermuda Tourism Authority, Skyport and our airline service providers to plan and prepare for the safe and efficient rebuilding of commercial flight schedules and passenger numbers in the months ahead. We are also collaborating with the Bermuda Hospitals Board on our IPR Initiative, which is intended to leverage the PPP knowledge and experience gained from overseeing two of Bermuda's largest ever infrastructure projects.

These are the most challenging of times, but I am confident that with the continued involvement and support of our experienced Board of Directors, we will navigate these difficult circumstances and pave the way for a successful future. As Chairman, I sincerely appreciate the efforts and the continued dedication of Board members.

I am especially proud of Bermuda Airport Authority's staff for their diligence serving the people of Bermuda through these turbulent times. The team's many achievements in 2019/2020 leave the Bermuda Airport Authority well-positioned to navigate the current challenges and overcome any future adversity with knowledge, vision and aspiration. Congratulations to our staff charged with oversight of the PPP Project Agreement who completed rigorous study and training to become Bermuda's first Certified PPP Professionals. I am also very encouraged by many of our Airport Authority management and staff who continue to achieve other industry-specific certifications in pursuit of various professional development opportunities. On behalf of the Board, we thank you.



Lawrence Scott, JP MP

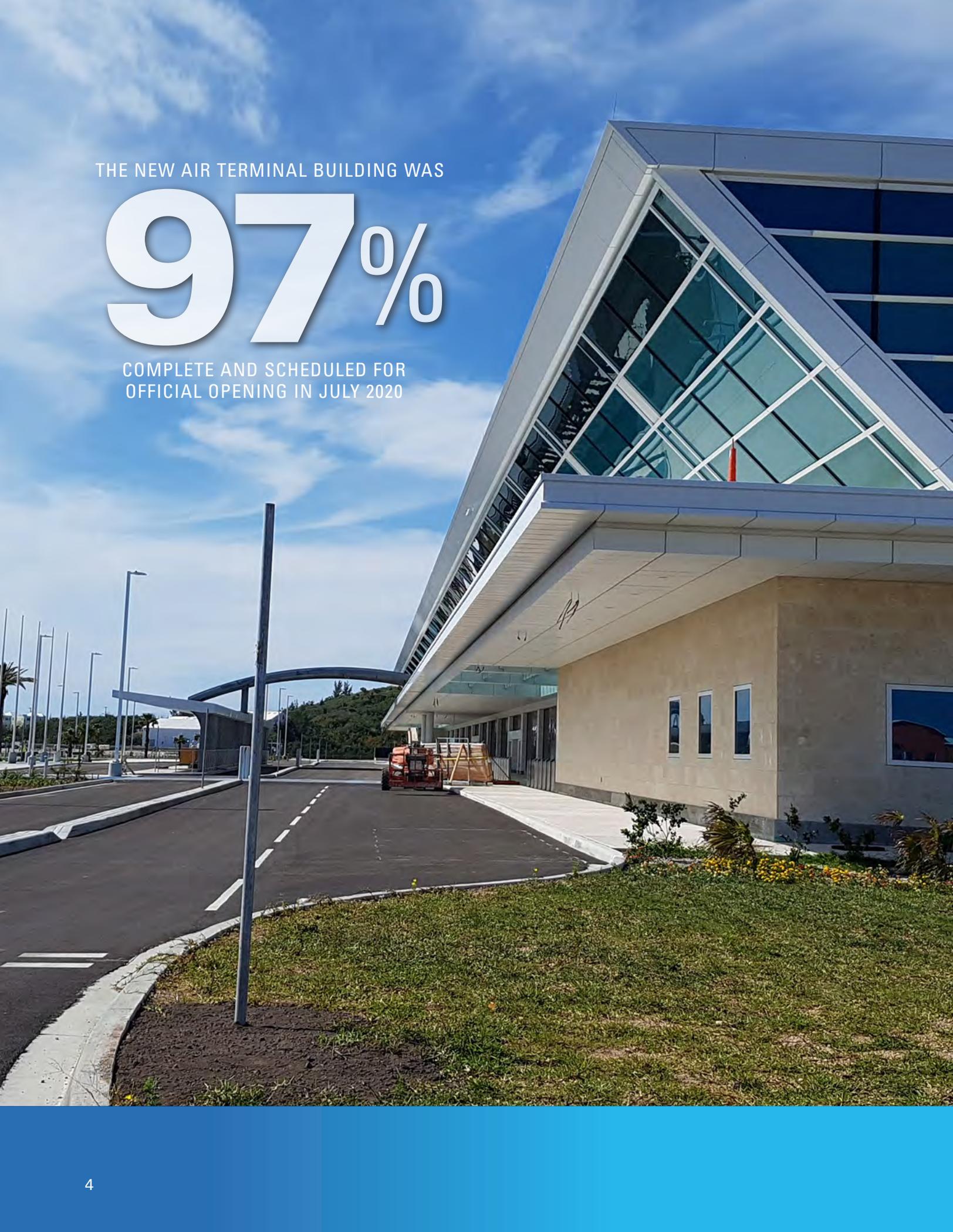
Chairman

Bermuda Airport Authority

THE NEW AIR TERMINAL BUILDING WAS

97%

COMPLETE AND SCHEDULED FOR
OFFICIAL OPENING IN JULY 2020



Chief Executive Officer's Message

It has been just over three years since the Bermuda Airport Authority was established as a quasi-autonomous non-governmental organisation ("QUANGO") on 2 March 2017, with a core team of five employees.

Operating as a public authority, we have a dual mandate to:

1. Oversee the performance of Skyport Corporation Limited ("Skyport") in the redevelopment of the new passenger terminal building and operation of the new and existing passenger terminals at the LF Wade International Airport.
2. Ensure the provision of air traffic control, local weather, air traffic engineering, airport maintenance, and aeronautical information services. These Retained Government Services ("RGS"), which were previously the responsibility of Government's Department of Airport Operations, were not transferred to Skyport under the terms of the 30-year Project Agreement.

At the time of our inception, RGS were delivered under contract by a US-based service vendor. These services are now provided in-house by the Bermuda Airport Authority, which currently has a combined staff of 47 including four Bermudian trainees.

Overall, 2019/2020 was a successful year, progressing as planned, up until the COVID-19 pandemic struck:

- The new terminal building was 97% complete and scheduled for official opening in July 2020

PRE-COVID-19 TARGET MILESTONE DATES

30 November 2019

- Building envelope and façade of building complete
- Passenger boarding bridges complete

15 May 2020

- Substantial Completion of construction of the new airport passenger terminal building which, due to COVID-19, is now delayed to September 2020

15 July 2020

- New air passenger terminal building scheduled to be fully operational and open to the public which, due to COVID-19, is now delayed to December 2020

- Air passenger traffic numbers were consistently above minimum revenue guarantee threshold levels
- Essential air navigation services were insourced to the Authority, reducing costs and increasing local employment opportunities
- Bermuda Airport Authority and Bermuda Tourism Authority

were working with stakeholders to implement a comprehensive Air Service Development Strategy targeting more sustainable and diverse year-round passenger traffic

- Bermuda Airport Authority completed its largest capital project to-date, on-time and under budget; delivering an upgraded Bermuda Doppler Weather Radar System
- Two of our team members achieved the Certified PPP Professional designation, which is the definitive industry standard for public private partnership (PPP) professionals

As we are approaching a major milestone – the completion of the new passenger terminal building, we are **Navigating Challenges, Focused on the Future:**

- Continuing to mitigate COVID-19 risks and adjusting budgets and strategies to minimise the pandemic's impact on the Authority operations
- Renewing our organisation-wide emphasis on Health and Safety
- Finalising preparations to shift oversight activities from terminal construction to terminal operations as the redevelopment portion of the Project Agreement nears completion
- Increasing opportunities for Bermudians in our air navigation and Retained Government Services
- Partnering with other stakeholders to rebuild commercial air service capacity to Bermuda
- Leveraging our capabilities to assist with future large PPP projects and,
- Strengthening our culture to achieve performance excellence

Our success is based on our ability to carefully navigate present challenges while focusing on, and preparing for, a better future. I very much appreciate the guidance of the Airport Authority Board during this difficult period of COVID-19 uncertainty. I am also extremely proud of our team, many of whom are committed to pursuing continuous improvement in their knowledge, skills and job performance, even as we all professionally and personally adjust to the COVID-19 era. Collectively, we remain dedicated to enabling safe and efficient air transport of passengers and goods to and from Bermuda for the benefit of residents, businesses, visitors and the local economy.



