Connecticut Airport Authority

(a component unit of the State of Connecticut)

Financial Report
with Supplementary Information
June 30, 2023

Contents

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Independent Auditor's Report

To the Board of Directors
Connecticut Airport Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of each major fund of the Connecticut Airport Authority (the "Authority") (a component unit of the State of Connecticut) as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of each major fund of the Authority as of June 30, 2023 and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors
Connecticut Airport Authority

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary 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 basic 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 Supplementary Information

Our audit for the year ended June 30, 2023 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The other supplementary information, as identified in the table of contents, for the year ended June 30, 2023 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2023 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 basic 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2023.

To the Board of Directors
Connecticut Airport Authority

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Authority as of and for the year ended June 30, 2022 (not presented herein) and have issued our report thereon dated October 27, 2022, which contained unmodified opinions on the respective financial statements of each major fund of the Authority. The other supplementary information, as identified in the table of contents, for the year ended June 30, 2022 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2022.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2023 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 solely 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 effectiveness of the Authority's 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 the Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 10, 2023

CONNECTICUT AIRPORT AUTHORITY
JUNE 30, 2023

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, 2023. 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.

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.

Supplementary Information

Supplementary information includes prior year comparative financial statements for both the Bradley International Airport Enterprise Fund and the General Aviation Airports Enterprise Fund.

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 (FY) 2023 marks the second consecutive year of significant post-pandemic growth and stable operations bringing Bradley closer to pre-pandemic activity levels, as evidenced by FY23 Operating Income of $28.7 million (excluding depreciation and amortization). In addition, 3.1 million FY23 enplanements represent approximately 90.3% of fiscal year 2019 enplanements (the most recent full pre-pandemic fiscal year to compare to). With the aid of multiple pandemic-related federal grants, along with its strong liquidity, relatively small debt profile and diverse air carrier mix, Bradley remains in a strong and healthy financial position.

As Bradley continues to progress toward a full recovery to pre-pandemic passenger activity levels, CAA management continues to be judicious with operating expense. This approach has yielded budget surpluses in nearly all major operating expense categories during FY23. Bradley's FY23 net operating income (excluding depreciation & amortization) exceeded budget expectations by $9,763, or 67.9%. Airline revenues are a derivative of Bradley's operating expenses; accordingly, airline revenue results are below budget due to operating expenses being below budget. Compared to FY22, total operating revenue increased 22.0% to $103,265, while total operating expenses before depreciation increased 15.4% to $74,571. Operating income before depreciation increased 43.0% to $28,693 from $20,061 in prior year.

Net nonoperating revenue of $24,506 in FY23 reflects continued improvement in PFC and CFC collections as a result of increased passenger traffic, increased investment income and favorable actuarial pension and OPEB adjustments in FY23. Offsetting these factors were reductions in pandemic-related grant revenue and a $9.0 million airline net revenue share.

Total net position at year-end totaled $400,841, a 10.1% increase from FY22's net position. Total assets increased by $123,641, or 15.9%, while total liabilities decreased by $40,301, or 10.0%. Bradley generated debt service coverage of 445.4% for its General Airport Revenue Bonds, which is well above the 125.0% required by bond indenture. The debt service coverage calculation ensures there are enough pledged revenues (i.e. operating revenues plus interest income and PFC revenue) to cover annual operating expenses and debt service. See the 'Economic Factors and Outlook' section of this MD&A for more detail on pandemic related federal grants.

Enplanements were 3.1 million in FY23, a 9.4% increase over prior year. See the 'Economic Factors and Outlook' section of this MD&A for more detail on passenger activity.

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 $36.6 million from June 30, 2022 to June 30, 2023.

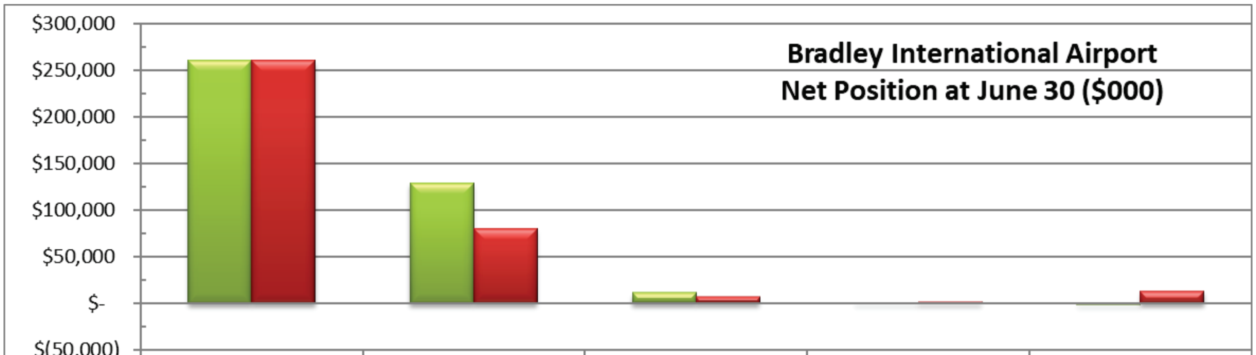
Table 1 also illustrates Bradley's assets (including deferred outflows of resources) exceeded its liabilities (including deferred inflows of resources) by $400,841 as of June 30, 2023. This net position includes $260,606 invested in capital assets net of related debt, assets restricted for PFC, CFC and bond indenture purposes of $141,366 (an increase of 57.3%) and unrestricted net position of ($1,130) (a decrease of 108.3%).

As of June 30, 2023, total general airport revenue bonds payable and CFC revenue bonds payable (excluding current maturities and bond premium) of $214,375 equates to $69.97 per enplaned passenger based on fiscal year 2023 enplaned passengers of 3,064, a 12.2% decrease from FY 2022 bonds payable of $79.70 per enplaned passenger. This decrease is attributable to the continued recovery in passenger activity as well as a reduction in outstanding debt.

Table 1
Statement of Net Position
June 30, 2023 and 2022
(In thousands)

	2023	2022	2023 - 2022 Change ($)	2023 - 2022 Change (%)
ASSETS				
Current and Other Assets	$ 314,322	$ 294,230	$ 20,092	6.8%
Net Capital Assets	469,808	474,692	(4,885)	-1.0%
GASB 87 - Long-term Lease Receivable	119,472	11,038	108,434	982.3%
TOTAL ASSETS	**903,602**	**779,961**	**123,641**	**15.9%**
DEFERRED OUTFLOWS OF RESOURCES				
Interest Rate Swaps	-	5,799	(5,799)	-100.0%
Deferred Loss on Bond Refunding	-	1,138	(1,138)	-100.0%
Other Deferred Costs - Net	32	36	(4)	-10.0%
Deferred Pension Outflows	15,269	13,040	2,228	17.1%
Deferred OPEB Outflows	13,579	16,969	(3,389)	-20.0%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**28,880**	**36,982**	**(8,101)**	**-21.9%**
LIABILITIES				
Long-term Debt Outstanding	217,237	226,167	(8,930)	-3.9%
Other Liabilities	49,406	51,554	(2,148)	-4.2%
Interest Rate Swap	-	5,799	(5,799)	-100.0%
Net Pension Liability	47,009	60,340	(13,330)	-22.1%
Net OPEB Liability	48,099	58,193	(10,094)	-17.3%
TOTAL LIABILITIES	**361,751**	**402,053**	**(40,301)**	**-10.0%**
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Cost Reductions	16,245	9,222	7,023	76.2%
Deferred GASB 87 Leases	121,068	12,885	108,183	839.6%
Deferred OPEB Cost Reductions	32,576	28,554	4,022	14.1%
TOTAL DEFERRED INFLOWS OF RESOURCES	**169,889**	**50,661**	**119,228**	**235.3%**
NET POSITION				
Net Investments in Capital Assets	260,606	260,704	(98)	0.0%
Restricted	141,366	89,876	51,490	57.3%
Unrestricted	(1,130)	13,648	(14,779)	-108.3%
TOTAL NET POSITION	**$ 400,841**	**$ 364,229**	**$ 36,613**	**10.1%**

	2023	2022	2023 - 2022 Change ($)	2023 - 2022 Change (%)
Net Position at June 30				
Net Investment in Capital Assets	$ 260,606	$ 260,704	$ (98)	0.0%
Restricted for Capital Projects	129,605	80,736	48,869	60.5%
Restricted for Debt Service	11,602	6,973	4,629	66.4%
Bond Indenture Requirements	160	2,168	(2,008)	-92.6%
Unrestricted	(1,130)	13,648	(14,779)	-108.3%
Total Net Position	**$ 400,841**	**$ 364,229**	**$ 36,613**	**10.1%**



	Net Investment in Capital Assets	Restricted for Capital Projects	Restricted for Debt Service	Bond Indenture Requirements	Unrestricted
2023	$260,606	129,605	11,602	160	(1,130)
2022	$260,704	80,736	6,973	2,168	13,648

Changes in Net Position
The increase in net position shown on Table 1 was generated from the activity shown on Table 2, Statement of Revenue, Expenses, and Changes in Net Position. Changes in net position represent the fiscal year financial results of Bradley. The change in net position for FY23 is $36,613 compared to $58,278 in FY22. Overall, for FY23, total net position increased 10.1% compared to FY22.

Bradley has experienced another year of net income before capital contributions in FY23. Operating revenues increased by $18,595, or 22.0%, attributable to strong and continuous growth in auto parking revenues and landing fees, coupled with favorable trends in all passenger activity-based revenues. Operating expenses before depreciation increased $9,962, or 15.4%, compared to FY22, largely due to higher salaries and related expenses and higher administrative expenses in line with a return to more normal levels of operations. Depreciation and amortization increased $9,310, or 50.9%, from FY22 contributing to an operating income of $1,089.

Table 2
Statement of Revenue, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023
(In Thousands)

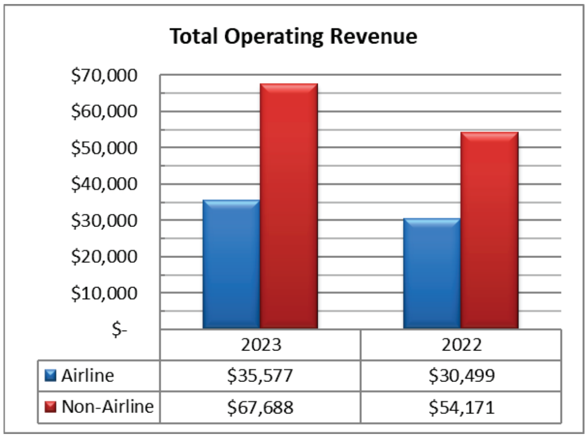
	2023	2022	2023 - 2022 Change ($)	2023 - 2022 Change (%)
OPERATING REVENUES				
Landing fees	$ 21,726	$ 17,335	$ 4,391	25.3%
Airline terminal rent	10,063	9,887	176	1.8%
Apron and remote aircraft parking	3,787	3,277	510	15.6%
Rental cars	9,811	8,771	1,040	11.9%
Terminal concessions	2,330	3,714	(1,384)	-37.3%
Land rent	7,251	7,004	247	3.5%
Other concessions	5,454	4,377	1,077	24.6%
Other operating revenue	3,395	2,927	468	16.0%
Auto parking	35,765	26,992	8,773	32.5%
GASB 87 - lease revenue adjustment	(2,405)	(237)	(2,168)	913.8%
GASB 87 - interest revenue	6,088	623	5,465	877.8%
TOTAL OPERATING REVENUES	103,265	84,670	18,595	22.0%
OPERATING EXPENSES				
Salaries and related expenses	26,864	25,529	1,335	5.2%
Administrative and general	32,121	25,990	6,131	23.6%
Repairs and maintenance	9,131	7,904	1,227	15.5%
Utilities	6,455	5,185	1,270	24.5%
OPERATING EXPENSES BEFORE DEPRECIATION	74,571	64,609	9,962	15.4%
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	28,693	20,061	8,632	43.0%
Depreciation and amortization	27,604	18,294	9,310	50.9%
OPERATING INCOME (LOSS)	1,089	1,767	(678)	-38.4%
NONOPERATING REVENUES (EXPENSES)				
Passenger Facility Charge revenue	14,996	11,195	3,802	34.0%
Car Rental Facility Charge revenue	12,216	9,581	2,635	27.5%
Investment income	6,971	457	6,515	1426.4%
Non-op revenue - grant revenue	3,014	25,241	(22,227)	-88.1%
Other nonoperating revenues (expenses)	(3,544)	(1,307)	(2,237)	171.2%
Bond interest expense	(11,370)	(9,087)	(2,283)	25.1%
Airline revenue share expense	(8,995)	(3,244)	(5,752)	177.3%
Actuarial pension gain	8,536	1,616	6,920	428.2%
Actuarial OPEB gain	2,683	323	2,360	730.8%
NET NONOPERATING REVENUE	24,506	34,775	(10,268)	-29.5%
INCOME BEFORE CAPITAL CONTRIBUTIONS	25,595	36,542	(10,946)	-30.0%
CAPITAL CONTRIBUTIONS	11,017	21,736	(10,719)	-49.3%
Change in Net Position	36,613	58,278	(21,665)	-37.2%
Total Net Position, Beginning of Year	364,229	305,951	58,278	19.0%
Total Net Position, End of Year	$ 400,841	$ 364,229	$ 36,613	10.1%

BRADLEY INCOME

As indicated on Table 2, Bradley generated an operating income of $1,089, net nonoperating revenues of $24,506 and $11,017 of capital contributions. The change in net position for fiscal year 2023 was $36,613 as compared to the prior year change in net position of $58,278. The operating and nonoperating revenues and expenditures associated with this income are addressed below.

