Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund

Financial Report
with Supplemental Information
June 30, 2019

Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund

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Independent Auditor's Report

To the Board of Directors
Bradley International Airport Enterprise Fund and
General Aviation Airports Enterprise Fund

Report on the Financial Statements

We have audited the accompanying financial statements of the Bradley International Airport Enterprise Fund (BDL) and the General Aviation Airports Enterprise Fund (GA) as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each fund as of June 30, 2019 and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in detail in Note 1, the financial statements present only each fund and do not purport to, and do not, present the financial position of the Connecticut Airport Authority as of June 30, 2019 or the changes in its financial position or cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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To the Board of Directors
Bradley International Airport Enterprise Fund and
General Aviation Airports Enterprise Fund

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information, as identified in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise each fund's financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2019 on our consideration of each fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering each fund's internal control over financial reporting and compliance.



October 1, 2019

BRADLEY INTERNATIONAL AIRPORT ENTERPRISE FUND AND GENERAL AVIATION AIRPORTS ENTERPRISE FUND
JUNE 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) of the Bradley International Airport Enterprise Fund (BDL or Bradley) and the General Aviation Airports Enterprise Fund (GA) (collectively, the "Funds") financial performance provides an overview for the year ended June 30, 2019. Please read it in conjunction with the Funds' financial statements that follow this section. The MD&A is intended to provide meaningful information to the reader for the current year, thereby enhancing the reader's understanding of the Funds' financial positions and the results of their operations.

As discussed in Note 1 to the financial statements, the Connecticut Airport Authority (CAA, or the "Authority") was established on July 1, 2011 but had no significant transactions until July 1, 2013, at which time the assets and liabilities of Bradley International Airport (Bradley) and the State of Connecticut's general aviation airports were contributed to the Authority. Bradley International Airport was previously reported as a stand-alone enterprise fund, and the General Aviation Airports were accounted for in the governmental funds of the Connecticut Department of Transportation. Connecticut State Statute Title 15 Chapter 267B required the establishment of the Bradley International Airport Enterprise Fund to account for the operations of Bradley airport and the General Aviation Airports Enterprise Fund to account for the operations of the five general aviation airports under the control of the CAA.

Enterprise Fund Financial Statements

An enterprise fund is used to present governmental activities where a fee is charged to external customers for goods that are sold or services that are rendered. Usually these activities are financed by debt that is secured solely by a pledge of the operating revenues of that activity.

The Funds' financial statements consist of a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows. The financial statements utilize the economic resources measurement focus and the accrual basis of accounting, thus providing the foundation for generally accepted accounting principles that are used in private-sector business reporting. This means that all assets and liabilities associated with the operations of the Funds are included on the statements of net position, and that revenues and expenses are recognized when earned and incurred, respectively, on the statements of revenues, expenses, and changes in net position.

Net position is presented in three components (i) net investment in capital assets, (ii) restricted, and (iii) unrestricted. Net position categorized as net investment in capital assets consists of all significant capital assets owned by the Funds, net of accumulated depreciation, and reduced by any outstanding balances of bonds or other debt related to the acquisition, construction or improvement of those assets. Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible assets that are used in operations that have an initial useful life beyond one year. Capital assets are depreciated over their useful lives and periodic depreciation expense is reported in the statements of revenues, expenses, and changes in net position. Net position is reported as restricted when constraints are placed on those assets by creditors, grantors, laws or imposed by law through constitutional provisions or enabling legislation. The restrictions in place at Bradley originate from indentures of trust associated with the sale of its general airport revenue bonds, sale of its Customer Facility Charge Revenue Bonds, and regulations associated with its use of Passenger Facility Charges (PFCs).

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues and expenses and non-operating revenue and expenses of the Funds for the fiscal year with the difference, the

net income or loss, being combined with any capital contributions to determine the change in net position. That change, combined with the prior year-end net position total, reconciles to the net position total at the end of the current fiscal year.

The Statements of Cash Flows report cash activities for the fiscal year resulting from operating activities, capital and related financing activities and investing activities. The net result of these activities added to the beginning of the year cash balance reconciles to the cash balance at the end of the current fiscal year.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is important to understanding the information included in the financial statements.

Supplemental Information

Supplemental information includes prior year comparative financial statements for both the Bradley International Airport Enterprise Fund and the General Aviation Airports Enterprise Fund, a Schedule of Passenger Facility Charge Expenditures and a Schedule of Insurance Coverage, which are required by the Federal Aviation Administration and bond indentures, respectively.

Required Additional Reports

Required additional reports include an Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* and an Independent Auditors' Report on Compliance With Requirements That Could Have a Direct and Material Effect on the Passenger Facility Charge Program and on Internal Control Over Compliance.

FINANCIAL HIGHLIGHTS - BRADLEY INTERNATIONAL AIRPORT ENTERPRISE FUND
Unless otherwise stated, all values presented in the following MD&A are in thousands with the exception of various per passenger ratios presented

In FY 2019, Bradley financially outperformed operating income budget expectations. While operating revenues were 4.4% below budget due to decreases in landing fees and terminal rent income, cost reductions were realized across most major categories of operating expenses, resulting in net operating income (before depreciation and amortization) that was 26.0% favorable versus budget. Airline revenues are a derivative of Bradley's operating expenses; accordingly, operating revenue results are below budget. Compared to FY 2018, total operating revenue increased 3.4% to $73,394, while total operating expenses before depreciation increased 2.7% to $55,791. Operating income before depreciation increased 5.6% to $17,603 versus prior year. Despite increases in both CFC and PFC revenue collections of $3.2 million as well as increased interest income of $1.1 million, losses attributable to actuarial pension and Other Post-Employment Benefits (OPEB) expenses outpaced the favorable non-operating revenue drivers with a combined $5.3 million offset, resulting in a net non-operating revenue position of $18,115, a 9.7% decrease from prior year. Total net position at year-end totaled $282,673, a 7.8% increase from FY 2018's net position. Total assets increased by $178,263, or 36.0%, and total liabilities increased by $159,408, or 61.5%. Proceeds from CFC bonds issued in the current year contributed over $150 million to current assets, with the corresponding bonds payable recorded to liabilities. Bradley generated debt service coverage of 260.6% for its General Airport Revenue Bonds, which is well above the 120.0% required by bond indenture. Bond proceeds from Bradley's CFC Revenue bonds issued in April 2019 were partially used to fund a capitalized interest account held by the trustee which covers debt service for the first fifteen months of the bond term.

An increase in passenger traffic was again realized in FY 2019 for the sixth straight year. In FY 2019, enplanements increased 4.2% over the FY 2018 enplanements and 8.9% over FY 2017 enplanements. The positive trends in passenger activity are a result of the Authority's efforts to grow new airline routes as well as from an overall improvement in the economy.

Net Position

The net position of Bradley is summarized in Table 1. Net position is a measurement of the financial condition of a fund/entity at a point in time. Bradley's net position increased $20,429 from June 30, 2018 to June 30, 2019. The increase in Net Position was primarily due to PFC and CFC collections offset by bond interest expense, expensed capital project costs, airline net revenue share expense, and recognition of actuarial losses related to net pension and OPEB liabilities.

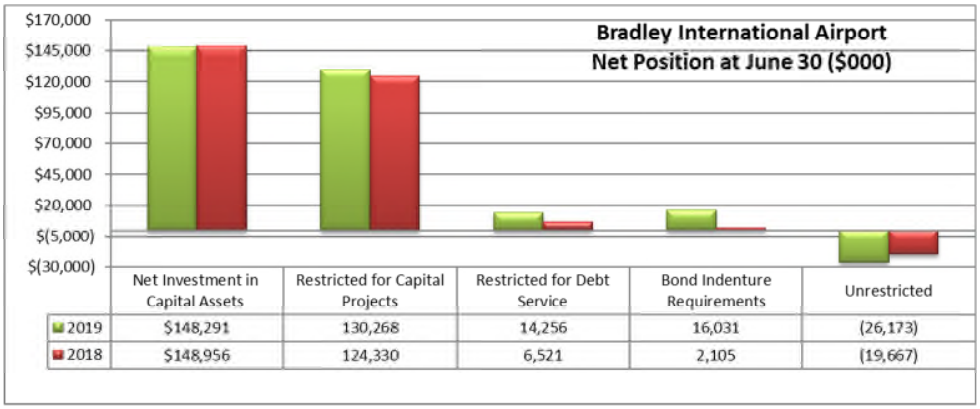
Table 1 also illustrates Bradley's assets (including deferred outflows of resources) exceeded its liabilities (including deferred inflows of resources) by $282,673 as of June 30, 2019. This net position includes $148,291 invested in capital assets net of related debt (a decrease of 0.4%), assets restricted for PFC, CFC and bond indenture purposes of $160,555 (an increase of 20.8%) and unrestricted assets of ($26,173) (a decrease of 33.1%) from fiscal year 2018.

As of June 30, 2019, total general airport revenue bonds payable and CFC revenue bonds payable (excluding current maturities and bond premium) of $245,695 equate to $72.39 per enplaned passenger based on fiscal year 2019 enplaned passengers of 3,394, a 130.9% increase from FY 2018 bonds payable of $31.35 per enplaned passenger. This increase is solely attributable to the issuance of $151.1 million of CFC revenue bonds in April 2019.

TABLE 1
BALANCE SHEET
JUNE 30, 2019 AND 2018
(In thousands)

	2019	2018	2019 - 2018 Change ($)	2019 - 2018 Change (%)
ASSETS				
Current and Other Assets	$ 402,696	$ 238,556	$ 164,140	68.8%
Net Capital Assets	270,780	256,656	14,124	5.5%
TOTAL ASSETS	**673,476**	**495,212**	**178,263**	**36.0%**
DEFERRED OUTFLOWS OF RESOURCES				
Interest Rate Swap	13,740	10,999	2,741	24.9%
Deferred Loss on Bond refunding	1,507	1,630	(123)	-7.5%
Deferred Cost of Bond Issuance, net	47	-	47	100.0%
Deferred Pension Outflows	15,613	15,742	(129)	-0.8%
Deferred OPEB Outflows	3,105	2,433	672	27.6%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**34,012**	**30,804**	**3,208**	**10.4%**
LIABILITIES				
Long-term Debt Outstanding	248,998	102,105	146,893	143.9%
Other Liabilities	36,770	29,295	7,476	25.5%
Interest Rate Swap	13,740	10,999	2,741	24.9%
Net Pension Liability	61,596	57,991	3,605	6.2%
Net OPEB Liability	57,534	58,840	(1,306)	-2.2%
TOTAL LIABILITIES	**418,638**	**259,230**	**159,408**	**61.5%**
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Cost Reductions	2,133	2,861	(729)	-25.5%
Deferred OPEB Cost Reductions	4,044	1,682	2,363	140.5%
TOTAL DEFERRED INFLOWS OF RESOURCES	**6,177**	**4,543**	**1,634**	**36.0%**
NET POSITION				
Net Investments in Capital Assets	148,291	148,956	(665)	-0.4%
Restricted	160,555	132,955	27,600	20.8%
Unrestricted	(26,173)	(19,667)	(6,506)	-33.1%
TOTAL NET POSITION	**282,673**	**262,244**	**20,429**	**7.8%**

	2019	2018	2019 - 2018 Change ($)	2019 - 2018 Change (%)
Net Position at June 30				
Net Investment in Capital Assets	$ 148,291	$ 148,956	$ (665)	-0.4%
Restricted for Capital Projects	130,268	124,330	5,938	4.8%
Restricted for Debt Service	14,256	6,521	7,736	118.6%
Bond Indenture Requirements	16,031	2,105	13,927	661.7%
Unrestricted	(26,173)	(19,667)	(6,506)	-33.1%
Total Net Position	**$ 282,673**	**$ 262,244**	**$ 20,429**	**7.8%**



Changes in Net Position

The increase in net position shown on Table 1 was generated from the activity shown on Table 2, Changes in Net Position, for the Years Ended June 30, 2019 and 2018. Changes in net position represent the fiscal year financial results of Bradley. The change in net position for FY 2019 is $20,429 compared to $19,773 in FY 2018. Overall for FY 2019, total net position increased 7.8% compared to FY 2018.

Bradley experienced net income before capital contributions in FY 2019. Operating revenues increased by $2,392, or 3.4%, attributable to modest increases in results across most core revenue streams, including landing fees, airline terminal rent, terminal and other concessions, and rental car revenues. A reduction in aircraft parking fees and land and building rent offset this generally favorable increase year over year. Operating expenses before depreciation increased $1,465, or 2.7% compared to FY 2018, largely due to higher personnel costs, repairs & maintenance expenses and utilities, partially offset by savings in administrative costs. Depreciation and amortization decreased $465, or 2.6%, from FY 2018 resulting in operating income of $388.

TABLE 2
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

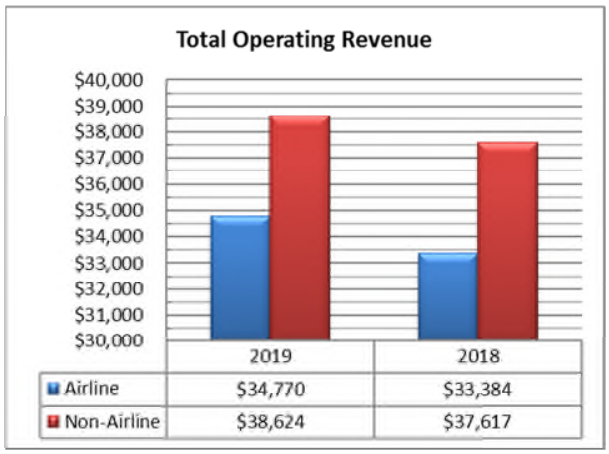
			2019 - 2018	
	2019	2018	Change ($)	Change (%)
OPERATING REVENUES				
Landing Fees	$ 18,914	$ 18,133	$ 781	4.3%
Airline Terminal Rent	11,690	10,897	794	7.3%
Aircraft Parking	4,165	4,354	(189)	-4.3%
Auto Parking	11,875	11,631	244	2.1%
Rental Cars	8,753	8,501	252	3.0%
Terminal Concessions	5,016	4,762	254	5.3%
Land and Building Rent	5,072	5,081	(10)	-0.2%
Other Concessions	5,016	4,811	205	4.3%
Other Operating Revenue	2,892	2,832	60	2.1%
TOTAL OPERATING REVENUES	73,394	71,001	2,392	3.4%
OPERATING EXPENSES				
Salaries and Related Expenses	24,010	21,869	2,141	9.8%
Administrative and General	18,928	20,477	(1,550)	-7.6%
Repairs and Maintenance	7,866	7,118	748	10.5%
Utilities	4,987	4,861	126	2.6%
OPER EXPENSE BEFORE DEPRECIATION	55,791	54,326	1,465	2.7%
OPER INCOME BEFORE DEPRECIATION	17,603	16,676	927	5.6%
Depreciation and Amortization	17,215	17,680	(465)	-2.6%
OPERATING INCOME (LOSS)	388	(1,004)	1,392	-138.6%
NONOPERATING REVENUES(EXPENSES)				
Car Rental Facility Charge Revenue	13,538	11,356	2,182	19.2%
Passenger Facility Charge Revenue	15,179	14,197	982	6.9%
Investment Income	2,614	1,476	1,138	77.1%
Revenue Bond Interest Expense	(5,657)	(4,348)	(1,309)	30.1%
Other Non-Operating Expenses	(1,741)	(2,484)	743	-29.9%
Airline Net Rev Share Exp	(2,428)	(2,077)	(351)	16.9%
Actuarial Pension Gain (Loss)	(3,006)	1,346	(4,352)	-323.3%
Actuarial OPEB Gain (Loss)	(384)	594	(978)	-164.7%
NET NONOPERATING REVENUES (EXPENSES)	18,115	20,060	(1,945)	-9.7%
INCOME BEFORE CAPITAL CONTRIBUTIONS	18,503	19,056	(553)	-2.9%
CAPITAL CONTRIBUTIONS	1,926	717	1,209	168.4%
Change in Net Position	20,429	19,773	656	3.3%
Total Net Position, Beginning of Year	262,244	242,471	19,773	8.2%
Total Net Position, End of Year	$ 282,673	$ 262,244	$ 20,429	7.8%

BRADLEY INCOME

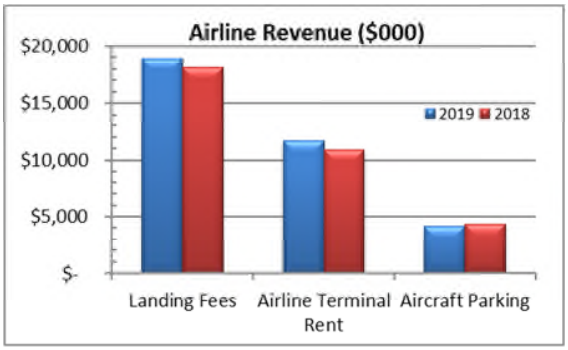
As indicated on Table 2, Bradley generated operating income before depreciation of $17,603, net non-operating revenues of $18,115 and $1,926 of capital contributions. The change in net position for fiscal year 2019 was $20,429 as compared to the prior year change in net position of $19,773. The operating and non-operating revenues and expenditures associated with this income are addressed below.