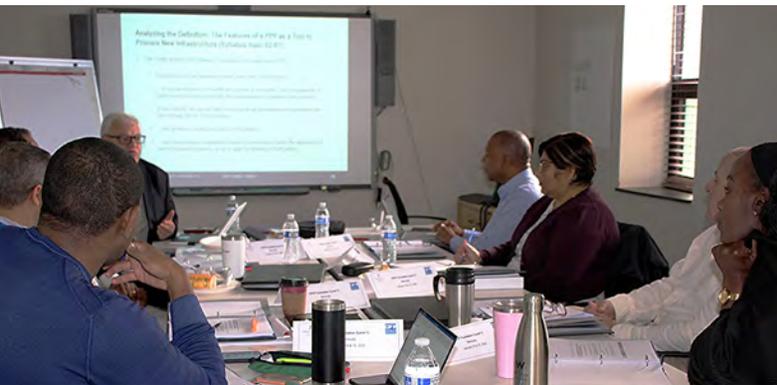
Lester Nelson

Chief Executive Officer
Bermuda Airport Authority

Airport Redevelopment Project Oversight

Over the three-plus years since the March 2017 ground-breaking for the new airport passenger terminal building, Bermuda Airport Authority PPP contractual and technical staff have continued to work closely with specialist international aviation and engineering advisors, Stantec Consulting International LLC (“Stantec”), to verify that Skyport’s construction subcontractor, Aecon, complies with the contractual requirements defined in the Project Agreement. This includes reviewing and verifying detailed technical specifications and quality standards for the design and construction of the building, and overseeing the testing and commissioning of the mechanical, electrical and civil engineering infrastructure facilities and systems.

At the end of this financial reporting period, 31 March 2020, the construction of the new airport passenger terminal redevelopment was 97% complete, and on-schedule for Substantial Completion in May 2020 with the official opening planned for July 2020. The COVID-19 pandemic brought work at the development site to a near-halt in mid-March. This lull in activity lasted for approximately three-months and, as a result, the building is now scheduled for Substantial Completion in September 2020, with the official opening expected to occur in December 2020.



Progress to date has involved hundreds of in-depth site reviews by the Airport Authority team and our technical advisors, Stantec. Together, we developed a comprehensive Requirements Compliance Matrix for construction, to effectively monitor, track and record compliance with thousands of Project Agreement requirements. The construction monitoring protocols established by the Bermuda Airport Authority have been used to identify issues as they occur

and bring them to the attention of Skyport and Aecon for resolution in a timely manner.

Outside of the general site reviews, the Airport Authority has been hard at work reducing the financial burden for Bermuda’s tax payers. Early in the financial year, the Airport Authority negotiated an agreement with Skyport that shifted responsibility for procuring all Government agencies’ equipment and furnishings, other than eGates, for the new airport passenger terminal to Skyport. This resulted in a cost savings of approximately \$3.5 million in the initial capital cost of the equipment and further potential cost savings of approximately \$11.9 million for the ongoing maintenance and life cycle replacement of the equipment over the life of the concessions agreement.

Another significant cost-savings from the last financial year was the transition of eGate procurement from Skyport to the Bermuda Airport Authority. The Authority is leading the initiative to procure eGates for the new airport passenger terminal building. These eGates were selected based on quality, price, functionality and their ability to be fully integrated with the new border management system selected in 2019 by the Ministry of National Security and Department of Immigration. The Airport Authority negotiated the transition of responsibility for the eGates from Skyport to the Airport Authority, which has resulted in savings of \$1.7 million, relative to the cost of Skyport’s initial proposal. The supplier of the eGates is a Belgian company, EASIER, (resulting from a recent merger of Automatic Solutions and IER), who are at the forefront of automatic transport/border entry gates. EASIER has installed 20,000 gates globally, including the eGates at Orly and Charles de Gaulle International Airports in Paris, and Abu Dhabi International Airport. Prior to COVID-19, EASIER’s 20,000 gates worldwide were accommodating up to 100 million passengers per day. The eGates at the new airport passenger terminal building in Bermuda will be able to process each passenger in under a minute. This will greatly assist in reducing queue times for passengers and improve the overall arrival experience.

In coordination with Stantec and our local government agency stakeholders including, the Departments of Health, Customs and Immigration, the Bermuda Police Service and others, the Airport Authority continues to ensure that on-site



PROJECT INITIATIVE TARGETS
JOBS FOR BERMUDIANS

65%

AECON

90%

SKYPORT



The Airport Authority has established a Joint Energy Task Force to improve energy efficiency and sustainability

work is in compliance with local and international codes and regulations and that the work adheres to the highly detailed specifications stated in the Project Agreement. As the new passenger terminal building nears completion, this includes rigorous oversight of testing and commissioning of mechanical and electrical equipment, physical spaces, and processes and procedures to enable a smooth opening and effective operations.

Substantial Completion is determined by delivery and validation of:

- design and construction elements completed in accordance with the requirements of the Project Agreement, captured in the Requirements Compliance Matrix;
- a “punch-list” of minor deficiency items required to be rectified within a pre-determined time frame by Skyport after Substantial Completion;
- the punch-list items, which are not to exceed more than 1% of the Construction Contract price; and,
- acceptance tests for the passenger terminal building’s mechanical, electrical and IT systems, which are all required to pass their respective criteria.

The critical path to opening the new terminal building involves months of procuring, installing and commissioning of equipment and other key operational readiness and airport transfer (“ORAT”) planning activities. These include acceptance testing of the integration and interaction of the numerous mechanical and electrical systems to ensure they collectively work as intended. It involves numerous operational trials with all key operational staff, including recruiting volunteer members of the public to test the new building’s systems and processes prior to opening.

Beyond Completion of Construction

Completion of the redevelopment of the new airport terminal building is a major milestone in the Project Agreement. But the role of the Airport Authority is far more extensive. The Airport Authority will continue to manage the Project Agreement and stakeholder relationships well into the future. This includes the continued oversight and monitoring of Skyport’s operations and maintenance activities within the new passenger terminal building and throughout the broader aerodrome. The Airport Authority will monitor Skyport’s performance against a number of key metrics defined in the Project Agreement, and enforce compliance as needed. The Airport Authority will also ensure that Skyport meets its contractual obligations with respect to energy monitoring; an important role, given that energy costs are a direct pass-through to the Airport Authority.

As we manage the Project Agreement, our team is leveraging our experience and knowledge beyond the aerodrome, to help strengthen the Island’s PPP sector. Through our IPR Initiative, we are partnering with the Bermuda Hospitals Board, the only other QUANGO in Bermuda managing a large PPP project, to build on our collective experience, share ideas and contractual issues, and expose Bermudians to PPP learning opportunities. Recently, two Airport Authority Directors successfully completed extensive study and training to become Bermuda’s first Certified PPP Professionals. Several other members of our management team are also working towards that achievement.

We continue to remain focused on optimising the Project Agreement to bring added value to Bermuda. In 2017, the Airport Authority commissioned global infrastructure advisors, LeighFisher to undertake a comprehensive review of the commercial aspects of the Project Agreement. LeighFisher recommended a portfolio of initiatives, which Skyport remains committed to fully implementing:

1. **Jobs for Bermudians** – Aecon and Skyport are to pursue individual targets of 65% and 90% Bermudian employment, respectively. Actual 2019/2020 performance was 55% and 89%, respectively.
2. **Workforce Development and Training** – Over a dozen Bermudian students have benefitted from local and international training programmes.
3. **Reduction of Energy Costs** – As the entity responsible for covering the cost of energy at the new and existing airport passenger terminal buildings, the Airport Authority has established a Joint Energy Task Force with Skyport to monitor and improve energy efficiency and sustainability.
4. **Passenger Growth and Revenue Sharing** – Bermuda Airport Authority and Bermuda Tourism Authority are working with air service development consultants on strategies to increase passenger loads that ultimately drive the regulated revenues, from which future revenue sharing will be determined.
5. **Social Investment** – Skyport has committed \$4 million to social investment in the local community. This includes the annual joint Skyport, Aecon, Bermuda Airport Authority charity golf tournament.
6. **Office space for the Airport Authority** – After construction of the new air terminal, Skyport will provide the Airport Authority with office space worth approximately \$4 million for a “peppercorn” rent. Although originally planned, due to the impact of COVID-19 this is now under review.