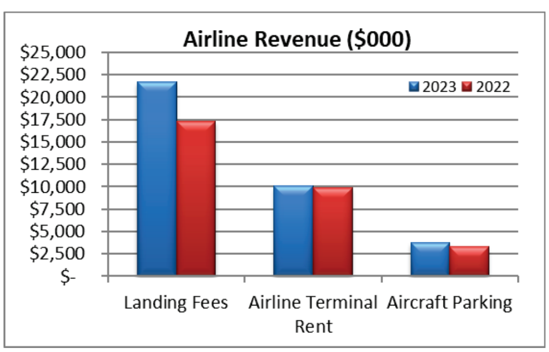
Operating Revenues

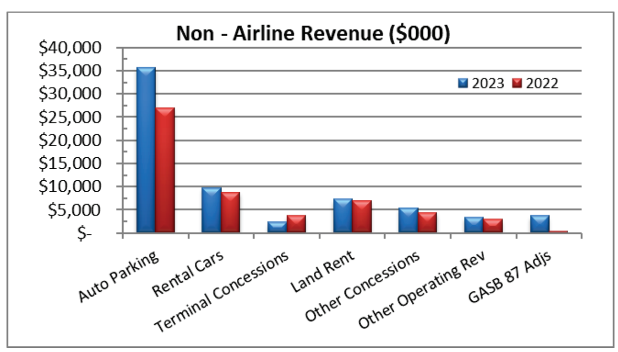
Operating revenues for fiscal year 2023 totaled $103,265, an increase of $18,595, or 22.0%, from fiscal year 2022. Operating revenues are split between airline and non-airline sources. Airline revenues were $35,577 or 34.5% of total operating revenue, and non-airline revenues, inclusive of GASB 87-related adjustments, were $67,688, or 65.5% of total operating revenue as shown at left and in greater detail below.



Effective July 1, 2021, the CAA had adopted Governmental Accounting Standards Board Statement No. 87, *Leases* (GASB 87). GASB 87 established a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. The implementation of GASB 87 has led to the aforementioned 'GASB 87-related adjustments' included in operating revenue which is comprised of a $2,405 deduction to lease revenue offset by $6,088 of interest revenue. See Note 1 (Significant Accounting Policies) and Note 8 (Lease Accounting – GASB 87) of the Notes to Financial Statements for more information regarding GASB 87.

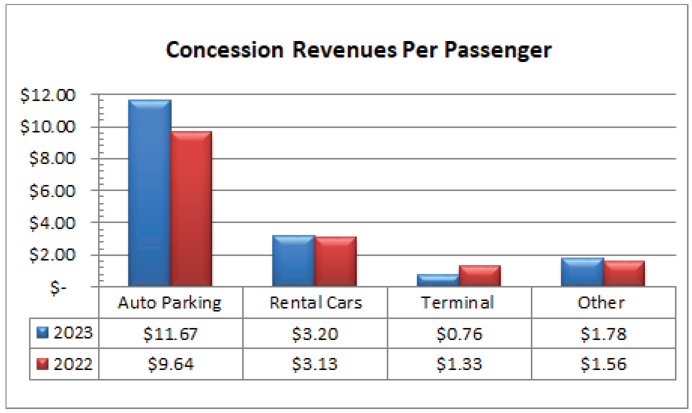
Airline revenues increased by $5,078, or 16.6%, from fiscal year 2022 to fiscal year 2023. The airlines pay rates and charges based on budgeted operating expenditures and debt service allocated to airline cost centers including the landing area, terminal building and aircraft parking aprons. The fiscal year 2023 operating expense budget of $82,417 (excluding depreciation and amortization) reflected a 16.4% increase in operating expenses over the fiscal year 2022 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 2023 operating expenditures were under budget which in turn caused airline revenues to be 8.0% below budget due to the impact of this true-up applied to airline revenues.





Deducting cargo airline landing fees of $6,321 and airline net revenue share of $8,995 from total airline revenue of $35,577 results in effective passenger airline revenue of $20,261. This equates to a fiscal year 2023 Cost per Enplaned Passenger (CPE) of $6.61 based on fiscal year 2023 enplaned passengers of 3,064, a 15.8% decrease from the fiscal year 2022 CPE of $7.85.

Total non-airline revenues increased by $13,517, or 25.0%, from fiscal year 2022. 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 $53,360. The largest source of concession revenue is vehicle parking operations which totaled $35,765. 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 adjacent to the terminal, ground transportation services and others. Non-airline revenues were 10.1% higher than budget (excluding GASB 87 lease revenue adjustments and GASB 87 interest revenue) stemming from passenger activity-based revenues (i.e., concession, parking and rental car revenue).



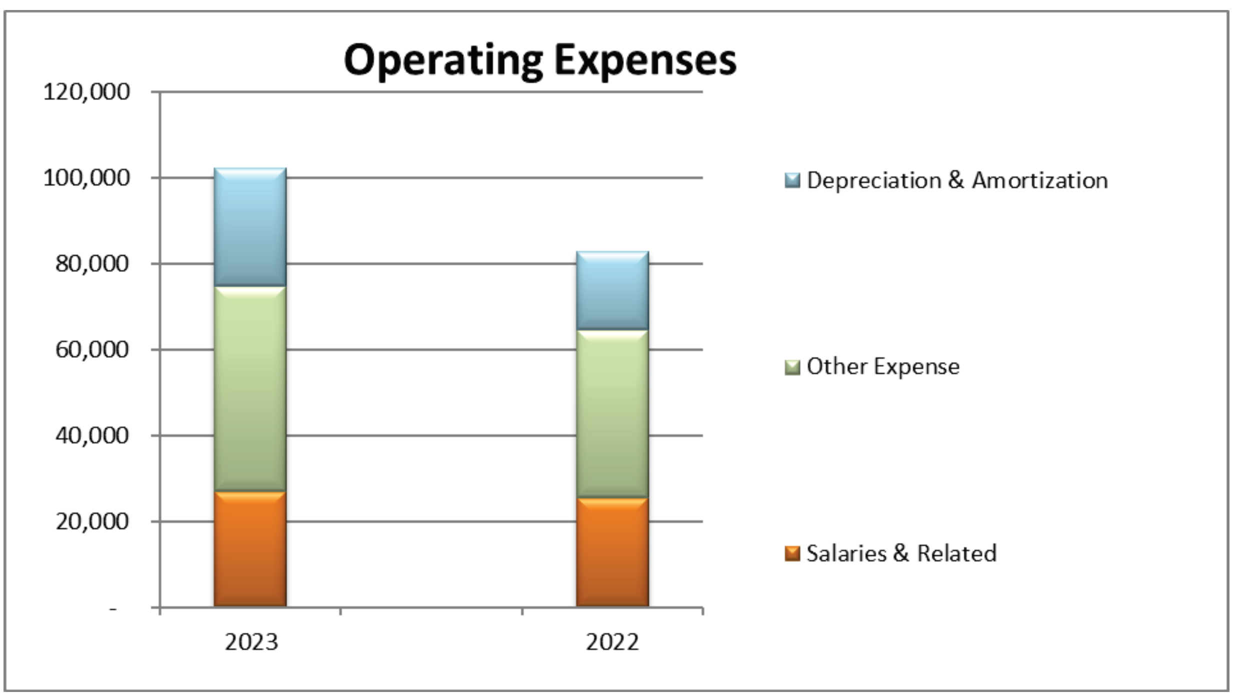
Total concession revenue of $53,360 equates to $17.41 per enplaned passenger based on fiscal year 2023 enplaned passengers of 3,064, an 11.2% increase from fiscal year 2022 concession revenue per enplaned passenger of $15.66. The division of revenues per passenger among the various concessions is shown above.

Operating Expenses

Operating expenses in fiscal year 2023 totaled $102,176, an increase of $19,273 or 23.2% from fiscal year 2022. 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 2023 and fiscal year 2022 operating expenses is shown in Table 3. Increases in primarily salaries & related expenses, administrative & general costs, repairs & maintenance, and utilities costs resulted in a $9,962 year over year increase in operating expenses before depreciation, increased by additional depreciation and amortization of $9,310, or 50.9%, from fiscal year 2022.

TABLE 3
OPERATING EXPENSES
June 30, 2023 and 2022
(In thousands)

			2023 - 2022	
Salaries & Related	**2023**	**2022**	**Change ($)**	**Change (%)**
Salaries	$ 12,453	$ 11,948	$ 505	4.2%
Overtime	764	795	(31)	-3.9%
Other Payroll	436	342	94	27.3%
Fringe Benefit	13,211	12,444	766	6.2%
Salaries & Related	26,864	25,529	1,335	5.2%
Other Expense				
Payment In Lieu of Tax	4,679	4,679	0	0.0%
Security	9,645	9,146	500	5.5%
Administrative & General Costs	17,797	12,166	5,631	46.3%
Repairs and Maintenance	9,131	7,904	1,227	15.5%
Utilities	6,455	5,185	1,270	24.5%
Other Expense	47,707	39,080	8,628	22.1%
Expenses Before Depreciation	**74,571**	**64,609**	**9,962**	**15.4%**
Depreciation & Amortization	27,604	18,294	9,310	50.9%
Total Operating Expenses	**$ 102,176**	**$ 82,903**	**$ 19,273**	**23.2%**



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, 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 2023, Bradley collected total PFCs (excluding PFC interest) of $12,713, an increase of 15.3% from fiscal year 2022. Bradley is also authorized by contract with the rental car companies to assess a CFC per rental car transaction day. The current 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 is a consolidated rental car facility. As of July 2022, the ground transportation center (including the consolidated rental car facility) is fully constructed and open for rental car and public parking operations. CFC collections commenced December 2009 and revenues for fiscal year 2023 totaled $11,160 (excluding interest), an increase of 17.7% from fiscal year 2022. The current airline 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 airlines pursuant to a formula outlined in the airline lease. For FY23, the airlines will share in $8,995 which is reflected as a nonoperating expense.

Investment income from all accounts totaled $10,311, a marked increase from fiscal year 2022 investment income of $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 2023 totaled $11,370, an increase of 25.1% from fiscal year 2022 which was driven by the termination of Bradley's interest rate swaps (see Footnote 6 for further detail on debt). Other nonoperating expenses for fiscal year 2023 equaled $3,544, attributable to increased legal spend as well as higher project related period expenses versus fiscal year 2022 total of $1,307.

FY23 net nonoperating revenues were lower than FY22, primarily attributable to reduced amount of federal grant revenue recognized during FY23 of $3,014, versus $25,241 in FY22. Offsetting this decrease were favorable trends in PFC and CFC collections as well as higher pension and OPEB actuarial gains. Net income before capital contributions for fiscal year 2023 was $25,595. Overall, income with capital contributions added 36,613 to net position.

CAPITAL CONTRIBUTIONS

Total FY23 capital contributions equaled $11,017, a decrease of $10,719 from fiscal year 2022 capital contributions of $21,736. In FY23, reduced activity related to taxiways was the primary driver for the lower total capital contributions comparing year to year. Capital contributions related to the Inline Baggage Screen Building stem from TSA funding, which is lower in FY23 as the design phase of this project closes and moves into construction. The remainder of capital contributions were funded by the CAA's Airport Improvement Program (AIP). 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 ($000)	2023	2022	2023 - 2022 Change ($)	Change (%)
Taxiways	$ 9,169	$ 17,805	$ (8,636)	-48.5%
Obstruction Removal	700	358	342	95.5%
Invertebrate Study	11	0	11	100.0%
Airfield Signage & Circuit Study	1,066	2,884	(1,818)	-63.0%
Total AIP	10,946	21,047	(10,101)	-48.0%
Glycol Facility Repairs	-	(135)	135	100.0%
Inline Baggage Screen Building	71	824	(753)	-91.4%
Total Other	71	689	(618)	-89.7%
Total Capital Contributions	**$ 11,017**	**$ 21,736**	**$ (10,719)**	**-49.3%**

BUDGET TO ACTUAL PERFORMANCE

Bradley's annual operating budget for fiscal year 2023 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, 2022. 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 2023 is shown in Table 4.

