Connecticut Airport Authority

(a component unit of the State of Connecticut)

Financial Report
with Supplemental Information
June 30, 2021

Contents

plante moran

Plante & Moran, PLLC
Suite 360
4444 W. Bristol Road
Flint, MI 48507
Tel: 810.767.5350
Fax: 810.767.8150
plantemoran.com

Independent Auditor's Report

To the Board of Directors
Connecticut Airport Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Connecticut Airport Authority (the "Authority") (a component unit of the State of Connecticut) as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Connecticut Airport Authority'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 the Authority as of June 30, 2021 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 Note 1 to the financial statements, the Authority began reporting the Bradley International Airport Parking Facility Fund activity in the Bradley International Airport Enterprise Fund in the current year. In the past, it had been reported separately in its own fund and audited separately. This change is treated as a change in reporting entity under Governmental Accounting Standards Board Statement No. 62 and has been applied retrospectively to show financial information of the funds as combined for all years presented. Our opinion is not modified with respect to this matter.

To the Board of Directors
Connecticut Airport Authority

Other Matters

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 opinions on the financial statements that collectively comprise the Authority's financial statements taken as a whole. 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. The financial statements of the Bradley International Airport Parking Facility Fund as of and for the year ended June 30, 2020 that are included in the statement of net position and the statement of revenue, expenses, and changes in net position for the Bradley International Airport Enterprise Fund as of and for the year ended June 30, 2020 were audited by a predecessor auditor, which expressed an unmodified opinion on the Bradley International Airport Parking Facility Fund. The predecessor auditor's report was dated October 2, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021 on our consideration of the Authority'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 Connecticut Airport Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

September 30, 2021

CONNECTICUT AIRPORT AUTHORITY
JUNE 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) of the Connecticut Airport Authority's (the "CAA" or the "Authority") financial performance provides an overview for the year ended June 30, 2021. The Authority is comprised of two separate enterprise funds, Bradley International Airport Enterprise Fund (BDL or Bradley) and the General Aviation Airports Enterprise Fund (GA), (collectively, the "Authority" or the "Funds"). The CAA's financial statements present results separately for each fund as well as in aggregate. The MD&A is constructed in two sections, one for BDL and one for GA, as the financial performance for each fund is measured and managed separately. Please read it in conjunction with the CAA's 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 CAA's financial positions and the results of its operations.

As discussed in Note 1 to the financial statements, the CAA 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. The CAA additionally held a third fund that included the parking garage and surface parking lots located at Bradley. Prior to FY21, this third Bradley Parking Fund was reported and audited separately from BDL and GA. Beginning with FY21, this parking fund was merged into the BDL fund. This reporting change constitutes a change in reporting entity. All beginning balances presented and variances referenced for BDL reflect FY20 numbers as if the parking fund had been part of BDL at that time. See Note 1 to the financial statements for further explanation.

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 CAA's 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 CAA 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 CAA, 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 nonoperating revenue and expenses of the CAA 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. Totals and subtotals presented in the tables and charts below may not optically sum in their rounded format as the underlying figures to the whole dollar were used for summation purposes but presented in thousands.

Fiscal Year 2020 was marked by a global pandemic caused by an outbreak of a new strain of coronavirus known as COVID-19. Bradley began seeing drastic reductions in passenger traffic, airline frequencies, and concession revenue in mid-March 2020. BDL continued to feel the impact of the pandemic through the first half of fiscal year 2021 but began to experience a recovery in early calendar year 2021. With the loosening of federal travel restrictions and advisories as well as the roll out of a COVID-19 vaccine, BDL began experiencing a significant recovery in passenger activity and revenues beginning in March 2021. Bradley is well positioned to sustain the downturn until a full recovery to pre-pandemic travel levels is realized due to its strong liquidity, relatively small debt profile, diverse air carrier mix and federal grant assistance.

Bradley's FY 2021 net operating loss (excluding depreciation & amortization) exceeded budget expectations by $7,783, or 92.3%. As the pandemic began to impact air travel, Bradley immediately instituted several cost saving measures including implementing a hiring freeze, cutting 10% of FY20 operating expense budgets, and deferring non-critical capital projects. These cost containment initiatives carried through the FY21 budget as well. These measures, along with CAA's conservative management approach, yielded budget surpluses in all major operating expense categories. Despite numerous cost containment efforts, operating revenues were still impacted by the effects of the pandemic on air travel resulting in FY21 operating revenues falling 9.4% below budget. Airline revenues are a derivative of Bradley's operating expenses; accordingly, operating revenue results are below budget due to both operating expenses being below budget as well as due to the pandemic. Compared to FY 2020, total operating revenue decreased 44.8% to $52,262, while total operating expenses before depreciation decreased 14.5% to $54,652. Operating income (loss) before depreciation decreased 107.8% to ($2,391) versus prior year.

Net nonoperating revenue of $29,998 in FY21 was a significant shift from the $375 net nonoperating revenue realized in FY20. PFC and CFC revenues were severely impacted by the reduced passenger traffic resulting in year over year reductions of $3,741 and $7,597, respectively. FY21 other nonoperating expenses of $341 were a decrease of $592 compared to FY20 net nonoperating revenue of $251.

Total net position at year-end totaled $305,951, a 3.1% increase from FY 2020's net position. Total assets increased by $4,617, or 0.6%, while total liabilities decreased by $24,326, or 5.2%. Bradley generated debt service coverage of 349.1% for its General Airport Revenue Bonds, which is well above the 120.0% required by bond indenture. The debt service coverage calc is to ensure there are enough pledged revenues (i.e. operating revenues plus interest income and PFC revenue) to cover annual operating expenses and debt service. It should be noted that in developing the aforementioned coverage statistics that $17.4 million of CARES Act monies were utilized to fund operating expense and $4.7 million of CARES Act monies were used to fund debt service obligations thus lowering the hurdle to be achieved in the calculation.

Despite increased passenger traffic beginning late FY 2021, enplanements were 1.307 million in FY 2021 falling short of the 2.448 million enplanements in FY20, a 46.6% decrease from prior year. See the 'Economic Factors and Outlook' section of this MD&A for more detail.

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 $9,167 from June 30, 2020, to June 30, 2021. The increase in Net Position was largely due to the CARES and CRRSA grant awards that more than offset the Operating Loss of $23,057 as well as reduced PFC and CFC revenues due to the majority of FY21 weathering the fallout from the pandemic.

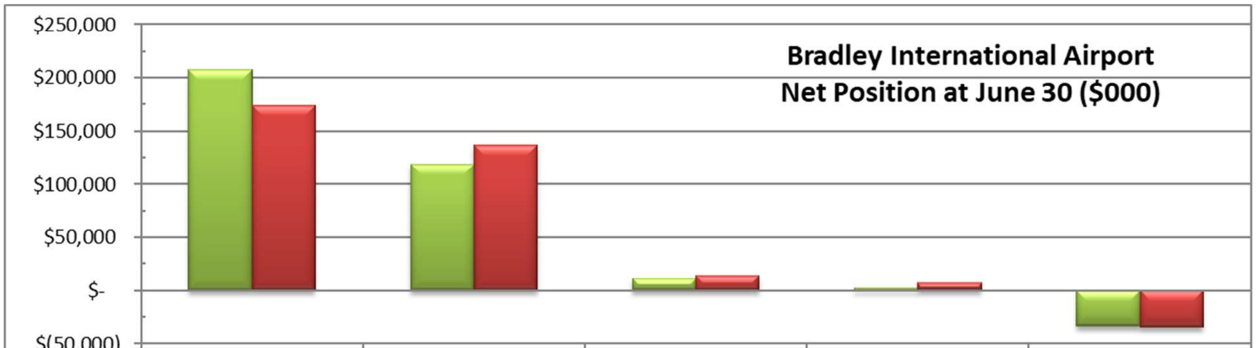
Table 1 also illustrates Bradley's assets (including deferred outflows of resources) exceeded its liabilities (including deferred inflows of resources) by $305,951 as of June 30, 2021. This net position includes $207,661 invested in capital assets net of related debt (an increase of 19.5%), assets restricted for PFC, CFC and bond indenture purposes of $131,743 (a decrease of 16.4%) and unrestricted net position of ($33,453) (an increase of 3.0%) from fiscal year 2020.

As of June 30, 2021, total general airport revenue bonds payable and CFC revenue bonds payable (excluding current maturities and bond premium) of $229,750 equate to $175.73 per enplaned passenger based on fiscal year 2021 enplaned passengers of 1,307, an 80.9% increase from FY 2020 bonds payable of $97.16 per enplaned passenger. This increase is attributable to the continued significant reduction in enplanements that were realized from the effects of the COVID-19 pandemic on air travel volumes.

Table 1
Statement of Net Position
June 30, 2021 and 2020
(In thousands)

	2021	2020	2021 - 2020 Change ($)	2021 - 2020 Change (%)
ASSETS				
Current and Other Assets	$ 295,181	$ 372,451	$ (77,270)	-20.7%
Net Capital Assets	420,261	338,374	81,887	24.2%
TOTAL ASSETS	**715,442**	**710,825**	**4,617**	**0.6%**
DEFERRED OUTFLOWS OF RESOURCES				
Interest Rate Swaps	12,672	17,370	(4,698)	-27.0%
Deferred Loss on Bond Refunding	1,261	1,384	(123)	-8.9%
Other Deferred Costs - Net	40	43	(4)	-8.3%
Deferred Pension Outflows	16,055	20,663	(4,608)	-22.3%
Deferred OPEB Outflows	23,358	22,866	492	2.2%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**53,386**	**62,326**	**(8,940)**	**-14.3%**
LIABILITIES				
Long-term Debt Outstanding	232,832	256,918	(24,085)	-9.4%
Other Liabilities	49,721	39,359	10,362	26.3%
Interest Rate Swap	12,672	17,370	(4,698)	-27.0%
Net Pension Liability	69,113	73,091	(3,977)	-5.4%
Net OPEB Liability	80,774	82,702	(1,928)	-2.3%
TOTAL LIABILITIES	**445,113**	**469,439**	**(24,326)**	**-5.2%**
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Cost Reductions	5,079	1,329	3,749	282.1%
Deferred OPEB Cost Reductions	12,686	5,598	7,087	126.6%
TOTAL DEFERRED INFLOWS OF RESOURCES	**17,764**	**6,928**	**10,837**	**156.4%**
NET POSITION				
Net Investments in Capital Assets	207,661	173,776	33,885	19.5%
Restricted	131,743	157,505	(25,762)	-16.4%
Unrestricted	(33,453)	(34,497)	1,045	3.0%
TOTAL NET POSITION	**$ 305,951**	**$ 296,784**	**$ 9,167**	**3.1%**

	2021	2020	2021 - 2020 Change ($)	2021 - 2020 Change (%)
Net Position at June 30				
Net Investment in Capital Assets	$ 207,661	$ 173,776	$ 33,885	19.5%
Restricted for Capital Projects	118,386	136,902	(18,516)	-13.5%
Restricted for Debt Service	11,214	13,898	(2,684)	-19.3%
Bond Indenture Requirements	2,142	6,704	(4,562)	-68.0%
Unrestricted	(33,453)	(34,497)	1,045	3.0%
Total Net Position	**$ 305,951**	**$ 296,784**	**$ 9,167**	**3.1%**



	Net Investment in Capital Assets	Restricted for Capital Projects	Restricted for Debt Service	Bond Indenture Requirements	Unrestricted
2021	$207,661	118,386	11,214	2,142	(33,453)
2020	$173,776	136,902	13,898	6,704	(34,497)

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, 2021 and 2020. Changes in net position represent the fiscal year financial results of Bradley. The change in net position for FY 2021 is $9,167 compared to $20,903 in FY 2020. Overall, for FY 2021, total net position increased 3.1% compared to FY 2020.

Bradley experienced net income before capital contributions in FY 2021. Operating revenues decreased by $42,457, or 44.8%, attributable to drastically reduced passenger traffic resulting in lower activity-based passenger driven revenues such as concessions, parking, and rental car revenue. Operating expenses before depreciation decreased $9,260, or 14.5%, compared to FY 2020, largely due to lower administrative expenses stemming from cost containment measures in reaction to the pandemic. Depreciation and amortization decreased $905, or 4.2%, from FY 2020 contributing to an operating loss of ($23,057).