AVERAGE ANNUAL
TRAFFIC MOVEMENT

64%

COMMERCIAL

34%

PRIVATE

2%

MILITARY

Retained Government Services

AIR NAVIGATION & REGULATED ACTIVITIES

On 1 April 2019, Air Traffic Control, the Bermuda Weather Service, Air Traffic Engineering and Airport Maintenance Services became a part of the Bermuda Airport Authority. The insourcing of these Retained Government Services (“RGS”) provides cost savings and increases opportunities for Bermudians to develop and advance careers in the air navigation services industry. It was a smooth transition of 32 employees from an overseas outsourced vendor to in-house operations following extensive planning and implementation in the year leading up to the change.

When the Bermuda Airport Authority took over responsibility from the Department of Airport Operations in 2017, most of these services were outsourced. Under the Project Agreement, the concession for aerodrome operations was assigned to Bermuda Skyport Corporation Limited (“Skyport”), while RGS, including air navigation services, continued to be provided by a foreign vendor until expiry of their contract. We are very pleased that these services are now being provided directly by our Airport Services Delivery unit.

The Bermuda Airport Authority is committed to Bermudianisation. A prime example of this policy is the recent successful training and certification of Bermuda’s first Meteorological Forecaster in over a decade. A young Bermudian Graduate Trainee with a Bachelor’s Degree in Geosciences (Atmospheric Sciences track) recently completed a year-long programme of training at Bermuda Weather Service (“BWS”) and the U.K. Met Office College. He is now a fully qualified forecaster and meteorological technician at BWS and is continuing to expand his knowledge and experience under the guidance of our BWS Director, a Bermudian who recently returned to BWS having served as a Meteorological Forecaster from 1997 to 2006, and Director from 2006 to 2012.

Throughout our organisation, Bermudians are training and mentoring to upgrade skills and qualifications. Three Bermudians, whose overseas training was postponed in February 2020 due to the COVID-19 pandemic, recently began a 14-week training course at Global ATS in Gloucestershire, England to become qualified air traffic controllers. At the time of preparing this report, a Bermudian intern from the Bermuda Institute of Ocean Sciences (“BIOS”) had begun work on a research project at BWS.

Bermuda Weather Service, the most visible of our operating units, is Bermuda’s official National Meteorological and Hydrological Service providing public, marine and aviation weather forecasts, warnings and watches.



Given Bermuda’s isolated geographic location, forecasters rely on numerical weather prediction models from geostationary and polar orbiting weather satellites. Computer model data and observations are displayed on visual workstations supported by the United Kingdom Meteorological Office. Observers at BWS take surface observations at least every hour, providing synoptic summary operations every few hours, and release a weather balloon at least once a day monitoring atmospheric temperatures, pressure and humidity. BWS is staffed 24/7, 365 days a year. In response to the COVID-19 pandemic, some staff were able to work remotely, however, BWS has maintained a continuous on-site presence in order to fulfil regulatory and climate recording requirements.

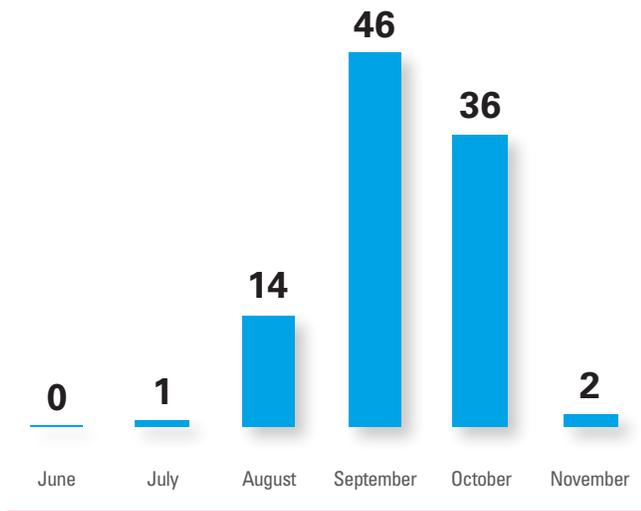
Bermuda Airport Authority owns and operates the Island’s weather radar system. Used by the BWS to support its forecasting products, our weather radar system is hugely popular with the local and marine community. Upgraded in July 2019, it was back on-line for hurricane season and sustained minor damage in Hurricane Humberto that was quickly repaired. BWS is the only weather organisation in the world that provides radar imaging of weather in the Bermuda area.



Normally, the busiest time of year for BWS is hurricane season, 1 June to 30 November. BWS is a member of the Emergency Measures Organisation (“EMO”) and works with the EMO providing forecasts and advice in the interest of public safety. BWS also works with the aerodrome operator providing weather information to help maintain safe and efficient air service to Bermuda.

In 2019, BWS issued watches and warnings for four tropical systems. Hurricane Humberto passed north of Bermuda on 18 September as a Category-three hurricane, resulting in widespread roof damage and power outages. Tropical Storm Jerry threatened the island a week later, but the storm col-

BERMUDA HURRICANES BY MONTH* (1842-2019)



*Tropical cyclones that passed within 100nm of Bermuda and reached hurricane intensity at some point during their lifecycle.

lapsed before it reached Bermuda. The other two systems prompting watches and warnings were Tropical Storms Karen and Lorenzo.

Air Traffic Control is located in the tower at the midpoint of the runway at the LF Wade International Airport and guides over 12,000 aircraft per year landing and taking-off. Average annual traffic movement is 64% commercial, 34% private and 2% military. Bermuda’s Air Traffic Control Tower normally operates from 7:00 am to 11:00 pm, seven days a week, 365 days a year. Throughout the reporting year 1 April to 31 March 2020 air traffic movements were trending slightly above normal, up until the COVID-19 pandemic prompted the March closure of the airport to commercial traffic. From 20 March to 1 July, only 424 flights landed in Bermuda (compared with 3,682 in 2019), comprising of one daily cargo plane, occasional airbridge and med-evac flights, and private aircraft. Given the ongoing flight activity and the potential for emergency landings and other unexpected activity, staff continued to provide essential air traffic control service from the tower as required.



Air Traffic Engineering

Bermuda Airport Authority and the U.S. Federal Aviation Administration (“FAA”) jointly own air navigational equipment at the LF Wade International Airport, which is maintained and supported by our air traffic engineering team. This includes, all airfield sensors, navigational aids and transmitters, such as secondary surveillance radar and instrument landing systems (“ILS”), as well as a radio beacon network that combines VHF omnidirectional range (“VOR”) with distance measuring equipment. These systems help inbound aircraft to determine their positions, stay on course and land safely.



**We are the
only weather
organisation
in the world that
provides radar
imaging of
weather in the
Bermuda area**

A significant highlight of the reporting year was the \$2 million upgrade to the Doppler Weather Radar System. The Air Traffic Engineering team, working closely with German system manufacturer, Leonardo ES, led the installation. The much needed upgrade was a successful project, completed on-time and under-budget in July 2019. During the first few months of the new system’s operation, there were seven unplanned outages, but the Airport Authority in collaboration with Leonardo were able to resolve the early technical issues. Since November 2019 the system has been operating at 97% reliability. In addition to the weather radar system, the Airport Authority owns and operates a wide variety of meteorological, communications and test equipment.

Airport Maintenance Services

The Authority’s Airport Maintenance Services section is responsible for a number of key assets and tasks around the aerodrome. The eight emergency generating units are perhaps the most critical assets under their care. These generators ensure continuous operation of critical airport assets and sites, as each generator provides electricity automatically in the event of a power outage. Between April 2019 and March 2020 there were a total of six planned and unplanned outages. Our network of generators successfully responded to all outages, maintaining electricity supply to mission critical systems. The Airport Maintenance Services section also maintains the Bermuda Airport Authority’s vehicle and equipment fleet, 4.36 acres of Airport Authority Land and provides wildlife control services to the aerodrome operator supporting operational and aircraft safety.



Aviation Service Assurance

In addition to providing air navigation services, the Bermuda Airport Authority formally manages many relationships supporting important provisions for aerodrome certification, regulatory compliance, aviation safety, quality assurance and regional air traffic services, through the facilitation of local and international agreements.



Air Traffic Control, Air Traffic Engineering and aviation weather services provided by BWS are regulated and audited. Airport Rescue and Firefighting Services, located just off the runway at LF Wade International Airport, is another regulated essential service that is provided by Bermuda Fire and Rescue Service under a Memorandum of Understanding with the Bermuda Airport Authority.