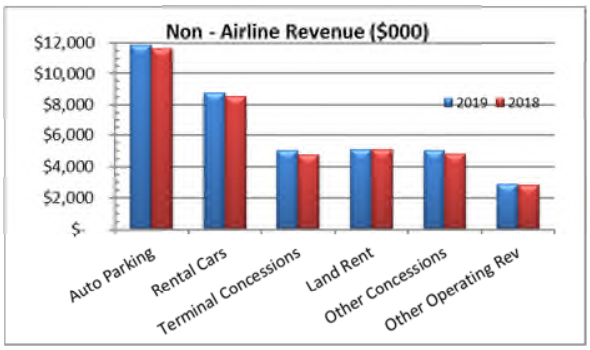
Operating Revenues

Operating revenues for fiscal year 2019 totaled $73,394, an increase of $2,392 or 3.4% from fiscal year 2018. Operating revenues are split between airline and non-airline sources. Airline revenues were $34,770 or 47.4% of total operating revenue, and non-airline revenues were $38,624 or 52.6% of total operating revenue as shown at right and in greater detail below.



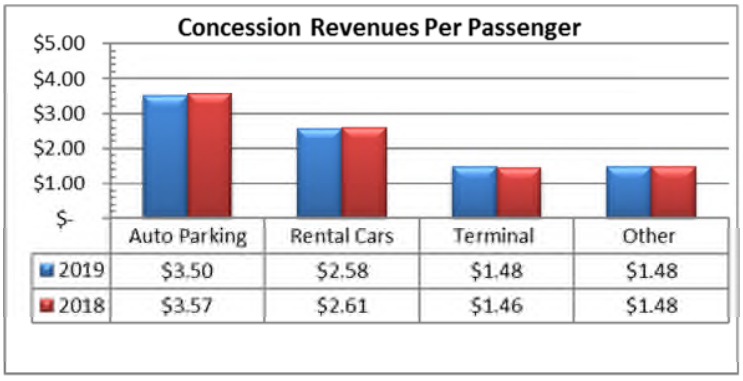
Airline revenues increased by $1,386 or 4.2% from fiscal year 2018 to fiscal year 2019. The Airlines pay rates and charges based on budgeted operating expenditures and debt service allocated to airline cost centers including the landing area, terminal building and aircraft parking aprons. The fiscal year 2019 operating expense budget of $63,273 reflected a 3.9% increase in operating expenses over the fiscal year 2018 operating budget, which was accordingly reflected in budgeted airline rates and charges. The current airline agreements include a true-up feature which causes airline rates and charges to be recalculated based on actual operating expenditures rather than budgeted operating expenditures. Fiscal year 2019 operating expenditures were 10.9% under budget which in turn caused operating revenues to be 4.4% below budget due to the true-up feature applied to airline revenues.





Deducting cargo airline landing fees of $3,710 and airline net revenue share of $2,428 from total airline revenue of $34,770 results in passenger airline revenue of $28,632. This equates to a fiscal year 2019 Cost per Enplaned Passenger (CPE) of $8.44 based on fiscal year 2019 enplaned passengers of 3,394, a 0.4% decrease from the fiscal year 2018 CPE of $8.47.

Total non-airline revenues increased by $1,007 or 2.7% from fiscal year 2018. Non-airline revenues are comprised of the various concessions operating at Bradley, land rent and other operating revenue. Concession operations include auto parking, rental cars, terminal concessions and other concessions, which combine for total revenue of $30,660. The largest source of concession revenue is vehicle parking operations which totaled $11,875. Terminal concessions include food and beverage, retail, advertising and miscellaneous services provided in the terminal. Other concessions include in-flight food catering, the Sheraton Hotel located in the terminal, ground transportation services and others.



Total concession revenue of $30,660 equates to $9.04 per enplaned passenger based on fiscal year 2019 enplaned passengers of 3,394, a 0.9% decrease from fiscal year 2018 concession revenue per enplaned passenger of $9.12. The division of revenues per passenger among the various concessions is shown above.

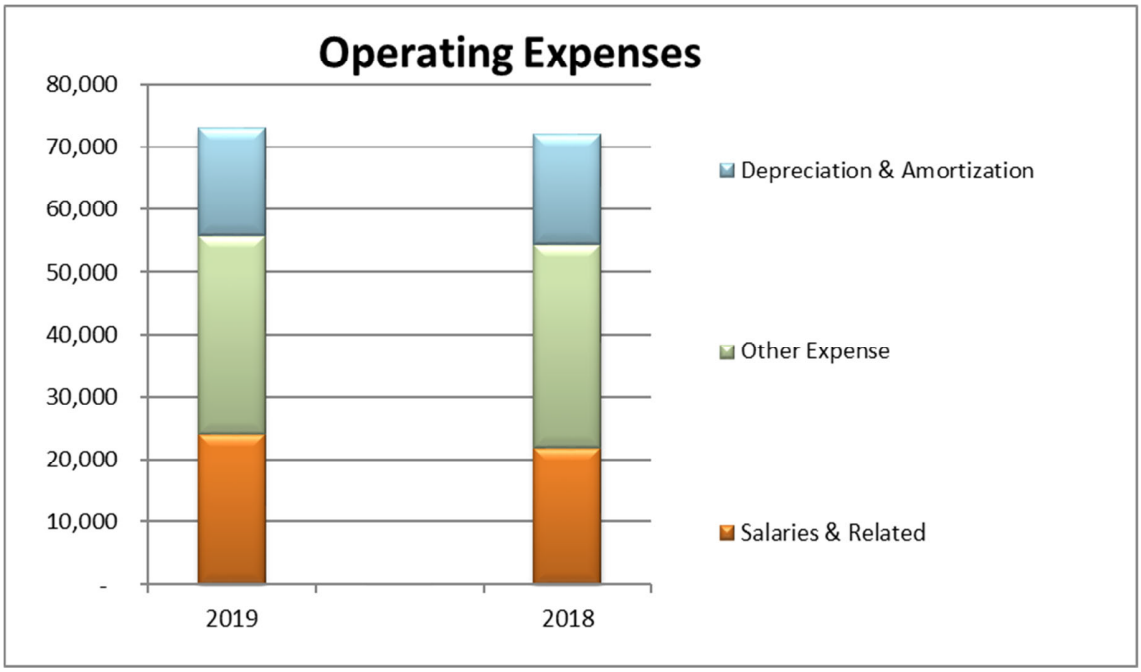
Operating Expenses

Operating expenses in fiscal year 2019 totaled $73,005, an increase of $1,000 from fiscal year 2018. Operating expenses include salaries and related expenses, security costs, administration costs, repairs & maintenance, energy and utilities, and depreciation. The distribution and comparison of fiscal year 2019 and fiscal year 2018 operating expenses is shown in Table 3.

As indicated on Table 3, an increase in salaries, fringe benefits, and repairs & maintenance expenses are offset by decreases in administrative & general costs as well as depreciation & amortization. The increase in fringe benefit costs was largely due to increases in costs for CAA employees' participation in the State Employee Retirement System (SERS) and repairs & maintenance costs increased due to additional costs for contract services. Administrative & general costs decreased largely due to a reduction in air service incentive costs as well as a reduction in overall marketing costs for Bradley. Depreciation and amortization decreased by $465, or 2.6%, from fiscal year 2018.

TABLE 3
OPERATING EXPENSES
JUNE 30, 2019 AND 2018
(In thousands)

			2019 - 2018	
Salaries & Related	**2019**	**2018**	**Change ($)**	**Change (%)**
Salaries	$ 11,003	$ 10,229	$ 774	7.6%
Overtime	916	916	1	0.1%
Other Payroll	354	325	29	8.9%
Fringe Benefit	11,736	10,400	1,337	12.9%
Salaries & Related	24,010	21,869	2,141	9.8%
Other Expense				
Payment In Lieu of Tax	4,679	4,679	0	0.0%
Security	8,378	8,324	54	0.7%
Administrative & General Costs	5,871	7,475	(1,604)	-21.5%
Repairs and Maintenance	7,866	7,118	748	10.5%
Utilities	4,987	4,861	126	2.6%
Other Expense	31,781	32,456	(675)	-2.1%
Expenses Before Depreciation	**55,791**	**54,325**	**1,465**	**2.7%**
Depreciation & Amortization	17,215	17,680	(465)	-2.6%
Total Operating Expenses	**$ 73,005**	**$ 72,005**	**$ 1,000**	**1.4%**



Net Non-operating Revenue (Expense)

Non-operating revenues and expenses includes Bradley's Passenger Facility Charges (PFCs), Car Rental Facility Charges (CFCs), investment income, revenue bond interest expense, other non-operating expenses, actuarial pension and OPEB gain/loss, and airline net revenue share expense. Bradley is presently authorized by the Federal Aviation Administration (FAA) to assess a PFC charge of $4.50 per enplaned passenger. The revenue associated with this charge is restricted for approved capital projects, and currently supports debt service incurred for eligible components of the terminal expansion and improvement program as well as certain "pay as you go" projects. In fiscal year 2019, Bradley collected total PFCs (excluding PFC interest) of $13,704, an increase of 3.0% from fiscal year 2018. Bradley is also authorized by contract with the rental car companies to assess a CFC per rental car transaction day. The existing CFC rate is $8.40 per rental car transaction day. The revenue associated with this charge is recognized according to criteria established by bond indenture and used to fund CFC revenue bond debt service as well as to fund the cost to design, engineer and construct a ground transportation center at Bradley, of which the largest component will be a consolidated rental car facility. CFC collections commenced December 2009 and revenues for fiscal year 2019 totaled $11,591 (excluding interest), an increase of 7.8% over fiscal year 2018. The CAA executed an Airline Operating Agreement and Terminal Building Lease with the signatory air carriers at Bradley airport that was effective July 1st, 2015. The lease provides for the potential sharing of net revenues with the airlines. If enough net revenue is available (excluding restricted sources such as PFC's and CFC's) after all operating expenses and bond costs are satisfied, those net revenues are shared with the airline pursuant to a formula outlined in the airline lease. For FY 2019, the airlines will share in $2,428 which is reflected as a non-operating expense to Bradley.

Investment income from all accounts totaled $6,035, a 103.2% increase from fiscal year 2018 investment income of $2,970. Investments are addressed in Note 2 to the financial statements. Investment earnings on certain accounts are restricted for the purposes of the account as discussed in the notes to financial statements. Revenue bond interest expense for fiscal year 2019 totaled $5,657, an increase of 30.1% from fiscal year 2018. The increase is attributable to the issuance of CFC revenue bonds, Series 2019A and 2019B, on April 9th, 2019. Non-operating other expenses for fiscal year 2019 equaled $1,741, which is a 29.9% decrease from fiscal year 2018. Other non-operating expenses are predominantly reflective of capital improvement project costs that must be expensed versus capitalized as an asset.

In FY 2019, the airport realized a combined $3,390 actuarial pension and OPEB loss, versus a $1,940 gain in FY 2018. This $5,330 reduction year on year was a significant driver of the change in overall non-operating revenue. Net non-operating revenues for fiscal 2019 were $18,115, a decrease of $1,945 from FY 2018. Net income before capital contributions for fiscal year 2019 was $18,503. Overall, net income along with capital contributions of $1,926 increased net position for Bradley by $20,429.

CAPITAL CONTRIBUTIONS

Total FY 2019 capital contributions equaled $1,926, an increase of $1,209 from fiscal year 2018 capital contributions of $717. Under the AIP program, the FAA provides grants that are available for eligible, approved projects within the funding limitations of the program, which requires certain matching contributions to be made by Bradley. Projects and capital contributions are summarized below.

Capital Contributions ($000)	2019	2018	2019 - 2018 Change ($)	Change (%)
Obstruction Removal	$ 8	$ 733	$ (725)	-99.0%
Repair Drainage Structures	-	33	(33)	-100.0%
Taxiways	1,918	(49)	1,967	> 100.0%
Total	$ 1,926	$ 717	$ 1,209	168.6%

BUDGET TO ACTUAL PERFORMANCE

Bradley's annual operating budget for fiscal year 2019 was developed pursuant to procedures established in applicable State Statute as well as in the Airline Operating Agreement and Terminal Building Lease between the CAA and the signatory air carriers which went into effect July 1st, 2015. These procedures provide for preparation of the budget, submission to and approval of the budget by the Authority's Board of Directors (the Board) and consultation with signatory airlines before the beginning of each fiscal year. The operating budget includes airline and non-airline revenues, passenger facility charges, customer facility charges, operating and maintenance expenses, expenditure allocation to Bradley cost centers including the landing, apron, terminal and other cost centers, and development of the rates and charges that will be paid by the airlines during the ensuing fiscal year. Budget to actual performance for fiscal year 2019 is shown in Table 4.

Total operating revenues were 4.4% less than budget. All categories of airline revenue were less than budget as a result of performing an airline rates and charges true-up entry. FY 2019 airline rates and charges are initially set based on the FY 2019 operating budget. Pursuant to the airline operating agreement, once the full year of actual operating results are available, the airline rates and charges are recalculated using actual, rather than budgeted, operating expenses as the base for the calculation. Given operating expenses were substantially under budget, there was a $3.9 million true-up to airline operating revenues. Non-airline revenues were over budget by $572 or 1.5%. A positive variance was experienced for rental car concessions, other concessions, and other operating revenue. PFC revenue and related interest was $1,652 or 12.2% over budget. CFC revenue and related interest was also over budget by $2,529 or 23.0%. Total operating expenses before depreciation were 11.8% under budget with surpluses realized in all categories of expenses.