Table 2
Statement of Revenue, Expenses, and Changes in Net Position
For the Year Ended June 30, 2021
(In Thousands)

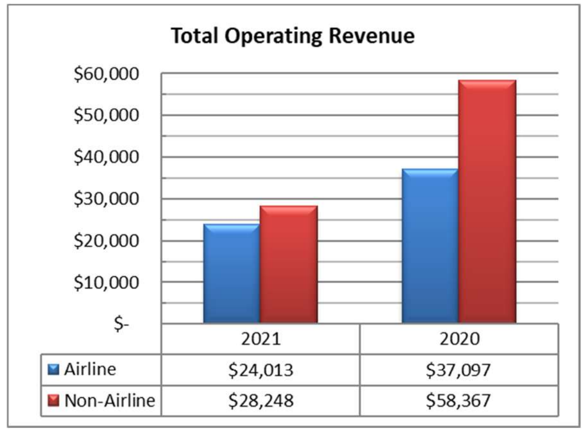
	2021	2020	2021 - 2020 Change ($)	2021 - 2020 Change (%)
OPERATING REVENUES				
Landing fees	$ 11,857	$ 19,558	$ (7,701)	-39.4%
Airline terminal rent	9,161	11,862	(2,701)	-22.8%
Apron and remote aircraft parking	2,995	4,932	(1,937)	-39.3%
Rental cars	5,729	7,565	(1,836)	-24.3%
Terminal concessions	2,633	4,012	(1,379)	-34.4%
Land rent	6,513	6,226	287	4.6%
Other concessions	1,989	4,280	(2,291)	-53.5%
Other operating revenue	2,446	2,890	(444)	-15.4%
Auto parking	8,939	33,395	(24,456)	-73.2%
TOTAL OPERATING REVENUES	52,262	94,719	(42,457)	-44.8%
OPERATING EXPENSES				
Salaries and related expenses	23,536	23,920	(384)	-1.6%
Administrative and general	19,026	28,127	(9,101)	-32.4%
Repairs and maintenance	6,864	6,934	(69)	-1.0%
Utilities	5,225	4,931	294	6.0%
OPERATING EXPENSES BEFORE DEPRECIATION	54,652	63,912	(9,260)	-14.5%
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(2,391)	30,807	(33,198)	-107.8%
Depreciation and amortization	20,666	21,571	(905)	-4.2%
OPERATING INCOME (LOSS)	(23,057)	9,236	(32,293)	-349.6%
NONOPERATING REVENUES (EXPENSES)				
Passenger Facility Charge Revenue	6,359	10,099	(3,740)	-37.0%
Car Rental Facility Charge Revenue	5,628	13,225	(7,596)	-57.4%
Investment Income	126	2,035	(1,909)	-93.8%
Non-Op Rev - Grant Rev	36,785	172	36,613	>100%
Other nonoperating revenues (expenses)	(341)	251	(592)	-236.0%
Bond interest expense	(9,512)	(11,262)	1,750	-15.5%
Airline revenue share expense	-	(1,542)	1,542	-100.0%
Actuarial Pension Gain (Loss)	(4,380)	(5,641)	1,261	-22.4%
Actuarial OPEB Gain (Loss)	(4,667)	(6,962)	2,295	-33.0%
NET NONOPERATING REVENUE	29,998	375	29,623	>100%
INCOME BEFORE CAPITAL CONTRIBUTIONS	6,941	9,611	(2,670)	-27.8%
CAPITAL CONTRIBUTIONS	2,226	11,292	(9,066)	-80.3%
Change in Net Position	9,167	20,903	(11,736)	-56.1%
Total Net Position, Beginning of Year	296,784	275,881	20,903	7.6%
Total Net Position, End of Year	$ 305,951	$ 296,784	$ 9,166	3.1%

BRADLEY INCOME

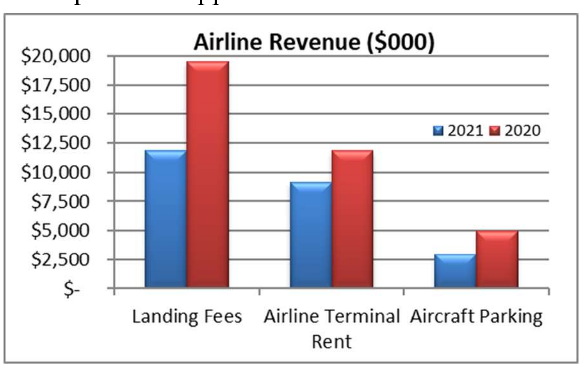
As indicated on Table 2, Bradley generated an operating loss before depreciation of ($2,391), net nonoperating revenues of $29,998 and $2,226 of capital contributions. The change in net position for fiscal year 2021 was $9,167 as compared to the prior year change in net position of 20,903. The operating and nonoperating revenues and expenditures associated with this income are addressed below.

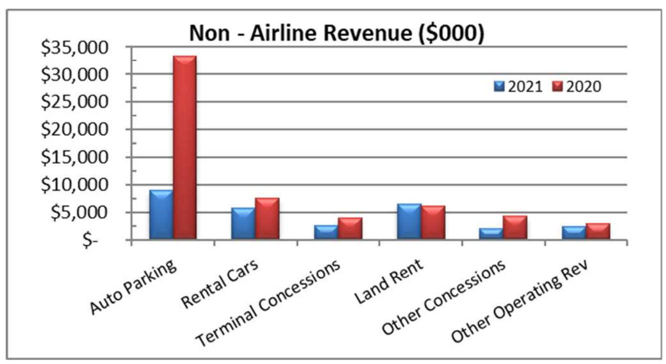
Operating Revenues

Operating revenues for fiscal year 2021 totaled $52,262, a decrease of $42,457 or 44.8% from fiscal year 2020. Operating revenues are split between airline and non-airline sources. Airline revenues were $24,013 or 45.9% of total operating revenue, and non-airline revenues were $28,248 or 54.1% of total operating revenue as shown at right and in greater detail below.



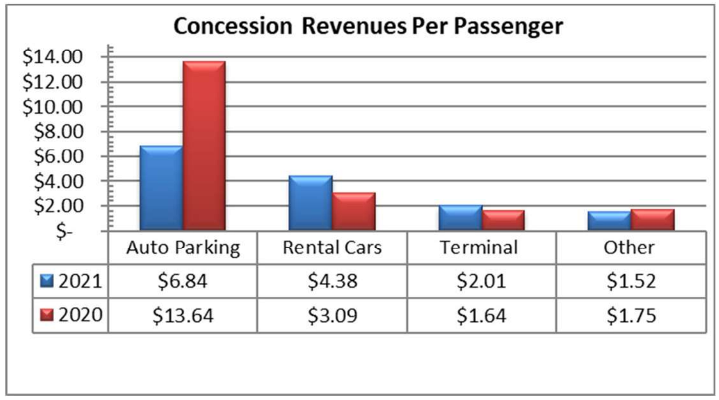
Airline revenues decreased by $12,339, or 33.9%, from fiscal year 2020 to fiscal year 2021. The Airlines pay rates and charges based on budgeted operating expenditures and debt service allocated to airline cost centers including the landing area, terminal building and aircraft parking aprons. The fiscal year 2021 operating expense budget of $66,119 reflected a 0.3% increase in operating expenses over the fiscal year 2020 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 2021 operating expenditures were under budget which in turn caused airline revenues to be 19.3% below budget due to the true-up feature applied to airline revenues.





Deducting cargo airline landing fees of $4,997 from total airline revenue of $24,013 results in passenger airline revenue of $19,016. This equates to a fiscal year 2021 Cost per Enplaned Passenger (CPE) of $14.54 based on fiscal year 2021 enplaned passengers of 1,307, a 17.9% increase from the fiscal year 2020 CPE of $12.33.

Total non-airline revenues decreased by $30,119, or 51.6%, from fiscal year 2020. 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 $19,289. The largest source of concession revenue is vehicle parking operations which totaled $8,939. Effective May 31, 2020, the CAA amicably terminated the complex lease agreement with the parking operator SP Plus. Under the terms of the old lease agreement, the parking operating results were recorded in a separate enterprise fund (not reflected as a part of the FY 2020 audited financial statements). The old parking lease provided for a stream of guaranteed revenue payments to be made to the Bradley Enterprise Fund. Following the termination, the CAA entered into a new parking management services agreement whereby SP Plus is paid a management fee for administering parking operations at Bradley. FY21 forward, all pure customer driven parking revenues and parking operating expenses will be reflected in the Bradley Enterprise Fund financial statements. 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. Non-airline revenues were 1.1% greater than budget stemming from passenger activity-based revenues (i.e., concession, parking and rental car revenue).



Total concession revenue of $19,289 equates to $14.75 per enplaned passenger based on fiscal year 2021 enplaned passengers of 1,307, a 26.7 decrease from fiscal year 2020 concession revenue per enplaned passenger of $20.12. The division of revenues per passenger among the various concessions is shown above.

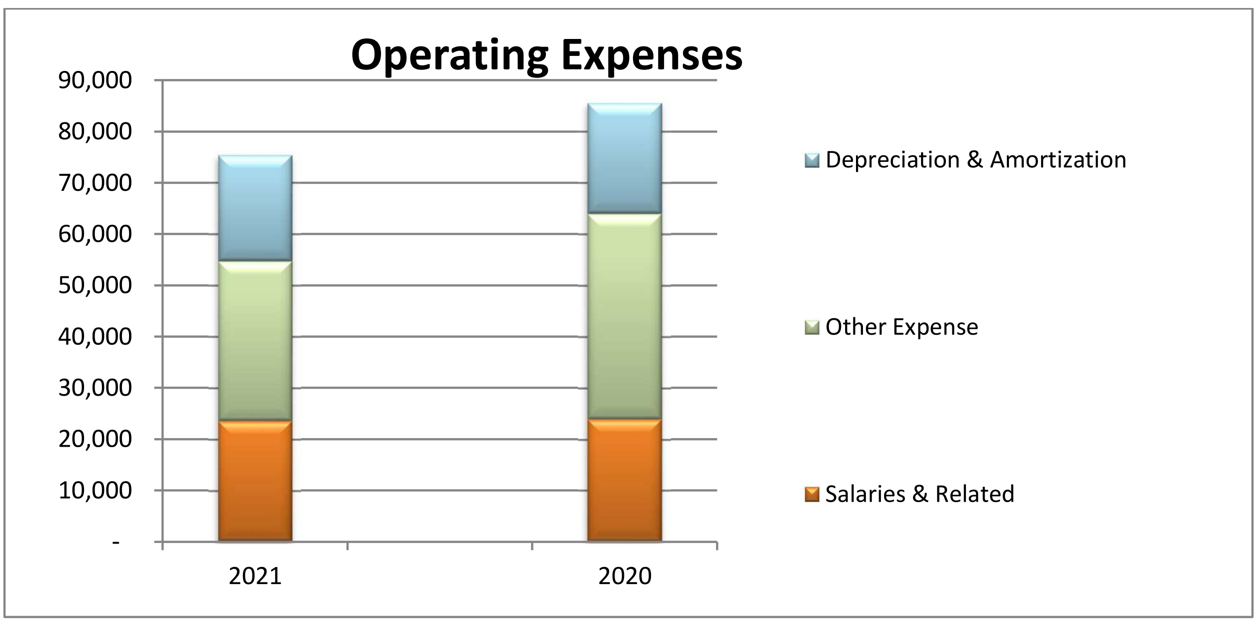
Operating Expenses

Operating expenses in fiscal year 2021 totaled $75,318, a decrease of $10,164 or 11.9% from fiscal year 2020. 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 2021 and fiscal year 2020 operating expenses is shown in Table 3.

As indicated on Table 3, reductions in administrative and security costs partially offset by an increase in utility costs resulted in a $9,260 year over year decrease in operating expense before depreciation. Depreciation and amortization decreased by $905, or 4.2%, from fiscal year 2020 resulting in an overall operating expense decrease (including depreciation) of 11.9%.

TABLE 3
OPERATING EXPENSES
June 30, 2021 and 2020
(In thousands)

			2021 - 2020	
Salaries & Related	**2021**	**2020**	**Change ($)**	**Change (%)**
Salaries	$ 10,860	$ 11,141	$ (281)	-2.5%
Overtime	859	805	55	6.8%
Other Payroll	403	437	(34)	-7.7%
Fringe Benefit	11,413	11,536	(123)	-1.1%
Salaries & Related	23,536	23,920	(384)	-1.6%
Other Expense				
Payment In Lieu of Tax	4,679	4,679	0	0.0%
Security	7,594	8,804	(1,210)	-13.7%
Administrative & General Costs	6,754	14,644	(7,890)	-53.9%
Repairs and Maintenance	6,864	6,934	(69)	-1.0%
Utilities	5,225	4,931	294	6.0%
Other Expense	31,116	39,992	(8,876)	-22.2%
Expenses Before Depreciation	**54,652**	**63,912**	**(9,260)**	**-14.5%**
Depreciation & Amortization	20,666	21,571	(905)	-4.2%
Total Operating Expenses	**$ 75,318**	**$ 85,483**	**$ (10,164)**	**-11.9%**



Net Nonoperating Revenue (Expense)
Nonoperating revenues and expenses includes Bradley's Passenger Facility Charges (PFCs), Car Rental Facility Charges (CFCs), Federal grant revenue, investment income, revenue bond interest expense, other nonoperating 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 2021, Bradley collected total PFCs (excluding PFC interest) of $6,304, a decrease of 31.4% from fiscal year 2020. 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 partially 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 2021 totaled $5,491 (excluding interest), a decrease of 46.2% from fiscal year 2020. The CAA executed a one-year extension of the Airline Operating Agreement and Terminal Building Lease with the signatory air carriers at Bradley airport bringing the expiration date to June 30, 2022. 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 applicable bond costs are satisfied, those net revenues are shared with the airline pursuant to a formula outlined in the airline lease. There was no airline net revenue share in fiscal year 2021.