During the reporting year, Bermuda Civil Aviation Authority conducted successful regulatory audits of Air Traffic Control and Air Traffic Engineering. In October 2019, the FAA conducted airborne flight inspections of the FAA-owned VOR and ILS at the LF Wade International Airport. Operated and maintained by the Bermuda Airport Authority, these navigational aids require periodic inspection to verify operational compliance.

In addition to maintaining equipment for the FAA, the Bermuda Airport Authority is also responsible for maintaining Infrasound Station listening sites for the United Nations Comprehensive Test Ban Treaty Organisation and has an agreement with NASA to host tracking station assets at the Authority’s weather radar site.

Air Service Development

In early 2019, the Bermuda Airport Authority assumed a larger role in Bermuda's air service development efforts. The goal was simple, create value for Bermuda by increasing sustainable year-round air service to the Island.



We joined forces with the Bermuda Tourism Authority ("BTA") to launch a request for proposal for an air service development consultant who would lead a renewed approach to improving air connectivity to Bermuda. Before the end of 2019, the Airport Authority had helped to coordinate engagement sessions with key local air service development stakeholders and our consultant, Ailevon Pacific Aviation Consulting ("APAC") had finalised an air services development strategy, the first of its kind in many years.

By early 2020, conversations were progressing with a range of carriers to introduce new air routes and expand existing service. As spring progressed, aviation demand plummeted globally, and commercial air traffic to the Island ceased. During this period, the Airport Authority's role became more fluid. Some of our staff worked with tourism and transport stakeholders and public health officials to identify and implement airport entry requirements that would keep

Bermuda safe. Others on our team communicated with incoming flight crews to ensure arriving private planes, cargo jets, and relief flights received Cabinet Office approvals and that flight crews understood the Island's evolving requirements. The crisis necessitated a shift in goals from growth to maintenance, and the Authority helped ensure the Island maintained critical links to our gateway cities. Simultaneously, APAC increased their communications with airlines to maximise the likelihood of continued service to Bermuda when the airport re-opened to commercial traffic. Since the re-opening of the airport, we are now working with APAC, the BTA, Government, and Skyport to rebuild airport passenger traffic in this "New Normal" world. While we anticipate many months of capacity well below 2019 levels, the Authority and our partners remain committed to ensuring continued progress, as we capitalise on new opportunities that may arise during this global shift in aviation travel.

BERMUDA AIRPORT AUTHORITY

Financial Statements

MARCH 31, 2020



Management's Responsibility for the Financial Statements

These financial statements have been prepared by management, who are responsible for the reliability, integrity and objectivity of the information provided. The preparation of financial statements necessarily involves using management's best estimates and judgments, where appropriate.

Management is responsible for maintaining a comprehensive system of accounting records, internal controls, policies and management practices, designed to provide reasonable assurance that transactions are properly authorized and in compliance with legislation, assets are safeguarded, and reliable financial information is available on a timely basis.

The Bermuda Airport Authority's Board of Directors, through the Finance Committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal controls. The Finance Committee meets periodically with management to discuss matters relating to financial reporting, internal control and audits. The Finance Committee also reviews the financial statements before recommending approval by the Board of Directors. The financial statements have been approved by the Board of Directors and have been examined by the Office of the Auditor General.

The accompanying Independent Auditor's Report is presented herein.

A handwritten signature in black ink, appearing to be "Lester Nelson", written over a horizontal line.

Mr. Lester Nelson
Chief Executive Officer

A handwritten signature in black ink, appearing to be "Carlos Lee", written over a horizontal line.

Mr. Carlos Lee
Chief Financial Officer

Date 24 September 2020



Office of the Auditor General

Reid Hall, Penthouse
3 Reid Street
Hamilton HM 11, Bermuda

Tel: (441) 296-3148

Fax: (441) 295-3849

Email: oag@oagbermuda.bm

Website: www.oagbermuda.bm

INDEPENDENT AUDITOR'S REPORT

To the Minister of Transport

Opinion

I have audited the financial statements of the Bermuda Airport Authority, which comprise the statement of financial position as at March 31, 2020, and the statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bermuda Airport Authority as at March 31, 2020, and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with public sector accounting standards generally accepted in Bermuda and Canada.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in Bermuda and Canada. 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 Bermuda Airport Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in Bermuda, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

As described in Notes 7 and 17 to the financial statements, the Bermuda Airport Authority is economically dependent on the Government of Bermuda to meet its mandate and in March 2020, the World Health Organization declared the novel coronavirus (COVID-19), a global pandemic. COVID-19 is expected to increase the financial obligations of the Bermuda Airport Authority. However, given the inherent uncertainties, it is not practicable at this time to determine the complete operating and financial impact of COVID-19 on the Bermuda Airport Authority or to provide a quantitative estimate of this impact. These conditions indicate the existence of a material uncertainty that may raise substantial doubt about the Bermuda Airport Authority's ability to continue as a going concern. My opinion is not modified in respect of these matters.

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 public sector accounting standards generally accepted in Bermuda and Canada, 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 Bermuda Airport 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 Bermuda Airport Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bermuda Airport 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 auditing standards generally accepted in Bermuda and Canada will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Bermuda and Canada, 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 from 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 Bermuda Airport 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 Bermuda Airport 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 Bermuda Airport Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements (including the disclosures), and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the audit.

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

A further description of the auditor's responsibilities for the audit of the financial statements is located at the Office of the Auditor General website at: www.oagbermuda.bm. This description forms part of my auditor's report.



Heather Thomas, CPA, CFE, CGMA
Auditor General

Hamilton, Bermuda
September 24, 2020

BERMUDA AIRPORT AUTHORITY

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2020

(Expressed in Bermuda dollars)

	2020 \$	2019 \$
FINANCIAL ASSETS		
Cash and cash equivalents (Note 4)	8,182,004	5,629,352
Accounts receivable (Note 5)	298,140	285,240
Due from the Government of Bermuda (Note 10)	<u>3,019,926</u>	<u>19,926</u>
TOTAL FINANCIAL ASSETS	<u>11,500,070</u>	<u>5,934,518</u>
LIABILITIES		
Accounts payable and accrued liabilities	4,811,474	2,320,039
Due to the Government of Bermuda (Note 10)	102,592	46,181
Deferred revenues (Notes 7, 10)	2,247,807	749,000
Other non-current liability (Note 9)	<u>289,613,745</u>	<u>213,758,769</u>
TOTAL LIABILITIES	<u>296,775,618</u>	<u>216,873,989</u>
NET DEBT	<u>(285,275,548)</u>	<u>(210,939,471)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses and other assets	256,990	269,300
Tangible capital assets (Note 6)	<u>355,864,873</u>	<u>258,798,214</u>
TOTAL NON-FINANCIAL ASSETS	<u>356,121,863</u>	<u>259,067,514</u>
ACCUMULATED SURPLUS	<u>70,846,315</u>	<u>48,128,043</u>
CONTRACTUAL OBLIGATIONS AND CONTINGENCIES (Note 8)		



 Chairman of the Board
Date 24 September 2020


 Chief Executive Officer
Date 24 September 2020*The accompanying notes are an integral part of these financial statements.*

BERMUDA AIRPORT AUTHORITY

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31, 2020

(Expressed in Bermuda dollars)

	Budget 2020	Actual 2020	Actual 2019
	\$	\$	\$
	(Note 15)		
REVENUES			
Foregone revenues (Note 3)	47,428,000	49,208,319	52,038,777
Government of Bermuda grants (Notes 7, 10)	15,800,000	17,031,193	15,051,000
Other revenues	<u>370,814</u>	<u>682,548</u>	<u>931,034</u>
TOTAL REVENUES	<u>63,598,814</u>	<u>66,922,060</u>	<u>68,020,811</u>
EXPENSES			
Terminal operating cost contribution (Note 3)	26,225,000	25,464,750	25,464,750
Retained services (Note 3)	6,059,176	5,493,165	6,536,425
General and administrative (Note 13)	3,306,043	3,212,216	2,445,507
Minimum revenue guarantee (Note 8)	-	3,000,000	-
Redevelopment consultants	2,121,395	1,843,198	1,026,038
Energy subsidy	2,160,000	1,771,035	1,807,074
Amortisation of tangible capital assets (Note 6)	<u>-</u>	<u>3,419,424</u>	<u>2,128,179</u>
TOTAL EXPENSES	<u>39,871,614</u>	<u>44,203,788</u>	<u>39,407,973</u>
OPERATING SURPLUS	<u>23,727,200</u>	22,718,272	28,612,838
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>48,128,043</u>	<u>19,515,205</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>70,846,315</u>	<u>48,128,043</u>