Table 4
FY 2019 Budget to Actual Performance ($000)

	Budget	Actual	Variance Greater (Less) Than Budget ($000)	Percent
Airline Revenue	$ 38,729	$ 34,770	$ (3,959)	-10.2%
Non-Airline Revenue	38,051	38,624	572	1.5%
Total Operating Revenue	$ 76,781	$ 73,394	$ (3,387)	-4.4%
Passenger Facility Charges & PFC Interest	13,526	15,179	1,652	12.2%
Car Rental Facility Charge Revenue & CFC Interest	11,009	13,538	2,529	23.0%
Operating & Maintenance Expenses before Depreciation	$ 63,273	$ 55,791	$ (7,482)	-11.8%

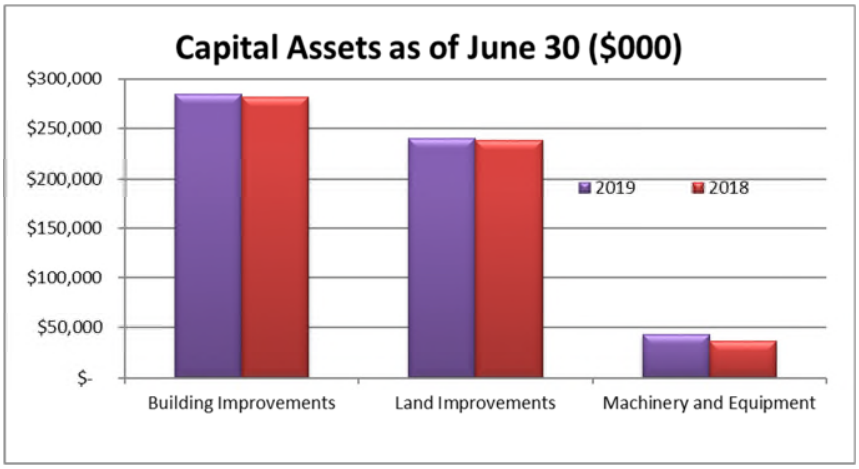
CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Bradley's gross capital assets increased $29.1 million for the year ended June 30, 2019. Changes in detailed capital asset categories are summarized in Table 5 below. The large increase in Construction in Progress reflects the ongoing work on the Ground Transportation Center, the new roadway system, cargo building renovations, and taxiway reconstruction.

Table 5
Capital Assets as of June 30 ($000)

	2019	2018	2019 - 2018 Additions
Building Improvements	$ 283,824	$ 281,175	$ 2,649
Land Improvements	239,904	238,554	1,350
Machinery and Equipment	43,382	36,831	6,551
Total Depreciable	**567,110**	**556,560**	**10,550**
Land	2,888	2,657	231
Construction in Progress	42,217	23,908	18,309
Total Non - Depreciable	**45,105**	**26,565**	**18,540**
Total	**$ 612,215**	**$ 583,125**	**$ 29,090**



Debt

At year-end, Bradley has $102,105 in General Airport Revenue Bonds (GARB) outstanding versus $109,330 in fiscal year 2018 – a decrease of $7,225 or 6.6%. Bradley has two outstanding series of GARB bonds at June 30, 2019. These include the Series 2011A and Series 2011B issued to refund bonds previously issued in support of Bradley's terminal expansion and improvement program.

Additionally, on April 9, 2019, Bradley issued new Customer Facility Charge (CFC) revenue bonds, the proceeds of which finance a portion of the costs to develop and construct a ground transportation center. At June 30, 2019, Bradley has $151,100 in CFC Revenue bonds outstanding, comprised of Series 2019A and Series 2019B.

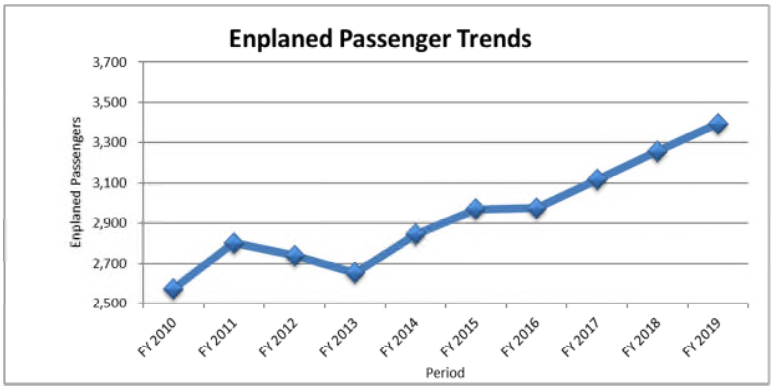
Principal outstanding on these bonds as of June 30 is shown below:

Principal Outstanding	2019	2018	2019-2018 Change
Series 2011A	$ 61,265	$ 65,600	$ (4,335)
Series 2011B	40,840	43,730	(2,890)
GARB Principal Outstanding*	$ 102,105	$ 109,330	$ (7,225)
Series 2019A	$ 35,410	$ -	$ 35,410
Series 2019B	115,690	-	115,690
CFC Bond Principal Outstanding	$ 151,100	$ -	$ 151,100
Total Principal Outstanding	**$ 253,205**	**$ 109,330**	**$ 143,875**

* Less current maturities of $7,510 results in GARB bonds payable (long-term portion) of $94,595 as of June 30, 2019. For a more detailed description of long-term debt obligations see Note 6 in the accompanying financial statements.

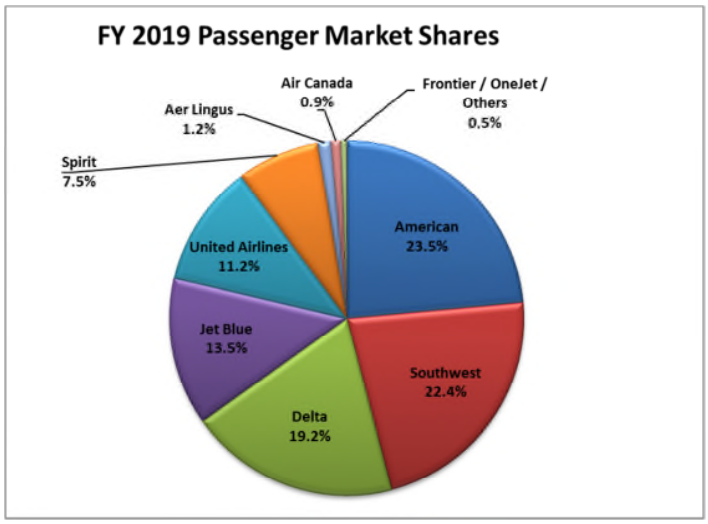
ECONOMIC FACTORS AND OUTLOOK

The financial health and stability of the airline industry nationally, regionally and at Bradley is the most significant economic factor with the potential to adversely affect Bradley. The industry experienced a prolonged period of industry challenges reflecting the economic recession, increased costs, extremely narrow margins and lower traffic resulting in multiple airline bankruptcies, consolidations and reorganizations, as well as deep cuts to air service capacity. The industry has significantly rebounded and has shown consistent growth over the past several years. Sustained low jet fuel costs and an overall rebounding economy has allowed airlines to enjoy record profits recently.



Bradley has shown consistent growth in passenger traffic over the past six years reflecting the CAA's efforts in route development and a rebounding economy. Bradley's strong airline cost recovery structure and its non-airline revenue structure have provided consistent financial performance.

In fiscal year 2019, Bradley enplaned 3.394 million passengers, a 4.2% increase from fiscal year 2018. Through diligent route development efforts, the Authority has been able to add several new routes as well as new airlines to the Bradley menu of services. International service was restored in September 2016 with non-stop service to Dublin, Ireland with Aer Lingus. This non-stop service to Ireland has recently been extended for an additional four years, taking the Aer Lingus commitment to Bradley out to 2022. In addition, during FY18 Spirit Airlines started domestic service to Orlando, FL, Fort Lauderdale, FL seasonal flights to Myrtle Beach, SC, Tampa, FL and Fort Myers, FL. FY19 represents a full year of Spirits' routes being in service. Southwest Airlines added a new flight to St. Louis, MO starting in August 2018. During FY19, Frontier airlines joined Bradley's list of diverse air carriers starting non-stop service to Denver, CO (March 2019), Raleigh-Durham, NC (April 2019), and Orlando, FL (May 2019). In addition to commercial passenger service, Pinnacle Logistics began a significant cargo operation at Bradley in July 2018 which is currently up to four cargo flights per day.



In fiscal year 2019, Bradley continued to maintain a strong diverse market share amongst 9 main carriers. Year over year, Spirit increased the most at 40.4%, due to the additional flights being in service for a full fiscal year, followed by Jet Blue with 9.3% growth. American remains the largest carrier at Bradley with 23.5% of the market followed closely by Southwest with 22.4% and Delta with 19.2% of the market. All three carriers experienced a slight decrease in market share compared to fiscal year 2018, due to rising passenger counts among competitors.

These market shares reflect the activity of Bradley's major air carriers combined with the enplaned passengers of their affiliated or contracted regional commuter / express operators. As of June 2019,

American, Southwest, Delta, Jet Blue, United, Spirit, Aer Lingus, Air Canada, Frontier and 16 additional regional commuter/express operators served Bradley. Bradley continues to offer a diverse mix of air carriers. Enplaned passenger traffic by carrier and market shares for fiscal year 2019 and fiscal year 2018 are shown below in Table 6.

Table 6
Bradley International Airport
Passenger Market Share Trends

	2019 Enplaned Passengers			2018 Enplaned Passengers		
Carrier	Mainline	Regional / Express Operations	Total	Mainline	Regional / Express Operations	Total
American	607,087	192,123	**799,210**	575,569	231,937	**807,506**
Southwest	759,622	-	**759,622**	780,671	-	**780,671**
Delta	573,833	77,073	**650,906**	552,237	76,070	**628,307**
Jet Blue	459,690	-	**459,690**	420,471	-	**420,471**
United Airlines	302,213	76,640	**378,853**	213,876	140,686	**354,562**
Spirit	255,350	-	**255,350**	181,828	-	**181,828**
Aer Lingus	42,157	-	**42,157**	40,271	-	**40,271**
Air Canada	-	30,300	**30,300**	-	29,580	**29,580**
Frontier / OneJet / Others	16,220	1,408	**17,628**	11,107	2,675	**13,782**
Total	**3,016,172**	**377,544**	**3,393,716**	**2,776,030**	**480,948**	**3,256,978**

	2019 Market Shares			2018 Market Shares		
Carrier	Mainline	Regional / Express Operations	Total	Mainline	Regional / Express Operations	Total
American	17.9%	5.7%	**23.5%**	17.7%	7.1%	**24.8%**
Southwest	22.4%	0.0%	**22.4%**	24.0%	0.0%	**24.0%**
Delta	16.9%	2.3%	**19.2%**	17.0%	2.3%	**19.3%**
Jet Blue	13.5%	0.0%	**13.5%**	12.9%	0.0%	**12.9%**
United Airlines	8.9%	2.3%	**11.2%**	6.6%	4.3%	**10.9%**
Spirit	7.5%	0.0%	**7.5%**	5.6%	0.0%	**5.6%**
Aer Lingus	1.2%	0.0%	**1.2%**	1.2%	0.0%	**1.2%**
Air Canada	0.0%	0.9%	**0.9%**	0.0%	0.9%	**0.9%**
Frontier / OneJet / Others	0.5%	0.0%	**0.5%**	0.3%	0.1%	**0.4%**
Total	**88.8%**	**11.2%**	**100.0%**	**85.2%**	**14.8%**	**100.0%**

The Authority has worked diligently with the air carriers to attract additional flights in order to increase passenger traffic. Management will continue to work with the airlines in order to support continued growth of passenger traffic. Bradley continues to offer fixed rent discounts for the lease of presently vacant terminal facilities, landing fee discounts and cooperative air service marketing assistance to new entrant and incumbent air carriers establishing new nonstop scheduled service to targeted domestic and international destinations. Fixed rent and landing fee discounts vary depending on the level of service offered. Marketing assistance available under the Air Service Incentive Program provides that Bradley will fund concept, development and placement of advertising in local and destination point media announcing and supporting ongoing use of the flights eligible under the promotion. The level of assistance available varies and is dependent upon the routes served.

Management at Bradley continuously monitors the airline industry, economic and regional market trends and the relevant potential impacts on Bradley traffic and financial performance with a view toward identifying and implementing appropriate response measures.

FINANCIAL HIGHLIGHTS - GENERAL AVIATION ENTERPRISE FUND

The General Aviation Airport Enterprise Fund consists of five general aviation airports located within the State of Connecticut (the State). They include Groton/New London Airport, Hartford/Brainard Airport, Waterbury/Oxford Airport, Danielson Airport and Windham Airport. These airports are owned, operated and managed by the Connecticut Airport Authority.

On July 1, 2013 these airports were legally transferred to the Connecticut Airport Authority from the State of Connecticut Department of Transportation (ConnDOT). Prior to the transition, the airports were owned and operated by the ConnDOT and the accounting for these five airports were based on the modified cash basis of governmental accounting. With this transition the airports became an Enterprise Fund. The assets and liabilities were transferred at book value and the accounting for these airports was changed to an accrual basis of accounting with separate and distinct financial statements.

The balance sheet for the General Aviation Airports shows total assets including deferred outflow of resources for fiscal year 2019 to be $103,509, an increase of $12,645 or 13.9% from fiscal year 2018. Total assets are broken down by current assets of $16,848 and net capital assets of $83,013. The deferred outflow of resources represents the consumption of net assets by the State that is applicable to a future reporting period. For fiscal year 2019 the amount for deferred outflow of resources is $3,648, which represents the deferred pension and OPEB outflows. For fiscal year 2018 the amount for deferred outflow of resources was $3,543.

Total liabilities including deferred inflow of resources for fiscal year 2019 equal $27,429, reflecting a decrease of $4,673 or 14.6% from fiscal year 2018. The decrease is primarily attributable to two factors; over $2.5 million in accruals associated with capital projects at prior year-end compared with an immaterial current year-end balance, and a $3.2 million decrease in amounts due to the State related to FAA funded capital project costs which were originally fronted by the State on behalf of the GA Fund. The net pension and OPEB liabilities are the only long-term liabilities for the General Aviation airports. The net pension liability also increased from $11,802 in fiscal year 2018 to $12,500 in fiscal year 2019. The change in the deferred inflows for pensions decreased from fiscal year 2018 by ($141), however the deferred amount for OPEB increased by $457. Overall, the total net position for the General Aviation airports is $76,080 compared to net position of $ 58,762 in fiscal year 2018. Table 7 below shows the details for total net position.