Investment income from all accounts totaled $318, a 94.4% decrease from fiscal year 2020 investment income of $5,727. 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. Bond interest expense for fiscal year 2021 totaled $9,512, a decrease of 15.5% from fiscal year 2020. Other nonoperating expenses for fiscal year 2021 equaled ($341) in contrast to other nonoperating revenue of $251 in FY20.

FY 2021 net nonoperating revenues (expenses) were much higher than FY 2020, primarily attributable to federal awards received under the CARES Act and CRRSA Act as well as reduction in capital project expenses recognized. Additionally, the airport realized a combined $9,047 actuarial pension and OPEB loss, versus a $12,603 loss in FY 2020. Net income before capital contributions for fiscal year 2021 was $6,941. Overall, with capital contributions of $2,226, net position increased $9,167.

CAPITAL CONTRIBUTIONS

Total FY 2021 capital contributions equaled $2,226, a decrease of $9,066 from fiscal year 2020 capital contributions of $11,292. Insurance recoveries of $821 related to glycol facility repairs and $498 in reimbursements associated with the Inline Baggage Screen Building were recognized in FY21. The remainder of capital contributions were AIP-funded. 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. AIP-funded projects and other capital contributions are summarized below.

Capital Contributions ($000)	2021	2020	2021 - 2020 Change ($)	Change (%)
Taxiways	$ 287	$ 10,631	$ (10,344)	-97.3%
Obstruction Removal	500	153	347	226.3%
Invertebrate Study	44	15	29	189.7%
Airfield Signage & Circuit Study	76		76	100%
Total AIP	907	10,799	(9,892)	-91.6%
Bridge Abatement	-	190	(190)	-100.0%
Glycol Facility Repairs	821	303	518	171.0%
Inline Baggage Screen Bldg	498	-	498	100.0%
Total Other	1,319	493	826	167.5%
Total Capital Contributions	**$ 2,226**	**$ 11,292**	**$ (9,066)**	**-80.3%**

BUDGET TO ACTUAL PERFORMANCE

Bradley's annual operating budget for fiscal year 2021 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 2021 is shown in Table 4.

Total operating revenues were 9.4% below budget. Most categories of airline revenue were less than budget as a result of performing an airline rates and charges true-up entry. FY 2021 airline rates and charges are initially set based on the FY 2021 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, actual airline revenue was $5,730 or 19.3% under budget. Non-airline revenues exceeded budget by $307 or 1.1%. PFC revenue and related interest was $1,238 or 16.3% under budget. CFC revenue and related interest was also under budget by $1,471 or 20.7%. Total operating expenses before depreciation and including bad debt expense were 20.0% under budget with surpluses realized in all categories of expenses.

Table 4
FY 2021 Budget to Actual Performance ($000)

			Variance Greater (Less) Than Budget	
	Budget	**Actual**	**($000)**	**Percent**
Airline Revenue	$ 29,743	$ 24,013	$ (5,730)	-19.3%
Non-Airline Revenue	27,941	28,248	307	1.1%
Total Operating Revenue	$ 57,684	$ 52,262	$ (5,422)	-9.4%
Passenger Facility Charges & PFC Interest	7,597	6,359	(1,238)	-16.3%
Car Rental Facility Charge Revenue & CFC Interest	7,099	5,628	(1,471)	-20.7%
Operating & Maintenance Expenses before Depreciation	$ 66,119	$ 52,913	$ (13,206)	-20.0%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Bradley's gross capital assets increased $94,917 for the year ended June 30, 2021. 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.

Table 5			
Capital Assets as of June 30 ($000)			
	2021	**2020**	**2021 - 2020 Additions**
Building Improvements	$ 337,909	$ 329,664	$ 8,245
Land Improvements	264,141	266,537	(2,396)
Machinery and Equipment	42,439	47,817	(5,378)
Total Depreciable	**644,489**	**644,018**	**471**
Land	3,224	2,898	326
Construction in Progress	168,867	74,746	94,121
Total Non - Depreciable	**172,090**	**77,644**	**94,446**
Total	**$ 816,579**	**$ 721,662**	**$ 94,917**

Debt

At year-end, Bradley has $86,780 in General Airport Revenue Bonds (GARB) outstanding versus $94,595 in fiscal year 2020 – a decrease of $7,815 or 8.3%. Bradley has two outstanding series of GARB bonds as of June 30, 2021. These include the Series 2011A and Series 2011B issued to refund bonds previously issued in support of Bradley's terminal expansion and improvement program.

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. As of June 30, 2021, Bradley has $151,100 in CFC Revenue bonds outstanding, comprised of Series 2019A and Series 2019B.

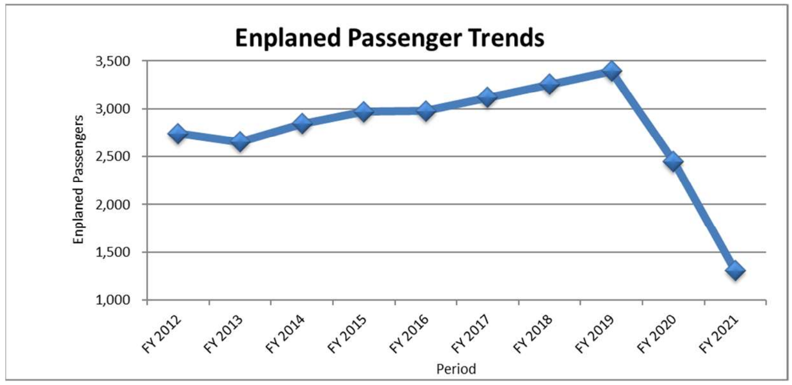
Outstanding Parking Bonds Series 2000A were fully redeemed during August 2020 and have zero outstanding liability.

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

Principal Outstanding	**2021**	**2020**	**2021 - 2020 Change**
Series 2011A	$ 52,070	$ 56,760	$ (4,690)
Series 2011B	34,710	37,835	(3,125)
GARB Principal Outstanding*	$ 86,780	$ 94,595	$ (7,815)
CFC Series 2019A	$ 35,410	$ 35,410	$ -
CFC Series 2019B	115,690	115,690	-
Parking Series 2000A	-	19,195	(19,195)
Other Debt Principal Outstanding	$ 151,100	$ 170,295	$ (19,195)
Total Principal Outstanding	**$ 237,880**	**$ 264,890**	**$ (27,010)**

* Less current maturities of $8,130 results in GARB bonds payable (long-term portion) of $78,650 as of June 30, 2021. 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. After six consecutive years of passenger growth through fiscal year 2019 under the management of the CAA, the travel industry, and in particular, air travel, were significantly impacted by the COVID-19 pandemic beginning in March 2020. Passenger traffic continued to remain depressed until March 2021 when the easing of travel restrictions and a COVID-19 vaccine roll-out began to support the recovery of air travel. Passenger traffic at Bradley began to significantly improve beginning in March 2021 and continued to improve through the end of the fiscal year. By June 2021, monthly total passenger traffic (both enplanements and deplanements) had recovered to approximately 77% of FY 2019 traffic (the most recent pre-pandemic year to compare).

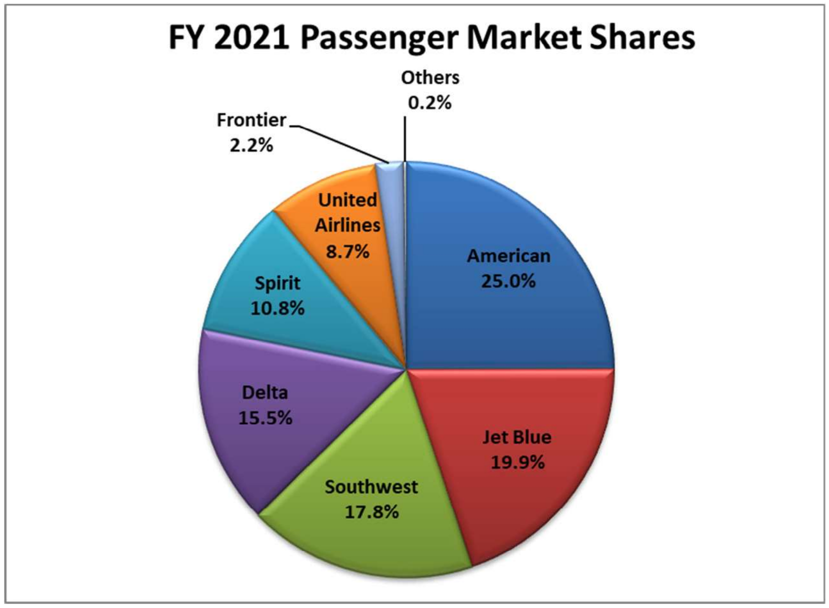
Airlines and airports were both significantly financially impacted by the pandemic. In March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to buffer the national economic downturn caused by the pandemic. Through the CARES Act, eligible airports were awarded $10 billion in funds to provide economic relief. The $10 billion in airport relief was allocated to individual airports based on a variety of formulas including relative enplanement levels, the amount of outstanding debt, and the amount of cash reserves. Bradley was awarded $28.5 million through the CARES Act. All $28.5 million of CARES Act funding was recorded as non-operating grant revenue and reimbursed to Bradley during the fiscal year. The CARES Act also provided $25 billion to the airline industry in payroll support. In addition, the CARES Act made another $25 billion available in governmental loans to airlines. This federal assistance helped airlines weather the industry downturn. Through cost saving measures, route modifications to meet passenger demand, and a general recovery in passenger volumes, almost all airlines have returned to operating profitability by the second quarter of 2021.

In addition to the CARES Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) was signed into law on December 27th, 2020, which included $2 billion in funds for airports. CRRSAA funds were primarily allocated to commercial service airports based on a modified Airport Improvement Program apportionment formula. The FAA has established the Airport Coronavirus Response Grant Program (ACRGP) in order to distribute these funds. Bradley was awarded a general grant of $7.9 million as well as $712 thousand that must be used to provide rent relief to qualifying concessionaires. The CAA has requested reimbursement of all $7.9 million of general grant funds and recorded as non-operating revenue in fiscal year 2021.

Lastly, a third round of federal stimulus was provided when the American Rescue Plan Act (ARPA) was signed into law on March 11th, 2021. ARPA includes $8 billion of funds to be awarded to airports which will be distributed by the FAA through Airport Rescue Grants. Similar to CRRSAA, ARPA funds were primarily allocated to commercial service airports based on a modified Airport Improvement Program apportionment formula. Bradley was awarded a general grant of $24.3 million as well as $2.8 million that must be used to provide rent relief to qualifying concessionaires. The CAA will seek reimbursement of the $24.3 million of general grant funds in fiscal year 2022 and beyond to further support the financial position of Bradley as passenger volumes continue to recover.

Bradley's strong airline cost recovery structure and its non-airline revenue structure have historically provided consistent financial performance. These revenue structures, three waves of federal stimulus (CARES, CRRSAA, ARPA), a strong reserve position, and diligent operating cost cutting measures has allowed Bradley to ride out the worst of the pandemic induced industry downturn and return to more normalized passenger volumes and revenue generation.

In fiscal year 2021, Bradley enplaned 1.31 million passengers, a 46.6% decrease from fiscal year 2020 which had over 8 months of solid passenger traffic before the onset of the pandemic. Enplanement activity began to significantly improve in March 2021 culminating in monthly enplanement levels in June 2021 that measured approximately 77% of June 2019 (a comparison to pre-pandemic statistics). This improvement continued into July 2021 which yielded enplanements representing 86% of July 2019. The CAA continues its route development efforts to improve the menu of destinations served and to further bolster the strong diversity of air carriers at Bradley. JetBlue recently added new direct service from Bradley to Cancun, Mexico in Nov. 2020 and new direct service to Los Angeles, San Francisco, and Las Vegas in Dec. 2020. In addition, Southwest recently added new direct service from Bradley to Nashville beginning in March 2021. The CAA added two new air carriers to Bradley in fiscal year 2021. Breeze Airways joined Bradley in May 2021 with new direct service to Charleston, SC and later added new direct service to Norfolk, VA; Columbus, OH; and Pittsburgh, PA in July 2021. Already present as a cargo carrier, Sun Country joined Bradley in a commercial passenger capacity as well, adding new seasonal direct service to Minneapolis, MN in May 2021 and new seasonal direct service to Orlando, FL in September 2021. Although passenger traffic was significantly impacted by the pandemic, through new route additions and general passenger activity recovery, Bradley has returned to passenger volumes much closer to pre-pandemic levels in recent months as evidenced by the aforementioned statistics. Cargo operations remain strong and an important revenue source for Bradley. In FY21, cargo landed weight represented approximately 40% of the overall landed weight at Bradley.