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

BERMUDA AIRPORT AUTHORITY

STATEMENT OF CHANGE IN NET DEBT

FOR THE YEAR ENDED MARCH 31, 2020

(Expressed in Bermuda dollars)

	Budget 2020	Actual 2020	Actual 2019
	\$	\$	\$
	(Note 15)		
Operating surplus	23,727,000	22,718,272	28,612,838
Additions to tangible capital assets (Note 6)	(96,156,000)	(100,486,083)	(144,133,828)
Amortisation of tangible capital assets (Note 6)	-	3,419,424	2,128,179
Change in prepaid expenses and other assets	<u>-</u>	<u>12,310</u>	<u>(66,934)</u>
Change in net debt	<u>(72,429,000)</u>	(74,336,077)	(113,459,745)
NET DEBT, BEGINNING OF YEAR		<u>(210,939,471)</u>	<u>(97,479,726)</u>
NET DEBT, END OF YEAR		<u>(285,275,548)</u>	<u>(210,939,471)</u>

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

BERMUDA AIRPORT AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

(Expressed in Bermuda dollars)

	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating surplus	22,718,272	28,612,838
Adjustments made for:		
Amortisation of tangible capital assets	3,419,424	2,128,179
Changes in non-cash working capital:		
Increase in accounts receivable	(12,900)	(39,963)
Increase (decrease) in accounts payable and accrued liabilities	2,491,435	(984,304)
Increase in due from the Government of Bermuda	(3,000,000)	-
Increase (decrease) in due to the Government of Bermuda	56,411	(13,062)
Decrease (increase) in prepaid expenses and other assets	12,310	(66,934)
Increase in deferred revenues	1,498,807	749,000
Increase in other non-current liability	<u>75,854,976</u>	<u>115,994,699</u>
Net cash provided by operating activities	<u>103,038,735</u>	<u>146,380,453</u>
CASH FLOWS FROM CAPITAL ACTIVITIES		
Additions to tangible capital assets	<u>(100,486,083)</u>	<u>(144,133,828)</u>
Net cash used in capital activities	<u>(100,486,083)</u>	<u>(144,133,828)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,552,652	2,246,625
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,629,352</u>	<u>3,382,727</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>8,182,004</u></u>	<u><u>5,629,352</u></u>

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

BERMUDA AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

1. OPERATIONS

The Bermuda Airport Authority (the "Authority") was established as an authority under the Bermuda Airport Authority Act 2017 (the "Act") on March 2, 2017. The principal functions and powers of the Authority, as set out in Part 2, Section 4 of the Act, are to oversee the administration, maintenance, management, operations and redevelopment of the L.F. Wade International Airport (the "Airport"; Note 3).

The Authority has direct responsibility for Retained Services at the Airport, which include air traffic control, airspace communications, navigation and surveillance, meteorological services, ground electronics and airport rescue and firefighting services. The Authority is also responsible for ensuring compliance with international aviation safety and regulatory requirements and for regulating passenger fees, aircraft servicing fees and other ancillary service fees associated with Airport operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pursuant to standards established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada, the Authority is classified as an "other government organisation" and has adopted policies appropriate for the classification. The accounting policies considered particularly significant are set out as follows:

(a) Basis of accounting

These financial statements have been prepared by management in accordance with Public Sector Accounting Standards generally accepted in Bermuda and Canada and reflect the results of operations for the years ended March 31, 2020 and 2019. These financial statements have been prepared on a going concern basis.

(b) Measurement uncertainty

Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the statement of financial position, and the reported amounts of revenues and expenses during the year. Significant areas requiring the use of management estimates and assumptions include (i) determining the appropriate inputs to the financial model used to derive the imputed liabilities incurred and revenues foregone under the terms of a multi-year public private partnership agreement (Note 3); (ii) evaluating the useful life of tangible capital assets; and (iii) estimating the allowance for the provision of doubtful accounts receivable. Actual amounts could differ from these estimates.

(c) Cash and cash equivalents

Cash includes cash on hand and held in banks. The Authority considers all time deposits with an original maturity of 90 days or less and short-term securities readily convertible to known amounts of cash as equivalent to cash.

(d) Financial instruments

The Authority's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and amounts due to and from the Government of Bermuda. All financial instruments are measured at cost or amortised cost using the effective interest method, less any impairment losses on financial assets.

Management assesses impairment of accounts receivable balances, based on historical collection experience with each customer (Note 5), and makes an allowance for impairment when necessary.

BERMUDA AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. Prepaid expenses and other assets relate primarily to deferred costs for contracts which extend beyond the current year. Tangible capital assets have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible capital assets and amortisation

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, are amortised on a straight-line basis over their estimated useful lives as follows:

New terminal	50 years
Other buildings and structures	10-20 years
Leasehold improvements	20-40 years
Leasehold improvements – old terminal	up to 3 years
Furniture and fixtures	7 years
Vehicles, machinery and equipment	5 years
Computer equipment and software	3 years

Assets under development are included in tangible capital assets as construction in progress and are not amortised until the asset is available for productive use. Amortisation of tangible capital assets is charged from the first day of the month following the date of acquisition, completion or placement into service of the asset.

Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

Methods used for determining the cost of each major category of tangible capital assets

The financial information recorded includes actual or estimated historical cost of the tangible capital assets. Tangible capital assets are carried at the lower of cost less accumulated amortisation and estimated net recoverable value. If cost is greater than the estimated net recoverable value, an impairment provision is recorded. Impairment provisions are determined on a specific asset basis and are recognised in the statement of operations in the year they become known.

(f) Government of Bermuda grants

Government contributions are the major source of operating revenue for the Authority. Restricted contributions are deferred and recognised as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognised as revenue when received.

(g) Revenue recognition

Revenue is recorded when the services are performed, the airport facilities are utilised or the amounts are earned pursuant to the related agreements, and collection is reasonably assured.

BERMUDA AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Revenue recognition (continued)

Foregone revenues represent all collected revenues generated by the existing Airport terminal, as well as the new terminal when it is operational, which are surrendered to Skyport in accordance with the Project Agreement as consideration for costs incurred by Skyport to design, build, finance, operate and maintain the Airport over the term of the Project Agreement (Note 3).

Terminal fee revenue is recognised as income in the year that passengers depart from the airport. Landing fees are generated principally from scheduled flights and non-scheduled commercial aviation and are recognised when the airport facilities are utilised. Rentals and fees, vehicle parking revenue, aircraft and apron equipment parking and other revenue are recognised when the airport facilities are utilised.

Other revenues are recorded on an accrual basis and recognised when earned.

(h) Statement of re-measurement gains and losses

A statement of re-measurement gains and losses has not been presented as there were no re-measurement gains or losses arising during the year.

(i) Future changes in accounting standards

Each year new standards and amendments to standards may be issued by the PSAB of the Chartered Professional Accountants of Canada. The following standards are not yet effective and have not been applied in preparing these financial statements.

New standards effective for fiscal years beginning on or after April 1, 2022 include:

PS 3450 Financial Instruments – provides guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

PS 1201 Financial Statement Presentation – replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements.

PS 2601 Foreign Currency Translation – replaces PS 2600 and has revised standards on accounting for and reporting transactions denominated in a foreign currency.

PS 3041 Portfolio investments – applicable when Sections PS 1201, PS 2601 and PS 3450 are adopted.

PS 3280 Asset Retirement Obligations – addresses the reporting of legal obligations associated with the retirement of tangible capital assets.

New standard effective for fiscal years beginning on or after April 1, 2023:

PS 3400 Revenue – addresses the recognition, measurement and presentation of revenues that are common in the public sector.

The Authority does not intend to adopt these new standards prior to the effective dates. The impact that these standards will have on the financial statements is not deemed significant.

BERMUDA AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

3. L.F. WADE INTERNATIONAL AIRPORT REDEVELOPMENT

On March 15, 2017 (the “effective date”), the Government of Bermuda (the “Government”) entered into a Public Private Partnership Agreement (the “Project Agreement” or the “Agreement”) with the Canadian Commercial Corporation (“CCC”) and affiliates of Aecon Group Inc. (collectively, the “Project Partner”) to redevelop the Airport, including the construction of a new airport terminal (the “Project”).