TABLE 7
BALANCE SHEET - GENERAL AVIATION AIRPORTS
JUNE 30, 2019
(in thousands)

	2019	2018	2019 - 2018 Change ($)	2019 - 2018 Change (%)
ASSETS				
Current and other assets	$ 16,848	$ 18,246	$ (1,398)	-7.7%
Net capital assets	83,013	69,075	13,938	20.2%
TOTAL ASSETS	**$ 99,861**	**$ 87,321**	**$ 12,540**	**14.4%**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	$ 3,037	$ 3,062	$ (25)	-0.8%
Deferred OPEB Outflows	611	481	130	27.1%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$ 3,648**	**$ 3,543**	**$ 105**	**3.0%**
LIABILITIES				
Accounts Payable and Accrued Liabilities	$ 2,003	$ 4,256	$ (2,253)	-52.9%
Due to Affiliate/State/Muni	132	3,321	(3,189)	-96.0%
Deferred Revenue and Other	197	190	8	4.0%
Net Pension Liability	12,500	11,802	698	5.9%
Net OPEB Liability	11,379	11,632	(253)	-2.2%
TOTAL LIABILITIES	**$ 26,211**	**$ 31,200**	**$ (4,989)**	**-16.0%**
DEFERRED INFLOWS OF RESOURCES				
Deferred Amount for Pensions	428	569	(141)	-24.8%
Deferred Amount for OPEB	790	332	457	137.6%
TOTAL DEFERRED INFLOWS OF RESOURCES	**$ 1,218**	**$ 902**	**$ 316**	**35.1%**
NET POSITION				
Net Investments in Capital Assets	83,013	69,075	13,938	20.2%
Unrestricted	(6,933)	(10,313)	3,380	-32.8%
TOTAL NET POSITION	**$ 76,080**	**$ 58,762**	**$ 17,318**	**29.5%**

Net Position

In FY 2018, the GA Fund began receiving aviation fuel tax revenue from the State generated by a sales tax imposed by the State on aviation fuel sales. Pursuant to FAA regulations, aviation fuel tax revenues must be used to fund costs of airports. The new aviation fuel tax revenue stream replaced state subsidies received in prior years as a means of supplemental funding to the GA airports' own revenues. These aviation fuel tax revenues are passed to the GA Fund from the State quarterly based on actual amounts collected by the State. In FY 2019 the General Aviation Airports received $7,135 from the tax revenues. Changes in Net Position, Table 8, illustrates the various categories used to calculate the change in net position. Net position at the beginning of the year for the General Aviation Airports Enterprise Fund was $58,762 and grew to $76,080 by the end of fiscal 2019. Operating revenues for fiscal year 2019 totaled $2,986, a 2.9% decrease from fiscal year 2018. Revenues consisted of airline revenue totaling $274 and non-airline revenue of $2,712. The majority of the non-airline revenue is attributable to land rent and other operating revenue (the majority of which comes from fixed based operators). Operating expenses before depreciation totaled $5,977 which is an increase of 6.7%, over fiscal year 2018. Operating expenses include salaries and related expenses, administrative and general, repairs and maintenance, and energy and utilities. Depreciation expense for fiscal year 2019 is $3,437, which is 2.5% lower than fiscal year 2018. The net non-operating

revenue for fiscal year 2019 is $5,472, which is higher than fiscal year 2018 by 27.7%. The non-operating revenue includes the aviation fuel tax receipts of $7,135 and investment income of $268, offset by non-operating expenses of $1,275 which is predominately made up of various capital project costs that were expensed. GA airports recorded a ($656) actuarial pension and OPEB loss in fiscal year 2019, contrasting with prior fiscal year gain of $383 in these same accounts. Fiscal year 2019 income (loss) before capital contributions equaled ($956) compared to ($1,767) in fiscal year 2018. Capital contributions are $18,274, which is largely funding from the FAA for capital infrastructure at each of the General Aviation Airports. Table 8 below shows the change in net position.

TABLE 8
CHANGES IN NET POSITION - GENERAL AVIATION AIRPORTS
FOR THE YEAR ENDED JUNE 30, 2019
(In Thousands)

			2019 - 2018	
	2019	2018	Change ($)	Change (%)
OPERATING REVENUES				
Landing Fees	$ 136	$ 37	99	263.7%
Airline Terminal Rent	11	11	-	0.0%
Aircraft Parking	127	162	(35)	-21.6%
Rental Cars	166	162	4	2.3%
Terminal Concessions	7	11	(4)	-37.7%
Land Rent	1,466	1,655	(189)	-11.4%
Other Operating Revenue	1,073	1,037	36	3.5%
TOTAL OPERATING REVENUES	2,986	3,076	(90)	-2.9%
OPERATING EXPENSES				
Salaries and Related Expenses	4,477	4,149	329	7.9%
Administrative and General	368	371	(3)	-0.9%
Repairs and Maintenance	834	818	16	2.0%
Energy and utilities	298	265	33	12.4%
OPER EXPENSES BEFORE DEPRECIATION	5,977	5,603	375	6.7%
OPER LOSS BEFORE DEPRECIATION	(2,991)	(2,527)	(465)	18.4%
Depreciation and Amortization	3,437	3,524	(87)	-2.5%
OPERATING (LOSS)	(6,428)	(6,051)	(378)	6.2%
NON OPERATING REVENUES (EXPENSES)				
Investment income	268	106	162	153.0%
Other Non operating expenses	(1,275)	(1,420)	145	-10.2%
Aviation Fuel Tax Revenue	7,135	5,215	1,920	36.8%
Actuarial Pension Gain (Loss)	(582)	266	(848)	-318.8%
Actuarial OPEB Gain (Loss)	(74)	117	(191)	-163.6%
NET NON OPERATING REVENUES (EXPENSE)	5,472	4,284	1,188	27.7%
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(956)	(1,767)	810	-45.9%
CAPITAL CONTRIBUTIONS	18,274	9,082	9,192	101.2%
Change in Net Position	17,318	7,316	10,002	136.7%
Total Net Position, Beginning of Year	58,762	51,446	7,316	14.2%
Total Net Position, End of Year	$ 76,080	$ 58,762	$ 17,318	29.5%

Revenues

Revenues generated at the general aviation airports include several different sources. There are some that utilize rates established annually by the CAA during the annual budgeting process such as aircraft parking fees and aircraft landing fees while others are based upon negotiated lease terms within tenant operating agreements. Tenant operating agreements can include revenues derived from straight land parcel rents as well as from various percentages paid on gross receipts reported for assorted services they provide. The largest share of revenues for the General Aviation Airport Enterprise Fund is derived from land and building rent followed by other operating revenue.

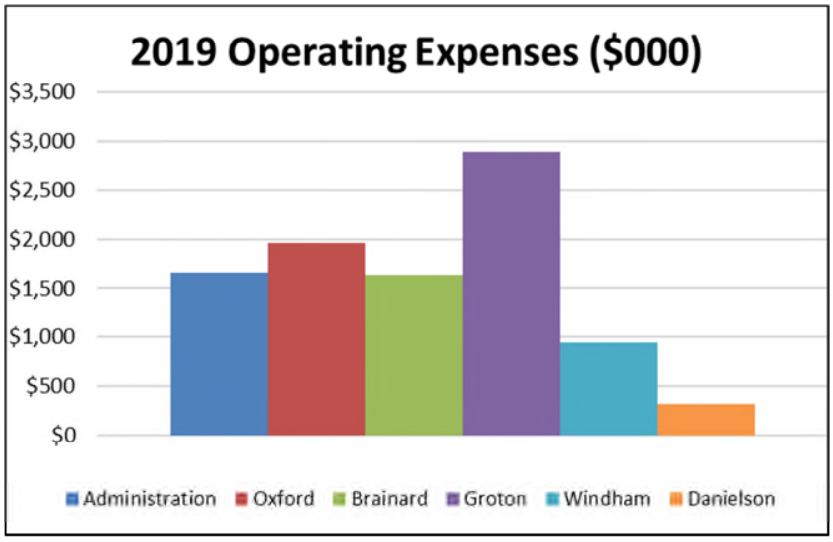
Operating Expenses

Operating expenses in fiscal year 2019 totaled $9,414, which includes salaries and related expenses, security, administrative & general, repairs & maintenance, energy & utilities along with equipment and depreciation. The distribution of operating expenses for fiscal year 2019 is shown on Table 9.

As indicated earlier, the General Aviation Airports Enterprise Fund receives proceeds from the Aviation Fuel tax revenue to support operating expenses and the capital improvement needs of the airports. For fiscal year 2019, the GA Fund received $7,135 from the State of Connecticut to partially fund operating and capital expenses for all five general aviation airports and the general aviation administration. Operating expenses before depreciation equaled $5,977. Table 9 below details the fiscal year 2019 operating expenses by airport by category.

TABLE 9
OPERATING EXPENSES - GENERAL AVIATION AIRPORTS
FOR THE YEAR ENDED JUNE 30, 2019
(In thousands)

Salaries & Related	Total 2019	GA Airport Administration	Oxford	Brainard	Groton	Windham	Danielson
Salaries	$ 2,040	$ 891	$ 286	$ 373	$ 402	$ 45	$ 42
Overtime	263	0	83	$ 88	88	2	2
Other Payroll	58	31	11	$ 7	8	0	0
Fringe Benefit	2,117	766	355	$ 467	449	41	39
Salaries & Related	**4,477**	**1,688**	**736**	**$ 935**	**947**	**89**	**83**
Other Expense							
Security	48	-	9	15	9	8	7
Administrative Costs	319	20	64	67	131	24	13
Repairs and Maintenance	921	1	81	196	373	171	100
Utilities	298	1	69	76	123	19	10
Equip/Operating Exp. Misc.	(87)	(87)	-	-	-	-	-
Other Expense	**1,500**	**(66)**	**223**	**355**	**636**	**222**	**130**
Expenses Before Depreciation	**5,977**	**1,622**	**959**	**1,290**	**1,582**	**310**	**213**
Depreciation & Amortization	3,437	38	1,007	346	1,307	632	107
Total Operating Expenses	**$ 9,414**	**$ 1,661**	**$ 1,966**	**$ 1,636**	**$ 2,889**	**$ 942**	**$ 320**



BUDGET TO ACTUAL PERFORMANCE

The fiscal year 2019 budget was presented and approved by the Board of Directors as per the State Statute Title 15 Chapter 267B. However, as explained earlier the funding for the General Aviation Airports is based on the actual tax revenue received from the aviation fuel tax. Aviation fuel tax revenues were greater than budget by $1,135 or 18.9%. The Fund's management continues to work diligently to manage costs within the confines of its anticipated funding sources. Table 10 compares budget to actual for the general aviation airports using the Board-approved budget.

TABLE 10
COMPARISON OF BUDGET TO ACTUAL - GENERAL AVIATION AIRPORTS
FOR THE YEAR ENDED JUNE 30, 2019
in thousands

			Variance Greater (Less) Than Budget	
	Budget	Actual	($000)	Percent
Airline Revenue	$ 184	$ 274	$ 90	49.2%
Non-Airline Revenue	2,569	2,712	143	5.6%
Total Operating Revenue	**2,752**	**2,986**	**234**	**8.5%**
Aviation Fuel Tax Revenue	6,000	7,135	1,135	18.9%
Investment Income	45	268	223	495.8%
Operating and Maintenance Expenses before Depreciation	7,144	5,977	(1,168)	-16.3%

The GA Fund continues to evaluate options to help reduce dependence on outside funding sources, yet continue to operate the airports safely and maintain them in the same good condition in which they were transferred and their users have grown accustomed. Cash reserves are invested into the State of Connecticut Short Term Investment Fund in order to build a sufficient working capital balance for the General Aviation Airports Enterprise Fund. Expenses are closely monitored, and the GA Fund is actively exploring new avenues of increasing revenues.

REQUESTS FOR INFORMATION

This management's discussion and analysis and the following financial statements are designed to be in conformance with generally accepted accounting principles (GAAP) for governmental units as promulgated by the Governmental Accounting Standards Board (GASB). We believe that this report presents fairly the financial position of the airports and the results of its operations for the fiscal year ended June 30, 2019. The report is consistent with full disclosure so that the reader may gain a solid understanding of the Funds' financial affairs.

This report was prepared in its entirety by the management of the Funds, and we take full responsibility for the accuracy of the data and the completeness and fairness of the presentation.

Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund

Fund Statement of Net Position

June 30, 2019

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund
Assets		
Current assets:		
Cash	$ 2,720,664	$ 207,338
Short-term investments	94,456,517	12,885,703
Current portion of restricted investments	11,075,381	-
Accounts receivable	5,412,628	2,055,256
Due from the State	4,679,772	887,563
Grants receivable	2,387,541	768,527
Prepaid expenses and other assets	14,458	43,375
Total current assets	120,746,961	16,847,762
Noncurrent assets:		
Restricted assets:		
Cash	717,548	-
Investments	277,292,618	-
Accounts receivable	3,392,708	-
Interest receivable	546,493	-
Capital assets:		
Assets not subject to depreciation	45,105,113	30,340,896
Assets subject to depreciation - Net	225,674,491	52,672,349
Total noncurrent assets	552,728,971	83,013,245
Total assets	673,475,932	99,861,007
Deferred Outflows of Resources		
Interest rate swaps	13,740,129	-
Deferred loss on bond refunding	1,506,885	-
Deferred costs of bond issuance - Net	46,932	-
Deferred pension costs	15,613,013	3,037,144
Deferred OPEB costs	3,105,334	611,149
Total deferred outflows of resources	34,012,293	3,648,293
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	21,905,680	2,002,615
Unearned revenue and other	4,883,243	197,403
Due to the State	-	132,097
Payables from restricted assets:		
Current portion of revenue bonds payable	7,510,000	-
Revenue bond interest payable	2,471,701	-
Total current liabilities	36,770,624	2,332,115
Noncurrent liabilities:		
Net pension liability	61,595,799	12,500,018
Net OPEB liability	57,534,119	11,379,143
Revenue bonds payable - Net of current portion	248,997,614	-
Interest rate swap	13,740,129	-
Total noncurrent liabilities	381,867,661	23,879,161
Total liabilities	418,638,285	26,211,276

See notes to financial statements.

Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund

Fund Statement of Net Position (Continued)

June 30, 2019

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund
Deferred Inflows of Resources		
Deferred pension cost reductions	$ 2,132,764	$ 428,283
Deferred OPEB cost reductions	4,044,319	789,888
Total deferred inflows of resources	6,177,083	1,218,171
Net Position		
Net investment in capital assets	148,291,443	83,013,245
Restricted:		
Capital Projects	130,267,633	-
Debt Service	14,255,427	-
Bond Indenture Requirements	16,031,277	-
Unrestricted	(26,172,923)	(6,933,392)
Total net position	**$ 282,672,857**	**$ 76,079,853**

See notes to financial statements.

Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund

Fund Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2019

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund
Operating Revenue		
Airline revenue:		
Landing fees	$ 18,914,060	$ 136,055
Airline terminal rent	11,690,480	10,920
Apron and remote aircraft parking	4,165,368	127,405
Total airline revenue	34,769,908	274,380
Nonairline revenue:		
Rental cars	8,752,875	166,078
Terminal concessions	5,015,936	7,000
Land rent	5,071,855	1,465,592
Other concessions	5,015,754	-
Other operating revenue	2,892,336	1,072,874
Auto parking	11,874,984	-
Total nonairline revenue	38,623,740	2,711,544
Total operating revenue	73,393,648	2,985,924
Operating Expenses		
Salaries and related expense	24,009,987	4,477,378
Administrative and general	18,927,785	367,722
Repairs and maintenance	7,866,012	834,216
Energy and utilities	4,986,850	297,934
Depreciation and amortization	17,214,565	3,437,026
Total operating expenses	73,005,199	9,414,276
Operating Income (Loss)	388,449	(6,428,352)
Nonoperating Revenue (Expense)		
Passenger facility charge revenue	15,178,632	-
Car rental facility charge revenue	13,537,564	-
Investment income	2,614,305	268,130
Aviation fuel tax revenue	-	7,135,442
Other nonoperating expenses	(1,741,084)	(1,275,141)
Bond interest expense	(5,657,275)	-
Airline revenue share expense	(2,427,728)	-
Noncash pension and OPEB actuarial assumption adjustments	(3,389,998)	(656,350)
Total nonoperating revenue	18,114,416	5,472,081
Income (Loss) - Before capital contributions	18,502,865	(956,271)
Capital Contributions	1,925,974	18,273,975
Change in Net Position	20,428,839	17,317,704
Net Position - Beginning of year	262,244,018	58,762,149
Net Position - End of year	**$ 282,672,857**	**$ 76,079,853**

See notes to financial statements.

Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund

Fund Statement of Cash Flows

Year Ended June 30, 2019

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund
Cash Flows from Operating Activities		
Receipts from customers	$ 73,393,648	$ 2,985,924
Payments to suppliers	(28,205,889)	(454,623)
Payments to employees and fringes	(24,009,987)	(4,477,378)
Net cash provided by (used in) operating activities	21,177,772	(1,946,077)
Cash Flows from Capital and Related Financing Activities		
Receipt of capital grants	1,925,974	18,273,975
Gains (losses) on sale of assets	111,190	(1,169,597)
Proceeds from sale of capital assets	4,923,261	30,166,153
Capital debt proceeds	154,402,614	-
Purchase of capital assets	(36,276,150)	(46,371,531)
Principal and interest paid on capital debt	(5,847,791)	-
Car rental facility charge receipts	13,537,564	-
Passenger facility charge receipts	15,178,632	-
Other nonoperating expenses	(7,813,318)	5,860,301
Airline revenue share expense	(2,427,728)	-
Net cash provided by capital and related financing activities	137,714,248	6,759,301
Cash Flows from Investing Activities		
Interest received on investments	2,242,736	268,130
Purchases of investment securities	(162,170,018)	(5,403,054)
Net cash used in investing activities	(159,927,282)	(5,134,924)
Net Decrease in Cash	(1,035,262)	(321,700)
Cash - Beginning of year	4,473,474	529,038
Cash - End of year	**$ 3,438,212**	**$ 207,338**
Classification of Cash		
Cash and investments	$ 2,720,664	$ 207,338
Restricted cash	717,548	-
Total cash	**$ 3,438,212**	**$ 207,338**
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities		
Operating income (loss)	$ 388,449	$ (6,428,352)
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation and amortization	17,214,565	3,437,026
Changes in assets and liabilities:		
Receivables	(5,101,964)	6,436,192
Prepaid and other assets	14,459	43,369
Accounts payable and accrued liabilities	6,521,497	(5,441,920)
Unearned revenue	2,140,766	7,608
Total adjustments	20,789,323	4,482,275
Net cash provided by (used in) operating activities	**$ 21,177,772**	**$ (1,946,077)**

See notes to financial statements.

Note 1 - Significant Accounting Policies

Nature of Business

The Bradley International Airport Enterprise Fund (BDL) and General Aviation Airports Enterprise Fund (GA) (collectively, the "Funds") are two of the funds included in the Connecticut Airport Authority (CAA). CAA was established by the State of Connecticut (the "State") effective July 1, 2011 to operate Bradley International Airport, as well as the other state-owned (general aviation) airports. CAA is a component unit of the State of Connecticut.

Pursuant to Connecticut General Statute Title 15 Chapter 267B, effective July 1, 2013, the assets and liabilities of the Bradley International Airport Enterprise Fund and the general aviation airports were transferred from the Department of Transportation (ConnDOT) to CAA. BDL was previously accounted for in a separate enterprise fund of ConnDOT, while GA was accounted for in governmental funds of ConnDOT. The act requires establishment of the following funds within CAA:

BDL - To account for the operations of Bradley International Airport.

GA - To account for the operations of the following general aviation airports: Oxford Airport, Brainard Airport, Groton/New London Airport, Danielson Airport, and Windham Airport.

CAA additionally holds a fund that includes the parking garage and surface parking lots located at Bradley International Airport.

Under the operating agreement, the surface parking lots, parking garage, and related bonds are required to be reported in a separate fund and independently audited. The Bradley Parking fund and the overall activity of CAA are not included in these financial statements.

The financial statements present only each fund and do not purport to, and do not, present the financial position of the Connecticut Airport Authority as of June 30, 2019 or the changes in its financial position or cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Accounting and Reporting Principles

The accompanying financial statements of the Funds have been prepared in conformity with accounting principles generally accepted in the United States of America, as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB). Following is a summary of significant accounting policies of the Funds:

Basis of Presentation

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The Funds distinguish between operating and nonoperating revenue and expenses. Operating revenue and expenses generally result from providing services in connection with operating airports and related transportation modes. The principal operating revenue of the Funds is charges to airlines, facilities tenants, passengers, and others for fees, rent, and services. Operating expenses include the cost of operating airports and related facilities, administrative expenses, and depreciation and amortization expense on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses. The major components of the nonoperating revenue sources are interest income from cash and investments, passenger facility charges, car rental facility charges, and aviation fuel tax revenue (for GA only). The major components of nonoperating expense are expenditures for the interest expense and other nonoperating expenses.

Note 1 - Significant Accounting Policies (Continued)

Revenue

Revenue recognition policies are as follows:

- Landing Fees - Landing fees are principally generated from scheduled airlines, cargo carriers, and nonscheduled commercial aviation and are based on the landed weight of the aircraft. The estimated landing fee structure for Bradley International Airport is determined annually pursuant to an agreement between the airport and the signatory airlines based on the operating budget of the airport. Landing fees are recognized as revenue as landings occur.
- Terminal Rents and Concessions - Rental and concession fees are generated from airlines, food and beverage, retail, rental cars, hotel, advertising, and other commercial tenants. Leases are for various terms and generally require rentals based on the space occupied and/or the volume of business, with specific minimum annual rental payments often required. Rental revenue is recognized over the term of the respective leases, and concession revenue is recognized based on reported concessionaire revenue.
- Auto Parking - Auto parking fees are generated by Bradley International Airport from an agreement with a vendor to operate the airport's parking. Revenue is recognized based on a guaranteed fixed annual minimum amount per the agreement, plus provisional profit sharing.
- Passenger Facility Charges - Passenger facility charge revenue is recognized when the fee is collected by the airline from the passenger.
- Car Rental Facility Charges - Car rental facility charge revenue is recognized when the fee is collected by the rental car companies from the rental car customer.
- Other - All other types of revenue are recognized when earned.

Certain expenditures for airport capital improvements are significantly funded through the Airport Improvement Program of the Federal Aviation Administration (FAA), with certain matching funds provided by the Funds. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred.

Grants for capital asset acquisitions, facility development and rehabilitation, and eligible long-term planning studies are reported in the statement of revenue, expenses, and changes in net position after nonoperating revenue (expenses) as capital contributions.

Investments

The Funds present all investments at fair value except for external investment pools, which are reported at net asset value. See Note 3 for further discussion of fair values.

Accounts Receivable

Receivables are reported at the original amount billed, less an estimate made for doubtful accounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience, aviation industry trends, and current information regarding the creditworthiness of the debtors. Receivables from state and federal agencies are reported based on reimbursable capital expenditures.

Note 1 - Significant Accounting Policies (Continued)

Restricted Assets

Restricted assets consist of monies and other resources whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like or through restrictions imposed by law through constitutional provisions or enabling legislation. The distinction between current and noncurrent cash and investments is that noncurrent cash and investments are restricted for long-term debt service and capital expenditures. These restrictions are described below:

- Restricted for debt service - These assets are restricted by the Master Bond Indenture dated March 1, 2001 for the retirement of the revenue bonds, Series 2011A and 2011B.
- Restricted for passenger facility - These assets represent passenger facility charge (PFC) collections based on an approved FAA application to impose such charges on enplaned passengers at BDL and are restricted for designated capital projects.
- Restricted for car rental facility - These assets represent customer facility charge (CFC) (rental cars) collections based on a board-approved resolution to impose such charges on customers of the rental car concessionaires and are restricted for designated capital projects. This currently includes unspent bond proceeds for the 2019 revenue bonds to be spent for the construction of a car rental facility.

Capital Assets and Depreciation

Capital assets, which include property, equipment, and infrastructure assets (runways, taxiways, and aprons), are stated at cost, which includes expenditures of the Federal Aviation Administration and state contributions in support of construction. The Funds define capital assets as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at the estimated acquisition value at the date of donation.

Maintenance and repairs that do not add to the value of the asset or materially extend its life are charged to expense as incurred, while significant renewals and betterments are capitalized.

Depreciation is computed on a straight-line basis. The estimated useful lives of the major property, equipment, and infrastructure classifications are as follows: land improvements, 20 to 50 years; buildings and improvements, 10 to 40 years; and machinery and equipment, 3 to 15 years. Depreciation expense relating to both purchased and contributed assets is charged against operations.

Unearned Revenue

Unearned revenue of the Funds represents overpayments and advance payments by concessionaires and other renters.

Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position also reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense) until then. The Funds' deferred outflows include the fair value of interest rate swaps, a deferred loss on bond refunding, a deferred bond issuance costs, and deferred amounts for pensions and OPEB. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Notes 10 and 12 for details on deferred amounts for pensions and OPEB, respectively.

Note 1 - Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position also reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period or periods and, therefore, will not be recognized as an inflow of resources until that time. The Funds report a deferred inflow of resources related to deferred amounts for pensions and OPEB. This amount is deferred and will be included as a reduction of pension expense ratably over the next five years. See Notes 10 and 12 for details on deferred amounts for pensions and OPEB, respectively.

Long-term Obligations

Long-term debt and other noncurrent obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred. BDL is generally used to liquidate long-term debt.

Interest Rate Swap

BDL's interest rate swap agreements have been determined to be effective hedges for accounting purposes. Accordingly, the fair value of the hedges and changes therein are recognized as deferred inflows or outflows under interest rate swaps on the statement of net position.

Compensated Absences

Employees of the Funds are considered state employees for the purpose of employee benefits. Unclassified employees can accumulate up to a maximum of 120 days of vacation time. Union employees can accumulate up to 60 days of vacation time. Upon termination or death, the employee is entitled to be paid for the full amount of vacation time accrued.

In addition to vacation time, all employees accumulate time for sick pay. There is no limit placed on the number of sick days that an employee can accumulate. Sick pay leave is only paid out upon retirement or, after 10 years of service, upon death. In addition, sick leave pay is paid out at 25 percent of the accrued amount up to a maximum of 60 days. This is true for both unclassified and union employees.

All vacation and sick pay that would be payable assuming termination at year end is accrued on the statement of net position. The related liability is based upon current compensation levels. BDL and GA are generally used to liquidate compensated absences.

Total compensated absences liability for the Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund was $3,236,202 and $813,819, respectively, for the year ended June 30, 2019. This liability is included in the accounts payable and other accrued liabilities row on the statement of net position.

Net Pension Liability

Eligible employees of the Funds participate in the State Employees Retirement System (SERS). The Funds' contributions are based on a percentage of eligible compensation. The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for the purpose of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. BDL and GA are generally used to liquidate the net pension liability.

Note 1 - Significant Accounting Policies (Continued)

Other Postemployment Benefits

For the purpose of measuring the net other postemployment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State of Connecticut State Employee OPEB Plan (SEOPEBP) and additions to/deductions from SEOPEBP's fiduciary net position have been determined on the same basis as they are reported by SEOPEBP. SEOPEBP uses the economic resources measurement focus and the full accrual basis of accounting. For this purpose, SEOPEBP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position of the Funds is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

The Funds will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Funds' policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Allocation of Expenses

The financial statements include certain allocations of expenses incurred jointly by the Funds and the State. Fringe benefits costs, which are incurred at the state level, are charged to the airports based on each employee's actual benefit costs. Total fringe benefit charges to the Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund were $11,736,314 and $2,116,747, respectively, for the year ended June 30, 2019.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. CAA is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Funds' financial statements for the year ending June 30, 2020.

Note 1 - Significant Accounting Policies (Continued)

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. CAA is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Funds' financial statements for the year ending June 30, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period,* which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement are effective for the Funds' financial statements for the June 30, 2021 fiscal year.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The requirements of the standard will be applied retrospectively and are effective for the Funds' financial statements for the June 30, 2022 fiscal year.

Note 2 - Cash and Investments

Deposits and investments are reported in the financial statements as follows:

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund
Cash	$ 3,438,212	$ 207,338
State Treasurer's Short-Term Investment Fund	382,824,516	12,885,703
Total cash and investments	$ 386,262,728	$ 13,093,041

Note 2 - Cash and Investments (Continued)

The Funds' cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Funds' deposits may not be returned to them. The Funds do not have a deposit policy for custodial credit risk. At year end, the Funds had $3,967,948 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. However, all bank deposits were in qualified public institutions, as defined by state statute. Under this statute, any bank holding public deposits must, at all times, maintain, segregated from its other assets, eligible collateral in an amount equal to at least a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposit is determined based on either the public deposits reported on the most recent quarterly call report or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank. CAA management believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, CAA management evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Funds will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party. The Funds do not have a policy for custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. Because the Funds' investments are composed of the State Treasurer's Short-Term Investment Fund, which is a 2a-7 like pool, there is no interest rate risk at June 30, 2019.

Credit Risk

Connecticut General Statutes authorize the Funds to invest in obligations of the U.S. Treasury, including its agencies and instrumentalities, commercial paper, bankers' acceptance, repurchase agreements, and the State Treasurer's Short-Term Investment Fund. The State Treasurer's Short-Term Investment Fund's rating by Standard & Poor's is AAAm. The Funds have no investment policy that would further limit their investment choices.

Investment	Carrying Value	Rating	Rating Organization
State Treasurer's Short-Term Investment Fund - BDL	$ 382,824,516	AAAm	S&P
State Treasurer's Short-Term Investment Fund - GA	12,885,703	AAAm	S&P
Total	$ 395,710,219		

Concentration of Credit Risk

The Funds' investment policy does not limit the investment in any one investment vehicle. The State Treasurer's Short-Term Investment Fund is a 2a-7 like pooled investment that is not subject to this disclosure.

Note 3 - Fair Value Measurements

The Funds categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the liabilities. Level 1 inputs are quoted prices in active markets for identical liabilities; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (NAV) or its equivalent as a practical expedient are not classified in the fair value hierarchy.

In instances whereby inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Funds' assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each liability.

The Funds have the following recurring fair value measurements as of June 30, 2019:

- The interest rate swaps liability of $13,740,129 was determined using a "midmarket" price generated by the counterparty's proprietary valuation model, which is based on certain assumptions regarding present and future market conditions or other factors from other sources of pricing information. These valuation inputs are considered to be Level 3 inputs.

The Funds holds shares or interests in investment companies whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient. As of the year ended June 30, 2019, the State Treasurer's Short-Term Investment Fund's fair value is disclosed in Note 2. There are no unfunded commitments or redemption restrictions on those investments. The State Treasurer's Short-Term Investment Fund is a Standard & Poor's AAAm-rated investment pool of high-quality, short-term money market instruments managed by the cash management division of the Office of the State Treasurer.