Total operating revenues were 6.7% over budget. FY23 airline rates and charges are initially set based on the FY23 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 under budget, adjusted airline revenue was $3,074, or 8.0%, under budget. Non-airline revenues exceeded budget by $5,863, or 10.1%. PFC revenue and related interest was $2,158 or 16.8% over budget. CFC revenue and related interest was also over budget by $3,316, or 37.3%. Total operating expenses before depreciation were 9.5% below budget with surpluses realized in all categories of expenses.

Table 4
FY 2023 Budget to Actual Performance ($000)

	Budget	Actual	Variance Greater (Less) Than Budget ($000)	Variance Greater (Less) Than Budget Percent
Airline Revenue	$ 38,651	$ 35,577	$ (3,074)	-8.0%
Non-Airline Revenue	58,143	64,006	5,863	10.1%
GASB 87 Adjs	-	3,683	3,683	100.0%
Total Operating Revenue	$ 96,794	$ 103,265	$ 6,471	6.7%
Passenger Facility Charges & PFC Interest	12,838	14,996	2,158	16.8%
Car Rental Facility Charge Revenue & CFC Interest	8,901	12,216	3,316	37.3%
Operating & Maintenance Expenses before Depreciation	$ 82,417	$ 74,571	$ (7,846)	-9.5%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Bradley's gross capital assets increased $21,517 for the year ended June 30, 2023. Changes in detailed capital asset categories are summarized in Table 5 below. The majority of the large shift in value from Construction in Progress to Total Depreciable assets reflects the conversion of Ground Transportation Center project costs into completed fixed assets.

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

	2023	2022	2023 - 2022 Additions
Building Improvements	$ 541,665	$ 337,926	$ 203,740
Land Improvements	303,296	266,249	37,047
Machinery and Equipment	43,553	42,493	1,059
Total Depreciable	**888,514**	**646,669**	**241,846**
Land	3,652	3,250	402
Construction in Progress	18,269	238,999	(220,730)
Total Non - Depreciable	**21,920**	**242,249**	**(220,328)**
Total	**$ 910,435**	**$ 888,918**	**$ 21,517**

Debt

On March 31st, 2023, Bradley International Airport Revenue Refunding Bonds Series 2011A and 2011B were fully redeemed and retired. On March 31st, 2023 the Authority issued Connecticut Airport Authority Airport Revenue Bonds, Series 2023 (AMT) in the original principal amount of $72,095,000. The proceeds of the Series 2023 Bond issuance were utilized to fund the full redemption of the 2011A and 2011B Bonds. At year-end, Bradley has $72,095 in General Airport Revenue Bonds (GARB) outstanding versus $78,650 in fiscal year 2022 – a decrease of $6,555, or 8.3%. Refer to Note 6 in the accompanying financial statements for additional discussion around the redemption.

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, 2023, Bradley has $151,100 in CFC Revenue bonds outstanding, comprised of Series 2019A and Series 2019B.

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

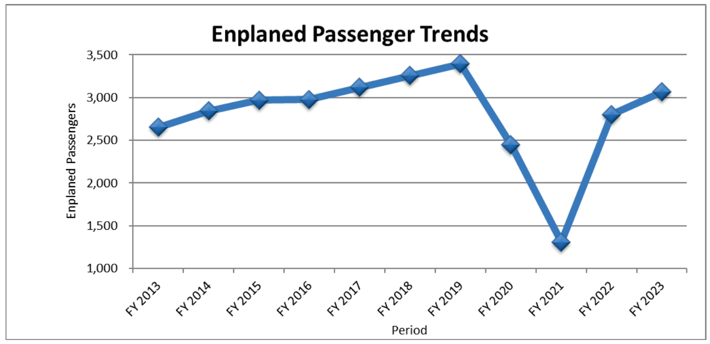
Principal Outstanding	2023	2022	2023 - 2022 Change
Series 2011A	$ -	$ 47,190	$ (47,190)
Series 2011B	-	31,460	(31,460)
Series 2023	72,095	-	72,095
GARB Principal Outstanding*	$ 72,095	$ 78,650	$ (6,555)
CFC Series 2019A	$ 35,410	$ 35,410	$ -
CFC Series 2019B	115,690	115,690	-
Other Debt Principal Outstanding**	$ 151,100	$ 151,100	$ -
Total Principal Outstanding	**$ 223,195**	**$ 229,750**	**$ (6,555)**

* Less current maturities of $6,980 results in GARB bonds payable (long-term portion) of $65,115 as of June 30, 2023.

** Less current maturities of $1,840 results in CFC revenue bonds payable (long-term portion) of $149,260 as of June 30, 2023.

For a more detailed description of long-term debt obligations see Note 6 in the accompanying financial statements.

ECONOMIC FACTORS AND OUTLOOK



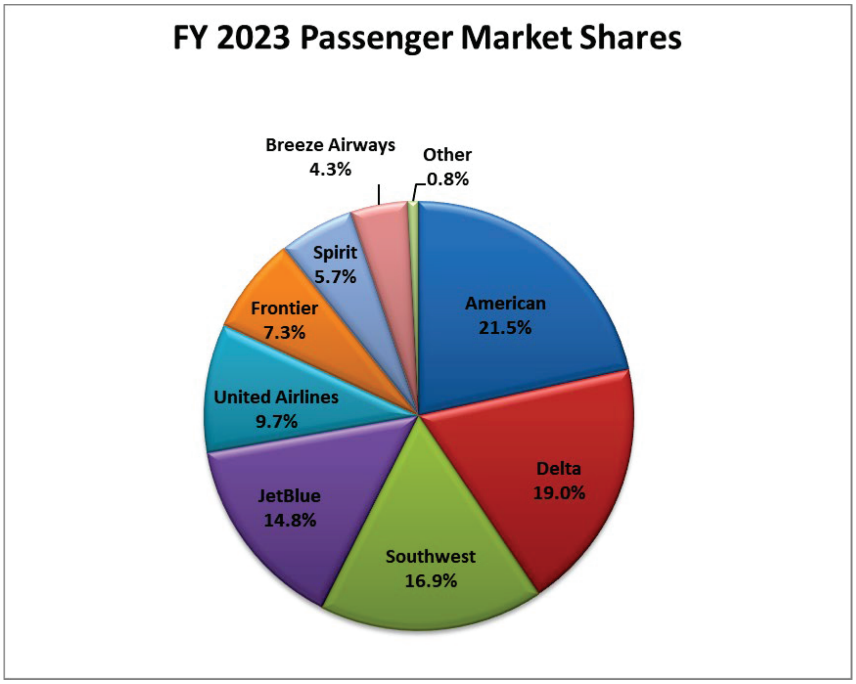
The financial health and stability of the airline industry nationally, regionally and at Bradley is the most significant economic factor with the potential to adversely affect Bradley. After six consecutive years of passenger growth through fiscal year 2019 under the management of the CAA, the travel 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 into fiscal year 2023 where stable and consistent enplanement levels were realized throughout the year representing approximately 90.3% of fiscal year 2019 enplanements (the most recent pre-pandemic year to compare). Despite contending with airline staffing shortages, rising jet fuel prices, and airline route network changes, overall the airline industry has achieved more stability and consistency during fiscal year 2023 allowing passenger volumes across the nation, and at Bradley, to return to more normal pre-pandemic activity levels.

Bradley received $28.5 million in federal grant funds in fiscal 2021 through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to buffer the national economic downturn caused by the pandemic. In addition, a second wave of federal grant funding was provided to Bradley through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). CRRSAA provided Bradley a general grant of $7.9 million as well as $712 thousand that must be used to provide rent relief to qualifying concessionaires. Bradley requested reimbursement of all $7.9 million of general grant funds and recorded as non-operating revenue in fiscal year 2022 and had received all general grant funds during fiscal year 2022. The $712 thousand of concessionaire rent relief was awarded to qualifying Bradley concessionaires in fiscal year 2022.

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. Bradley requested and received the $24.3 million of general grant funds and recorded as non-operating grant revenue in fiscal year 2022 to further support the financial position of Bradley as passenger volumes continue to recover. CAA has allocated and recorded as grant revenue the aforementioned $2.8 million in concessionaire rent relief during fiscal year 2023.

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.

Although passenger traffic was significantly impacted by the pandemic, through new route additions and general passenger activity recovery, Bradley has returned to stable and consistent passenger volumes much closer to pre-pandemic levels. In fiscal year 2023, Bradley enplaned 3.1 million passengers, a 9.4% increase from fiscal year 2022, representing approximately 90.3% of the 3.4 million enplanements experienced in fiscal year 2019 (the last full pre-pandemic fiscal year to compare to). 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. Breeze Airways has continued rapidly expanding its menu of destinations offered from Bradley to complement their existing routes. Those new routes include Vero Beach, FL; Phoenix, AZ; Provo, UT; San Bernadino, CA; Pittsburgh, PA; Raleigh-Durham, NC; New Orleans, LA; Tampa, FL; and Fort Myers, FL. Spirit Airlines, a recently appointed Signatory airline at Bradley effective July 1, 2022, launched direct service to San Juan, PR.



During fiscal year 2023, Bradley continued to maintain a strong diverse market share amongst 11 active main carriers. Following the pandemic related pause of Aer Lingus' transatlantic service, the airline has resumed nonstop service to Dublin, Ireland in March of 2023. Air Canada, after temporarily suspending service from Bradley to allow time to build operational resiliency, has resumed service to Toronto in June 2023. Year over year, most carriers experienced an increase in passenger traffic as air travel continued to return to pre-pandemic levels. American remains the largest carrier at Bradley with 21.5% of the market followed by Delta with 19.0% and Southwest with 16.9% 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 2023, American, Delta, Southwest, Jet Blue, United, Frontier, Spirit, Breeze, Aer Lingus, Air Canada and SunCountry in addition to several regional commuter/express operators, served Bradley. Enplaned passenger traffic by carrier and market shares for fiscal year 2023 and fiscal year 2022 are shown below in Table 6.

Further enhancing the customer experience, Bradley has introduced CLEAR and its identity verification technology, streamlining the security and checkpoint process for travelers. With the resurgence of healthy activity levels, Bradley has taken the initiative to revitalize the service offerings throughout the terminal. Concessionaires are partnering with Bradley to upgrade existing establishments and adding new food and beverage offerings, including the addition of Starbucks.

Landside, the ConRAC (consolidated rental car) facility is fully operational as of July 2022, combining on-site rental car rent and return with public parking and ground transportation all adjacent to the main Bradley terminal building. With state-of-the-art technology and modern design, customers experience a vast improvement from the array of the former remote rental car .

Table 6

Bradley International Airport

Passenger Market Share Trends

	2023 Enplaned Passengers			2022 Enplaned Passengers		
Carrier	**Mainline**	**Regional / Express Operations**	**Total**	**Mainline**	**Regional / Express Operations**	**Total**
American	482,779	176,727	**659,506**	430,687	230,530	**661,217**
Delta	528,628	54,668	**583,296**	431,765	56,266	**488,031**
Southwest	516,755	-	**516,755**	448,450	-	**448,450**
JetBlue	453,087	-	**453,087**	521,888	-	**521,888**
United Airlines	241,333	56,031	**297,364**	249,053	59,493	**308,546**
Frontier	222,847	-	**222,847**	89,924	-	**89,924**
Spirit	173,198	-	**173,198**	216,818	-	**216,818**
Breeze Airways	132,876	-	**132,876**	56,871	-	**56,871**
Other	19,504	5,193	**24,697**	7,435	1,214	**8,649**
Total	**2,771,007**	**292,619**	**3,063,626**	**2,452,891**	**347,503**	**2,800,394**

	2023 Market Shares			2022 Market Shares		
Carrier	**Mainline**	**Regional / Express Operations**	**Total**	**Mainline**	**Regional / Express Operations**	**Total**
American	15.8%	5.8%	**21.5%**	15.4%	8.2%	**23.6%**
Delta	17.3%	1.8%	**19.0%**	15.4%	2.0%	**17.4%**
Southwest	16.9%	0.0%	**16.9%**	16.0%	0.0%	**16.0%**
JetBlue	14.8%	0.0%	**14.8%**	18.6%	0.0%	**18.6%**
United Airlines	7.9%	1.8%	**9.7%**	8.9%	2.1%	**11.0%**
Frontier	7.3%	0.0%	**7.3%**	3.2%	0.0%	**3.2%**
Spirit	5.7%	0.0%	**5.7%**	7.7%	0.0%	**7.7%**
Breeze Airways	4.3%	0.0%	**4.3%**	2.0%	0.0%	**2.0%**
Other	0.6%	0.2%	**0.8%**	0.3%	0.0%	**0.3%**
Total	**90.4%**	**9.6%**	**100.0%**	**87.6%**	**12.4%**	**100.0%**

Bradley has worked diligently with the air carriers to attract additional flights in order to increase passenger traffic. Bradley continues to offer 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. 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. Cargo operations remain strong and an important revenue source for Bradley. In fiscal year 2023, cargo landed weight represented approximately 26.4% of overall revenue producing landed weight at Bradley.