The Project Partner assigned its obligations under the Project Agreement to a special purpose vehicle, Bermuda Skyport Corporation Limited (“Skyport”), which has been established for the purposes of completion of the Project. The Government has assigned its responsibilities under the Agreement to the Authority. Under the terms of the Agreement, Skyport is to design, build, finance, operate and maintain the Airport for a period of 30 years from the date the concession commences. The period of construction must not be more than 40 months and the period of operation of the new assets will commence thereafter.

Under the terms of the Project Agreement, the Authority retains ownership of the Airport, and the land and facilities are leased to Skyport for a 30-year term, commencing from the effective date of the Agreement. At the end of the lease term, the land, assets and operation of the Airport will transfer back to the Authority. The Airport’s new facilities will become the property of the Authority upon expiry or early termination of the lease, without any payment.

Skyport raised financing for the Project through a combination of senior debt and equity, with at least 35% of the latter being held by the Project Partner. If the new terminal is not completed by the agreed completion date, the Project Partner must pay damages of between \$5,000 and \$15,000 per day of delay. (Note 17)

From the effective date of the Project Agreement through the end of the concession term, Skyport has sole entitlement to all “Regulated Fees and Charges” from the operation of the Airport, including terminal fees, landing fees and other Airport facilities utilisation and service fees. Skyport has responsibility for Airport operations and maintenance, from the effective date of the Agreement until the end of the concession term, in order to hand back the property in accordance with agreed standards.

Skyport receives all revenues generated from the Airport operations during this time (“foregone revenues”) and is responsible for the majority of Airport related expenses during this period, including employee remuneration, debt service and maintenance costs. The excess of foregone revenues over capital expenditures, maintenance expenses and interest expense incurred by Skyport is recognised in the statement of operations as an operating cost contribution. Until completion of the new terminal building, the expense for the current year represents the annual amortisation on a straight-line basis of the original estimated total operating costs to be incurred over the life of the contract. This operating cost contribution will be revalued at least annually once the new terminal building is placed into operation.

The Authority pays an “Energy Subsidy” to Skyport for electricity costs at the Airport and remains responsible for certain Retained Services operating expenses and any related capital expenditure that previously fell under the remit of the Government Department of Airport Operations (the “DAO”); including air traffic control operations, meteorological services, airport fire and rescue services and ground electronics.

Minimum revenue guarantee

The Authority guarantees certain minimum levels of revenue to ensure sufficient liquidity is maintained by Skyport on a quarterly basis to repay the Senior Debt incurred by Skyport to fund the project. If the revenue generated in any quarter is less than the minimum guaranteed amount, the Authority is required to transfer an amount equal to the difference into a Skyport bank account (the “Guaranteed Revenue Reserve Account”) which has been opened for this purpose at Bank of New York Mellon (Note 17).

BERMUDA AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

3. L.F. WADE INTERNATIONAL AIRPORT REDEVELOPMENT (continued)

Minimum revenue guarantee (continued)

Funds deposited into this account remain the property of the Authority until drawn by Skyport in accordance with the Agreement. At the end of the “Revenue Guarantee Term”, which starts on the effective date and continues until the final repayment of the Senior Debt, the balance of funds remaining in this account will be returned to the Authority.

Revenue sharing

The Authority, subject to certain conditions precedent which must be satisfied, will be entitled to a portion of the amount by which “Actual Regulated Revenues” (as defined in the Agreement) exceed certain annual revenue sharing thresholds.

The amounts recognised in these financial statements in connection with the Agreement are as follows:

	2020	2019
	\$	\$
STATEMENT OF OPERATIONS		
Foregone revenues	49,208,319	52,038,777
Terminal operating cost contribution	(25,464,750)	(25,464,750)
Amortisation of tangible capital assets	(2,901,604)	(1,974,119)
STATEMENT OF FINANCIAL POSITION		
Tangible capital assets (Note 6)	351,902,439	255,592,082
Other non-current liability (Note 9)	(289,613,745)	(213,758,769)

4. CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash at bank	8,177,298	5,579,784
Call account	1,206	49,068
Petty cash	<u>3,500</u>	<u>500</u>
Total cash and cash equivalents	<u><u>8,182,004</u></u>	<u><u>5,629,352</u></u>

The effective interest rate for Authority cash and cash equivalents was less than 0.01% at March 31, 2020 and 2019.

5. ACCOUNTS RECEIVABLE

	2020	2019
	\$	\$
Accounts receivable – retained services	298,140	285,240
Due from the Government of Bermuda (Note 10)	<u>3,019,926</u>	<u>19,926</u>
Total receivables	<u><u>3,318,066</u></u>	<u><u>305,166</u></u>

During the year, no bad debts were provided for and no specific accounts were written off (Note 12b).

BERMUDA AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

6. TANGIBLE CAPITAL ASSETS

	Land	New terminal	Other buildings and structures	Leasehold improvements	Furniture and fixtures	Vehicles, machinery and equipment	Computer equipment and software	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Year ended March 31, 2020								
<u>Cost</u>								
Opening balance	1	250,434,091	2,943,732	7,204,595	54,838	60,111	337,306	261,034,674
Additions	—	97,112,647	678,836	2,550,080	11,480	91,425	41,615	100,486,083
Closing balance	1	347,546,738	3,622,568	9,754,675	66,318	151,536	378,921	361,520,757
<u>Accumulated amortisation</u>								
Opening balance	—	—	113,899	2,030,949	13,121	16,377	62,114	2,236,460
Amortisation	—	—	177,240	3,102,066	7,834	23,832	108,452	3,419,424
Closing balance	—	—	291,139	5,133,015	20,955	40,209	170,566	5,655,884
Net book value	1	347,546,738	3,331,429	4,621,660	45,363	111,327	208,355	355,864,873
Year ended March 31, 2019 (Note 16)								
<u>Cost</u>								
Opening balance	1	112,548,486	1,803,128	2,376,788	50,720	37,396	84,327	116,900,846
Additions	—	137,885,605	1,140,604	4,827,807	4,118	22,715	252,979	144,133,828
Closing balance	1	250,434,091	2,943,732	7,204,595	54,838	60,111	337,306	261,034,674
<u>Accumulated amortisation</u>								
Opening balance	—	—	23,859	55,091	5,433	7,005	16,893	108,281
Amortisation	—	—	90,040	1,975,858	7,688	9,372	45,221	2,128,179
Closing balance	—	—	113,899	2,030,949	13,121	16,377	62,114	2,236,460
Net book value	1	250,434,091	2,829,833	5,173,646	41,717	43,734	275,192	258,798,214

Land and other tangible capital assets transferred to the Authority from the DAO in 2018 were recorded on the books of the Authority at a nominal value of \$1. Capital expenditure of \$97,112,647 (2019 – \$137,885,605) incurred by Skyport in relation to construction of the new airport terminal (Note 3), includes capitalised interest of \$15,304,244 (2019 – \$13,404,907) paid on the financing facility entered into by Skyport in support of the project, net of investment income of \$1,510,756 (2019 - \$3,410,093). Leasehold improvements includes construction in progress at existing airport facilities of \$2,771,379 (2019 – \$494,711) incurred by Skyport. Other buildings and structures includes construction in progress comprising \$nil (2019 – \$1,683,765) incurred by the Authority.

7. GOVERNMENT OF BERMUDA GRANTS

The Government provides non-refundable annual grants to the Authority to meet its operating expenses and to purchase capital assets. The Authority is economically dependent on these contributions to enable it to fulfill its mandate. The total amount of the grants received for the year ended March 31, 2020 were \$16,300,000 for operations and \$2,230,000 for capital expenditures (2019 – \$13,300,000 and \$2,500,000 respectively). Grant revenues include a portion of previously deferred capital grant revenues (Note 10).

BERMUDA AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

8. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

On March 14, 2020, Skyport issued a Supervening Event Notice (“SEN”) to the Authority claiming that a Force Majeure Event (“FME”) had arisen from the outbreak of the novel coronavirus (“COVID-19”). The Authority has agreed that COVID-19 constitutes a FME under the terms of the Project Agreement (Note 17).

The Authority had a three-year contract with CI² Aviation (Bermuda) Limited (“CI²”), which expired on March 31, 2019, for the provision of certain Retained Services required at the Airport. Effective April 1, 2019, all remaining Bermuda staff of CI² became direct employees of the Authority and the Authority purchased additional Aviation liability insurance coverage in respect of these Retained Services at a total annual cost of \$385,237. The Authority continues to withhold payment of 50% of the final billing from CI² for the month ended March 31, 2019 (Note 12d).