Note 4 - Restricted Assets

Car Rental Facility Charges

Car rental facility charges, as required by agreement, are restricted for expenditures for a car rental facility at Bradley International Airport. Restricted assets, including unspent bond proceeds from the 2019 revenue bonds more fully described in Note 6, are composed of the following as of June 30, 2019:

Car rental facility charges receivable	$ 1,315,742
Interest receivable	412,116
Investments	207,908,329
Total restricted car rental facility charges	209,636,187
Less current portion of restricted investments	(7,598,826)
Noncurrent restricted car rental facility charges	$ 202,037,361

Note 4 - Restricted Assets (Continued)

Passenger Facility Charges

Passenger facility charges, as required by federal regulations, are restricted for expenditure for federally approved Bradley International Airport improvement projects or debt service of Bradley International Airport. Restricted assets are composed of the following as of June 30, 2019:

Cash	$ 9
Passenger facility charges receivable	2,076,966
Interest receivable	128,025
Investments	61,084,143
Total	$ 63,289,143

Bond Indenture

Assets are restricted for debt service, as required under the Bond Indenture. Restricted assets are composed of the following as of June 30, 2019:

Cash	$ 717,539
Investments	19,375,527
Interest receivable	6,352
Total restricted debt service investments	20,099,418
Less current portion of restricted investments	(3,476,555)
Noncurrent restricted debt service investments	$ 16,622,863

Note 5 - Capital Assets

Capital asset activity of the Funds' activities was as follows:

Bradley International Airport Enterprise Fund

	Balance July 1, 2018	Transfers	Additions	Disposals and Reclassifications	Balance June 30, 2019
Capital assets not being depreciated:					
Land	$ 2,657,154	$ -	$ -	$ 231,000	$ 2,888,154
Construction in progress	23,908,405	-	22,594,756	(4,286,202)	42,216,959
Subtotal	26,565,559	-	22,594,756	(4,055,202)	45,105,113
Capital assets being depreciated:					
Buildings and improvements	281,174,522	-	-	2,649,418	283,823,940
Machinery and equipment	36,830,532	-	8,638,325	(2,086,938)	43,381,919
Land improvements	238,553,771	-	9,750	1,340,879	239,904,400
Subtotal	556,558,825	-	8,648,075	1,903,359	567,110,259
Accumulated depreciation:					
Buildings and improvements	120,372,295	-	8,268,266	(6,346)	128,634,215
Machinery and equipment	30,633,214	-	1,864,872	(1,730,106)	30,767,980
Land improvements	175,462,797	-	6,985,039	(414,263)	182,033,573
Subtotal	326,468,306	-	17,118,177	(2,150,715)	341,435,768
Net capital assets being depreciated	230,090,519	-	(8,470,102)	4,054,074	225,674,491
Net Bradley International Airport Enterprise Fund capital assets	$ 256,656,078	$ -	$ 14,124,654	$ (1,128)	$ 270,779,604

Note 5 - Capital Assets (Continued)

General Aviation Airports Enterprise Fund

	Balance July 1, 2018	Transfers	Additions	Disposals and Reclassifications	Balance June 30, 2019
Capital assets not being depreciated:					
Land	$ 29,661,754	$ -	$ -	$ 123,433	$ 29,785,187
Construction in progress	9,712,388	-	18,278,424	(27,435,103)	555,709
Subtotal	39,374,142	-	18,278,424	(27,311,670)	30,340,896
Capital assets being depreciated:					
Buildings and improvements	15,863,676	-	-	367,110	16,230,786
Machinery and equipment	9,124,554	-	291,608	(623,795)	8,792,367
Land improvements	82,371,255	-	-	23,350,280	105,721,535
Subtotal	107,359,485	-	291,608	23,093,595	130,744,688
Accumulated depreciation:					
Buildings and improvements	9,931,875	-	331,489	367,110	10,630,474
Machinery and equipment	8,143,102	-	243,012	(623,795)	7,762,319
Land improvements	59,583,354	-	2,862,530	(2,766,338)	59,679,546
Subtotal	77,658,331	-	3,437,031	(3,023,023)	78,072,339
Net capital assets being depreciated	29,701,154	-	(3,145,423)	26,116,618	52,672,349
Net General Aviation Airports Enterprise Fund capital assets	$ 69,075,296	$ -	$ 15,133,001	$ (1,195,052)	$ 83,013,245

Note 6 - Long-term Debt

Long-term debt activity for the year ended June 30, 2019 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
BDL - Revenue bonds payable:					
Direct borrowings and direct placements:					
Series 2011A	$ 65,600,000	$ -	$ (4,335,000)	$ 61,265,000	$ 4,505,000
Series 2011B	43,730,000	-	(2,890,000)	40,840,000	3,005,000
Total direct borrowings and direct placements principal outstanding	109,330,000	-	(7,225,000)	102,105,000	7,510,000
BDL - Other revenue bonds payable:					
CFC Series 2019A	-	35,410,000	-	35,410,000	-
CFC Series 2019B	-	115,690,000	-	115,690,000	-
Total other debt principal outstanding	-	151,100,000	-	151,100,000	-
Unamortized bond premiums on Series 2019 bonds	-	3,330,136	(27,522)	3,302,614	-
Total BDL activities long-term debt	$ 109,330,000	$ 154,430,136	$ (7,252,522)	$ 256,507,614	$ 7,510,000

The Funds had deferred outflows of $1,506,885 related to deferred charges on bond refundings at June 30, 2019.

Series 2011A and 2011B

On March 31, 2011, Bradley International Airport Revenue Refunding Bonds Series 2011A and 2011B were issued in the amount of $91,430,000 and $60,950,000, respectively, to retire $161,445,000 of outstanding 2001A bonds. The aggregate principal and interest payments of the Series 2011A and 2011B bonds total $228,421,866, replacing the aggregate principal and interest payments of $258,238,749 on the refunded bonds, generating an economic gain of $7,569,810. The transaction resulted in a deferred accounting loss of $30,753, which BDL is amortizing over the life of the refunded debt.

As of June 30, 2019, the outstanding principal balances on the Series 2011A and 2011B bonds were $61,265,000 and $40,840,000, respectively. On the Series 2011A, interest is charged at a variable rate equal to 80 percent of the one-month LIBOR plus 57 basis points. On the Series 2011B, interest is charged at a variable rate equal to 67 percent of the one-month LIBOR plus 87 basis points.

The 2011 bonds are secured by and payable solely from the gross operating revenue generated by BDL from the operation of Bradley International Airport and other receipts, funds, or monies pledged in the bond indenture, including a portion of Bradley International Airport's passenger facility charges revenue. During the current year, net revenue of BDL was $30,485,377, compared to the annual debt requirement of $11,677,916.

Note 6 - Long-term Debt (Continued)

CFC Series 2019A and 2019B

On April 9, 2019, Connecticut Airport Authority Customer Facility Charge Revenue Bonds Series 2019A and 2019B were issued in the amount of $35,410,000 and $115,690,000, respectively, to fund the construction of a Ground Transportation Center at Bradley International Airport. The aggregate principal and interest payments of the Series 2019A and 2019B bonds total $277,717,133. The transaction resulted in a deferred accounting gain of $3,330,136, which BDL is amortizing over the life of the debt.

As of June 30, 2019, the outstanding principal balances on the Series 2019A and 2019B bonds were $35,410,000 and $115,690,000, respectively. On the Series 2019A and 2019B, interest is charged at a graduating rate from 2.8 percent to 5.0 percent.

The 2019 bonds are secured by and payable solely from customer facility charges, facility payments, and contingent payments generated by BDL from receipts, funds, or monies pledged in the bond indenture. During the current year, pledged revenue of BDL was $4,465,089, compared to the annual debt requirement of $1,404,782 due on July 1, 2019.

Debt Service Requirements to Maturity

For the Series 2011 bonds, a debt service account has been established in accordance with the various bond indentures to provide for payment of principal at maturity and semiannual interest payments due on April 1 and October 1 of each year. The annual principal payments and interest on the variable-rate Airport Revenue Refunding Bonds Series 2011 are disclosed in Note 7, along with the net receipt or payment arising from BDL's interest rate swaps.

Bond covenants require that certain accounts be established and maintained in the custody of the trustee into which bond proceeds, operating revenue, and investment earnings are deposited. The disbursement of funds from these accounts for the cost of facilities and debt service is provided for in the various indentures. Amounts on deposit at June 30, 2019 are recognized as restricted assets in the accompanying statement of net position.

For the Series 2019 Bonds, a debt service account has been established in accordance with the various bond indentures to provide for payment of principal at maturity and semiannual interest payments due on July 1 and January 1 of each year. The annual principal payments and interest on the fixed-rate Customer Facility Charge Revenue Bonds Series 2019 are as follows:

	CFC Series 2019 Bonds		
Years Ending June 30	Principal	Interest	Total
2020	$ -	$ 4,488,450	$ 4,488,450
2021	-	6,167,336	6,167,336
2022	-	6,167,336	6,167,336
2023	-	6,167,336	6,167,336
2024	1,840,000	6,140,968	7,980,968
2025-2029	18,560,000	29,184,228	47,744,228
2030-2034	21,945,000	25,685,653	47,630,653
2035-2039	26,610,000	20,879,572	47,489,572
2040-2044	32,640,000	14,705,822	47,345,822
2045-2049	40,320,000	6,820,557	47,140,557
2050	9,185,000	209,875	9,394,875
Total	$ 151,100,000	$ 126,617,133	$ 277,717,133

Note 6 - Long-term Debt (Continued)

Significant Terms

Direct Borrowings and Direct Placements

Pursuant to the continuing covenant agreements dated March 31, 2011, as amended, between CAA, the State of Connecticut, and the bond holders, the Series 2011 A and B revenue bonds would bear interest at the default rate in an event of default, as defined by those agreements.

Note 7 - Interest Rate Swaps

Objective

As a means to lock in its future borrowing costs, two forward-starting interest rate swaps were entered into in 2006. The swaps effectively changed BDL's interest rate on the Series 2011 bonds from a variable interest rate to a synthetic fixed rate. The interest rate swaps are considered to be effective cash flow hedges for accounting purposes.

Terms

The notional amount of the swaps matches the principal amounts of the associated debt. The swap agreements contain scheduled reductions to outstanding notional amounts that are expected to follow anticipated reductions to the associated bond issue's outstanding balance. Under the swaps, BDL pays the counterparty a fixed interest rate payment and receives a variable interest rate payment based on the three-month LIBOR. Only the net difference in interest payments will be actually exchanged between the parties. No cash was received or paid when the swap transactions were initiated.

Credit Risk

As of June 30, 2019, the Funds had no exposure to credit risk on either of the swaps, as both had negative fair values. The credit ratings of the swap counterparties are indicated below. Both swaps contain collateral agreements with the counterparties. The swaps require collateralization of the fair value of the swap in cash or government securities should either of the counterparties' credit ratings fall below A3, as issued by Moody's Investor Service, or A-, as issued by Standard & Poor's or Fitch Ratings. No collateral was required to be posted for either of the swaps as of June 30, 2019. BDL is not required to post collateral for either of the swaps.

Basis Risk

BDL variable-rate bond interest payments are reset weekly using a formula based on one-month LIBOR. BDL receives a variable-rate payment from the swap counterparties that is reset weekly using a formula based on the three-month LIBOR. The fund is exposed to basis risk since both amounts are not calculated using the same formula.

Termination Risk

BDL or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If either of the swaps is terminated, the associated variable-rate bonds would no longer carry synthetic fixed interest rates. If at the time of the termination the swap has a negative fair value, BDL would be liable to the counterparty for a payment approximately equal to the swap's fair value. Under both swap agreements, BDL has up to 270 days to fund any required termination payment.

Note 7 - Interest Rate Swaps (Continued)

The following is a summary of terms of the interest rate swaps held on June 30, 2019 by the Funds:

Counterparty	Goldman Sachs Capital Markets, L.P.	Bank of America, N.A.
Bond issue	2011A	2011B
Original notional amount	$91,430,000	$60,950,000
Face value of related bonds	$91,430,000	$60,950,000
Total outstanding amount	$61,265,000	$40,840,000
Effective date	April 1, 2011	April 1, 2011
Maturity date	October 31, 2031	October 31, 2031
Fixed rate paid	3.693%	3.683%
Variable rate received	60 percent of three-month USD LIBOR plus 40 basis points	60 percent of three-month USD LIBOR plus 40 basis points
Variable interest rate in effect under swap as of June 30, 2019	1.798%	1.798%
Variable interest rate in effect on related bonds as of June 30, 2019	2.492%	2.192%
Credit rating of counterparty:		
Moody's Investors Service	A1	Aa2
Standard & Poor's	A+	A+
Fitch Ratings	A+	AA-

The following is a summary of the changes in fair value of the interest rate swaps for the year ended June 30, 2019, which are accounted for as changes in deferred outflows reported in the statement of net position:

	Goldman Sachs	Bank of America	Total
Fair value as of July 1, 2018	$ (6,620,246)	$ (4,379,183)	$ (10,999,429)
Change in fair value	(1,608,407)	(1,132,293)	(2,740,700)
Fair value as of June 30, 2019	$ (8,228,653)	$ (5,511,476)	$ (13,740,129)

Interest Rate Swap Payments and Hedged Debt

Aggregate debt service requirements of the Funds' variable-rate bonds and net receipt/payments on the associated interest rate swap agreements as of June 30, 2019 are presented below. These amounts assume that current rates on variable-rate bonds and the current reference rates on the swaps will remain the same for their terms. As these rates vary, interest payments on variable-rate bonds and the net receipts/payments on the interest rate swaps will also vary.

Note 7 - Interest Rate Swaps (Continued)

Fiscal Year Ending June 30	Variable-rate Bond Principal	Variable-rate Bond Interest	Interest Rate Swaps - Net	Total
2020	$ 7,510,000	$ 2,065,578	$ 1,821,760	$ 11,397,338
2021	7,815,000	1,899,882	1,675,624	11,390,506
2022	8,130,000	1,727,493	1,523,586	11,381,079
2023	6,555,000	1,578,708	1,392,367	9,526,075
2024	6,815,000	1,434,181	1,264,902	9,514,083
2025-2029	38,375,000	4,792,887	4,227,190	47,395,077
2030-2032	26,905,000	735,168	648,396	28,288,564
Total	$ 102,105,000	$ 14,233,897	$ 12,553,825	$ 128,892,722

Note 8 - Accounts Payable and Accrued Liabilities

The following is the detail of accounts payable and accrued liabilities as of June 30, 2019:

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund
Accrued operating expenses	$ 4,215,029	$ 271,424
Accounts payable - Projects	13,109,499	650,518
Accrued payroll and compensated absences	4,581,152	1,080,673
Total	$ 21,905,680	$ 2,002,615

Note 9 - Leases

Substantial amounts of real property are leased to various airlines and other tenants. The leases consist of month-to-month cancelable space and use permits and noncancelable operating leases for land, buildings, and terminal space. The leases expire over the next 40 years. Future minimum rental income is estimated using minimum guarantee payments outlined in the leases.

Bradley International Airport Enterprise Fund

The future minimum rental income on noncancelable operating leases is as follows:

Fiscal Years Ending	Amount
2020	$ 43,359,959
2021	29,777,433
2022	28,634,851
2023	20,860,189
2024	17,411,399
Total	$ 140,043,831

Note 9 - Leases (Continued)

General Aviation Airports Enterprise Fund

The future minimum rental income on noncancelable operating leases is as follows:

Fiscal Years Ending		Amount
2020	$	1,181,123
2021		1,152,769
2022		1,125,462
2023		1,125,560
2024		1,099,453
Total	$	5,684,367

Note 10 - Pension Plan

Plan Description

Eligible employees of the Funds participate in the State Employees Retirement System (SERS). SERS is the single-employer defined benefit pension plan of the State of Connecticut's primary government and its component units, covering substantially all of the full-time employees who are not eligible for another state-sponsored retirement plan. The plan is administered by the State Employees Retirement Commission and governed by Sections 5-152 to 5-192 of the Connecticut General Statutes.

The Funds' employees are employees of the State of Connecticut. The State charges the Funds for their share of the pension obligation under a cost-sharing methodology in which pension obligations for employees are pooled and plan assets are available to pay the benefits of the employees of all participating employers, regardless of the status of the employers' payment of their pension obligations to the plan.

SERS issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at osc.ct.gov/rbsd/reports.

Benefits Provided

SERS provides retirement, disability, and death benefits. Employees are covered under one of four tiers, depending on when they were hired. Tier I employees who retire at or after age 65 with 10 years of credited service or at or after age 55 with 25 years of service are eligible for an annual retirement benefit payable monthly for life, in the amount of 2 percent of the annual average earnings (which are based on the three highest years of service), subject to adjustment on receipt of Social Security benefits. Employees at age 55 with 10 years but with less than 25 years of service or at age 70 with five years of service are entitled to a reduced benefit.