During fiscal year 2021, Bradley continued to maintain a strong diverse market share amongst 7 active main carriers. With the addition of Breeze and Sun Country late in fiscal year 2021, Bradley now has 9 active main carriers as of fiscal year end. Due to international travel restrictions imposed in response to the pandemic, Air Canada and Aer Lingus both ceased operations at Bradley in March 2020. With international travel restrictions beginning to loosen, the CAA fully expects both carriers to return to serving Bradley in the near future. Year over year, all carriers experienced a drop in passenger traffic due to the effects of the pandemic with the exception of Breeze and Sun Country who were new air carrier additions to Bradley in May 2021. American remains the largest carrier at Bradley with 25.0% of the market followed by Jet Blue with 19.9% and Southwest with 17.8% of the market.

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 2021, American, Southwest, Delta, Jet Blue, United, Spirit, Frontier, Breeze, Sun Country and 10 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 2021 and fiscal year 2020 are shown below in Table 6.

Table 6
Bradley International Airport
Passenger Market Share Trends

Carrier	2021 Enplaned Passengers Mainline	2021 Regional / Express Operations	2021 Total	2020 Enplaned Passengers Mainline	2020 Regional / Express Operations	2020 Total
American	197,815	128,568	**326,383**	468,787	135,896	**604,683**
Jet Blue	260,127	-	**260,127**	312,168	-	**312,168**
Southwest	232,594	-	**232,594**	511,367	-	**511,367**
Delta	128,144	74,645	**202,789**	419,535	58,854	**478,389**
Spirit	140,739	-	**140,739**	195,987	-	**195,987**
United Airlines	38,505	75,118	**113,623**	165,894	75,965	**241,859**
Frontier	28,138	-	**28,138**	54,698	-	**54,698**
Others	2,829	211	**3,040**	26,780	22,342	**49,122**
Total	**1,028,891**	**278,542**	**1,307,433**	**2,155,216**	**293,057**	**2,448,273**

Carrier	2021 Market Shares Mainline	2021 Regional / Express Operations	2021 Total	2020 Market Shares Mainline	2020 Regional / Express Operations	2020 Total
American	15.1%	9.8%	**25.0%**	19.1%	5.6%	**24.7%**
Jet Blue	19.9%	0.0%	**19.9%**	12.8%	0.0%	**12.8%**
Southwest	17.8%	0.0%	**17.8%**	20.9%	0.0%	**20.9%**
Delta	9.8%	5.7%	**15.5%**	17.1%	2.4%	**19.5%**
Spirit	10.8%	0.0%	**10.8%**	8.0%	0.0%	**8.0%**
United Airlines	2.9%	5.7%	**8.7%**	6.8%	3.1%	**9.9%**
Frontier	2.2%	0.0%	**2.2%**	2.2%	0.0%	**2.2%**
Others	0.2%	0.0%	**0.2%**	1.1%	0.9%	**2.0%**
Total	**78.7%**	**21.3%**	**100.0%**	**88.0%**	**12.0%**	**100.0%**

Bradley 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 AIRPORTS 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. Totals and subtotals presented in the tables and charts below may not optically sum in their rounded format as the underlying figures to the whole dollar were used for summation purposes but presented in thousands.

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 Statement of Net Position for the General Aviation Airports shows total assets including deferred outflow of resources for fiscal year 2021 to be $110,825, a decrease of $2,305, or 2.0%, from fiscal year 2020. Total assets are broken down by current assets of $20,137 and net capital assets of $83,665. 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 2021, the amount for deferred outflow of resources is $7,024, which represents the deferred pension and OPEB outflows. For fiscal year 2020 the amount for deferred outflow of resources was $7,721.

Total liabilities including deferred inflow of resources for fiscal year 2021 equal $37,207, reflecting an increase of $1,678 or 4.7% from fiscal year 2020. The increase is attributable to a $1,937 increase in deferred inflows for pension and OPEB and a $1,929 increase in accrued expenses at fiscal year-end, offset by reductions in amounts due to the State related to FAA funded capital project costs originally fronted by the State on behalf of the GA Fund as well as due to a $923 decrease in the combined net pension and OPEB liability. The net pension and OPEB liabilities are the only long-term liabilities for the General Aviation airports. Overall, the total net position for the General Aviation airports is $73,617 compared to net position of $77,601 in fiscal year 2020. Table 7 below shows the details for total net position.

Table 7
Statement of Net Position
June 30, 2021
(in thousands)

	2021	2020	2021 - 2020 Change ($)	2021 - 2020 Change (%)
ASSETS				
Current and other assets	$ 20,137	$ 19,876	$ 261	1.3%
Net capital assets	83,665	85,533	(1,868)	-2.2%
TOTAL ASSETS	**103,801**	**105,409**	**(1,608)**	**-1.5%**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	2,861	3,665	(804)	-21.9%
Deferred OPEB Outflows	4,163	4,056	107	2.6%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**7,024**	**7,721**	**(697)**	**-9.0%**
LIABILITIES				
Accounts Payable and Accrued Liabilities	4,535	2,607	1,929	74.0%
Due to Affiliate/State/Muni	2,638	3,869	(1,232)	-31.8%
Deferred Revenue and Other	158	191	(33)	-17.2%
Net Pension Liability	12,316	12,964	(648)	-5.0%
Net OPEB Liability	14,394	14,669	(275)	-1.9%
TOTAL LIABILITIES	**34,042**	**34,300**	**(258)**	**-0.8%**
DEFERRED INFLOWS OF RESOURCES				
Deferred Amount for Pensions	905	236	669	283.9%
Deferred Amount for OPEB	2,261	993	1,268	127.7%
TOTAL DEFERRED INFLOWS OF RESOURCES	**3,166**	**1,229**	**1,937**	**157.6%**
NET POSITION				
Net Investments in Capital Assets	83,665	85,533	(1,868)	-2.2%
Unrestricted	(10,047)	(7,932)	(2,115)	26.7%
TOTAL NET POSITION	**73,617**	**$ 77,601**	**$ (3,983)**	**-5.1%**

	2021	2020	2021 - 2020 Change ($)	2021 - 2020 Change (%)
NET POSITION at JUNE 30				
Invested in Capital Assets (net)	$ 83,665	$ 85,533	$ (1,868)	-2.2%
Unrestricted	(10,047)	(7,932)	(2,115)	26.7%
TOTAL NET POSITION	**$ 73,617**	**$ 77,601**	**$ (3,983)**	**-5.1%**

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 2021, the General Aviation Airports received $3,273 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 $77,601 and decreased to 73,617 by the end of fiscal 2021. Operating revenues for fiscal year 2021 totaled $3,248, an 8.0% increase from fiscal year 2020. Revenues consisted of airline revenue totaling $267 and non-airline revenue of $2,981. The majority of the non-airline revenue is attributable to land rent and other operating revenue (the majority of which comes from fixed-base operators). Operating expenses before depreciation totaled $5,515 which is an increase of 3.0% over fiscal year 2020. Operating expenses include salaries and related expenses, administrative and general, repairs and maintenance, and energy and utilities. Depreciation expense for fiscal year 2021 is $4,335, which is 1.7% lower than fiscal year 2020. The net nonoperating (expense) for fiscal year 2021 is ($234), which is over 100% lower than the prior fiscal year net nonoperating revenue of $1,508. The nonoperating revenue includes the aviation fuel tax receipts of $3,273 and investment income of $13, offset by nonoperating expenses of $1,913 which consists of $1,500 of grants awarded to non-CAA owned GA airports and $482 of various capital project costs that were expensed. GA airports recorded an ($825) actuarial pension loss and an ($886) actuarial OPEB loss in fiscal year 2021, compared to a combined prior fiscal year gain of $308 in these same accounts. GA airports also recorded $104 of CRRSA act revenue in FY21. Fiscal year 2021 income (loss) before capital contributions equaled ($6,836) compared to ($5,249) in fiscal year 2020. Capital contributions are $2,852, 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
Statement of Revenue, Expenses, and Changes in Net Position
For the Year Ended June 30, 2021
(In Thousands)

	2021	2020	2021 - 2020 Change ($)	2021 - 2020 Change (%)
OPERATING REVENUES				
Landing Fees	$ 138	$ 145	$ (8)	-5.2%
Airline Terminal Rent	11	11	-	0.0%
Aircraft Parking	118	126	(8)	-6.2%
Rental Cars	122	128	(7)	-5.1%
Terminal Concessions	-	1	(1)	-100.0%
Land Rent	1,757	1,504	254	16.9%
Other Operating Revenue	1,102	1,093	9	0.9%
TOTAL OPERATING REVENUES	3,248	3,008	240	8.0%
OPERATING EXPENSES				
Salaries and Related Expenses	4,077	4,092	(15)	-0.4%
Administrative and General	465	356	109	30.5%
Repairs and Maintenance	683	633	50	7.9%
Energy and utilities	291	275	16	5.9%
OPER EXPENSES BEFORE DEPRECIATION	5,515	5,355	160	3.0%
OPER LOSS BEFORE DEPRECIATION	(2,267)	(2,347)	80	-3.4%
Depreciation and Amortization	4,335	4,410	(75)	-1.7%
OPERATING (LOSS)	(6,602)	(6,757)	155	-2.3%
NON OPERATING REVENUES (EXPENSES)				
Investment income	13	208	(195)	-93.8%
Other Non operating expenses	(1,913)	(3,263)	1,350	-41.4%
Aviation Fuel Tax Revenue	3,273	3,900	(627)	-16.1%
Federal Grant Revenue	104	355	(251)	-70.7%
Actuarial Pension Gain (Loss)	(825)	356	(1,181)	-331.8%
Actuarial OPEB Gain (Loss)	(886)	(49)	(837)	1708.1%
NET NON OPERATING REVENUES (EXPENSE)	(234)	1,507	(1,741)	-115.5%
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(6,836)	(5,249)	(1,586)	30.2%
CAPITAL CONTRIBUTIONS	2,852	6,770	(3,918)	-57.9%
Change in Net Position	(3,983)	1,521	(5,504)	-362.0%
Total Net Position, Beginning of Year	77,601	76,080	1,521	2.0%
Total Net Position, End of Year	$ 73,617	$ 77,601	$ (3,983)	-5.1%

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 lease and operating agreements. Tenant lease and 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.

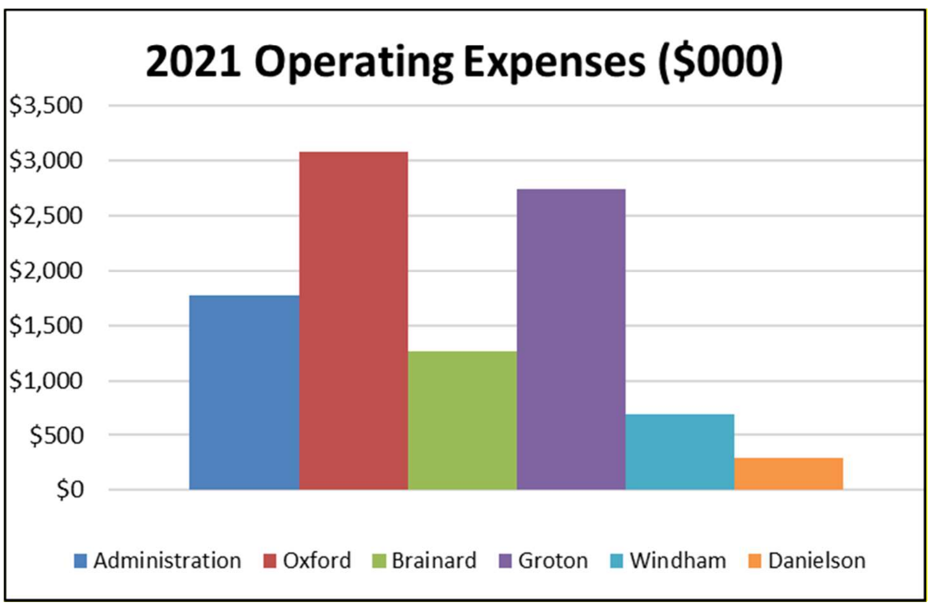
Operating Expenses

Operating expenses in fiscal year 2021 totaled $9,850, 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 2021 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 2021, the GA Fund received $3,273 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 $5,515. Table 9 below details the fiscal year 2021 operating expenses by airport by category.