Effective May 6, 2019, the Authority entered into a minimum revenue guarantee agreement with a U.S. based carrier in support of regular daily airlift from certain North American cities for the period commencing November 1, 2019 and ending April 30, 2020. The maximum guarantee amount payable is \$3,000,000.

Effective May 31, 2019, the Authority entered into an Amended and Restated Agency Procurement Principles Agreement with Skyport, for the acquisition of certain equipment to be utilised by Government agencies in the new air terminal building, at an estimated cost of \$3,500,000. Consideration in respect of this agreement is by way of an incremental aviation security fee charged to airline passengers, and collected by Skyport, commencing in September 2019. Under this agreement, the Authority is responsible for procuring the manufacture, delivery, installation, commissioning and maintenance of an automated passport control system and its integration with a new border management system (the “eGate Solution”) for use by a Government agency in the new air terminal building.

Effective November 1, 2019, the Authority entered into a contract with Canadian Bank Note Limited, a Canadian corporation, for the eGate Solution, at an estimated cost of \$1,410,390; including an allowance of \$170,000 for contract related expenses to be billed as incurred. A deposit of \$200,000 was due on delivery of the equipment in May 2020, an additional payment of \$200,000 was due on satisfactory completion of installation, training and user acceptance testing of the eGate Solution in June 2020, with the balance payable in five equal annual installments of \$168,078 starting in July 2020. The delivery and installation dates have been pushed back to September 2020 due to COVID-19 related delays (Note 17). The costs are to be recovered by the Authority from the incremental aviation security fees being collected by Skyport.

During the term of the Agreement, a contingent asset may arise for the Authority under certain revenue sharing provisions of the Agreement. Where all the conditions precedent are deemed to be met, the Authority will be entitled to 50% of the amount by which Actual Regulated Revenues exceed certain annual revenue thresholds, as defined in the Agreement. As at March 31, 2020, all the conditions have not been met and no contingent asset has been recognised or disclosed.

9. OTHER NON-CURRENT LIABILITY

Other non-current liability of \$289,613,745 (2019 – \$213,758,769) comprises the Authority’s obligation to Skyport, for capital expenditures incurred in the construction of the new airport terminal and other related leasehold improvements, under the terms of the Project Agreement (Note 3). The liability is reduced by the net present value of the revenues from airport operations (less interest and operating expenses incurred), which the Authority is required to forego in favour of Skyport over the life of the Project.

BERMUDA AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

10. RELATED PARTY TRANSACTIONS

The Authority is related to all Government departments, ministries, agencies, funds and quasi-autonomous non-governmental organisations under the common control of the Government. Also, the Authority is related to organisations that the Government jointly controls or significantly influences.

The Authority enters into transactions with these entities in the normal course of business and such transactions are measured at the exchange amount which is the amount of consideration established and agreed by the related parties.

	2020 \$	2019 \$
Transactions during the year		
Revenue		
Government of Bermuda grants	<u>17,031,193</u>	<u>15,051,000</u>
Expenses		
Redevelopment consultants	-	4,315
Salaries, wages, employee benefits and related		
Payroll tax	115,102	97,345
Social insurance	84,376	16,323
Work permit fees	14,430	24,100
Leasehold expenses	<u>77,702</u>	<u>78,142</u>
	<u>291,610</u>	<u>220,225</u>
Balances at end of year		
Government of Bermuda grant	3,000,000	-
Retained services costs receivable	19,031	19,031
Other	<u>895</u>	<u>895</u>
Due from the Government of Bermuda	<u>3,019,926</u>	<u>19,926</u>
Payroll tax payable	<u>102,592</u>	<u>46,181</u>
Due to the Government of Bermuda	<u>102,592</u>	<u>46,181</u>
Deferred revenues	<u>2,247,807</u>	<u>749,000</u>

Amounts due from/to the Government of Bermuda are unsecured, interest-free and with no fixed repayment terms. Deferred revenues represent the unspent portion of current year grants committed for certain capital projects due to be completed post year-end.

11. EMPLOYEE BENEFITS

a) Pension Plans

Employees participate in a company sponsored defined contribution plan. Contributions to this plan are required equally from both the employee and the Authority at a rate of 5% of gross salary. These contributions represent the total liability of the Authority and are recognised in the financial statements on the accruals basis. During the year, the Authority's contributions to the plan, as recorded in salaries, employee benefits and related costs were \$229,488 (2019 – \$58,814).

BERMUDA AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

11. EMPLOYEE BENEFITS (continued)

b) Post-employment benefits and compensated absences

The Authority does not currently offer post-employment benefits to its employees. Compensated absences include maternity leave, paternity leave, sick leave and vacation days. All of these benefits are unfunded. Vacation days accumulate and vest and therefore a liability is accrued each year. The accrued vacation liability at March 31, 2020 was \$134,876 (2019 – \$45,740) and is included in accounts payable and accrued liabilities.

Maternity, paternity and sick leave do not accumulate or vest and therefore an expense and liability is only recognised when applied for and approved. There were no maternity, paternity or sick leave benefits applied for or approved during the current year (other than already completed maternity and sick leave) and therefore, no liability has been accrued in the financial statements.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Authority has designated its financial instruments as follows:

	2020 Carrying value \$	2019 Carrying value \$
Financial assets		
Cash and cash equivalents	8,182,004	5,629,352
Accounts receivable	298,140	285,240
Due from the Government of Bermuda	3,019,926	19,926
Liabilities		
Accounts payable and accrued liabilities	4,811,474	2,320,039
Due to the Government of Bermuda	102,592	46,181

The carrying values of cash and cash equivalents, accounts receivable, due from/to the Government of Bermuda and accounts payable and accrued liabilities approximate their fair value as they are short-term in nature or can earn interest at market rates.

a) *Interest rate risk*

The Authority is not exposed to significant interest rate risk on its financial assets.

b) *Credit risk*

Credit risk arises from cash held with banks and other receivables. Credit risk associated with cash and cash equivalents is minimized substantially by ensuring that these financial assets are invested with highly rated financial institutions.

The maximum exposure to credit risk for receivables at the reporting date is represented by the carrying values on the statement of financial position. The Authority continually monitors receivables and establishes an allowance for impairment as needed that represents its estimate of incurred losses in respect of accounts receivable.

BERMUDA AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Credit risk (continued)

The aging of these receivables at the reporting date was:

	Current to past 30 days \$	Past 60 days \$	Past 90 days \$	Total \$
As at March 31, 2020				
Accounts receivable	201,344	-	96,796	298,140
Due from the Government of Bermuda	<u>3,000,000</u>	<u>-</u>	<u>19,926</u>	<u>3,019,926</u>
Total receivables	<u>3,201,344</u>	<u>-</u>	<u>116,722</u>	<u>3,318,066</u>

There have been no significant changes during the year in exposure to risk or policies, procedures and methods used to measure the credit risk.

c) Foreign exchange risk

The Authority is exposed to foreign exchange risk on a GBP-denominated contract with the UK Met Office for the supply of weather modelling software and data. The cumulative estimated impact of a 3% movement in foreign exchange rates on the total remaining foreign currency contract costs would be \$1,330.

d) Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulties meeting its financial obligations as they become due. The Authority mitigates such risk by monitoring cash activities and projected outflows through budgeting and maintaining liquid cash balances. Balances due within 12 months are met within the Authority's normal 30-day cycle of disbursements.

The following are contractual maturities of liabilities as at March 31, 2020:

	Carrying amount \$	Contractual cash flows			Total \$
		12 months or less \$	1–2 years \$	2–5 years \$	
Liabilities (Note 8)					
Accounts payable	4,811,474	4,502,161	309,313	-	4,811,474
Due to the Government of Bermuda	<u>102,592</u>	<u>102,592</u>	<u>-</u>	<u>-</u>	<u>102,592</u>
Total liabilities	<u>4,914,066</u>	<u>4,604,753</u>	<u>309,313</u>	<u>-</u>	<u>4,914,066</u>

BERMUDA AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

d) Liquidity risk (continued)

The following are contractual maturities of obligations as at March 31, 2020:

	Carrying amount \$	Contractual cash flows				Total \$
		12 months or less \$	1–2 years \$	2–5 years \$		
Obligations (Note 8)						
Retained services	298,422	298,422	-	-		298,422
Redevelopment consultants	908,468	883,118	25,350	-		908,468
Purchase of capital assets	1,395,757	723,445	168,078	504,234		1,395,757
Rental of premises	64,350	64,350	-	-		64,350
Communication	125,014	125,014	-	-		125,014
Professional fees	145,224	145,224	-	-		145,224
Office expenses, repairs and maintenance	<u>41,714</u>	<u>38,794</u>	<u>2,920</u>	<u>-</u>		<u>41,714</u>
Total obligations	<u>2,978,949</u>	<u>2,278,367</u>	<u>196,348</u>	<u>504,234</u>		<u>2,978,949</u>

There have been no significant changes during the year in exposure to risk or in policies, procedures and methods used to measure the liquidity risk.