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 2023 to be $116,006, an increase of $1,639, or 1.4%, from fiscal year 2022. Total assets are broken down by current assets of $30,066, net capital assets of $80,771 and GASB 87 long-term lease receivable of $295. 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 2023, the amount for deferred outflow of resources is $4,875, which represents the deferred pension and OPEB outflows. For fiscal year 2022 the amount for deferred outflow of resources was $5,412.

Total liabilities including deferred inflow of resources for fiscal year 2023 equal $26,985, reflecting a decrease of 3,910, or 12.7%, from fiscal year 2022. The decrease is primarily attributable to reductions in pension and OPEB liabilities, and the impact of the associated deferred inflows of resources offsetting them. Overall, the total net position for the General Aviation airports is $89,022 compared to net position of $83,473 in fiscal year 2022. Table 7 below shows the details for total net position.

Table 7
Statement of Net Position
June 30, 2023
(in thousands)

	2023	2022	2023 - 2022 Change ($)	2023 - 2022 Change (%)
ASSETS				
Current and other assets	$ 30,066	$ 24,610	$ 5,456	22.2%
Net capital assets	80,771	84,027	(3,257)	-3.9%
GASB 87 - Long-term Lease Receivable	295	318	(23)	-7.3%
TOTAL ASSETS	**111,132**	**108,956**	**2,176**	**2.0%**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Outflows	2,580	2,352	228	9.7%
Deferred OPEB Outflows	2,295	3,060	(766)	-25.0%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**4,875**	**5,412**	**(537)**	**-9.9%**
LIABILITIES				
Accounts Payable and Accrued Liabilities	2,058	1,877	182	9.7%
Due to Affiliate/State/Muni	172	348	(176)	-50.6%
Deferred Revenue and Other	128	121	7	5.7%
Net Pension Liability	7,944	10,882	(2,938)	-27.0%
Net OPEB Liability	8,128	10,495	(2,367)	-22.6%
TOTAL LIABILITIES	**18,429**	**23,722**	**(5,293)**	**-22.3%**
DEFERRED INFLOWS OF RESOURCES				
Deferred Amount for Pensions	2,745	1,663	1,082	65.1%
Deferred Amount for OPEB	5,505	5,150	355	6.9%
GASB 87 - Lease Deferred Inflows	305	360	(54)	-15.1%
TOTAL DEFERRED INFLOWS OF RESOURCES	**8,555**	**7,172**	**1,383**	**19.3%**
NET POSITION				
Net Investments in Capital Assets	80,771	84,027	(3,257)	-3.9%
Unrestricted	8,251	(555)	8,806	1587.5%
TOTAL NET POSITION	**$ 89,022**	**$ 83,473**	**$ 5,549**	**6.6%**

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 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 2023, the General Aviation Airports received $8,565 from these 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 $83,473 and increased to 89,022 by the end of fiscal 2023.

The aviation fuel tax revenue is an important funding source which helps to cover the operating loss of the GA Fund as well as to fund capital projects. During FY23, the State passed legislation to suspend the aviation fuel tax for the next two fiscal years before it is scheduled to return in FY26. The CAA will use prudent approach to operating expenses and utilization of unrestricted GA reserves to cover any funding shortfalls over the next two fiscal years.

Operating revenues for fiscal year 2023 totaled $3,871, a 12.5% increase from fiscal year 2022. Revenues consisted of airline revenue totaling $329 and non-airline revenue of $3,542. 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 $6,347 which is an increase of 2.2% from fiscal year 2022, primarily driven by an uptick in administrative and general, repairs and maintenance, and energy and utilities expenses, and offset by reductions to salaries & related expenses. Depreciation expense for fiscal year 2023 is $4,223, which is 4.7% lower than fiscal year 2022. The net nonoperating revenue for fiscal year 2023 is $10,377, slightly below the net nonoperating revenue generated in the prior fiscal year of $10,490. Net nonoperating revenue includes aviation fuel tax receipts of $8,565 and investment income of $894, offset by nonoperating expenses of $2,414. The GA airports recorded a $2,085 actuarial pension gain and a $1,246 actuarial OPEB gain in fiscal year 2023, compared to a combined prior fiscal year gain in the same lines of $75. Fiscal year 2023 income before capital contributions equaled $3,678 compared to $3,289 in fiscal year 2022. 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, 2023
(In Thousands)

	2023	2022	2023 - 2022 Change ($)	2023 - 2022 Change (%)
OPERATING REVENUES				
Landing Fees	$ 177	$ 178	$ (1)	-0.4%
Airline Terminal Rent	11	11	0	2.8%
Federal Inspection Station	32	-	32	100.0%
Aircraft Parking	108	104	4	3.7%
Rental Cars	172	149	22	15.0%
Terminal Concessions	-	-	-	0.0%
Land Rent	2,164	1,735	429	24.8%
Other Operating Revenue	1,201	1,256	(54)	-4.3%
GASB 87 - Lease Revenue Adjustment	(10)	(10)	(0)	0.0%
GASB 87 - Interest Revenue	16	17	(2)	-10.0%
TOTAL OPERATING REVENUES	3,871	3,440	431	12.5%
OPERATING EXPENSES				
Salaries and Related Expenses	4,447	4,686	(239)	-5.1%
Administrative and General	570	402	168	41.8%
Repairs and Maintenance	957	807	150	18.6%
Energy and utilities	372	317	55	17.4%
OPER EXPENSES BEFORE DEPRECIATION	6,347	6,212	135	2.2%
OPER LOSS BEFORE DEPRECIATION	(2,476)	(2,772)	296	10.7%
Depreciation and Amortization	4,223	4,429	(207)	-4.7%
OPERATING (LOSS)	(6,698)	(7,201)	503	7.0%
NON OPERATING REVENUES (EXPENSES)				
Investment income	894	47	847	1793.6%
Other Non operating expenses	(2,414)	(822)	(1,591)	193.5%
Aviation Fuel Tax Revenue	8,565	10,893	(2,328)	-21.4%
Federal Grant Revenue	-	298	(298)	-100.0%
Actuarial Pension Gain (Loss)	2,085	167	1,918	1149.7%
Actuarial OPEB Gain (Loss)	1,246	(92)	1,338	1454.6%
NET NON OPERATING REVENUES (EXPENSE)	10,377	10,490	(113)	1.1%
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	3,678	3,289	389	11.8%
CAPITAL CONTRIBUTIONS	1,871	6,567	(4,696)	-71.5%
Change in Net Position	5,549	9,855	(4,306)	-43.7%
Total Net Position, Beginning of Year	83,473	73,617	9,856	13.4%
Total Net Position, End of Year	**$ 89,022**	**$ 83,473**	**$ 5,549**	**6.6%**

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 and building rents as well as from various percentages paid on gross receipts reported for assorted services they provide. The largest share of operating revenues for the General Aviation Airport Enterprise Fund is derived from land and building rent followed by other operating revenue.

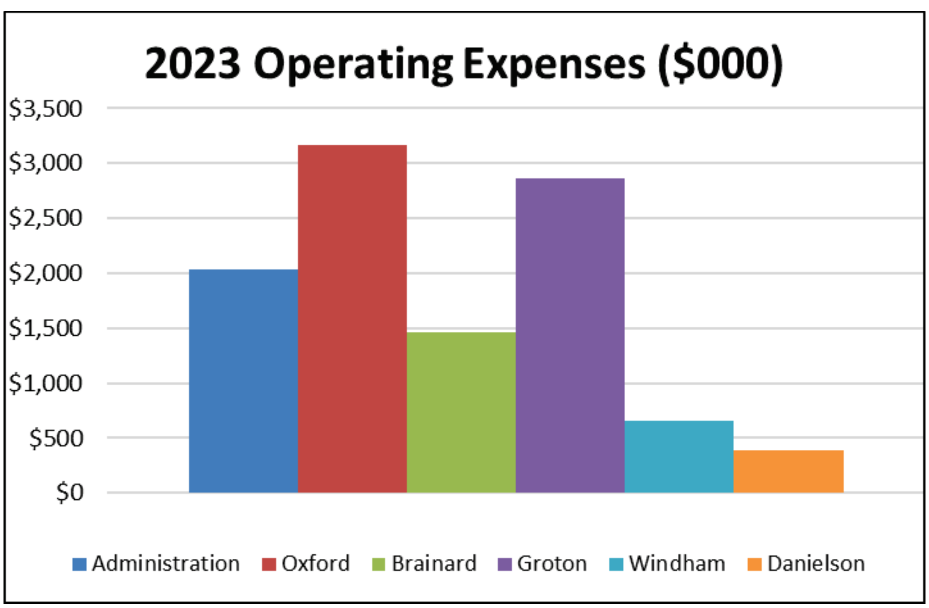
Operating Expenses

Operating expenses in fiscal year 2023 totaled $10,570, 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 2023 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 2023, the GA Fund received $8,565 of aviation fuel tax revenue to help fund operating and capital expenses for all five general aviation airports and the general aviation administration. Operating expenses before depreciation equaled $6,347. Table 9 below details the fiscal year 2023 operating expenses by airport, by category.

Table 9
Operating Expenses
For the Year Ended June 30, 2023
(In thousands)

Salaries & Related	**Total 2023**	**GA Airport Administration**	**Oxford**	**Brainard**	**Groton**	**Windham**	**Danielson**
Salaries	$ 2,102	$ 1,006	$ 337	$ 306	$ 362	$ 47	$ 44
Overtime	159	1	28	56	65	4	4
Other Payroll	64	51	15	18	(21)	0	0
Fringe Benefit	2,122	875	360	390	402	50	47
Salaries & Related	**4,447**	**1,932**	**741**	**770**	**808**	**101**	**95**
Other Expense							
Security	56	-	13	17	15	5	5
Administrative Costs	515	26	221	105	126	27	11
Repairs and Maintenance	957	16	159	183	282	200	117
Utilities	372	1	89	89	157	23	13
Equip/Operating Exp. Misc.	-	-	-	-	-	-	-
Other Expense	**1,900**	**43**	**483**	**394**	**580**	**255**	**146**
Expenses Before Depreciation	**6,347**	**1,975**	**1,223**	**1,163**	**1,388**	**356**	**241**
Depreciation & Amortization	4,223	54	1,944	302	1,468	306	149
Total Operating Expenses	**$ 10,570**	**$ 2,029**	**$ 3,167**	**$ 1,465**	**$ 2,857**	**$ 662**	**$ 390**



Budget to Actual Performance

The fiscal year 2023 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 $1,565, 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, 2023
(in thousands)

			Variance Greater (Less) Than Budget	
	Budget	Actual	($000)	Percent
Airline Revenue	$ 274	$ 329	$ 55	20.3%
Non-Airline Revenue	3,477	3,542	66	1.9%
Total Operating Revenue	**$ 3,750**	**$ 3,871**	**$ 121**	**3.2%**
Aviation Fuel Tax Revenue	7,000	8,565	1,565	22.4%
Investment Income	15	894	879	5861.3%
Operating and Maintenance Expenses before Depreciation	**$ 7,722**	**$ 6,347**	**$ (1,375)**	**-17.8%**

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 and emergency reserve 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, 2023. 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, 2023

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund	Total Connecticut Airport Authority
Assets			
Current assets:			
Cash	$ 10,836,589	$ 591,524	$ 11,428,113
Current portion of restricted investments	11,601,517	-	11,601,517
Short-term investments	121,005,623	24,647,314	145,652,937
Accounts receivable	5,844,438	3,674,576	9,519,014
Lease receivable - GASB 87	5,664,234	23,232	5,687,466
Prepaid expenses and other assets	888,550	989	889,539
Grants receivable	6,838,140	210,793	7,048,933
Due from the State	5,045,357	917,468	5,962,825
Total current assets	167,724,448	30,065,896	197,790,344
Noncurrent assets:			
Restricted assets:			
Investments	144,106,179	-	144,106,179
Accounts receivable	2,338,349	-	2,338,349
Interest receivable	153,097	-	153,097
Capital assets:			
Assets not subject to depreciation	21,920,379	31,160,510	53,080,889
Assets subject to depreciation - Net	447,887,255	49,610,357	497,497,612
Lease receivable - Net of current portion - GASB 87	119,472,128	294,897	119,767,025
Total noncurrent assets	735,877,387	81,065,764	816,943,151
Total assets	903,601,835	111,131,660	1,014,733,495
Deferred Outflows of Resources			
Other deferred costs - Net	32,492	-	32,492
Deferred pension costs	15,268,660	2,580,117	17,848,777
Deferred OPEB costs	13,579,187	2,294,628	15,873,815
Total deferred outflows of resources	28,880,339	4,874,745	33,755,084
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	32,036,007	2,058,178	34,094,185
Unearned revenue and other	4,848,384	127,674	4,976,058
Due to the State	-	171,928	171,928
Payables from restricted assets:			
Current portion of revenue bonds payable	8,820,000	-	8,820,000
Revenue bond interest payable	3,701,692	-	3,701,692
Total current liabilities	49,406,083	2,357,780	51,763,863
Noncurrent liabilities:			
Net pension liability	47,009,053	7,943,649	54,952,702
Net OPEB liability	48,099,093	8,127,846	56,226,939
Revenue bonds payable and premium - Net of current portion	217,237,266	-	217,237,266
Total noncurrent liabilities	312,345,412	16,071,495	328,416,907
Total liabilities	361,751,495	18,429,275	380,180,770

See notes to financial statements.