Table 9
Operating Expenses
For the Year Ended June 30, 2021
(In thousands)

Salaries & Related	**Total 2021**	**GA Airport Administration**	**Oxford**	**Brainard**	**Groton**	**Windham**	**Danielson**
Salaries	$ 1,948	$ 856	$ 313	$ 302	$ 389	$ 45	$ 42
Overtime	167	0	45	39	81	1	1
Other Payroll	61	56	10	10	(17)	1	1
Fringe Benefit	1,901	773	321	330	399	40	37
Salaries & Related	**4,077**	**1,685**	**689**	**681**	**852**	**87**	**82**
Other Expense							
Security	52	-	10	17	15	5	5
Administrative Costs	413	31	80	85	142	46	29
Repairs and Maintenance	655	0	70	96	196	186	106
Utilities	291	2	67	65	131	16	11
Equip/Operating Exp. Misc.	27	-	11	11	6	-	-
Other Expense	**1,438**	**33**	**237**	**273**	**491**	**252**	**152**
Expenses Before Depreciation	**5,515**	**1,718**	**927**	**954**	**1,343**	**340**	**234**
Depreciation & Amortization	4,335	60	2,154	308	1,405	352	56
Total Operating Expenses	**$ 9,850**	**$ 1,778**	**$ 3,081**	**$ 1,261**	**$ 2,749**	**$ 692**	**$ 290**



Budget to Actual Performance

The fiscal year 2021 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 largely dependent on the actual tax revenue received from the aviation fuel tax. Aviation fuel tax revenues exceeded budgeted expectation by $1,932, over 100%, partly supported by recovering airline activity levels. 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, 2021
in thousands

			Variance Greater (Less) Than Budget	
	Budget	**Actual**	**($000)**	**Percent**
Airline Revenue	$ 216	$ 267	$ 50	23.3%
Non-Airline Revenue	2,135	2,981	846	39.6%
Total Operating Revenue	**2,351**	**3,248**	**897**	**38.1%**
Aviation Fuel Tax Revenue	1,341	3,273	1,932	144.1%
Investment Income	45	13	(32)	-71.5%
Operating and Maintenance Expenses before Depreciation	6,396	5,515	(881)	-13.8%

The GA Fund continues to evaluate options to help reduce dependence on outside funding sources yet continues 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 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, 2021. 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 CAA management and we take full responsibility for the accuracy of the data and the completeness and fairness of the presentation.

Statement of Net Position

June 30, 2021

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund	Total Connecticut Airport Authority
Assets			
Current assets:			
Cash	$ 6,459,951	$ 326,055	$ 6,786,006
Current portion of restricted investments	6,738,813	-	6,738,813
Short-term investments	108,677,442	12,716,179	121,393,621
Accounts receivable	4,765,042	1,506,596	6,271,638
Prepaid expenses and other assets	888,549	1,669	890,218
Grants receivable	10,205,997	4,608,822	14,814,819
Due from the State	5,379,615	977,275	6,356,890
Total current assets	143,115,409	20,136,596	163,252,005
Noncurrent assets:			
Restricted assets:			
Cash	22	-	22
Investments	149,436,775	-	149,436,775
Accounts receivable	2,624,100	-	2,624,100
Interest receivable	4,458	-	4,458
Capital assets:			
Assets not subject to depreciation	172,090,300	32,441,275	204,531,575
Assets subject to depreciation - Net	248,171,103	51,223,249	299,394,352
Total noncurrent assets	572,326,758	83,664,524	655,991,282
Total assets	715,442,167	103,801,120	819,243,287
Deferred Outflows of Resources			
Interest rate swaps	12,672,249	-	12,672,249
Deferred loss on bond refunding	1,260,863	-	1,260,863
Other deferred costs - Net	39,712	-	39,712
Deferred pension costs	16,055,085	2,861,085	18,916,170
Deferred OPEB costs	23,358,348	4,162,560	27,520,908
Total deferred outflows of resources	53,386,257	7,023,645	60,409,902
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	30,859,406	4,535,455	35,394,861
Unearned revenue and other	6,850,770	157,805	7,008,575
Due to the State	-	2,637,910	2,637,910
Payables from restricted assets:			
Current portion of revenue bonds payable	8,130,000	-	8,130,000
Revenue bond interest payable	3,880,852	-	3,880,852
Total current liabilities	49,721,028	7,331,170	57,052,198
Noncurrent liabilities:			
Net pension liability	69,113,458	12,316,318	81,429,776
Net OPEB liability	80,774,097	14,394,295	95,168,392
Revenue bonds payable - Net of current portion	232,832,440	-	232,832,440
Interest rate swap	12,672,249	-	12,672,249
Total noncurrent liabilities	395,392,244	26,710,613	422,102,857
Total liabilities	445,113,272	34,041,783	479,155,055

See notes to financial statements.

June 30, 2021

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund	Total Connecticut Airport Authority
Deferred Inflows of Resources			
Deferred pension cost reductions	$ 5,078,572	$ 905,024	$ 5,983,596
Deferred OPEB cost reductions	12,685,515	2,260,614	14,946,129
Total deferred inflows of resources	17,764,087	3,165,638	20,929,725
Net Position			
Net investment in capital assets	207,660,939	83,664,524	291,325,459
Restricted:			
Capital projects	118,386,236	-	118,386,236
Debt service	11,214,377	-	11,214,377
Bond indenture requirement	2,142,077	-	2,142,077
Unrestricted	(33,452,564)	(10,047,180)	(43,499,740)
Total net position	**$ 305,951,065**	**$ 73,617,344**	**$ 379,568,409**

Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2021

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund	Total Connecticut Airport Authority
Operating Revenue			
Airline revenue:			
Landing fees	$ 11,857,239	$ 137,844	$ 11,995,083
Airline terminal rent	9,160,678	10,920	9,171,598
Apron and remote aircraft parking	2,995,203	118,185	3,113,388
Total airline revenue	24,013,120	266,949	24,280,069
Nonairline revenue:			
Rental cars	5,728,525	121,558	5,850,083
Terminal concessions	2,632,763	-	2,632,763
Land rent	6,512,800	1,757,467	8,270,267
Other concessions	1,989,166	-	1,989,166
Other operating revenue	2,446,214	1,102,093	3,548,307
Auto parking	8,938,970	-	8,938,970
Total nonairline revenue	28,248,438	2,981,118	31,229,556
Total operating revenue	52,261,558	3,248,067	55,509,625
Operating Expenses			
Salaries and related expenses	23,536,284	4,076,703	27,612,987
Administrative and general	19,026,429	464,862	19,491,291
Repairs and maintenance	6,864,379	682,780	7,547,159
Energy and utilities	5,225,176	290,756	5,515,932
Depreciation and amortization	20,666,205	4,334,920	25,001,125
Total operating expenses	75,318,473	9,850,021	85,168,494
Operating Loss	(23,056,915)	(6,601,954)	(29,658,869)
Nonoperating Revenue (Expense)			
Passenger facility charge revenue	6,358,796	-	6,358,796
Car rental facility charge revenue	5,628,131	-	5,628,131
Investment income	125,764	12,821	138,585
Federal grant revenue	36,784,501	103,961	36,888,462
Aviation fuel tax revenue	-	3,273,127	3,273,127
Other nonoperating (expenses) income	(340,919)	(1,912,718)	(2,253,637)
Bond interest expense	(9,511,955)	-	(9,511,955)
Noncash pension and OPEB actuarial assumption adjustments	(9,046,614)	(1,711,177)	(10,757,791)
Total nonoperating revenue (expense)	29,997,704	(233,986)	29,763,718
Income (Loss) - Before capital contributions	6,940,789	(6,835,940)	104,849
Capital Contributions	2,226,148	2,852,482	5,078,630
Change in Net Position	9,166,937	(3,983,458)	5,183,479
Net Position - Beginning of year	296,784,128	77,600,802	374,384,930
Net Position - End of year	**$ 305,951,065**	**$ 73,617,344**	**$ 379,568,409**

See notes to financial statements.

Fund Statement of Cash Flows

Year Ended June 30, 2021

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund	Total Connecticut Airport Authority
Cash Flows from Operating Activities			
Receipts from customers	$ 52,261,558	$ 3,248,063	$ 55,509,621
Payments to suppliers	(24,439,512)	(91,679)	(24,531,191)
Payments to employees and fringes	(23,536,284)	(4,076,703)	(27,612,987)
Net cash provided by (used in) operating activities	4,285,762	(920,319)	3,365,443
Cash Flows Provided by Noncapital Financing Activities - Federal grant revenue	28,543,046	2,956,443	31,499,489
Cash Flows from Capital and Related Financing Activities			
Capital grant receipts	10,467,603	-	10,467,603
Losses (gains) on sale of assets	22,139	(45,407)	(23,268)
Proceeds from sale of capital assets	31,356	45,407	76,763
Purchase of capital assets	(103,307,319)	(2,466,428)	(105,773,747)
Principal and interest paid on capital debt	(37,211,786)	-	(37,211,786)
Car rental facility charge receipts	5,628,131	-	5,628,131
Passenger facility charge receipts	6,358,796	-	6,358,796
Other nonoperating (expenses) income	(2,576,737)	1,360,409	(1,216,328)
Net cash used in capital and related financing activities	(120,587,817)	(1,106,019)	(121,693,836)
Cash Flows from Investing Activities			
Interest received on investments	190,471	12,821	203,292
Purchases of investment securities	-	(1,047,737)	(1,047,737)
Proceeds from sale and maturities of investment securities	83,631,121	-	83,631,121
Net cash provided by (used in) investing activities	83,821,592	(1,034,916)	82,786,676
Net Decrease in Cash	(3,937,417)	(104,811)	(4,042,228)
Cash - Beginning of year	10,397,390	430,866	10,828,256
Cash - End of year	**$ 6,459,973**	**$ 326,055**	**$ 6,786,028**
Classification of Cash			
Unrestricted	$ 6,459,951	$ 326,055	$ 6,786,006
Restricted	22	-	22
Total cash	**$ 6,459,973**	**$ 326,055**	**$ 6,786,028**

See notes to financial statements.

Fund Statement of Cash Flows (Continued)

Year Ended June 30, 2021

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund	Total Connecticut Airport Authority
Reconciliation of Operating Loss to Net Cash from Operating Activities			
Operating loss	$ (23,056,915)	$ (6,601,954)	$ (29,658,869)
Adjustments to reconcile operating loss to net cash from operating activities:			
Depreciation and amortization	20,666,205	4,334,920	25,001,125
Changes in assets and liabilities:			
Receivables	(7,284,095)	683,785	(6,600,310)
Prepaid and other assets	(126,547)	(1,669)	(128,216)
Accounts payable and accrued liabilities	8,152,721	697,356	8,850,077
Unearned revenue	5,934,393	(32,757)	5,901,636
Total adjustments	27,342,677	5,681,635	33,024,312
Net cash provided by (used in) operating activities	**$ 4,285,762**	**$ (920,319)**	**$ 3,365,443**

Note 1 - Significant Accounting Policies

Nature of Business

The Connecticut Airport Authority (the "Authority" or 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 (BDL) 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 the General Aviation Airports Enterprise Fund (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 held a fund that includes the parking garage and surface parking lots located at Bradley International Airport. This fund was merged into the BDL fund.

Change in Reporting Entity

Prior to July 1, 2020, under the operating agreement, the surface parking lots, parking garage, and related bonds were required to be reported in a separate fund and independently audited. On June 30, 2020, the Operating Agreement and the Guaranty Agreement were terminated with an effective date of May 31, 2020 (the “Termination Agreement”). Effective June 1, 2020, SP Plus Corporation and the Connecticut Airport Authority entered into an agreement under which SP Plus Corporation agreed to operate the surface parking and garage parking facilities (the “Management Agreement”). The term of the Management Agreement expires on May 31, 2025, and it can be extended for three additional years upon mutual agreement between the Connecticut Airport Authority and SP Plus Corporation. During 2021, the Connecticut Bradley International Airport Special Obligation Parking Revenue Bonds were fully redeemed. As of July 1, 2020, CAA management concluded to include the parking operations in the BDL fund. This change is being treated as a change in reporting entity under Governmental Accounting Standards Board (GASB) Statement No. 62 and has been applied retrospectively to show financial information of BDL and the Bradley International Airport Parking Facility Fund combined under BDL for all years presented. As a result of the change, the BDL net position as of June 30, 2020 increased by $17,931,921, from $278,852,207 to $296,784,128.

Accounting and Reporting Principles

The accompanying financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America prescribed in pronouncements of the GASB. The following is a summary of significant accounting policies of the Authority:

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.

Note 1 - Significant Accounting Policies (Continued)

The Authority distinguishes 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 Authority 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.

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 gross receipts.
- **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 Authority. 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 Authority presents 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.

Note 1 - Significant Accounting Policies (Continued)

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.

Restricted Assets

Restricted assets consist of moneys 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 Authority defines 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 Authority represents overpayments and advance payments by concessionaires and other renters.

Note 1 - Significant Accounting Policies (Continued)

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 Authority's 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.

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 Authority reports 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.

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 Authority 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 Connecticut Airport Authority was $4,757,364 June 30, 2021. This liability is included in accounts payable and accrued liabilities on the statement of net position.

Note 1 - Significant Accounting Policies (Continued)

Net Pension Liability

Eligible employees of the Authority participate in the State Employees Retirement System (SERS). The Authority's 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.

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 Authority 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 Authority 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 Authority's 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 Authority 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 Connecticut Airport Authority was $13,313,671 for the year ended June 30, 2021.

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.

Note 1 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

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 were originally effective for the Authority's financial statements for the year ended June 30, 2021; however, the effective date has been delayed to June 30, 2022 due to the adoption of GASB 95.

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 were originally effective for the Authority's financial statements for the June 30, 2021 fiscal year; however, the effective date has been delayed to June 30, 2022 due to the adoption of GASB 95.