13. GENERAL AND ADMINISTRATIVE EXPENSES

	Budget 2020 \$	Actual 2020 \$	Actual 2019 \$ (Note 16)
Salaries and employee benefits	2,315,149	2,226,502	1,524,611
Insurance	309,475	332,925	303,566
Professional fees	308,965	261,724	206,388
Office expenses, repairs and maintenance	85,341	96,138	69,291
Meetings, travel and accommodation	61,500	87,709	105,299
Rent and service charges	76,833	76,402	76,749
Communication and information technology related	82,780	72,330	86,464
Other general and administrative	61,000	50,572	49,342
Foreign exchange loss	<u>5,000</u>	<u>7,914</u>	<u>23,797</u>
	<u>3,306,043</u>	<u>3,212,216</u>	<u>2,445,507</u>

14. CAPITAL MANAGEMENT

The Authority's objective when managing capital is to hold sufficient accumulated surplus to enable it to withstand negative unexpected financial events. The Authority seeks to achieve this objective through receipt of airport and other revenues, grants from the Government and from operating surplus. The Authority is not subject to any externally imposed capital requirements.

BERMUDA AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

15. BUDGET

The budget amounts for foregone revenues and operating cost contribution are as per the Project Agreement financial model. All other Budget amounts were approved by the Board on February 21, 2019 and funded by Government grant contributions (Note 7).

16. COMPARATIVE FIGURES

Certain comparative figures for the year ended March 31, 2019 have been reclassified for financial statement presentation purposes.

17. SUBSEQUENT EVENTS

As a result of the impact of the COVID-19 pandemic, the operations and profitability of Skyport have been negatively impacted by the significantly reduced level of revenues from airport traffic. Schedules for the supply, delivery, installation, testing and commissioning of equipment, and the commencement of operations, at the new air terminal building have had to be revised to reflect new timelines once the situation stabilised and commercial airline traffic at the Airport was again authorised in July 2020.

Although substantial completion of the new terminal was not completed by the originally scheduled July 2020 completion date, Skyport is entitled to claim relief by way of an extension of time due to the FME (Note 8) and no liability for damages has therefore been attributed to the Project Partner for the delay. As at the date of issuance of these financial statements, the planned opening of the new air terminal building has also been delayed until December 2020.

The magnitude of the impact of COVID-19 on the financial obligations of the Authority to Skyport under the terms of the Project Agreement is currently uncertain, however the Minimum Revenue Guarantee provisions (Note 3) have been triggered and the Authority will be required to fund the Guaranteed Revenue Reserve Account (“GRRA”) for any resulting shortfall in Actual Regulated Revenue (“ARR”) collected by Skyport below the quarterly Guaranteed Minimum Regulated Revenue (as defined in the Project Agreement). Preliminary forecast estimates suggest a total potential liability for this ARR shortfall of approximately \$25 million being incurred for the current calendar year ending December 31, 2020. On July 14, 2020, the Authority paid \$5,770,996 into the GRRA to fund the ARR shortfall for the quarter ended June 30, 2020 and expects to pay approximately \$15 million in October 2020 for the quarter ended September 30, 2020.

Since March 14, 2020, the Authority has received a number of other notices from Skyport claiming that events that have occurred in response to COVID-19 constitute Eligible Changes in Law in respect of which Skyport and its subcontractors are entitled to relief under the terms of the Project Agreement. The Authority has not accepted that these events are Eligible Changes in Law and is of the opinion that they are appropriate responses to COVID-19 by the Government of Bermuda to protect its only acute care hospital and the wellbeing of Bermuda’s residents. As at the date of issuance of these financial statements, Skyport has not yet quantified nor substantiated the nature of any such claims.

Management continues to monitor and evaluate the impact of this evolving situation, however, in respect of the Authority’s operations, measures have been taken by management to modify work schedules (including staff working remotely where able) to better manage staff health and safety concerns during the pandemic, reduce business operating costs and defer planned non-critical capital expenditures; all while still maintaining the requisite level of retained services at the airport required by international and local aviation regulatory bodies.

BERMUDA AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

17. SUBSEQUENT EVENTS (continued)

Effective September 25, 2020, the Authority entered into an airport service fee credit agreement with a U.K. based carrier. This agreement will require the Authority to make upfront payments in support of regularly scheduled airlift from the U.K for the period commencing no later than April 30, 2021 and ending April 30, 2025.

Between March 31, 2020 and the date of issuance of the financial statements of the Authority, no other events occurred that in the opinion of management could have a significant effect on the financial statements.

BERMUDA AIRPORT AUTHORITY

Corporate Information

Board Members



Lawrence Scott, JP, MP
Chairman



Andrew D. Parsons, MBA, FCPA, FCA
Deputy Chairman



Judith Hall-Bean, OBE, MIPM, ClOD
Secretary



Kimberley D. Caines-Best, LLB



Ian D. MacIntyre



Marshall E. Minors, B.Eng, P.Eng



Lester Nelson
Chief Executive Officer



Robert Steynor, C.Eng

Corporate Information

Board Committees

• *Committee Chairman*

Directors	Strategic Initiatives			Human Resources	
	Finance	Governance	Technical		
Lawrence Scott	•	•	•		
Andrew Parsons	•	•			
Judith Hall-Bean			•		•
Kimberley Caines-Best		•			•
Ian MacIntyre				•	•
Marshall Minors	•		•	•	
Robert Steynor		•		•	

Finance: assists the Board in determining the Authority’s key financial objectives and leads the review, approval, and appropriate distribution of the Authority’s capital and revenue budgets. The Finance Committee also ensures the Authority maintains appropriate accounting policies and internal controls, reviews and approves the Authority’s annual audit plan, and guides the Authority’s response to audit findings.

Governance: assists the Board in fulfilling its oversight responsibilities for the Authority’s governance framework, including determining and reviewing the organisation’s policies, systems, and processes, and providing recommendations on Board appointments, development, assessment, and remuneration.

Strategic Initiatives: assists the Board in determining, advising, overseeing, and reviewing strategically important initiatives for the organisation’s mid-term future (2-5 years). The Strategic Initiatives Committee reviews key information from Authority Management and other key stakeholders to fulfil its mandate.

Technical: assists the Board in determining the Authority’s key technical objectives and ensures the Authority has the necessary management systems, processes, documents, and standards to effectively oversee risk management, quality assurance, and occupational health, safety & environment practises. The Technical Committee also oversees the Authority’s Retained Government Services and Skyport activities to ensure compliance with Aerodrome certification requirements.

Human Resources: assists the Board in determining the Authority’s key talent and human resources objectives, including ensuring organisational alignment to the Bermuda Employment Act and related legislation, and overseeing the development of appropriate organisational HR policies. The HR Committee also recommends CEO and Authority Director appointments, ensures effective performance evaluation and staff compensation processes, and provides general oversight of performance reviews, diversity initiatives, and other HR activities.

Senior Management



Lester Nelson
Chief Executive Officer



Carlos C. Lee, MBA, CPA, CGMA
Chief Financial Officer



Jamie Sapsford
Chief Operations Officer



Justin Simons
Chief Administrative Officer



Michele Bean
Director,
PPP Contract Management



Mark Bourne
Director,
Aviation Service Delivery



Wendell Burchall
Director,
Airport Redevelopment Oversight



Tanecia Burgess
Director,
Human Resources



James Campbell
Director,
PPP Project



Dr. Mark Guishard
Director,
Bermuda Weather Service



Ari Ming
Director Designate,
Airport Redevelopment
(Technical)

“Collectively, we remain dedicated to enabling safe and efficient air transport of passengers and goods to and from Bermuda for the benefit of residents, businesses, visitors and the Bermuda economy.”

Design and Production:
Advantage Ltd.

Coordination and Writing:
Linda Smith Associates Limited

Photography:
Ari Ming
Bermuda Aerial Media
Linda Smith Associates Limited



Bermuda Airport Authority
Bldg. 332 East
11 Waller's Point Road
St. George's DD03
Bermuda
T: 441-242-2000
www.airportauthority.bm
E: info@airportauthority.bm