Tier II and Tier IIA employees who retire at or after age 60 with 25 years of service or at age 65 with 10 years of service, at age 70 with 5 years of service, or at age 55 with 10 years of service with reduced benefits are entitled to an annual retirement benefit payable monthly for life in the amount of 1.33 percent of the average annual earnings plus 0.5 percent of the average annual earnings in excess of the salary breakpoint in the year of retirement for each year of credited service. In addition, any years of service over 35 would be at 1.625 percent.

For Tier III employees, full retirement benefits are attained at age 63 with 25 years of service or at age 65 with 10 years of service and are payable monthly for life in the amount equal to 1.33 percent of the average annual earnings plus 0.5 percent of the average annual earnings in excess of the salary breakpoint in the year of retirement for each year of credited service. In addition, any years of service over 35 would be at 1.625 percent.

Note 10 - Pension Plan (Continued)

SERS Tier IV consists of a defined benefit (DB) and defined contribution (DC) plan. For Tier IV employees, full retirement benefits under the DB plan are attained at age 63 with 25 years of service or at age 65 with 10 years of service and are payable monthly for life in the amount of 1.33 percent of the average annual earnings (based on the five highest years of service). Employees at age 58 with 10 years of service are entitled to a reduced benefit. Employees pay a mandatory 1 percent into the DC plan, and the State contributes 1 percent to the account. Employee contributions are vested immediately; employer contributions are 100 percent vested after completing three years of service.

Contributions

Tier I requires an employee contribution of either 3.5 percent or 6.5 percent of salary, depending on the plan. Tier II requires an employee contribution of 1.5 percent of salary. Tier IIA, Tier III, and Tier IV require an employee contribution of 3.5 percent of salary. The Funds' contribution is determined by applying a state-mandated percentage to eligible salaries and wages. There were no changes in benefit terms in the valuation for the year ended June 30, 2018.

Net Pension Liability

At June 30, 2019, the Funds reported a liability of $74,095,817 ($61,595,799 and $12,500,018 for the Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund, respectively) for their proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The Funds' proportion of the net pension liability was based on the Funds' actuarially required contribution for the year ended June 30, 2018 relative to all other contributing employers. At June 30, 2018, the Funds' proportion was 0.34166 percent, which was an increase of 0.01043 percent from their proportion measured as of June 30, 2017. BDL and GA allocate their proportionate share based on the ratio of employee wages between the Funds.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the Funds recognized pension expense of $3,587,656.

At June 30, 2019, the Funds reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Bradley International Airport Enterprise Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,189,961	$ -
Changes in assumptions	6,760,493	-
Net difference between projected and actual earnings on pension plan investments	-	(193,460)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	1,875,037	(1,939,304)
Employer contributions to the plan subsequent to the measurement date	4,787,522	-
Total	$ 15,613,013	$ (2,132,764)

Note 10 - Pension Plan (Continued)

	General Aviation Airports Enterprise Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 425,352	$ -
Changes in assumptions	1,313,078	-
Net difference between projected and actual earnings on pension plan investments	-	(38,849)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	364,185	(389,434)
Employer contributions to the plan subsequent to the measurement date	934,529	-
Total	$ 3,037,144	$ (428,283)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will not be included in the presentation below):

Fiscal Years Ending June 30	BDL	GA
2020	$ 3,056,552	$ 588,731
2021	2,818,896	542,956
2022	1,897,303	365,445
2023	590,379	113,715
2024	329,597	63,485
Total	$ 8,692,727	$ 1,674,332

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using an inflation assumption of 2.50 percent, assumed salary increases (including inflation) of 3.50 through 19.50 percent, an investment rate of return (net of investment expenses) of 6.90 percent, and the RP-2014 mortality tables. These assumptions were applied to all periods included in the measurement and are based on an experience study conducted for the period from July 1, 2011 through June 30, 2015.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the Funds' contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 10 - Pension Plan (Continued)

Investment Rate of Return

Best estimates of arithmetic real rates of return as of the June 30, 2018 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment note, are summarized in the following tables:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large-cap U.S. equities	21.00 %	5.80 %
Developed non-U.S. equities	18.00	6.60
Emerging markets (Non-U.S.)	9.00	8.30
Real estate	7.00	5.10
Private equity	11.00	7.60
Alternative investment	8.00	4.10
Fixed income (core)	8.00	1.30
High-yield bonds	5.00	3.90
Emerging market bond	4.00	3.70
Inflation-linked bonds	5.00	1.00
Cash	4.00	0.40

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Funds, calculated using the discount rate of 6.9 percent, as well as what the Funds' net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (5.9%)	Current Discount Rate (6.9%)	1 Percent Increase (7.9%)
Net pension liability of the State Employees Retirement System - BDL	$ 73,502,798	$ 61,595,799	$ 51,660,699
Net pension liability of the State Employees Retirement System - GA	14,916,379	12,500,018	10,483,826

Note 11 - Related Party Transactions

The State of Connecticut is responsible for processing the Funds' payroll and certain capital asset transactions involving the general aviation airports. Monies are transferred to the State on a monthly basis for this purpose.

In addition, the Funds receive certain grants and revenue that reimburse project costs incurred by the State. Such amounts are remitted to the State on a regular basis. GA had amounts due to the State presented in the statement of net position totaling $132,097 at June 30, 2019. BDL had no amounts due to the State at June 30, 2019.

Amounts due from the State presented in the statement of net position totaled $4,679,772 and $887,563 at June 30, 2019 for BDL and GA, respectively.

Note 12 - Other Postemployment Benefit Plan

Plan Description

The State provides postemployment healthcare and life insurance benefits in accordance with state statutes, Sections 5-257(d) and 5-259(a), to all eligible employees who retire from the State, including employees of the Funds. The benefits are provided through the State of Connecticut State Employee OPEB Plan (the "Plan"), a cost-sharing multiple-employer plan administered by the State of Connecticut. The Plan does not issue stand-alone financial statements; however, financial statements for the Plan are included as part of the State of Connecticut comprehensive annual financial report that is publicly available.

Under a cost-sharing plan, OPEB obligations for employees of all employers are pooled, and plan assets are available to pay the benefits of the employees of any participating employer providing OPEB benefits through the plan, regardless of the status of the employers' payment of their OPEB obligation to the plan. The plan provides healthcare benefits to plan members.

Benefits Provided

When employees retire, the State pays up to 100 percent of their healthcare insurance premium cost (including dependents' coverage) depending upon the plan. The State currently pays up to 20 percent of the cost for retiree dental insurance (including dependents' coverage) depending upon the plan. In addition, the State pays 100 percent of the premium cost for a portion of the employees' life insurance continued after retirement. The amount of life insurance, continued at no cost to the retiree, is determined based on the number of years of service that the retiree had with the State at time of retirement as follows: (a) if the retiree had 25 years or more of service, the amount of insurance will be one-half of the amount of insurance for which the retiree was insured immediately prior to retirement, but the reduced amount cannot be less than $10,000; (b) if the retiree had less than 25 years of service, the amount of insurance will be the proportionate amount that such years of service is to 25, rounded to the nearest $100. The State finances the cost of postemployment healthcare and life insurance benefits on a pay-as-you-go basis through an appropriation in the State's General Fund.

Contributions

In accordance with the Revised State Employees Bargaining Agent Coalition (SEBAC) 2011 Agreement between the State of Connecticut and SEBAC, all employees shall pay the 3 percent retiree healthcare insurance contribution for a period of 10 years or retirement, whichever is sooner. In addition, participants of Tier III and Tier IV shall be required to have 15 years of actual state service to be eligible for retirement health insurance. Deferred vested retirees who are eligible for retiree health insurance shall be required to meet the rule of 75, which is the combination of age and actual state service equaling 75 in order to begin receiving retiree health insurance based on applicable SEBAC agreement.

Net OPEB Liability

At June 30, 2019, the Funds reported a liability of $68,913,262 ($57,534,119 and $11,379,143 for the Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund, respectively) for their proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, which used update procedures to roll forward the estimated liability to June 30, 2019. The Funds' proportion of the net OPEB liability was based on the Funds' actuarially required contribution for the year ended June 30, 2018 relative to all other contributing employers. At June 30, 2018, the Funds' proportion was 0.399 percent, which was a decrease of 0.007 from its proportion measured as of June 30, 2017.

Note 12 - Other Postemployment Benefit Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the Funds recognized OPEB expense of $4,462,138.

At June 30, 2019, the Funds reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Bradley International Airport Enterprise Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ -	$ 3,066,464
Net difference between projected and actual earnings on OPEB plan investments	-	23,998
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	-	953,857
Employer contributions to the plan subsequent to the measurement date	3,105,334	-
Total	$ 3,105,334	$ 4,044,319

	General Aviation Airports Enterprise Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ -	$ 598,905
Net difference between projected and actual earnings on OPEB plan investments	-	4,687
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	-	186,296
Employer contributions to the plan subsequent to the measurement date	611,149	-
Total	$ 611,149	$ 789,888

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and, therefore, will not be included in future OPEB expense):

Fiscal Years Ending June 30	BDL	GA
2020	$ 1,004,005	$ 194,389
2021	1,004,005	194,389
2022	1,004,011	194,390
2023	774,632	149,979
2024	257,666	56,741
Total	$ 4,044,319	$ 789,888

Note 12 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using an inflation assumption of 3.95 percent; assumed salary increases (including inflation) of 3.50 percent; an investment rate of return (net of investment expenses) of 6.90 percent; a healthcare cost trend rate of 5.55 percent for 2018, adjusting each year to an ultimate rate of 4.50 percent for 2025 and later years; and the RP-2014 White Collar Mortality Table projected to 2020 by Scale BB at 100 percent for males and 95 percent for females for healthy participants and the RP-2014 Disabled Retiree Mortality Table at 65 percent for males and 85 percent for females for disabled participants. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the Funds' contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Investment Rate of Return

The long-term expected rate of return best-estimate on OPEB plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of OPEB plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from eight nationally recognized investment consulting firms. The June 30, 2017 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large-cap U.S. equities	21.00 %	5.80 %
Developed non-U.S. equities	18.00	6.60
Emerging markets (Non-U.S.)	9.00	8.30
Real estate	7.00	5.10
Private equity	11.00	7.60
Alternative investment	8.00	4.10
Fixed income (core)	8.00	1.30
High-yield bonds	5.00	3.90
Emerging market bonds	4.00	3.70
Inflation-linked bonds	5.00	1.00
Cash or cash equivalents	4.00	0.40

Note 12 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Funds, calculated using the discount rate of 3.95 percent, as well as what the Funds' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (2.95%)	Current Discount Rate (3.95%)	1 Percent Increase (4.95%)
Net OPEB liability of the State of Connecticut State Employee OPEB Plan - BDL	$ 66,735,376	$ 57,534,119	$ 50,062,107
Net OPEB liability of the State of Connecticut State Employee OPEB Plan - GA	13,198,975	11,379,143	9,901,323

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Funds, calculated using the healthcare cost trend rate gradually decreasing to an ultimate rate of 4.5 percent, as well as what the Funds' net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (3.5%)	Current Healthcare Cost Trend Rate (4.5%)	1 Percent Increase (5.5%)
Net OPEB liability of the State of Connecticut State Employee OPEB Plan - BDL	$ 49,005,739	$ 57,534,119	$ 68,340,809
Net OPEB liability of the State of Connecticut State Employee OPEB Plan - GA	9,692,393	11,379,143	13,516,499

Note 13 - Risk Management

The Funds are exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Funds have purchased commercial insurance for claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 14 - Commitments

The Funds have active construction projects at year end. At year end, the Funds' commitments with contractors are as follows:

Project Name	Spent to Date	Remaining Commitment	Airport
CONRAC facility	$ 20,790,825	$ 188,785,191	Bradley
Reconstruct Taxiway C	2,863,924	14,825,688	Bradley
New roadway system	7,371,371	3,737,089	Bradley
Terminal public restroom renovation	1,946,097	2,429,586	Bradley
Reconstruction of Runway18-36	27,082,157	6,158,080	Oxford
Total	$ 60,054,374	$ 215,935,634	

Required Supplemental Information

Required Supplemental Information
Bradley International Airport Enterprise Fund
Schedule of the Fund's Proportionate Share of the Net Pension Liability
Connecticut State Employees Retirement System

Last Five Fiscal Years

Plan Years Ended June 30

	2019	2018	2017	2016	2015
Fund's proportion of the net pension liability	0.28625 %	0.27716 %	0.27163 %	0.29059 %	0.29971 %
Fund's proportionate share of the net pension liability	$ 61,595,799	$ 57,990,740	$ 61,956,274	$ 47,598,087	$ 47,575,674
Fund's covered payroll	$ 9,811,000	$ 10,673,000	$ 10,107,000	$ 10,514,000	$ 10,055,000
Fund's proportionate share of the net pension liability as a percentage of its covered payroll	627.82 %	543.34 %	613.00 %	452.71 %	473.15 %
Plan fiduciary net position as a percentage of total pension liability	36.62 %	36.25 %	31.69 %	39.23 %	39.54 %

No information by component is available prior to the June 30, 2014 valuation.

Required Supplemental Information
Bradley International Airport Enterprise Fund
Schedule of Pension Contributions
Connecticut State Employees Retirement System

Last Five Fiscal Years

Years Ended June 30

	2019	2018	2017	2016	2015
Statutorily required contribution	$ 4,130,664	$ 4,274,662	$ 4,079,450	$ 3,985,793	$ 3,802,980
Contributions in relation to the statutorily required contribution	4,130,664	4,274,662	4,079,450	3,985,793	3,802,980
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Fund's Covered Payroll	$ 9,811,000	$ 10,673,000	$ 10,107,000	$ 10,514,000	$ 10,055,000
Contributions as a Percentage of Covered Payroll	42.10 %	40.05 %	40.36 %	37.91 %	37.82 %

No information by component is available prior to the June 30, 2014 valuation.

Required Supplemental Information
Bradley International Airport Enterprise Fund
Schedule of the Fund's Proportionate Share of the Net OPEB Liability
Connecticut State Employees Health Plan

Last Three Fiscal Years

Plan Years Ended June 30

	2019	2018	2017
Fund's proportion of the net OPEB liability	0.33442 %	0.33889 %	0.34034 %
Fund's proportionate share of the net OPEB liability	$ 57,534,119	$ 58,839,962	$ 58,682,410
Fund's covered payroll	$ 12,519,000	$ 10,673,000	$ 10,107,000
Fund's proportionate share of the net OPEB liability as a percentage of its covered payroll	459.57 %	551.30 %	580.61 %
Plan fiduciary net position as a percentage of total OPEB liability	4.69 %	3.03 %	1.94 %

No information by component is available prior to the June 30, 2016 valuation.

Required Supplemental Information
Bradley International Airport Enterprise Fund
Schedule of OPEB Contributions
Connecticut State Employees Health Plan

Last Three Fiscal Years

Years Ended June 30

	2019	2018	2017
Statutorily required contribution	$ 2,681,661	$ 2,261,751	$ 2,071,270
Contributions in relation to the statutorily required contribution	2,681,661	2,261,751	2,071,270
Contribution Deficiency	**$ -**	**$ -**	**$ -**
Fund's Covered Payroll	$ 12,519,000	$ 10,673,000	$ 10,107,000
Contributions as a Percentage of Covered Payroll	21.42 %	21.19 %	20.49 %

No information by component is available prior to the June 30, 2016 valuation.