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 were originally effective for the Authority's financial statements for the June 30, 2022 fiscal year; however, the effective date has been delayed to June 30, 2023 due to the adoption of GASB 95.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The Authority does not believe this pronouncement will have a significant impact on its financial statements but is making a full evaluation.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. With the London Interbank Offered Rate (LIBOR) expecting to cease existence in its current form at the end of 2021, this statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) in hedging derivative instruments and leases. The removal of LIBOR as an appropriate benchmark interest rate for a hedging derivative instrument is effective for the Authority's financial statements for the June 30, 2022 fiscal year. All other requirements of the statement are effective for the Authority's financial statements for the June 30, 2021 fiscal year. Lease modification requirements are effective one year later.

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	Total Connecticut Airport Authority
Cash	$ 6,459,973	$ 326,055	$ 6,786,028
State Treasurer's Short-Term Investment Fund	264,853,030	12,716,179	277,569,209
Total cash and investments	$ 271,313,003	$ 13,042,234	$ 284,355,237

The Authority' 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 Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. At year end, the Authority had $6,680,647 of bank deposits (checking and savings accounts) that was 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 Authority will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party. The Authority does 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 Authority's 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, 2021.

Note 2 - Cash and Investments (Continued)

Credit Risk

Connecticut General Statutes authorize the Authority 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 Authority has no investment policy that would further limit its investment choices.

Investment	Carrying Value	Rating	Rating Organization
State Treasurer's Short-Term Investment Fund - BDL	$ 264,853,030	AAAm	S&P
State Treasurer's Short-Term Investment Fund - GA	12,716,179	AAAm	S&P
Total	$ 277,569,209		

Concentration of Credit Risk

The Authority's 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 Authority categorizes its 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, and 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 where 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 Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each liability.

The Authority has the following recurring fair value measurements as of June 30, 2021:

- The interest rate swaps liability of $12,672,249 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 Authority holds shares or interests in investment companies where 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 June 30, 2021, 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, 2021:

Car rental facility charges receivable	$ 797,798
Interest receivable	3,058
Investments	85,330,971
Total restricted car rental facility charges	86,131,827
Less current portion of restricted investments	(3,083,768)
Noncurrent restricted car rental facility charges	$ 83,048,059

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, 2021:

Cash	$ 22
Passenger facility charges receivable	1,826,302
Interest receivable	1,313
Investments	54,822,114
Total	$ 56,649,751

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, 2021:

Interest receivable	$ 87
Investments	16,022,503
Total restricted debt service investments	16,022,590
Less current portion of restricted investments	(3,655,045)
Noncurrent restricted debt service investments	$ 12,367,545

Note 5 - Capital Assets

Capital asset activity of the Authority was as follows:

Bradley International Airport Enterprise Fund

	Balance July 1, 2020	Transfers	Additions	Disposals and Reclassifications	Balance June 30, 2021
Capital assets not being depreciated:					
Land	$ 2,898,113	$ 325,441	$ -	$ -	$ 3,223,554
Construction in progress	75,462,838	(9,074,717)	103,195,503	(716,878)	168,866,746
Subtotal	78,360,951	(8,749,276)	103,195,503	(716,878)	172,090,300
Capital assets being depreciated:					
Buildings and improvements	329,664,267	8,283,786	-	(39,503)	337,908,550
Machinery and equipment	47,816,774	-	111,816	(5,408,915)	42,519,675
Land improvements	266,537,323	465,490	-	(2,861,913)	264,140,900
Subtotal	644,018,364	8,749,276	111,816	(8,310,331)	644,569,125
Accumulated depreciation:					
Buildings and improvements	156,794,042	-	9,605,706	(39,503)	166,360,245
Machinery and equipment	35,697,950	-	2,582,625	(5,408,915)	32,871,660
Land improvements	191,513,195	-	8,514,835	(2,861,913)	197,166,117
Subtotal	384,005,187	-	20,703,166	(8,310,331)	396,398,022
Net capital assets being depreciated	260,013,177	8,749,276	(20,591,350)	-	248,171,103
Net Bradley International Airport Enterprise Fund capital assets	$ 338,374,128	$ -	$ 82,604,153	$ (716,878)	$ 420,261,403

Note 5 - Capital Assets (Continued)

General Aviation Airports Enterprise Fund

	Balance July 1, 2020	Transfers	Additions	Disposals and Reclassifications	Balance June 30, 2021
Capital assets not being depreciated:					
Land	$ 29,785,187	$ -	$ -	$ -	$ 29,785,187
Construction in progress	448,844	(259,188)	2,466,432	-	2,656,088
Subtotal	30,234,031	(259,188)	2,466,432	-	32,441,275
Capital assets being depreciated:					
Buildings and improvements	16,230,786	-	-	-	16,230,786
Machinery and equipment	10,057,540	508,291	-	(90,593)	10,475,238
Land improvements	112,080,539	(249,103)	-	-	111,831,436
Subtotal	138,368,865	259,188	-	(90,593)	138,537,460
Accumulated depreciation:					
Buildings and improvements	10,910,144	-	248,514	-	11,158,658
Machinery and equipment	8,671,005	-	333,178	(90,593)	8,913,590
Land improvements	63,488,735	-	3,753,228	-	67,241,963
Subtotal	83,069,884	-	4,334,920	(90,593)	87,314,211
Net capital assets being depreciated	55,298,981	259,188	(4,334,920)	-	51,223,249
Net General Aviation Airports Enterprise Fund capital assets	$ 85,533,012	$ -	$ (1,868,488)	$ -	$ 83,664,524

Note 6 - Long-term Debt

Long-term debt activity for the year ended June 30, 2021 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	$ 56,760,000	$ -	$ (4,690,000)	$ 52,070,000	$ 4,880,000
Series 2011B	37,835,000	-	(3,125,000)	34,710,000	3,250,000
Total direct borrowings and direct placements principal outstanding	94,595,000	-	(7,815,000)	86,780,000	8,130,000
BDL - Other revenue bonds payable:					
CFC Series 2019A	35,410,000	-	-	35,410,000	-
CFC Series 2019B	115,690,000	-	-	115,690,000	-
Parking Series 2000A	19,195,000	-	(19,195,000)	-	-
Total other debt principal outstanding	170,295,000	-	(19,195,000)	151,100,000	-
Unamortized bond premiums on Series 2019 bonds	3,192,527	-	(110,087)	3,082,440	-
Total BDL activities long-term debt	$ 268,082,527	$ -	$ (27,120,087)	$ 240,962,440	$ 8,130,000

The Authority had deferred outflows of $1,260,863 related to deferred charges on bond refundings at June 30, 2021.

Series 2000A and 2000B

On April 6, 2000, the State issued $47,665,000 of State of Connecticut Bradley International Airport Special Obligation Parking Revenue Bonds, Series 2000 A (Series A Bonds) and $6,135,000 of State of Connecticut Bradley International Airport Special Obligation Parking Revenue Bonds, Taxable Series 2000 B (Series B Bonds). On July 1, 2007, the final principal payment of the Series B Bonds was made, and the Series B Bonds were retired. Under the trust indenture, among other sources, the State pledged as security the garage parking receipts, held in various funds held by the trustee. Repayment of Series A Bonds was guaranteed by a third-party insurance company. The Guaranty Agreement was terminated effective May 31, 2020.

On July 1, 2020, $3,350,000 of Series 2000A Bonds outlined in the table above was paid in full as required. On August 3, 2020, the State redeemed all previously outstanding Series A Bonds totaling $15,845,000.

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.

Note 6 - Long-term Debt (Continued)

As of June 30, 2021, the outstanding principal balances on the Series 2011A and 2011B bonds were $52,070,000 and $34,710,000, respectively. On the Series 2011A bonds, interest is charged at a variable rate equal to 80 percent of the one-month LIBOR plus 42 basis points. On the Series 2011B bonds, interest is charged at a variable rate equal to 81.5 percent of the sum of the one-month LIBOR plus 44 basis points.

The 2011 bonds are secured by and payable solely from the operating revenue generated by BDL from the operation of Bradley International Airport and other receipts, funds, or moneys 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 $6,183,886 compared to the annual debt requirement of $11,458,695. However, the trust indenture allows for the State and the Authority to appropriately adjust rates, fees, and other charges as advised by an airport consultant, and there will not be a default of the bond until at least the end of the such next fiscal year. As of June 30, 2021, the Authority has also made all required principal and interest payments under the 2011A and 2011B bonds.

CFC Series 2019A and 2019B

On April 9, 2019, Connecticut Airport Authority Customer Facility Charge Revenue Bonds Series 2019A and 2019B bonds 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, 2021, 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 bonds, 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 moneys pledged in the bond indenture. During the current year, pledged revenue of BDL, including funds on deposit in the Coverage Fund, was $7,998,525, compared to the annual debt requirement of $7,709,170.

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, 2021 are recognized as restricted assets in the accompanying statement of net position.

Note 6 - Long-term Debt (Continued)

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:

Years Ending June 30	CFC Series 2019 Bonds Principal	CFC Series 2019 Bonds Interest	Total
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	3,495,000	6,063,644	9,558,644
2026	3,595,000	5,958,331	9,553,331
2027-2031	19,780,000	27,920,989	47,700,989
2032-2036	23,635,000	23,932,835	47,567,835
2037-2041	28,855,000	18,585,253	47,440,253
2042-2046	35,490,000	11,793,404	47,283,404
2047-2050	34,410,000	3,231,250	37,641,250
Total	$ 151,100,000	$ 115,961,346	$ 267,061,346

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 2011A and 2011B 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, 2021, the Authority 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, 2021. BDL is not required to post collateral for either of the swaps.

Note 7 - Interest Rate Swaps (Continued)

Basis Risk

BDL variable-rate bond interest payments are reset weekly using a formula based on the 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.

The following is a summary of terms of the interest rate swaps held on June 30, 2021 by the Authority:

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	52,070,000	34,710,000
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, 2021	0.488%	0.488%
Variable interest rate in effect on related bonds as of June 30, 2021	0.493%	0.433%
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, 2021, 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, 2020	$ (10,397,707)	$ (6,972,238)	$ (17,369,945)
Change in fair value	2,800,195	1,897,501	4,697,696
Fair value as of June 30, 2021	$ (7,597,512)	$ (5,074,737)	$ (12,672,249)

Note 7 - Interest Rate Swaps (Continued)

Interest Rate Swap Payments and Hedged Debt

Aggregate debt service requirements of the Authority's variable-rate bonds and net receipt/payments on the associated interest rate swap agreements as of June 30, 2021 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.

Fiscal Year Ending June 30	Variable-rate Bond Principal	Variable-rate Bond Interest	Interest Rate Swaps - Net	Total
2022	$ 8,130,000	$ 375,549	$ 3,183,723	$ 11,689,272
2023	6,555,000	343,204	2,909,382	9,807,586
2024	6,815,000	311,784	2,642,938	9,769,722
2025	7,090,000	279,102	2,365,810	9,734,912
2026	7,370,000	245,124	2,077,848	9,692,972
2027-2030	32,535,000	666,696	5,194,745	38,396,441
2031-2032	18,285,000	10,851	824,289	19,120,140
Total	$ 86,780,000	$ 2,232,310	$ 19,198,735	$ 108,211,045

Note 8 - Accounts Payable and Accrued Liabilities

The following is the detail of accounts payable and accrued liabilities as of June 30, 2021:

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund	Total Connecticut Airport Authority
Accrued operating expenses	$ 4,579,590	$ 1,580,022	$ 6,159,612
Accounts payable - Projects	20,744,642	1,839,255	22,583,897
Accrued payroll and compensated absences	5,535,174	1,116,178	6,651,352
Total	$ 30,859,406	$ 4,535,455	$ 35,394,861

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
2022	$ 25,858,914
2023	13,506,608
2024	11,794,940
2025	11,091,267
2026	10,576,699
Total	$ 72,828,428

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
2022	$	1,301,478
2023		1,300,159
2024		1,200,886
2025		1,195,654
2026		1,180,188
Total	$	6,178,365

Note 10 - Pension Plan

Plan Description

Eligible employees of the Authority participate in the State Employees Retirement System. 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 Authority's employees are employees of the State of Connecticut. The State charges the Authority for its 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 3 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 5 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, 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 5 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 3 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 Authority's 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, 2020.

Net Pension Liability

At June 30, 2021, the Authority reported a liability of $81,429,776 ($69,113,458 and $12,316,318 for the Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund, respectively) for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Authority's proportion of the net pension liability was based on the Authority's actuarially required contribution for the year ended June 30, 2020 relative to all other contributing employers. At June 30, 2020, the Authority's proportion was 0.34330 percent, which was a decrease of 0.03393 percent from its proportion measured as of June 30, 2019. 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, 2021, the Authority recognized pension expense of $5,205,316.