June 30, 2023

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund	Total Connecticut Airport Authority
Deferred Inflows of Resources			
Deferred pension cost reductions	$ 16,245,047	$ 2,745,109	$ 18,990,156
Deferred OPEB cost reductions	32,575,812	5,504,702	38,080,514
Lease deferred inflow - GASB 87	121,068,335	305,420	121,373,755
Total deferred inflows of resources	169,889,194	8,555,231	178,444,425
Net Position			
Net investment in capital assets	260,605,572	80,770,867	341,376,439
Restricted:			
Bond indenture requirement	159,768	-	159,768
Debt service	11,601,517	-	11,601,517
Capital projects	129,605,005	-	129,605,005
Unrestricted	(1,130,377)	8,251,032	7,120,655
Total net position	**$ 400,841,485**	**$ 89,021,899**	**$ 489,863,384**

Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2023

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund	Total Connecticut Airport Authority
Operating Revenue			
Airline revenue:			
Landing fees	$ 21,726,465	$ 177,491	$ 21,903,956
Airline terminal rent	10,062,975	11,223	10,074,198
Apron and remote aircraft parking	3,787,193	140,348	3,927,541
Total airline revenue	35,576,633	329,062	35,905,695
Nonairline revenue:			
Rental cars	9,810,662	171,797	9,982,459
Terminal concessions	2,330,061	-	2,330,061
Land rent	7,250,986	2,164,202	9,415,188
Other concessions	5,453,909	-	5,453,909
Other operating revenue	3,394,644	1,201,066	4,595,710
Auto parking	35,765,246	-	35,765,246
Lease revenue adjustment - GASB 87	(2,404,887)	(10,434)	(2,415,321)
Interest revenue - GASB 87	6,087,559	15,710	6,103,269
Total nonairline revenue	67,688,180	3,542,341	71,230,521
Total operating revenue	103,264,813	3,871,403	107,136,216
Operating Expenses			
Salaries and related expenses	26,863,900	4,447,154	31,311,054
Administrative and general	32,120,935	570,255	32,691,190
Repairs and maintenance	9,131,046	957,217	10,088,263
Energy and utilities	6,455,473	372,417	6,827,890
Depreciation and amortization	27,604,298	4,222,549	31,826,847
Total operating expenses	102,175,652	10,569,592	112,745,244
Operating Income (Loss)	1,089,161	(6,698,189)	(5,609,028)
Nonoperating Revenue (Expense)			
Passenger facility charge revenue	14,996,492	-	14,996,492
Car rental facility charge revenue	12,216,120	-	12,216,120
Investment income	6,971,195	894,196	7,865,391
Federal grant revenue	3,013,559	-	3,013,559
Aviation fuel tax revenue	-	8,564,912	8,564,912
Other nonoperating expenses	(3,543,961)	(2,413,836)	(5,957,797)
Bond interest expense	(11,370,108)	-	(11,370,108)
Airline revenue share expense	(8,995,321)	-	(8,995,321)
Noncash pension and OPEB actuarial assumption adjustments	11,218,192	3,331,242	14,549,434
Total nonoperating revenue	24,506,168	10,376,514	34,882,682
Income - Before capital contributions	25,595,329	3,678,325	29,273,654
Capital Contributions	11,017,428	1,870,769	12,888,197
Change in Net Position	36,612,757	5,549,094	42,161,851
Net Position - Beginning of year	364,228,728	83,472,805	447,701,533
Net Position - End of year	**$ 400,841,485**	**$ 89,021,899**	**$ 489,863,384**

See notes to financial statements.

Fund Statement of Cash Flows

Year Ended June 30, 2023

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund	Total Connecticut Airport Authority
Cash Flows from Operating Activities			
Receipts from customers	$ 108,343,318	$ 7,127,791	$ 115,471,109
Payments to suppliers	(50,093,877)	(1,893,746)	(51,987,623)
Payments to employees and fringes	(26,863,900)	(4,447,154)	(31,311,054)
Net cash provided by operating activities	31,385,541	786,891	32,172,432
Cash Flows from Noncapital Financing Activities			
Federal grant revenue	3,013,559	-	3,013,559
Aviation fuel tax	-	8,564,912	8,564,912
Net cash provided by noncapital financing activities	3,013,559	8,564,912	11,578,471
Cash Flows from Capital and Related Financing Activities			
Capital grant receipts	11,017,428	1,870,769	12,888,197
Purchase of capital assets	(21,517,102)	(965,935)	(22,483,037)
Principal and interest paid on capital debt - Net of refunding	(18,179,066)	-	(18,179,066)
Car rental facility charge receipts	12,216,120	-	12,216,120
Passenger facility charge receipts	14,934,375	-	14,934,375
Other nonoperating expenses	(3,980,660)	(2,413,837)	(6,394,497)
Airline revenue share expense	(8,995,321)	-	(8,995,321)
Net cash used in capital and related financing activities	(14,504,226)	(1,509,003)	(16,013,229)
Cash Flows from Investing Activities			
Interest received on investments	6,991,834	894,196	7,886,030
Purchases of investment securities	(24,559,455)	(9,028,012)	(33,587,467)
Net cash used in investing activities	(17,567,621)	(8,133,816)	(25,701,437)
Net Increase (Decrease) in Cash	2,327,253	(291,016)	2,036,237
Cash - Beginning of year	8,509,336	882,540	9,391,876
Cash - End of year	**$ 10,836,589**	**$ 591,524**	**$ 11,428,113**
Classification of Cash - Cash and investments	**$ 10,836,589**	**$ 591,524**	**$ 11,428,113**
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities			
Operating income (loss)	$ 1,089,161	$ (6,698,189)	$ (5,609,028)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation and amortization	27,604,298	4,222,549	31,826,847
Changes in assets and liabilities:			
Receivables	7,022,509	3,249,473	10,271,982
Prepaid and other assets	(2)	696	694
Accounts payable and accrued liabilities	(2,386,421)	5,447	(2,380,974)
Unearned revenue	(1,944,004)	6,915	(1,937,089)
Total adjustments	30,296,380	7,485,080	37,781,460
Net cash provided by operating activities	**$ 31,385,541**	**$ 786,891**	**$ 32,172,432**
Significant Noncash Transactions			
Pension gain	$ 11,218,192	$ -	$ 11,218,192
Termination of interest rate swap	5,798,791	-	5,798,791
OPEB gain	3,331,242	-	3,331,242

See notes to financial statements.

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

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.

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.

Note 1 - Significant Accounting Policies (Continued)

- **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.

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, 2023 for the retirement of the revenue bonds, Series 2023.
- 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.

Note 1 - Significant Accounting Policies (Continued)

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.

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 deferred amounts for pensions and OPEB. See Notes 9 and 11 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, OPEB, and deferred lease revenue. For pension and OPEB, this amount is deferred and will be included as a reduction of expense ratably over the next five years. See Notes 9 and 11 for details on deferred amounts for pensions and OPEB, respectively. See Note 8 for details on deferred lease revenue.

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.

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.

Note 1 - Significant Accounting Policies (Continued)

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.

The total compensated absences liability for the Connecticut Airport Authority was $4,457,569 at June 30, 2023. This liability is included in accounts payable and accrued liabilities on the statement of net position.

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 were $15,333,013 for the year ended June 30, 2023.

Note 1 - Significant Accounting Policies (Continued)

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.

Leases

CAA is a lessor for noncancelable leases of airport space and other property to airlines, concessionaires, advertisers, and other third parties. CAA recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, CAA initially measures the lease receivable at the present value of payment expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how CAA determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- CAA uses its incremental borrowing rate at lease inception as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

CAA monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Upcoming Accounting Pronouncements

In April 2022, the Governmental Accounting Standards Board issued Statement No. 99, *Omnibus 2022*, which establishes or amends accounting and financial reporting requirements for specific issues related to financial guarantees, derivative instruments, leases, public-public and public-private partnerships (PPPs), subscription-based information technology arrangements (SBITAs), the transition from the London Interbank Offered Rate (LIBOR), the Supplemental Nutrition Assistance Program (SNAP), nonmonetary transactions, pledges of future revenue, the focus of government-wide financial statements, and terminology. The standard has various effective dates. The Authority does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100, *Accounting Changes and Error Corrections*, which enhances the accounting and financial reporting requirements for accounting changes and error corrections. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2024.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2025.

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	$ 10,836,589	$ 591,524	$ 11,428,113
State Treasurer's Short-Term Investment Fund	276,713,319	24,647,314	301,360,633
Total cash and investments	$ 287,549,908	$ 25,238,838	$ 312,788,746

The Authority's 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 bank deposits of $12,181,796 (checking and savings accounts) that were uninsured and uncollateralized. However, all bank deposits were in qualified public institutions, as defined by state statute. Under this statute, any bank holding public deposits must, at all times, maintain, segregated from its other assets, eligible collateral in an amount equal to at least a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposit is determined based on either the public deposits reported on the most recent quarterly call report or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank. CAA management believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

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, 2023.

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' acceptances; 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	$ 276,713,319	AAAm	S&P
State Treasurer's Short-Term Investment Fund - GA	24,647,314	AAAm	S&P
Total	$ 301,360,633		

Note 2 - Cash and Investments (Continued)

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 no recurring fair value measurements as of June 30, 2023 as the interest rate swaps were terminated during the year.

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, 2023, 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, 2023:

Car rental facility charges receivable	$ 1,191,145
Interest receivable	128,030
Investments	31,463,973
Total restricted car rental facility charges	32,783,148
Less current portion of restricted investments	(4,923,768)
Noncurrent restricted car rental facility charges	$ 27,859,380

Note 4 - Restricted Assets (Continued)

Passenger Facility Charges

Passenger facility charges, as required by federal regulations, are restricted for expenditure for federally approved Bradley International Airport improvement projects or debt service of Bradley International Airport. Restricted assets are composed of the following as of June 30, 2023:

Passenger facility charges receivable	$ 1,147,204
Interest receivable	25,067
Investments	61,492,145
Total	$ 62,664,416

Bond Indenture

Assets are restricted for capital improvements, as required under the bond indenture. Restricted assets are composed of the following as of June 30, 2023:

Capital improvements	$ 62,751,578

Note 5 - Capital Assets

Capital asset activity of the Authority was as follows:

Bradley International Airport Enterprise Fund

	Balance July 1, 2022	Transfers	Additions	Disposals and Reclassifications	Balance June 30, 2023
Capital assets not being depreciated:					
Land	$ 3,249,854	$ 401,888	$ -	$ -	$ 3,651,742
Construction in progress	238,998,938	(241,548,764)	20,818,463	-	18,268,637
Subtotal	242,248,792	(241,146,876)	20,818,463	-	21,920,379
Capital assets being depreciated:					
Buildings and improvements	337,925,917	203,739,541	-	-	541,665,458
Machinery and equipment	42,493,438	360,560	527,463	171,177	43,552,638
Land improvements	266,249,359	37,046,775	-	-	303,296,134
Subtotal	646,668,714	241,146,876	527,463	171,177	888,514,230
Accumulated depreciation:					
Buildings and improvements	175,993,489	-	16,376,190	-	192,369,679
Machinery and equipment	34,809,175	-	2,210,026	(171,177)	36,848,024
Land improvements	203,422,565	-	7,986,707	-	211,409,272
Subtotal	414,225,229	-	26,572,923	(171,177)	440,626,975
Net capital assets being depreciated	232,443,485	241,146,876	(26,045,460)	342,354	447,887,255
Net Bradley International Airport Enterprise Fund capital assets	$ 474,692,277	$ -	$ (5,226,997)	$ 342,354	$ 469,807,634

Note 5 - Capital Assets (Continued)

General Aviation Airports Enterprise Fund

	Balance July 1, 2022	Transfers	Additions	Disposals and Reclassifications	Balance June 30, 2023
Capital assets not being depreciated:					
Land	$ 29,785,187	$ 374,964	$ -	$ -	$ 30,160,151
Construction in progress	764,348	(574,295)	810,306	-	1,000,359
Subtotal	30,549,535	(199,331)	810,306	-	31,160,510
Capital assets being depreciated:					
Buildings and improvements	16,280,907	-	-	-	16,280,907
Machinery and equipment	10,544,941	99,750	155,627	-	10,800,318
Land improvements	118,395,555	99,581	-	-	118,495,136
Subtotal	145,221,403	199,331	155,627	-	145,576,361
Accumulated depreciation:					
Buildings and improvements	11,394,010	-	224,043	-	11,618,053
Machinery and equipment	9,218,552	-	268,099	-	9,486,651
Land improvements	71,130,895	-	3,730,405	-	74,861,300
Subtotal	91,743,457	-	4,222,547	-	95,966,004
Net capital assets being depreciated	53,477,946	199,331	(4,066,920)	-	49,610,357
Net General Aviation Airports Enterprise Fund capital assets	$ 84,027,481	$ -	$ (3,256,614)	$ -	$ 80,770,867