Required Supplemental Information
General Aviation Airports Enterprise Fund
Schedule of the Fund's Proportionate Share of the Net Pension Liability
Connecticut State Employees Retirement System

Last Five Fiscal Years

Plan Years Ended June 30

	2019	2018	2017	2016	2015
Fund's proportion of the net pension liability	0.05542 %	0.05407 %	0.05299 %	0.05668 %	0.05846 %
Fund's proportionate share of the net pension liability	$ 12,500,018	$ 11,802,030	$ 12,585,970	$ 9,785,110	$ 9,782,981
Fund's covered payroll	$ 1,900,000	$ 2,082,000	$ 1,972,000	$ 2,051,000	$ 1,962,000
Fund's proportionate share of the net pension liability as a percentage of its covered payroll	657.90 %	566.86 %	638.23 %	477.09 %	498.62 %
Plan fiduciary net position as a percentage of total pension liability	36.62 %	36.25 %	31.69 %	39.23 %	39.54 %

No information by component is available prior to the June 30, 2014 valuation.

Required Supplemental Information
General Aviation Airports Enterprise Fund
Schedule of Pension Contributions
Connecticut State Employees Retirement System

Last Five Fiscal Years

Years Ended June 30

	2019	2018	2017	2016	2015
Statutorily required contribution	$ 799,752	$ 833,861	$ 795,781	$ 777,511	$ 741,849
Contributions in relation to the statutorily required contribution	799,752	833,861	795,781	777,511	741,849
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Fund's Covered Payroll	$ 1,900,000	$ 2,082,000	$ 1,972,000	$ 2,051,000	$ 1,962,000
Contributions as a Percentage of Covered Payroll	42.09 %	40.05 %	40.35 %	37.91 %	37.81 %

No information by component is available prior to the June 30, 2014 valuation.

Required Supplemental Information
General Aviation Airports Enterprise Fund
Schedule of the Fund's Proportionate Share of the Net OPEB Liability
Connecticut State Employees Health Plan

Last Three Fiscal Years

Plan Years Ended June 30

	2019	2018	2017
Fund's proportion of the net OPEB liability	0.06475 %	0.06699 %	0.06728 %
Fund's proportionate share of the net OPEB liability	$ 11,379,143	$ 11,631,972	$ 11,600,826
Fund's covered payroll	$ 2,424,000	$ 2,082,000	$ 1,972,000
Fund's proportionate share of the net OPEB liability as a percentage of its covered payroll	469.44 %	558.69 %	588.28 %
Plan fiduciary net position as a percentage of total OPEB liability	4.69 %	3.03 %	1.94 %

No information by component is available prior to the June 30, 2016 valuation.

Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund

Required Supplemental Information
General Aviation Airports Enterprise Fund
Schedule of OPEB Contributions
Connecticut State Employees Health Plan

Last Three Fiscal Years

Years Ended June 30

	2019	2018	2017
Statutorily required contribution	$ 519,206	$ 447,122	$ 409,466
Contributions in relation to the statutorily required contribution	519,206	447,122	409,466
Contribution Deficiency	**$ -**	**$ -**	**$ -**
Fund's Covered Payroll	$ 2,424,000	$ 2,082,000	$ 1,972,000
Contributions as a Percentage of Covered Payroll	21.42 %	21.48 %	20.76 %

No information by component is available prior to the June 30, 2016 valuation.

Other Supplemental Information

Other Supplemental Information
Statement of Net Position
Bradley International Airport Enterprise Fund

June 30, 2019

(with comparative totals for 2018)

	2019	2018
Assets		
Current assets:		
Cash	$ 2,720,664	$ 4,473,013
Short-term investments	94,456,517	90,852,283
Current portion of restricted investments	11,075,381	3,330,595
Accounts receivable	5,412,628	7,243,262
Grants receivable	2,387,541	731,153
Due from the State	4,679,772	2,272,270
Prepaid expenses and other assets	14,458	28,917
Total current assets	120,746,961	108,931,493
Noncurrent assets:		
Restricted assets:		
Cash	717,548	461
Investments	277,292,618	126,471,620
Accounts receivable	3,392,708	2,977,749
Interest receivable	546,493	174,924
Capital assets:		
Assets not subject to depreciation	45,105,113	26,565,559
Assets subject to depreciation - Net	225,674,491	230,090,519
Total noncurrent assets	552,728,971	386,280,832
Total assets	673,475,932	495,212,325
Deferred Outflows of Resources		
Interest rate swaps	13,740,129	10,999,429
Deferred loss on bond refunding	1,506,885	1,629,896
Deferred costs of bond issuance - Net	46,932	-
Deferred pension costs	15,613,013	15,742,160
Deferred OPEB costs	3,105,334	2,432,945
Total deferred outflows of resources	34,012,293	30,804,430
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	21,905,680	15,384,183
Unearned revenue and other	4,883,243	5,611,185
Payables from restricted assets:		
Current portion of revenue bonds payable	7,510,000	7,225,000
Revenue bond interest payable	2,471,701	1,074,179
Total current liabilities	36,770,624	29,294,547
Noncurrent liabilities:		
Net pension liability	61,595,799	57,990,740
Net OPEB liability	57,534,119	58,839,962
Revenue bonds payable - Net of current portion	248,997,614	102,105,000
Interest rate swap	13,740,129	10,999,429
Total noncurrent liabilities	381,867,661	229,935,131
Total liabilities	418,638,285	259,229,678

Other Supplemental Information
Statement of Net Position (Continued)
Bradley International Airport Enterprise Fund

June 30, 2019
(with comparative totals for 2018)

	2019	2018
Deferred Inflows of Resources		
Deferred pension cost reductions	$ 2,132,764	$ 2,861,264
Deferred OPEB cost reductions	4,044,319	1,681,795
Total deferred inflows of resources	6,177,083	4,543,059
Net Position		
Net investment in capital assets	148,291,443	148,955,974
Restricted:		
Capital Projects	130,267,633	124,329,702
Debt Service	14,255,427	6,520,911
Bond Indenture Requirements	16,031,277	2,104,736
Unrestricted	(26,172,923)	(19,667,305)
Total net position	**$ 282,672,857**	**$ 262,244,018**

Other Supplemental Information
Statement of Revenue, Expenses, and Changes in Net Position
Bradley International Airport Enterprise Fund

Year Ended June 30, 2019
(with comparative totals for 2018)

	2019	2018
Operating Revenue		
Airline revenue:		
Landing fees	$ 18,914,060	$ 18,133,002
Airline terminal rent	11,690,480	10,896,625
Apron and remote aircraft parking	4,165,368	4,354,396
Total airline revenue	34,769,908	33,384,023
Nonairline revenue:		
Rental cars	8,752,875	8,500,566
Terminal concessions	5,015,936	4,761,601
Land rent	5,071,855	5,081,420
Other concessions	5,015,754	4,811,206
Other operating revenue	2,892,336	2,831,896
Auto parking	11,874,984	11,630,736
Total nonairline revenue	38,623,740	37,617,425
Total operating revenue	73,393,648	71,001,448
Operating Expenses		
Salaries and related expense	24,009,987	21,869,384
Administrative and general	18,927,785	20,477,436
Repairs and maintenance	7,866,012	7,117,882
Energy and utilities	4,986,850	4,860,588
Depreciation and amortization	17,214,565	17,679,926
Total operating expenses	73,005,199	72,005,216
Operating Income (Loss)	388,449	(1,003,768)
Nonoperating Revenue (Expense)		
Passenger facility charge revenue	15,178,632	14,196,631
Car rental facility charge revenue	13,537,564	11,355,891
Investment income	2,614,305	1,476,258
Other nonoperating expenses	(1,741,084)	(2,483,717)
Bond interest expense	(5,657,275)	(4,347,945)
Airline revenue share expense	(2,427,728)	(2,076,502)
Noncash pension and OPEB actuarial assumption adjustments	(3,389,998)	1,939,603
Total nonoperating revenue	18,114,416	20,060,219
Income - Before capital contributions	18,502,865	19,056,451
Capital Contributions	1,925,974	716,964
Change in Net Position	20,428,839	19,773,415
Net Position - Beginning of year, as previously reported	262,244,018	301,153,013
Cumulative Effect of Change in Accounting	-	(58,682,410)
Net Position - Beginning of year, as adjusted	262,244,018	242,470,603
Net Position - End of year	**$ 282,672,857**	**$ 262,244,018**

Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund

Other Supplemental Information
Combining Statements of Net Position
General Aviation Airports Enterprise Fund

June 30, 2019

(with comparative totals for 2018)

	Oxford Airport	Brainard Airport	Groton New London Airport	Danielson Airport	Windham Airport	GA Airport Administration	2019	2018
Assets								
Current assets:								
Cash	$ -	$ -	$ -	$ -	$ -	$ 207,338	$ 207,338	$ 529,038
Short-term investments	-	-	-	-	-	12,885,703	12,885,703	7,482,649
Accounts receivable	179,569	53,248	87,256	6,142	22,312	1,706,729	2,055,256	3,105,122
Grants receivable	757,065	5,769	5,693	-	-	-	768,527	6,344,321
Due from the State	-	-	-	-	-	887,563	887,563	698,095
Prepaid expenses and other assets	8,675	8,675	8,675	8,675	8,675	-	43,375	86,744
Total current assets	945,309	67,692	101,624	14,817	30,987	15,687,333	16,847,762	18,245,969
Noncurrent assets - Capital assets:								
Assets not subject to depreciation	28,975,392	335,724	694,390	98,601	236,789	-	30,340,896	39,374,142
Assets subject to depreciation - Net	30,829,693	5,678,979	12,270,613	669,133	3,063,006	160,925	52,672,349	29,701,154
Total noncurrent assets - Capital assets	59,805,085	6,014,703	12,965,003	767,734	3,299,795	160,925	83,013,245	69,075,296
Total assets	60,750,394	6,082,395	13,066,627	782,551	3,330,782	15,848,258	99,861,007	87,321,265
Deferred Outflows of Resources								
Deferred pension costs	-	-	-	-	-	3,037,144	3,037,144	3,062,149
Deferred OPEB costs	-	-	-	-	-	611,149	611,149	480,965
Total deferred outflows of resources	-	-	-	-	-	3,648,293	3,648,293	3,543,114
Liabilities								
Current liabilities:								
Accounts payable and other accrued liabilities	817,530	232,205	313,127	5,865	7,061	626,827	2,002,615	4,255,660
Unearned revenue and other	71,697	21,368	69,770	20,006	5,822	8,740	197,403	189,795
Due to the State	132,097	-	-	-	-	-	132,097	3,320,972
Total current liabilities	1,021,324	253,573	382,897	25,871	12,883	635,567	2,332,115	7,766,427
Noncurrent liabilities:								
Net pension liability	-	-	-	-	-	12,500,018	12,500,018	11,802,030
Net OPEB liability	-	-	-	-	-	11,379,143	11,379,143	11,631,972
Total liabilities	1,021,324	253,573	382,897	25,871	12,883	24,514,728	26,211,276	31,200,429
Deferred Inflows of Resources								
Deferred pension cost reductions	-	-	-	-	-	428,283	428,283	569,330
Deferred OPEB cost reductions	-	-	-	-	-	789,888	789,888	332,471
Total deferred inflows of resources	-	-	-	-	-	1,218,171	1,218,171	901,801
Net Position								
Net investment in capital assets	59,805,085	6,014,703	12,965,003	767,734	3,299,795	160,925	83,013,245	69,075,296
Unrestricted	(76,015)	(185,881)	(281,273)	(11,054)	18,104	(6,397,273)	(6,933,392)	(10,313,147)
Total net position	**$ 59,729,070**	**$ 5,828,822**	**$ 12,683,730**	**$ 756,680**	**$ 3,317,899**	**$ (6,236,348)**	**$ 76,079,853**	**$ 58,762,149**

Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund

Other Supplemental Information
Combining Statements of Revenue, Expenses, and Changes in Net Position
General Aviation Airports Enterprise Fund

Year Ended June 30, 2019
(with comparative totals for 2018)

	Oxford Airport	Brainard Airport	Groton New London Airport	Danielson Airport	Windham Airport	GA Airport Administration	2019	2018
Operating Revenue								
Airline revenue:								
Landing fees	$ 136,055	$ -	$ -	$ -	$ -	$ -	$ 136,055	$ 37,408
Airline terminal rent	-	-	10,920	-	-	-	10,920	10,920
Apron and remote aircraft parking	29,640	46,800	23,670	-	27,295	-	127,405	162,485
Total airline revenue	165,695	46,800	34,590	-	27,295	-	274,380	210,813
Nonairline revenue:								
Rental cars	61,564	2,300	102,214	-	-	-	166,078	162,331
Terminal concessions	-	-	7,000	-	-	-	7,000	11,235
Land rent	612,981	383,819	340,442	51,532	76,808	10	1,465,592	1,654,912
Other operating revenue	603,878	151,580	289,951	7,361	19,204	900	1,072,874	1,036,801
Total nonairline revenue	1,278,423	537,699	739,607	58,893	96,012	910	2,711,544	2,865,279
Total operating revenue	1,444,118	584,499	774,197	58,893	123,307	910	2,985,924	3,076,092
Operating Expenses								
Salaries and related expense	735,705	935,249	946,855	83,182	88,458	1,687,929	4,477,378	4,148,762
Administrative and general	73,176	83,005	139,782	20,463	31,563	19,733	367,722	370,522
Repairs and maintenance	80,917	195,581	372,978	99,673	171,426	(86,359)	834,216	818,769
Energy and utilities	68,908	76,296	122,804	10,133	18,657	1,136	297,934	264,944
Depreciation and amortization	1,007,327	345,881	1,306,857	106,706	631,696	38,559	3,437,026	3,523,743
Total operating expenses	1,966,033	1,636,012	2,889,276	320,157	941,800	1,660,998	9,414,276	9,126,740
Operating Loss	(521,915)	(1,051,513)	(2,115,079)	(261,264)	(818,493)	(1,660,088)	(6,428,352)	(6,050,648)
Nonoperating Revenue (Expense)								
Investment income	-	-	-	-	-	268,130	268,130	106,142
Aviation fuel tax revenue	-	-	-	-	-	7,135,442	7,135,442	5,214,602
Other nonoperating expenses	(1,242,315)	22,576	(38,871)	333	(3,953)	(12,911)	(1,275,141)	(1,420,193)
Noncash pension and OPEB actuarial assumption adjustments	-	-	-	-	-	(656,350)	(656,350)	383,438
Total nonoperating (expense) revenue	(1,242,315)	22,576	(38,871)	333	(3,953)	6,734,311	5,472,081	4,283,989
(Loss) Income - Before capital contributions	(1,764,230)	(1,028,937)	(2,153,950)	(260,931)	(822,446)	5,074,223	(956,271)	(1,766,659)
Capital Contributions	17,824,578	344,329	85,752	-	-	19,316	18,273,975	9,082,376
Interfund Transfers	(437,055)	754,660	876,922	147,342	174,106	(1,515,975)	-	-
Change in Net Position	15,623,293	70,052	(1,191,276)	(113,589)	(648,340)	3,577,564	17,317,704	7,315,717
Net Position - Beginning of year, as previously reported	44,105,777	5,758,770	13,875,006	870,269	3,966,239	(9,813,912)	58,762,149	63,047,258
Cumulative Effect of Change in Accounting	-	-	-	-	-	-	-	(11,600,826)
Net Position - Beginning of year, as adjusted	44,105,777	5,758,770	13,875,006	870,269	3,966,239	(9,813,912)	58,762,149	51,446,432
Net Position - End of year	**$ 59,729,070**	**$ 5,828,822**	**$ 12,683,730**	**$ 756,680**	**$ 3,317,899**	**$ (6,236,348)**	**$ 76,079,853**	**$ 58,762,149**