At June 30, 2021, the Authority 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	$ 3,730,177	$ -
Changes in assumptions	1,840,951	-
Net difference between projected and actual earnings on pension plan investments	1,164,935	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	4,613,619	(5,078,572)
Employer contributions to the plan subsequent to the measurement date	4,705,403	-
Total	$ 16,055,085	$ (5,078,572)

Note 10 - Pension Plan (Continued)

	General Aviation Airports Enterprise Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 664,734	$ -
Changes in assumptions	328,065	-
Net difference between projected and actual earnings on pension plan investments	207,597	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	822,167	(905,024)
Employer contributions to the plan subsequent to the measurement date	838,522	-
Total	$ 2,861,085	$ (905,024)

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
2022	$ 3,093,062	$ 551,197
2023	1,762,330	314,055
2024	1,498,101	266,968
2025	381,809	68,040
2026	(464,192)	(82,721)
Total	$ 6,271,110	$ 1,117,539

Actuarial Assumptions

The total pension liability in the June 30, 2020 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 Authority's 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, 2020 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
Domestic equity	20.00 %	5.60 %
Developed market (non-U.S.)	11.00	6.00
Emerging markets (non-U.S.)	9.00	7.90
Fixed income (core)	16.00	2.10
Inflation-linked bonds	5.00	1.10
Emerging market debt	5.00	2.70
High-yield bonds	6.00	4.00
Real estate	10.00	4.50
Private equity	10.00	7.30
Alternative investments	7.00	2.90
Cash or cash equivalents	1.00	0.40

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

The following presents the net pension liability of the Authority, calculated using the discount rate of 6.90 percent, as well as what the Authority's 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 Percentage Point Decrease (5.9%)	Current Discount Rate (6.9%)	1 Percentage Point Increase (7.9%)
Net pension liability of the State Employees Retirement System - BDL	$ 82,111,965	$ 69,113,458	$ 58,250,156
Net pension liability of the State Employees Retirement System - GA	14,632,709	12,316,318	10,380,431

Note 11 - Related Party Transactions

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

In addition, the Authority receives 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 $2,637,910 at June 30, 2021. BDL had no amounts due to the State at June 30, 2021.

Amounts due from the State presented in the statement of net position totaled $5,379,615 and $977,275 at June 30, 2021 for BDL and GA, respectively.

Note 12 - Other Postemployment Benefit Plan

Plan Description

The State provides postemployment health care 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 Authority. 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 annual comprehensive 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 health care benefits to plan members.

Benefits Provided

When employees retire, the State pays up to 100 percent of their health care 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 health care 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 health care 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, 2021, the Authority reported a liability of $95,168,392 ($80,774,097 and $14,394,295 for the Bradley International Airport Enterprise Fund and General Aviation Airports Enterprise Fund, respectively) for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2020, which used update procedures to roll forward the estimated liability to June 30, 2021. The Authority's proportion of the net OPEB liability was based on the Authority's actuarially required contribution for the year ended June 30, 2020 relative to all other contributing employers. At June 30, 2020, the Authority's proportion was 0.404 percent, which was an increase of 0.067 from its proportion measured as of June 30, 2019.

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, 2021, the Authority recognized OPEB expense of $9,175,674.

At June 30, 2021, the Authority 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
Difference between expected and actual experience	$ -	$ (1,864,464)
Changes in assumptions	13,407,684	(1,568,570)
Net difference between projected and actual earnings on OPEB plan investments	159,275	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	6,819,557	(9,252,481)
Employer contributions to the plan subsequent to the measurement date	2,971,832	-
Total	$ 23,358,348	$ (12,685,515)

	General Aviation Airports Enterprise Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ (332,256)
Changes in assumptions	2,389,307	(279,526)
Net difference between projected and actual earnings on OPEB plan investments	28,384	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	1,215,275	(1,648,832)
Employer contributions to the plan subsequent to the measurement date	529,594	-
Total	$ 4,162,560	$ (2,260,614)

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
2022	$ 2,230,150	$ 397,422
2023	2,461,712	438,688
2024	2,985,020	531,943
2025	183,476	32,696
2026	(159,357)	(28,397)
Total	$ 7,701,001	$ 1,372,352

Note 12 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using an inflation assumption of 2.50 percent; assumed salary increases (including inflation) of 3.25 percent; an investment rate of return (net of investment expenses) of 6.90 percent; a health care cost trend rate of 6.00 percent for 2019, 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 2.38 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 Authority's 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, 2020 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
Domestic equity fund	20.00 %	5.60 %
Developed market international stock fund	11.00	6.00
Emerging markets international stock fund	9.00	7.90
Core fixed income	16.00	2.10
Inflation linked bond fund	5.00	1.10
Emerging market debt fund	5.00	2.70
High yield bond fund	6.00	4.00
Real estate fund	10.00	4.50
Private equity	10.00	7.30
Alternative investments	7.00	2.90
Liquidity fund	1.00	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 Authority, calculated using the discount rate of 2.38 percent, as well as what the Authority's 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 Percentage Point Decrease (1.38%)	Current Discount Rate (2.38%)	1 Percentage Point Increase (3.38%)
Net OPEB liability of the State of Connecticut State Employee OPEB Plan - BDL	$ 96,184,766	$ 80,774,097	$ 71,651,879
Net OPEB liability of the State of Connecticut State Employee OPEB Plan - GA	17,140,543	14,394,295	12,768,676

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

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

	1 Percentage Point Decrease (3.50%)	Current Health Care Cost Trend Rate (4.50%)	1 Percentage Point Increase (5.50%)
Net OPEB liability of the State of Connecticut State Employee OPEB Plan - BDL	$ 70,846,416	$ 80,774,097	$ 97,534,825
Net OPEB liability of the State of Connecticut State Employee OPEB Plan - GA	12,625,139	14,394,295	17,381,129

Note 13 - Risk Management

The Authority is 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 Authority has 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 Authority has active construction projects at year end. At year end, the Authority's commitments with contractors are as follows:

Project Name	Spent to Date	Remaining Commitment	Airport
CONRAC facility	$ 164,743,269	$ 48,833,863	Bradley
Inline baggage screen building	1,416,000	2,535,221	Bradley
Airfield Signage & Cir Study	382,637	4,205,426	Bradley
Rehab Runway 13-31	1,698,536	499,250	Danielson
Total	$ 168,240,442	$ 56,073,760	

Note 15 - COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted thousands of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted global business operations. These measures included international travel restrictions and, in some states, orders to stay home. As a result, domestic travel across the United States has significantly declined. The pandemic and the resulting restrictions have caused disruption in aviation activity and passenger traffic at the Bradley International Airport and General Aviation Airports and at airports around the world.

On March 25, 2020, Congress and the White House agreed to a COVID-19 assistance package, which includes $10 billion from the federal General Fund to remain available until expended for airports to prevent, prepare for, and respond to COVID-19. Through the assistance package, which was signed into law as the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Authority received a grant award of $28,898,046, all of which as used as of June 30, 2021.

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) was signed into law. CRRSAA includes $2 billion in funds to be awarded as economic relief to eligible U.S. airports and eligible concessions at those airports. The Authority was awarded $8,097,549, of which $8,014,024 was used was of June 30, 2021.

On March 11, 2021, the president of the United States signed the American Rescue Plan Act of 2021 (ARPA), a $1.9 trillion economic stimulus package designed to help the United States' economy recover from the adverse impacts of the COVID-19 pandemic. In addition to other economic relief, ARPA includes financial relief for certain eligible airports. For eligible airports, ARPA appropriates $8 billion to assist in preventing, preparing for, and responding to COVID-19, and such amounts remain available until September 30, 2024. ARPA requires that, of the $8 billion appropriated, no more than $6.492 billion be made available for primary airports, such as CAA, for "costs related to operations, personnel, cleaning, sanitation, janitorial services, combating the spread of pathogens at the airport, and debt service payments." ARPA further appropriates no more than $608 million to pay a federal share of 100 percent of the costs for any grant awarded in federal fiscal year 2021 (or in federal fiscal year 2020 with less than a 100 percent federal share) for any airport redevelopment project and provides for no more than $800 million for sponsors of primary airports to provide relief from rent and minimum annual guarantees to airport concessions. CAA is eligible to receive funding of approximately $27,000,000, of which approximately $2,850,000 is for concession relief. For the year ended June 30, 2021, CAA did not expend any these funds.

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 Seven Fiscal Years

Plan Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015
Fund's proportion of the net pension liability	0.29135 %	0.32040 %	0.28625 %	0.27716 %	0.27163 %	0.29059 %	0.29971 %
Fund's proportionate share of the net pension liability	$ 69,113,458	$ 73,090,730	$ 61,595,799	$ 57,990,740	$ 61,956,274	$ 47,598,087	$ 47,575,674
Fund's covered payroll	$ 11,720,000	$ 12,036,000	$ 11,122,000	$ 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	589.71 %	607.27 %	627.82 %	543.34 %	613.00 %	452.71 %	473.15 %
Plan fiduciary net position as a percentage of total pension liability	35.84 %	36.79 %	36.62 %	36.25 %	31.69 %	39.23 %	39.54 %

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

See notes to required supplemental information.

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

Last Seven Fiscal Years

Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 4,709,153	$ 5,056,971	$ 4,130,664	$ 4,274,662	$ 4,079,450	$ 3,985,793	$ 3,802,980
Contributions in relation to the statutorily required contribution	4,709,153	5,056,971	4,130,664	4,274,662	4,079,450	3,985,793	3,802,980
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Fund's Covered Payroll	$ 11,720,000	$ 12,036,000	$ 11,122,000	$ 10,673,000	$ 10,107,000	$ 10,514,000	$ 10,055,000
Contributions as a Percentage of Covered Payroll	40.18 %	42.02 %	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 Five Fiscal Years

Plan Years Ended June 30

	2021	2020	2019	2018	2017
Fund's proportion of the net OPEB liability	0.34312 %	0.39987 %	0.33442 %	0.33889 %	0.34034 %
Fund's proportionate share of the net OPEB liability	$ 80,774,097	$ 82,702,357	$ 57,534,119	$ 58,839,962	$ 58,682,410
Fund's covered payroll	$ 11,720,000	$ 12,036,000	$ 11,122,000	$ 10,673,000	$ 10,107,000
Fund's proportionate share of the net OPEB liability as a percentage of its covered payroll	689.20 %	687.12 %	459.57 %	551.30 %	580.61 %
Plan fiduciary net position as a percentage of total OPEB liability	6.13 %	5.47 %	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 Five Fiscal Years

Years Ended June 30

	2021	2020	2019	2018	2017
Statutorily required contribution	$ 3,008,652	$ 3,010,775	$ 2,681,661	$ 2,261,751	$ 2,071,270
Contributions in relation to the statutorily required contribution	3,008,652	3,010,775	2,681,661	2,261,751	2,071,270
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Fund's Covered Payroll	$ 11,720,000	$ 12,036,000	$ 11,122,000	$ 10,673,000	$ 10,107,000
Contributions as a Percentage of Covered Payroll	25.67 %	25.01 %	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 Seven Fiscal Years

Plan Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015
Fund's proportion of the net pension liability	0.05192 %	0.05683 %	0.05542 %	0.05407 %	0.05299 %	0.05668 %	0.05846 %
Fund's proportionate share of the net pension liability	$ 12,316,318	$ 12,964,358	$ 12,500,018	$ 11,802,030	$ 12,585,970	$ 9,785,110	$ 9,782,981
Fund's covered payroll	$ 2,089,000	$ 2,135,000	$ 2,153,000	$ 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	589.58 %	607.23 %	657.90 %	566.86 %	638.23 %	477.09 %	498.62 %
Plan fiduciary net position as a percentage of total pension liability	35.84 %	36.79 %	36.62 %	36.25 %	31.69 %	39.23 %	39.54 %

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

See notes to required supplemental information.

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

Last Seven Fiscal Years

Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 839,191	$ 896,974	$ 799,752	$ 833,861	$ 795,781	$ 777,511	$ 741,849
Contributions in relation to the statutorily required contribution	839,191	896,974	799,752	833,861	795,781	777,511	741,849
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Fund's Covered Payroll	$ 2,089,000	$ 2,135,000	$ 2,153,000	$ 2,082,000	$ 1,972,000	$ 2,051,000	$ 1,962,000
Contributions as a Percentage of Covered Payroll	40.17 %	42.01 %	37.15 %	40.05 %	40.35 %	37.91 %	37.81 %

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

See notes to required supplemental information.

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 Five Fiscal Years

Plan Years Ended June 30

	2021	2020	2019	2018	2017
Fund's proportion of the net OPEB liability	0.06115 %	0.07092 %	0.06475 %	0.06699 %	0.06728 %
Fund's proportionate share of the net OPEB liability	$ 14,394,295	$ 14,669,205	$ 11,379,143	$ 11,631,972	$ 11,600,826
Fund's covered payroll	$ 2,089,000	$ 2,135,000	$ 2,153,000	$ 2,082,000	$ 1,972,000
Fund's proportionate share of the net OPEB liability as a percentage of its covered payroll	689.05 %	687.08 %	469.44 %	558.69 %	588.28 %
Plan fiduciary net position as a percentage of total OPEB liability	6.13 %	5.47 %	4.69 %	3.03 %	1.94 %

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

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

Last Five Fiscal Years

Years Ended June 30

	2021	2020	2019	2018	2017
Statutorily required contribution	$ 536,155	$ 534,032	$ 519,206	$ 447,122	$ 409,466
Contributions in relation to the statutorily required contribution	536,155	534,032	519,206	447,122	409,466
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Fund's Covered Payroll	$ 2,089,000	$ 2,135,000	$ 2,153,000	$ 2,082,000	$ 1,972,000
Contributions as a Percentage of Covered Payroll	25.67 %	25.01 %	21.42 %	21.48 %	20.76 %

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

Pension Information

Benefit Changes

In 2017, benefits changed related to the COLA used and contribution rates based on tiered structure, resulting in a decrease in the total pension liability.