Note 6 - Long-term Debt

Long-term debt activity for the year ended June 30, 2023 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	$ 47,190,000	$ -	$ (47,190,000)	$ -	$ -
Series 2011B	31,460,000	-	(31,460,000)	-	-
Series 2023	-	72,095,000	-	72,095,000	6,980,000
Total direct borrowings and direct placements principal outstanding	78,650,000	72,095,000	(78,650,000)	72,095,000	6,980,000
BDL - Other revenue bonds payable:					
CFC Series 2019A	35,410,000	-	-	35,410,000	-
CFC Series 2019B	115,690,000	-	-	115,690,000	1,840,000
Total other debt principal outstanding	151,100,000	-	-	151,100,000	1,840,000
Unamortized bond premiums on Series 2019 bonds	2,972,353	-	(110,087)	2,862,266	-
Total BDL activities long-term debt	$ 232,722,353	$ 72,095,000	$ (78,760,087)	$ 226,057,266	$ 8,820,000

Series 2011A and 2011B

On March 31, 2023, Bradley International Airport Revenue Refunding Bonds Series 2011A and 2011B, with an outstanding principal balance of $72,095,000, were fully redeemed and retired. The 2011A and 2011B bonds were variable rate bonds that were effectively hedged by two interest rate swaps, which synthetically fixed the interest rate. In advance of the 2011A and 2011B bonds full redemption, the two interest rate swaps were terminated on March 7, 2023 with a total termination cost of $2,466,000, including all termination fees and associated interest accrued to the date of termination. In conjunction with the redemption, all remaining balances of deferred loss on bond refunding associated with the original issuance of the 2011A and 2011B bonds were fully expensed.

CFC Series 2019A and 2019B

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

As of June 30, 2023, 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 $17,017,469, compared to the annual debt requirement of $10,009,170.

Note 6 - Long-term Debt (Continued)

Series 2023

On March 31, 2023, the Authority issued Connecticut Airport Authority Airport Revenue Bonds, Series 2023 (AMT) in the original principal amount of $72,095,000. The proceeds of the Series 2023 bond issuance were utilized to fund the full redemption of the 2011A and 2011B bonds. The Series 2023 bonds are fixed-rate bonds with a rate per annum of 3.41 percent. The Series 2023 bonds will fully mature on October 1, 2031 and are subject to mandatory sinking fund redemption prior to maturity on October 1 each year.

The 2023 bonds are secured by and payable solely from the net revenue and PFC revenue generated by the operation of Bradley International Airport. During the year, net revenue of BDL was $53,674,709 compared to annual debt requirement of $12,050,610. As of June 30, 2023, the Authority has also made all required principal and interest payments under the Series 2023 bonds.

Debt Service Requirements to Maturity

For the Series 2023 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 fixed-rate Series 2023 bonds are disclosed in the below table.

Years Ending June 30	Principal	Interest	Total
2024	$ 6,980,000	$ 2,346,259	$ 9,326,259
2025	7,215,000	2,097,406	9,312,406
2026	7,465,000	1,847,112	9,312,112
2027	7,715,000	1,588,293	9,303,293
2028	7,980,000	1,320,693	9,300,693
Thereafter	34,740,000	2,418,713	37,158,713
Total	$ 72,095,000	$ 11,618,476	$ 83,713,476

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, 2023 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:

	CFC Series 2019 Bonds		
Years Ending June 30	Principal	Interest	Total
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	3,705,000	5,845,176	9,550,176
2028	3,820,000	5,723,710	9,543,710
2029-2033	21,175,000	26,479,549	47,654,549
2034-2038	25,565,000	21,951,448	47,516,448
2039-2043	31,315,000	16,061,778	47,376,778
2044-2048	38,620,000	8,571,795	47,191,795
2049-2050	17,970,000	830,275	18,800,275
Total	$ 151,100,000	$ 103,626,674	$ 254,726,674

Note 7 - Accounts Payable and Accrued Liabilities

The following is the detail of accounts payable and accrued liabilities as of June 30, 2023:

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund	Total Connecticut Airport Authority
Accrued operating expenses	$ 17,585,706	$ 204,057	$ 17,789,763
Accounts payable - Projects	9,631,487	959,887	10,591,374
Accrued payroll and compensated absences	4,818,814	894,234	5,713,048
Total	$ 32,036,007	$ 2,058,178	$ 34,094,185

Note 8 - Lease Accounting (GASB 87)

The primary objective of GASB 87 is to enhance the relevance and consistency of information about the Authority's leasing activities. GASB 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB 87, 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. The Authority's operations as a lessee are immaterial to the financial statements as a whole and, therefore, not disclosed in the note, whereas the Authority's operations as a lessor are material, and disclosures are shown below.

Note 8 - Lease Accounting (GASB 87) (Continued)

Lessor

The Authority leases certain land and building assets to various third-party tenants/operators. Lease payments received in exchange for the contracted use of these assets will be based on a fixed rental amount paid in intervals outlined within the lease agreement (monthly, quarterly, or annually), a variable payment directly related to the type of business performed (with or without a minimum annual guarantee), or a combination of both fixed and variable payments. Fixed rental amounts, as well as minimum annual guarantee amounts, are reflected within the GASB 87 lease receivable calculations, while true variable rents paid are not included in the lease receivable calculation. Variable payments not included in the measurement of the GASB 87 lease receivable are based on a percentage of the lessee's revenue above the minimum annual guarantee.

During the year ended June 30, 2023, the Authority recognized the following inflows related to its lessor agreements:

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund
Lease revenue	$ 8,995,530	$ 54,263
Interest revenue	6,087,560	15,709
Revenue from variable payments not previously included in measurement of lease receivable	4,511,196	-

Summary of GASB 87 Lessor Lease Activities as of June 30, 2023

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund
Number of leases	20 leases	4 leases
Remaining term	1 to 402 months	2 to 174 months
Lease receivable	$125,136,362	$318,130

The Authority has bond repayment obligations related to its outstanding Connecticut Airport Authority Airport Revenue Bonds, Series 2023 (AMT). Included in Bradley International Airport Enterprise Fund lease receivables at June 30, 2023 are $125,136,362 related to leases whose revenue is pledged to secure the outstanding Series 2023 bond obligations. See Note 6 for more information regarding Bradley International Airport's outstanding debt.

The leases contain lessee options to terminate the leases or abate payments under certain circumstances. These include Bradley International Airport's ceasing to function as a commercial service airport for at least 30 consecutive days, destruction of the underlying leased asset where insurance coverage is inadequate to rebuild the asset, and the underlying asset's being taken by way of eminent domain or condemnation.

Note 8 - Lease Accounting (GASB 87) (Continued)

Future principal and interest payment requirements related to the Authority's lease receivable as of June 30, 2023 are as follows:

Bradley International Airport Enterprise Fund

Years Ending June 30	Principal	Interest	Total
2024	$ 5,664,234	$ 6,020,875	$ 11,685,109
2025	5,194,621	5,771,522	10,966,143
2026	4,392,925	5,553,927	9,946,852
2027	4,552,061	5,338,976	9,891,037
2028	4,755,799	5,115,197	9,870,996
2029-2033	26,946,290	21,823,915	48,770,205
2034-2038	29,272,534	14,981,564	44,254,098
2039-2043	38,201,058	6,576,252	44,777,310
2044-2048	1,656,714	1,330,786	2,987,500
2049-2053	2,424,729	825,271	3,250,000
2054-2058	2,075,397	187,103	2,262,500
Total	$ 125,136,362	$ 73,525,388	$ 198,661,750

General Aviation Airports Enterprise Fund

Years Ending June 30	Principal	Interest	Total
2024	$ 23,232	$ 14,236	$ 37,468
2025	16,148	13,413	29,561
2026	16,917	12,643	29,560
2027	17,723	11,837	29,560
2028	18,568	10,993	29,561
2029-2033	106,986	40,817	147,803
2034-2038	118,556	12,957	131,513
Total	$ 318,130	$ 116,896	$ 435,026

The Authority recently completed construction of a ground transportation center (GTC), which primarily consists of a consolidated rental car center (CONRAC) plus public parking and public transit improvements. The GTC consists of a total of 1,806,486 square feet. Of the overall total square footage, 589,905 is identified as common area for the rental car companies, 834,439 is identified as exclusive use area for the rental car companies, and the remaining 382,142 is identified as space used by the Authority for additional public parking, as well as public access and walkways. The new rental car lease agreements for use and occupancy of the CONRAC portion of the GTC became effective in July 2022 and are now included in the GASB 87 calculations for the fiscal year ended June 30, 2023.

Payments related to the new CONRAC facility will consist of concession fees with a minimum annual guarantee component and fixed ground rentals. Customer facility charges will continue to be paid to the Authority/trustee and are pledged to pay the requirements of the 2019 Customer Facility Charge Revenue Bonds, as will the newly established facility payments, as required by the agreements. The leases contain lessee options to terminate the leases or abate payments under certain circumstances. These include prevention or restraint of normal use of the Airport by way of an injunction for 90 consecutive days; inability to use the Airport in excess of 45 consecutive days due to casualty, acts of God, or the public enemy; the Airport is assumed in a manner that substantially restricts operations for at least 30 consecutive days; or the underlying asset is taken by way of eminent domain or condemnation.

Note 8 - Lease Accounting (GASB 87) (Continued)

Regulated Leases

The Authority leases certain assets to various third parties that are considered regulated leases, as defined by GASB 87. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings. For example, the U.S. Department of Transportation (DOT) and the Federal Aviation Administration regulate aviation leases between airport and air carriers and other aeronautical users through various policies and guidance, including the FAA's Rates and Charges Policy and Federal Grant Assurances. In accordance with GASB 87, the Authority does not recognize a lease receivable and a deferred inflow of resources for regulated leases. The regulated lease assets include terminal passenger holdrooms, operations space, baggage service areas, terminal apron areas, jet bridges, ticket counters, ticket offices, hangars, and land. Leased land and several of the terminal locations are considered exclusive use by the second parties to the agreement, while some terminal areas are considered either preferential or shared/joint use. Terminal areas considered exclusive or preferential use under regulated leases are as follows:

- Passenger holdrooms - 81 percent of available space is preferential use.
- Operations space - 87 percent of available space is exclusive use.
- Bag make-up area - 81 percent of available space is preferential use.
- Bag service office - 90 percent of available space is exclusive use.
- Gates/Apron space - Of 22 gates, 19 are considered preferential, which includes the 2,579 linear feet of related apron area out of the total 3,041 linear feet, with the remaining 3 gates being common-use gates controlled by CAA.
- Jet bridges - Of the 22 jet bridges associated with the gates, 7 are owned by carriers, while 12 are considered preferential use, with the remaining 3 jet bridges being common use.
- Ticket counter/ATO - 81 percent of available ATO space is exclusive use, while 77 percent of available ticket counter space is exclusive space.

The Authority has executed new regulated leases for several signatory airlines for a five-year term beginning on July 1, 2022 and expiring on June 30, 2027. Revenue related to these leases is reflected as part of the figures compiled for both the period being reported and the future periods.

During the year ended June 30, 2023, the Authority recognized the following from regulated leases:

	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund
Regulated lease revenue	$ 14,952,374	$ 1,913,024
Revenue from variable payments not included in schedule of future minimum payments	27,228,701	1,344,212

Note 8 - Lease Accounting (GASB 87) (Continued)

Future expected minimum payments related to the Authority's regulated leases as of June 30, 2023 are as follows:

Years Ending June 30	Bradley International Airport Enterprise Fund	General Aviation Airports Enterprise Fund
2024	$ 19,165,631	$ 2,356,917
2025	17,133,758	2,278,913
2026	16,778,430	2,121,285
2027	16,646,213	2,098,316
2028	3,317,680	2,098,414
2029-2033	8,374,366	10,175,639
2034-2038	2,861,085	9,074,931
2039-2043	2,463,504	8,905,081
2044-2048	2,463,504	7,662,508
2049-2053	2,463,504	7,030,372
2054-2058	2,463,504	618,478
2059-2061	1,231,752	-
Total	$ 95,362,931	$ 54,420,854

The Authority has entered into certain regulated leases where the related lease revenue received from tenants and operators at Bradley International Airport is pledged to secure the outstanding Series 2023 bond obligations, along with PFC revenue and other net revenue of the Authority. These leases contain lessee options to terminate the lease or abate payments under certain circumstances. These include Bradley International Airport's ceasing to function as a commercial service airport for at least 30 consecutive days, destruction of the underlying leased asset where insurance coverage is inadequate to rebuild the asset, and the underlying asset's being taken by way of eminent domain or condemnation.

Note 9 - 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.

Note 9 - Pension Plan (Continued)

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.

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, 2023.

Net Pension Liability

At June 30, 2023, the Authority reported a liability of $54,952,702 ($47,009,053 and $7,943,649 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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, which used update procedures to roll forward the estimated liability to the measurement date. The Authority's proportion of the net pension liability was based on the Authority's actuarially required contribution for the year ended June 30, 2022 relative to all other contributing employers. At June 30, 2022, the Authority's proportion was 0.249182 percent, which was a decrease of 0.085761 percent from its proportion measured as of June 30, 2021. 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, 2023, the Authority recognized pension expense of $(10,620,348).

Note 9 - Pension Plan (Continued)

At June 30, 2023, 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	$ 5,008,906	$ -
Changes in assumptions	2,105,071	(64,245)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	1,780,721	(16,180,802)
Employer contributions to the plan subsequent to the measurement date	6,373,962	-
Total	$ 15,268,660	$ (16,245,047)

	General Aviation Airports Enterprise Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 846,411	$ -
Changes in assumptions	355,717	(10,857)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	300,909	(2,734,252)
Employer contributions to the plan subsequent to the measurement date	1,077,080	-
Total	$ 2,580,117	$ (2,745,109)

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
2024	$ (1,069,980)	$ (180,806)
2025	(2,051,875)	(346,728)
2026	(2,688,822)	(454,361)
2027	(1,189,229)	(200,957)
2028	(350,444)	(59,219)
Total	$ (7,350,350)	$ (1,242,071)

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using an inflation assumption of 2.50 percent, assumed salary increases (including inflation) of 3.00 through 11.50 percent, an investment rate of return (net of investment expenses, including inflation) of 6.90 percent, and the Pub-2010 mortality tables projected generationally with scale MP-2020. 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, 2015 through June 30, 2020.

Note 9 - Pension Plan (Continued)

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.

Investment Rate of Return

Best estimates of arithmetic real rates of return as of the June 30, 2022 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 %	5.40 %
Developed market (non-U.S.)	11.00	6.40
Emerging markets (non-U.S.)	9.00	8.60
Fixed income (core)	13.00	0.80
Private credit	5.00	6.50
Emerging market debt	5.00	3.80
High-yield bonds	3.00	3.40
Real estate	19.00	5.20
Private equity	10.00	9.40
Alternative investments	3.00	3.10
Cash or cash equivalents	2.00	(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 6.9 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	$ 57,363,326	$ 47,009,053	$ 38,379,311
Net pension liability of the State Employees Retirement System - GA	9,693,327	7,943,649	6,485,385

Note 10 - 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 $171,928 at June 30, 2023. BDL had no amounts due to the State at June 30, 2023.

Note 10 - Related Party Transactions (Continued)

Amounts due from the State presented in the statement of net position totaled $5,045,357 and $917,468 at June 30, 2023 for BDL and GA, respectively.

Note 11 - 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, 2023, the Authority reported a liability of $56,226,939 ($48,099,093 and $8,127,846 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, 2022 and was determined by an actuarial valuation as of June 30, 2022. The Authority's proportion of the net OPEB liability was based on the Authority's actuarially required contribution for the year ended June 30, 2022 relative to all other contributing employers. At June 30, 2022, the Authority's proportion was 0.363 percent, which was an increase of 0.011 from its proportion measured as of June 30, 2021. BDL and GA allocate their proportionate share based on the ratio of employee wages between the funds.

Note 11 - 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, 2023, the Authority recognized OPEB expense of $3,929,086.

At June 30, 2023, 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	$ 739,853	$ (1,480,352)
Changes in assumptions	5,416,714	(20,721,702)
Net difference between projected and actual earnings on OPEB plan investments	448,099	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	4,216,469	(10,373,758)
Employer contributions to the plan subsequent to the measurement date	2,758,052	-
Total	$ 13,579,187	$ (32,575,812)

	General Aviation Airports Enterprise Fund	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 125,021	$ (250,152)
Changes in assumptions	915,323	(3,501,579)
Net difference between projected and actual earnings on OPEB plan investments	75,720	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	712,504	(1,752,971)
Employer contributions to the plan subsequent to the measurement date	466,060	-
Total	$ 2,294,628	$ (5,504,702)

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
2024	$ (4,262,260)	$ (720,242)
2025	(6,958,913)	(1,175,926)
2026	(7,150,289)	(1,208,265)
2027	(2,985,956)	(504,571)
2028	(397,259)	(67,130)
Total	$ (21,754,677)	$ (3,676,134)

Note 11 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using an inflation assumption of 2.50 percent; assumed salary increases (including inflation) of 3.00 percent; an investment rate of return (net of investment expenses) of 6.90 percent; a health care cost trend rate of 6.00 percent, graded to 4.50 percent over six years; and the Pub-2010 General, Above-Median, Healthy Retiree Headcount-weighted Mortality Table projected generationally using Scale MP-2020 for healthy participants and the Pub-2010 General, Disabled Retiree Headcount-weighted Mortality Table projected generationally using Scale MP-2020 for disabled participants. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.90 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 Authority 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 not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate was determined by blending the long-term expected rate of return on OPEB plan investments of 6.90 percent with the current yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, which currently stands at 3.54 percent.

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, 2022 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 %	5.40 %
Developed market international stock fund	11.00	6.40
Emerging markets international stock fund	9.00	8.60
Core fixed income	13.00	0.80
Emerging market debt fund	5.00	3.80
High-yield bond fund	3.00	3.40
Real estate fund	19.00	5.20
Private equity	10.00	9.40
Private credit	5.00	6.50
Alternative investments	3.00	3.10
Liquidity fund	2.00	(0.40)

Note 11 - 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 3.90 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 (2.90%)	Current Discount Rate (3.90%)	1 Percentage Point Increase (4.90%)
Net OPEB liability of the State of Connecticut State Employee OPEB Plan - BDL	$ 56,236,982	$ 48,099,093	$ 41,602,283
Net OPEB liability of the State of Connecticut State Employee OPEB Plan - GA	9,502,996	8,127,846	7,030,006

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	$ 40,602,830	$ 48,099,093	$ 57,614,978
Net OPEB liability of the State of Connecticut State Employee OPEB Plan - GA	6,861,118	8,127,846	9,735,852

Assumption Changes

In the 2022 valuation, assumptions changed related to the discount rate increasing from 2.31 percent to 3.90 percent.

Note 12 - 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 13 - 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	$ 210,614,703	$ 1,015,655	Bradley
HVAC Equip Replacement Phase I	779,565	10,386,242	Bradley
Terminal enhancement and refurbish project	4,603,782	53,781,594	Bradley
Inline Baggage Screen Bldg	8,342,080	145,109,141	Bradley
Reconstruction of Taxiway S	12,728,133	1,198,211	Bradley
Construction of Taxiway E	14,730,650	901,243	Bradley
Viaduct repairs	1,829,184	5,877,650	Bradley
Obstruction removal	2,158,430	437,592	Bradley
Replace Cogen - Design	388,975	2,046,937	Bradley
Parking garage roof repairs	30,000	1,483,710	Bradley
Automated parking guidance system	-	498,529	Bradley
Total	$ 256,205,502	$ 222,736,504	

Required Supplementary Information

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

Last Nine Fiscal Years

Plan Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund's proportion of the net pension liability	0.21316 %	0.28377 %	0.29135 %	0.32040 %	0.28625 %	0.27716 %	0.27163 %	0.29059 %	0.29971 %
Fund's proportionate share of the net pension liability	$ 47,009,053	$ 60,339,526	$ 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	$ 13,100,000	$ 12,742,000	$ 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	358.85 %	473.55 %	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	45.76 %	44.55 %	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 supplementary information.

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

Last Nine Fiscal Years

Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 6,373,962	$ 5,712,484	$ 5,070,628	$ 4,709,153	$ 5,056,971	$ 4,130,664	$ 4,274,662	$ 4,079,450	$ 3,985,793
Contributions in relation to the statutorily required contribution	6,373,962	5,712,484	5,070,628	4,709,153	5,056,971	4,130,664	4,274,662	4,079,450	3,985,793
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Fund's Covered Payroll	$ 13,100,000	$ 12,742,000	$ 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	48.66 %	44.83 %	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.

See notes to required supplementary information.

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

Last Seven Fiscal Years

Plan Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017
Fund's proportion of the net OPEB liability	0.42410 %	0.41519 %	0.34312 %	0.39987 %	0.33442 %	0.33889 %	0.34034 %
Fund's proportionate share of the net OPEB liability	$ 48,099,093	$ 58,192,866	$ 80,774,097	$ 82,702,357	$ 57,534,119	$ 58,839,962	$ 58,682,410
Fund's covered payroll	$ 13,100,000	$ 12,742,000	$ 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	367.17 %	456.70 %	689.20 %	687.12 %	459.57 %	551.30 %	580.61 %
Plan fiduciary net position as a percentage of total OPEB liability	12.63 %	10.12 %	6.13 %	5.47 %	4.69 %	3.03 %	1.94 %

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

See notes to required supplementary information.

Required Supplementary Information
Bradley International Airport Enterprise Fund
Schedule of OPEB Contributions
Connecticut State Employees Retirement System

Last Seven Fiscal Years

Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	$ 2,758,053	$ 2,917,199	$ 2,586,896	$ 3,008,652	$ 3,010,775	$ 2,681,661	$ 2,261,751
Contributions in relation to the statutorily required contribution	2,758,053	2,917,199	2,586,896	3,008,652	3,010,775	2,681,661	2,261,751
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Fund's Covered Payroll	$ 13,100,000	$ 12,742,000	$ 11,720,000	$ 12,036,000	$ 11,122,000	$ 10,673,000	$ 10,107,000
Contributions as a Percentage of Covered Payroll	21.05 %	22.89 %	25.67 %	25.01 %	21.42 %	21.19 %	20.49 %

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

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

Last Nine Fiscal Years

Plan Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fund's proportion of the net pension liability	0.03602 %	0.05117 %	0.05192 %	0.05683 %	0.05542 %	0.05407 %	0.05299 %	0.05668 %	0.05846 %
Fund's proportionate share of the net pension liability	$ 7,943,649	$ 10,882,097	$ 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	$ 2,213,000	$ 2,298,000	$ 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	358.95 %	473.55 %	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	45.76 %	44.55 %	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 supplementary information.

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

Last Nine Fiscal Years

Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 1,077,080	$ 1,030,234	$ 914,476	$ 839,191	$ 896,974	$ 799,752	$ 833,861	$ 795,781	$ 777,511
Contributions in relation to the statutorily required contribution	1,077,080	1,030,234	914,476	839,191	896,974	799,752	833,861	795,781	777,511
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Fund's Covered Payroll	$ 2,213,000	$ 2,298,000	$ 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	48.67 %	44.83 %	43.78 %	39.31 %	41.66 %	38.41 %	42.29 %	38.80 %	39.63 %

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

See notes to required supplementary information.

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

Last Seven Fiscal Years

Plan Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017
Fund's proportion of the net OPEB liability	(0.06130)%	(0.06344)%	0.06115 %	0.07092 %	0.06475 %	0.06699 %	0.06728 %
Fund's proportionate share of the net OPEB liability	$ 8,127,846	$ 10,494,951	$ 14,394,295	$ 14,669,205	$ 11,379,143	$ 11,631,972	$ 11,600,826
Fund's covered payroll	$ 2,213,000	$ 2,298,000	$ 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	367.28 %	456.70 %	689.05 %	687.08 %	469.44 %	558.69 %	588.28 %
Plan fiduciary net position as a percentage of total OPEB liability	12.63 %	10.12 %	6.13 %	5.47 %	4.69 %	3.03 %	31.69 %

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

Required Supplementary Information
General Aviation Airports Enterprise Fund
Schedule of OPEB Contributions
Connecticut State Employees Retirement System

Last Seven Fiscal Years

Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	$ 466,059	$ 523,110	$ 466,541	$ 536,155	$ 534,032	$ 519,206	$ 447,122
Contributions in relation to the statutorily required contribution	466,059	523,110	466,541	536,155	534,032	519,206	447,122
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Fund's Covered Payroll	$ 2,213,000	$ 2,298,000	$ 2,089,000	$ 2,135,000	$ 2,153,000	$ 2,082,000	$ 1,972,000
Contributions as a Percentage of Covered Payroll	21.06 %	22.76 %	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 2021, assumptions changed related to wage inflation rates increasing and mortality tables revised to the Pub-2010 Above Median Mortality Tables (Amount-weighted) projected generationally with MP-2020 improvement scale, resulting in a decrease in the total pension liability.

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 2023 other than the change to the Medicare Advantage plan and new benefit rates.

Changes in Assumptions

In 2023, the discount rate was updated to 3.90 percent.

In 2022, the discount rate was updated to 2.31 percent; there were payroll growth and inflation percent decreases; and there was a change of mortality tables to the Pub-2010 General, Above-Median, Healthy and Disabled Retiree Headcount-weighted Mortality table projected generationally using Scale MP-2020, resulting in a decrease in total OPEB liability.