Changes in Assumptions

In 2016, assumptions changed related to the investment rate of return and salary increases, resulting in an increase in the total pension liability.

OPEB Information

Benefit Changes

There were no changes of benefit terms in 2021.

Changes in Assumptions

In 2021, the discount rate was updated to 2.38 percent, and the trends for Medicare-eligible retiree costs were updated to reflect final negotiated changes in Medicare Advantage rates for calendar year 2022.

In 2018, assumptions changed related to updating the valuation year per capital health costs and future trend and decreasing the discount rate, resulting in an increase in total OPEB liability.

Other Supplemental Information

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

June 30, 2021
(with comparative totals for 2020)

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	$ 6,459,951	$ 10,397,390
Short-term investments	108,677,442	89,378,347
Current portion of restricted investments	6,738,813	10,738,243
Accounts receivable	4,765,042	7,098,386
Due from the State	5,379,615	5,047,082
Grants receivable	10,205,997	921,091
Prepaid expenses and other assets	888,549	45,124
Total current assets	143,115,409	123,625,663
Noncurrent assets:		
Restricted assets:		
Cash	22	4,507,630
Investments	149,436,775	243,859,930
Accounts receivable	2,624,100	388,282
Interest receivable	4,458	69,165
Capital assets:		
Assets not subject to depreciation	172,090,300	78,360,951
Assets subject to depreciation - Net	248,171,103	260,013,177
Total noncurrent assets	572,326,758	587,199,135
Total assets	715,442,167	710,824,798
Deferred Outflows of Resources		
Interest rate swaps	12,672,249	17,369,945
Deferred loss on bond refunding	1,260,863	1,383,875
Other deferred costs - Net	39,712	43,322
Deferred pension costs	16,055,085	20,663,037
Deferred OPEB costs	23,358,348	22,865,990
Total deferred outflows of resources	53,386,257	62,326,169
Liabilities		
Current liabilities:		
Accounts payable	30,859,406	22,230,725
Unearned revenue and other	6,850,770	856,291
Payables from restricted assets:		
Current portion of revenue bonds payable	8,130,000	11,165,000
Revenue bond interest payable	3,880,852	4,570,684
Total current liabilities	49,721,028	38,822,700

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

June 30, 2021
(with comparative totals for 2020)

	2021	2020
Noncurrent liabilities:		
Other payables	$ -	$ 536,047
Net pension liability	69,113,458	73,090,730
Net OPEB liability	80,774,097	82,702,357
Revenue bonds payable - Net of current portion	232,832,440	256,917,527
Interest rate swap	12,672,249	17,369,945
Total noncurrent liabilities	395,392,244	430,616,606
Total liabilities	445,113,272	469,439,306
Deferred Inflows of Resources		
Deferred pension cost reductions	5,078,572	1,329,153
Deferred OPEB cost reductions	12,685,515	5,598,380
Total deferred inflows of resources	17,764,087	6,927,533
Net Position		
Net investment in capital assets	207,660,939	173,776,233
Restricted:		
Capital projects	118,386,236	136,902,413
Debt service	11,214,377	13,898,411
Bond indenture requirements	2,142,077	6,704,298
Unrestricted	(33,452,564)	(34,497,227)
Total net position	**$ 305,951,065**	**$ 296,784,128**

* Both the 2021 and 2020 columns include the parking activity. See Note 1 for additional information.

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

Year Ended June 30, 2021
(with comparative totals for 2020)

	2021	2020
Operating Revenue		
Airline revenue:		
Landing fees	$ 11,857,239	$ 19,558,030
Airline terminal rent	9,160,678	11,861,751
Apron and remote aircraft parking	2,995,203	4,931,862
Total airline revenue	24,013,120	36,351,643
Nonairline revenue:		
Rental cars	5,728,525	7,564,649
Terminal concessions	2,632,763	4,012,079
Land rent	6,512,800	6,225,732
Other concessions	1,989,166	4,279,968
Other operating revenue	2,446,214	2,890,152
Auto parking	8,938,970	33,394,619
Total nonairline revenue	28,248,438	58,367,199
Total operating revenue	52,261,558	94,718,842
Operating Expenses		
Salaries and related expenses	23,536,284	23,920,086
Administrative and general	19,026,429	28,127,045
Repairs and maintenance	6,864,379	6,933,703
Energy and utilities	5,225,176	4,930,879
Depreciation and amortization	20,666,205	21,571,047
Total operating expenses	75,318,473	85,482,760
Operating (Loss) Income	(23,056,915)	9,236,082
Nonoperating Revenue (Expense)		
Passenger facility charge revenue	6,358,796	10,099,435
Car rental facility charge revenue	5,628,131	13,225,160
Investment income	125,764	2,034,514
Federal grant revenue	36,784,501	171,550
Other nonoperating (expenses) income	(340,919)	250,762
Bond interest expense	(9,511,955)	(11,261,668)
Airline revenue share expense	-	(1,541,739)
Noncash pension and OPEB actuarial assumption adjustments	(9,046,614)	(12,602,940)
Total nonoperating revenue	29,997,704	375,074
Income - Before capital contributions	6,940,789	9,611,156
Capital Contributions	2,226,148	11,292,339
Change in Net Position	9,166,937	20,903,495
Net Position - Beginning of year	296,784,128	275,880,633
Net Position - End of year	**$ 305,951,065**	**$ 296,784,128**

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

June 30, 2021

(with comparative totals for 2020)

	Oxford Airport	Brainard Airport	Groton New London Airport	Danielson Airport	Windham Airport	GA Airport Administration	2021	2020
Assets								
Current assets:								
Cash	$ -	$ -	$ -	$ -	$ -	$ 326,055	$ 326,055	$ 430,866
Short-term investments	-	-	-	-	-	12,716,179	12,716,179	11,668,442
Accounts receivable	89,516	80,746	38,984	-	11,963	1,285,387	1,506,596	1,696,044
Due from the State	-	-	-	-	-	977,275	977,275	770,190
Grants receivable	2,770,936	92,295	115,081	1,617,043	13,000	467	4,608,822	5,310,244
Prepaid expenses and other assets	-	-	1,669	-	-	-	1,669	-
Total current assets	2,860,452	173,041	155,734	1,617,043	24,963	15,305,363	20,136,596	19,875,786
Noncurrent assets - Capital assets:								
Assets not subject to depreciation	29,102,462	555,921	636,468	1,894,351	236,789	15,284	32,441,275	30,234,031
Assets subject to depreciation - Net	30,738,474	5,549,886	11,695,516	609,626	2,416,409	213,338	51,223,249	55,298,981
Total noncurrent assets - Capital assets	59,840,936	6,105,807	12,331,984	2,503,977	2,653,198	228,622	83,664,524	85,533,012
Total assets	62,701,388	6,278,848	12,487,718	4,121,020	2,678,161	15,533,985	103,801,120	105,408,798
Deferred Outflows of Resources								
Deferred pension costs	-	-	-	-	-	2,861,085	2,861,085	3,665,075
Deferred OPEB costs	-	-	-	-	-	4,162,560	4,162,560	4,055,820
Total deferred outflows of resources	-	-	-	-	-	7,023,645	7,023,645	7,720,895
Liabilities								
Current liabilities:								
Accounts payable	310,706	200,074	186,927	1,596,518	6,375	2,234,855	4,535,455	2,606,523
Unearned revenue and other	46,300	15,985	60,417	21,363	5,000	8,740	157,805	190,562
Due to the State	2,625,009	-	-	12,901	-	-	2,637,910	3,869,482
Total current liabilities	2,982,015	216,059	247,344	1,630,782	11,375	2,243,595	7,331,170	6,666,567
Noncurrent liabilities:								
Net pension liability	-	-	-	-	-	12,316,318	12,316,318	12,964,358
Net OPEB liability	-	-	-	-	-	14,394,295	14,394,295	14,669,205
Total liabilities	2,982,015	216,059	247,344	1,630,782	11,375	28,954,208	34,041,783	34,300,130
Deferred Inflows of Resources								
Deferred pension cost reductions	-	-	-	-	-	905,024	905,024	235,757
Deferred OPEB cost reductions	-	-	-	-	-	2,260,614	2,260,614	993,004
Total deferred inflows of resources	-	-	-	-	-	3,165,638	3,165,638	1,228,761
Net Position (Deficit)								
Net investment in capital assets	59,840,936	6,105,807	12,331,984	2,503,977	2,653,198	228,622	83,664,524	85,533,012
Unrestricted	(121,563)	(43,018)	(91,610)	(13,739)	13,588	(9,790,838)	(10,047,180)	(7,932,210)
Total net position (deficit)	**$ 59,719,373**	**$ 6,062,789**	**$ 12,240,374**	**$ 2,490,238**	**$ 2,666,786**	**$ (9,562,216)**	**$ 73,617,344**	**$ 77,600,802**

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

Year Ended June 30, 2021
(with comparative totals for 2020)

	Oxford Airport	Brainard Airport	Groton New London Airport	Danielson Airport	Windham Airport	GA Airport Administration	2021	2020
Operating Revenue								
Airline revenue:								
Landing fees	$ 137,844	$ -	$ -	$ -	$ -	$ -	$ 137,844	$ 145,451
Airline terminal rent	-	-	10,920	-	-	-	10,920	10,920
Apron and remote aircraft parking	24,060	46,710	21,780	-	25,635	-	118,185	125,935
Total airline revenue	161,904	46,710	32,700	-	25,635	-	266,949	282,306
Nonairline revenue:								
Rental cars	3,153	517	117,888	-	-	-	121,558	128,141
Terminal concessions	-	-	-	-	-	-	-	1,098
Land rent	717,307	545,301	360,524	52,760	81,570	5	1,757,467	1,503,659
Other operating revenue	715,169	66,398	300,420	3,889	11,163	5,054	1,102,093	1,092,621
Total nonairline revenue	1,435,629	612,216	778,832	56,649	92,733	5,059	2,981,118	2,725,519
Total operating revenue	1,597,533	658,926	811,532	56,649	118,368	5,059	3,248,067	3,007,825
Operating Expenses								
Salaries and related expenses	689,494	680,933	852,079	81,970	87,217	1,685,010	4,076,703	4,091,648
Administrative and general	89,459	101,376	157,670	34,164	50,991	31,202	464,862	356,230
Repairs and maintenance	80,991	106,842	202,523	106,485	185,836	103	682,780	632,557
Energy and utilities	66,775	64,593	130,829	11,224	15,578	1,757	290,756	274,679
Depreciation and amortization	2,154,097	307,621	1,405,481	55,696	352,182	59,843	4,334,920	4,409,608
Total operating expenses	3,080,816	1,261,365	2,748,582	289,539	691,804	1,777,915	9,850,021	9,764,722
Operating Loss	(1,483,283)	(602,439)	(1,937,050)	(232,890)	(573,436)	(1,772,856)	(6,601,954)	(6,756,897)
Nonoperating Revenue (Expense)								
Investment income	-	-	-	-	-	12,821	12,821	207,983
Federal grant revenue	41,961	13,000	23,000	13,000	13,000	-	103,961	355,000
Aviation fuel tax revenue	-	-	-	-	-	3,273,127	3,273,127	3,899,700
Other nonoperating (expenses) income	(263,600)	(52,239)	49,226	(64,100)	16,237	(1,598,242)	(1,912,718)	(3,262,582)
Noncash pension and OPEB actuarial assumption adjustments	-	-	-	-	-	(1,711,177)	(1,711,177)	307,610
Total nonoperating (expense) revenue	(221,639)	(39,239)	72,226	(51,100)	29,237	(23,471)	(233,986)	1,507,711
Loss - Before capital contributions	(1,704,922)	(641,678)	(1,864,824)	(283,990)	(544,199)	(1,796,327)	(6,835,940)	(5,249,186)
Capital Contributions	156,293	292,742	305,519	1,688,703	4	409,221	2,852,482	6,770,135
Transfer (Out) In	(712,318)	355,127	761,750	194,410	251,296	(850,265)	-	-
Change in Net Position	(2,260,947)	6,191	(797,555)	1,599,123	(292,899)	(2,237,371)	(3,983,458)	1,520,949
Net Position (Deficit) - Beginning of year	61,980,320	6,056,598	13,037,929	891,115	2,959,685	(7,324,845)	77,600,802	76,079,853
Net Position (Deficit) - End of year	**$ 59,719,373**	**$ 6,062,789**	**$ 12,240,374**	**$ 2,490,238**	**$ 2,666,786**	**$ (9,562,216)**	**$ 73,617,344**	**$ 77,600,802**