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 Supplementary Information

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

June 30, 2023
(with comparative totals for 2022)

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	$ 10,836,589	$ 7,778,831
Short-term investments	121,005,623	147,433,610
Current portion of restricted investments	11,601,517	3,155,764
Accounts receivable	5,844,438	5,370,606
Lease receivable - GASB 87	5,664,234	2,232,085
Due from the State	5,045,357	4,484,084
Grants receivable	6,838,140	18,603,493
Prepaid expenses and other assets	888,550	888,550
Total current assets	167,724,448	189,947,023
Noncurrent assets:		
Restricted assets:		
Cash	-	730,505
Investments	144,106,179	101,564,490
Accounts receivable	2,338,349	1,901,650
Interest receivable	153,097	86,552
Capital assets:		
Assets not subject to depreciation	21,920,379	242,248,792
Assets subject to depreciation - Net	447,887,255	232,443,485
Lease receivable - Net of current portion - GASB 87	119,472,128	11,038,242
Total noncurrent assets	735,877,387	590,013,716
Total assets	903,601,835	779,960,739
Deferred Outflows of Resources		
Interest rate swaps	-	5,798,791
Deferred loss on bond refunding	-	1,137,852
Other deferred costs - Net	32,492	36,102
Deferred pension costs	15,268,660	13,040,387
Deferred OPEB costs	13,579,187	16,968,544
Total deferred outflows of resources	28,880,339	36,981,676

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

June 30, 2023
(with comparative totals for 2022)

	2023	2022
Liabilities		
Current liabilities:		
Accounts payable	$ 32,036,007	$ 34,422,428
Unearned revenue and other	4,848,384	6,792,388
Payables from restricted assets:		
Current portion of revenue bonds payable	8,820,000	6,555,000
Revenue bond interest payable	3,701,692	3,784,472
Total current liabilities	49,406,083	51,554,288
Noncurrent liabilities:		
Net pension liability	47,009,053	60,339,526
Net OPEB liability	48,099,093	58,192,866
Revenue bonds payable and premium - Net of current portion	217,237,266	226,167,353
Interest rate swap	-	5,798,791
Total noncurrent liabilities	312,345,412	350,498,536
Total liabilities	361,751,495	402,052,824
Deferred Inflows of Resources		
Deferred pension cost reductions	16,245,047	9,221,857
Deferred OPEB cost reductions	32,575,812	28,554,034
Lease deferred inflow - GASB 87	121,068,335	12,884,972
Total deferred inflows of resources	169,889,194	50,660,863
Net Position		
Net investment in capital assets	260,605,572	260,704,059
Restricted:		
Capital projects	129,605,005	80,735,607
Debt service	11,601,517	6,972,935
Bond indenture requirements	159,768	2,167,881
Unrestricted	(1,130,377)	13,648,246
Total net position	**$ 400,841,485**	**$ 364,228,728**

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

Year Ended June 30, 2023 (with comparative totals for 2022)

	2023	2022
Operating Revenue		
Airline revenue:		
Landing fees	$ 21,726,465	$ 17,334,967
Airline terminal rent	10,062,975	9,887,053
Apron and remote aircraft parking	3,787,193	3,276,842
Total airline revenue	35,576,633	30,498,862
Nonairline revenue:		
Rental cars	9,810,662	8,770,658
Terminal concessions	2,330,061	3,714,406
Land rent	7,250,986	7,004,321
Other concessions	5,453,909	4,377,018
Other operating revenue	3,394,644	2,927,125
Auto parking	35,765,246	26,992,465
Lease revenue adjustment - GASB 87	(2,404,887)	(237,205)
Interest revenue - GASB 87	6,087,559	622,560
Total nonairline revenue	67,688,180	54,171,348
Total operating revenue	103,264,813	84,670,210
Operating Expenses		
Salaries and related expenses	26,863,900	25,529,353
Administrative and general	32,120,935	25,990,288
Repairs and maintenance	9,131,046	7,904,019
Energy and utilities	6,455,473	5,185,257
Depreciation and amortization	27,604,298	18,294,224
Total operating expenses	102,175,652	82,903,141
Operating Income	1,089,161	1,767,069
Nonoperating Revenue (Expense)		
Passenger facility charge revenue	14,996,492	11,194,636
Car rental facility charge revenue	12,216,120	9,581,021
Investment income	6,971,195	456,703
Federal grant revenue	3,013,559	25,240,554
Other nonoperating expenses	(3,543,961)	(1,306,902)
Bond interest expense	(11,370,108)	(9,086,634)
Airline revenue share expense	(8,995,321)	(3,243,643)
Noncash pension and OPEB actuarial assumption adjustments	11,218,192	1,938,858
Total nonoperating revenue	24,506,168	34,774,593
Income - Before capital contributions	25,595,329	36,541,662
Capital Contributions	11,017,428	21,736,001
Change in Net Position	36,612,757	58,277,663
Net Position - Beginning of year	364,228,728	305,951,065
Net Position - End of year	**$ 400,841,485**	**$ 364,228,728**

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

June 30, 2023
(with comparative totals for 2022)

	Oxford Airport	Brainard Airport	Groton New London Airport	Danielson Airport	Windham Airport	GA Airport Administration	2023	2022
Assets								
Current assets:								
Cash	$ -	$ -	$ -	$ -	$ -	$ 591,524	$ 591,524	$ 882,540
Short-term investments	-	-	-	-	-	24,647,314	24,647,314	15,619,302
Accounts receivable	98,787	24,562	43,320	-	14,933	3,492,974	3,674,576	6,669,759
Lease receivable - GASB 87	-	20,447	2,785	-	-	-	23,232	48,986
Due from the State	-	-	-	-	-	917,468	917,468	860,553
Grants receivable	39,290	(3,413)	171,270	3,646	-	-	210,793	527,273
Prepaid expenses and other assets	-	-	989	-	-	-	989	1,685
Total current assets	138,077	41,596	218,364	3,646	14,933	29,649,280	30,065,896	24,610,098
Noncurrent assets - Capital assets:								
Assets not subject to depreciation	28,789,777	879,041	655,327	309,767	236,789	289,809	31,160,510	30,549,535
Assets subject to depreciation - Net	27,560,669	5,033,901	12,408,859	2,701,825	1,804,733	100,370	49,610,357	53,477,946
Lease receivable - Net of current portion - GASB 87	-	294,897	-	-	-	-	294,897	318,129
Total noncurrent assets - Capital assets	56,350,446	6,207,839	13,064,186	3,011,592	2,041,522	390,179	81,065,764	84,345,610
Total assets	56,488,523	6,249,435	13,282,550	3,015,238	2,056,455	30,039,459	111,131,660	108,955,708
Deferred Outflows of Resources								
Deferred pension costs	-	-	-	-	-	2,580,117	2,580,117	2,351,805
Deferred OPEB costs	-	-	-	-	-	2,294,628	2,294,628	3,060,238
Total deferred outflows of resources	-	-	-	-	-	4,874,745	4,874,745	5,412,043

Other Supplementary Information
Combining Statement of Net Position (Continued)
General Aviation Airports Enterprise Fund

June 30, 2023
(with comparative totals for 2022)

	Oxford Airport	Brainard Airport	Groton New London Airport	Danielson Airport	Windham Airport	GA Airport Administration	2023	2022
Liabilities								
Current liabilities:								
Accounts payable	$ 724,951	$ 385,263	$ 148,237	$ 54,451	$ 5,668	$ 633,227	$ 1,951,797	$ 1,876,567
Due to interfunds	3,663	3,684	2,918	657	-	95,459	106,381	-
Unearned revenue and other	48,369	21,659	16,826	25,955	6,125	8,740	127,674	120,759
Due to the State	-	-	171,925	3	-	-	171,928	348,093
Total current liabilities	776,983	410,606	339,906	81,066	11,793	737,426	2,357,780	2,345,419
Noncurrent liabilities:								
Net pension liability	-	-	-	-	-	7,943,649	7,943,649	10,882,097
Net OPEB liability	-	-	-	-	-	8,127,846	8,127,846	10,494,951
Total liabilities	776,983	410,606	339,906	81,066	11,793	16,808,921	18,429,275	23,722,467
Deferred Inflows of Resources								
Deferred pension cost reductions	-	-	-	-	-	2,745,109	2,745,109	1,663,142
Deferred OPEB cost reductions	-	-	-	-	-	5,504,702	5,504,702	5,149,655
Lease deferred inflow - GASB 87	-	302,722	2,698	-	-	-	305,420	359,682
Total deferred inflows of resources	-	302,722	2,698	-	-	8,249,811	8,555,231	7,172,479
Net Position								
Net investment in capital assets	56,350,446	5,912,942	13,064,186	3,011,592	2,041,522	390,179	80,770,867	84,027,480
Unrestricted	(638,906)	(376,835)	(124,240)	(77,420)	3,140	9,465,293	8,251,032	(554,675)
Total net position	**$ 55,711,540**	**$ 5,536,107**	**$ 12,939,946**	**$ 2,934,172**	**$ 2,044,662**	**$ 9,855,472**	**$ 89,021,899**	**$ 83,472,805**

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

Year Ended June 30, 2023
(with comparative totals for 2022)

	Oxford Airport	Brainard Airport	Groton New London Airport	Danielson Airport	Windham Airport	GA Airport Administration	2023	2022
Operating Revenue								
Airline revenue:								
Landing fees	$ 177,491	$ -	$ -	$ -	$ -	$ -	$ 177,491	$ 178,160
Airline terminal rent	-	-	11,223	-	-	-	11,223	10,920
Apron and remote aircraft parking	57,048	45,270	20,340	-	17,690	-	140,348	104,125
Total airline revenue	234,539	45,270	31,563	-	17,690	-	329,062	293,205
Nonairline revenue:								
Rental cars	3,833	2,047	165,917	-	-	-	171,797	149,340
Land rent	1,136,475	502,045	376,792	58,983	89,902	5	2,164,202	1,734,821
Other operating revenue	823,069	78,801	275,311	4,642	14,883	4,360	1,201,066	1,255,505
Lease revenue adjustment - GASB 87	(401)	(9,440)	(593)	-	-	-	(10,434)	(10,030)
Interest revenue - GASB 87	211	15,122	377	-	-	-	15,710	17,463
Total nonairline revenue	1,963,187	588,575	817,804	63,625	104,785	4,365	3,542,341	3,147,099
Total operating revenue	2,197,726	633,845	849,367	63,625	122,475	4,365	3,871,403	3,440,304
Operating Expenses								
Salaries and related expenses	740,574	769,652	808,006	95,295	101,383	1,932,244	4,447,154	4,685,671
Administrative and general	233,935	121,351	141,724	15,300	31,750	26,195	570,255	402,171
Repairs and maintenance	107,329	141,806	219,522	117,461	199,845	171,254	957,217	806,933
Energy and utilities	89,293	89,060	157,055	12,945	23,114	950	372,417	317,204
Depreciation and amortization	1,943,970	301,537	1,468,298	149,389	305,839	53,516	4,222,549	4,429,249
Total operating expenses	3,115,101	1,423,406	2,794,605	390,390	661,931	2,184,159	10,569,592	10,641,228
Operating Loss	(917,375)	(789,561)	(1,945,238)	(326,765)	(539,456)	(2,179,794)	(6,698,189)	(7,200,924)
Nonoperating Revenue (Expense)								
Investment income	-	-	-	-	-	894,196	894,196	47,222
Federal grant revenue	-	-	-	-	-	-	-	297,525
Aviation fuel tax revenue	-	-	-	-	-	8,564,912	8,564,912	10,892,741
Other nonoperating expenses	(527,375)	(1,759,648)	(110,298)	-	(1,983)	(14,532)	(2,413,836)	(822,447)
Noncash pension and OPEB actuarial assumption adjustments	-	-	-	-	-	3,331,242	3,331,242	74,805
Total nonoperating (expense) revenue	(527,375)	(1,759,648)	(110,298)	-	(1,983)	12,775,818	10,376,514	10,489,846
(Loss) Income - Before capital contributions	(1,444,750)	(2,549,209)	(2,055,536)	(326,765)	(541,439)	10,596,024	3,678,325	3,288,922
Capital Contributions	3,217	344,071	146,993	109,411	2	1,267,075	1,870,769	6,566,539
Transfer (Out) In	(976,809)	1,744,249	1,268,958	192,903	248,687	(2,477,988)	-	-
Change in Net Position	(2,418,342)	(460,889)	(639,585)	(24,451)	(292,750)	9,385,111	5,549,094	9,855,461
Net Position - Beginning of year	58,129,882	5,996,996	13,579,531	2,958,623	2,337,412	470,361	83,472,805	73,617,344
Net Position - End of year	**$ 55,711,540**	**$ 5,536,107**	**$ 12,939,946**	**$ 2,934,172**	**$ 2,044,662**	**$ 9,855,472**	**$ 89,021,899**	**$ 83,472,805**