AUDITORS' REPORT

Connecticut Airport Authority

FISCAL YEARS ENDED JUNE 30, 2024 AND 2025

STATE OF CONNECTICUT
Auditors of Public Accounts

JOHN C. GERAGOSIAN
State Auditor

CRAIG A. MINER
State Auditor

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STATE OF CONNECTICUT

AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1559

CRAIG A. MINER

November 25, 2026

INTRODUCTION

We are pleased to submit this audit of the Connecticut Airport Authority for the fiscal years ended June 30, 2024 and 2025 in accordance with the provisions of Sections 1-122, 2-90 and 15-120kk of the Connecticut General Statutes. Our audit did not identify internal control deficiencies; instances of noncompliance with laws, regulations, or policies; or a need for improvement in practices and procedures that warrant management's attention.

The Auditors of Public Accounts wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Connecticut Airport Authority during the course of our examination.

The Auditors of Public Accounts also would like to acknowledge the auditors who contributed to this report:

Frederick Armour
Jaimey Makie
Kristy Sleight

Jaimey Makie
Associate Auditor

Approved:

John C. Geragosian
State Auditor

Craig A. Miner
State Auditor

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of the Connecticut Airport Authority disclosed no recommendations.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

Our prior audit report on the Connecticut Airport Authority contained one recommendation. The recommendation has been implemented or otherwise resolved during the current audit.

Prior Recommendation	Current Status
The Connecticut Airport Authority should strengthen internal controls over its review of invoices to ensure that billed hourly rates are sufficiently detailed and match rates in the contract.	RESOLVED

OBJECTIVES, SCOPE, AND METHODOLOGY

We have audited certain operations of the Connecticut Airport Authority in fulfillment of our duties under Sections 1-122, 2-90 and 15-120kk of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the fiscal years ended June 30, 2024 and 2025. The objectives of our audit were to evaluate the:

1. Authority's significant internal controls over compliance and its compliance with policies and procedures internal to the authority or promulgated by other state agencies, as well as certain legal provisions, including as applicable, but not limited to whether the authority has complied with its regulations concerning affirmative action, personnel practices, the purchase of goods and services, the use of surplus funds, and the distribution of loans, grants and other financial assistance;

2. Authority's internal controls over certain financial and management functions; and

3. Effectiveness, economy, efficiency, and equity of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, meeting minutes, and other pertinent documents. We interviewed various personnel of the authority and certain external parties. We also tested selected transactions. Our transaction selections were designed to provide sufficient and appropriate evidence to support our findings, conclusions, and recommendations. This testing was not designed to project to a population unless specifically stated. We obtained an understanding of internal controls that we deemed significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts, grant agreements, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The accompanying financial information is presented for informational purposes. We obtained this information from various available sources including the authority's management and the authority's information systems. It was not subject to the audit procedures applied in our audit of the authority. For the areas audited, we did not identify

1. Apparent noncompliance with laws, regulations, contracts and grant agreements, policies, or procedures;

2. Deficiencies in internal controls; or

3. A need for improvement in management practices and procedures that we deemed to be reportable.

ABOUT THE AGENCY

Overview

The Connecticut Airport Authority operates principally under the provisions of Title 15, Chapter 267b of the General Statutes. Section 15-120bb(a) of the General Statutes names CAA a public instrumentality and political subdivision of the state created for the performance of an essential public and governmental function. Pursuant to Chapter 12, Section 1-120, CAA is classified as a quasi-public agency subject to the requirements found in Chapter 12. As a quasi-public agency, the authority's financial information is included as a component unit in the state's Annual Comprehensive Financial Report.

The Connecticut Airport Authority operates Bradley International Airport and the state's five general aviation airports (Danielson, Groton-New London, Hartford-Brainard, Waterbury-Oxford, and Windham). The authority's mission is to provide outstanding airport service and grow the regional economy.

Organizational Structure

Pursuant to Section 15-120bb(b) of the General Statutes, the Connecticut Airport Authority Board of Directors has 11 voting members. Three serve as ex-officio members and eight are appointed.

In addition, the board established several committees and subcommittees to expedite the authority's business activities and maintain controls over its transactions. During the audited period, the board had seven standing committees:

- Bradley Advisory Committee
- Economic Asset Development Committee
- Finance and Operations Committee
- Human Resources and Governance Committee
- Investment Committee
- Legislative Committee
- Audit Committee

The board appoints the CAA executive director. Kevin Dillon was appointed executive director in June 2012 and served in that capacity until February 7, 2025. Michael Shea was appointed executive director, effective February 7, 2025, and continues to serve in that capacity.

Significant Legislative Changes

Notable legislative changes that took effect during the audited period are presented below:

- Public Act 23-204 (Sections 368, 370, 371, and 396), effective July 1, 2023, exempted sales of aviation fuel from the petroleum products gross earning tax in fiscal years 2024 and 2025. The act also established an aviation fuel tax of 15 cents per gallon starting July 1, 2025. The act required the Commissioner of Revenue Services to deposit 100% of the aviation fuel tax into a nonlapsing account within the Grants and Restricted Accounts Fund to be expended by the executive director of CAA, with the approval of the Secretary of the Office of Policy and Management, for airport and aviation related purposes. The act also required CAA's executive

director to report to the Transportation and Finance, Revenue and Bonding committees on each airport CAA oversees no later than October 1, 2023, and annually thereafter. The report must summarize each airport's operating and capital revenues and expenditures for the prior fiscal year and give an overview of any acquisition, closure, or expansion plans in the coming year.

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- Public Act 24-40 (Sections 20-41) modernized Connecticut's aeronautics laws through updates implemented in two phases during 2024, Sections 20 through 37 took effect on July 1, 2024, followed by Sections 38 through 41 on October 1, 2024. The act defines the term unmanned aircraft, expands CAA's authority to cover unmanned aircraft regulations, and revised certain airport operations and alcohol-sale rules. Overall, these sections updated aviation regulation for modern facilities and drones while strengthening registration, reporting, safety, security, and operational controls.

Financial Information

The Connecticut Airport Authority maintains two funds: (1) the Bradley International Airport Enterprise Fund to account for the operations of Bradley International Airport, and (2) the General Aviation Airport Enterprise Fund to account for the state's five general aviation airports located within the state.

Statement of Net Position

Based on CAA's audited financial statements, a summary of assets, liabilities, and net position for the audited period and the preceding fiscal year follows:

	As of June 30,		
	2023	2024	2025
Assets			
Current Assets:			
Cash	$ 11,428,113	$ 8,879,342	$ 10,106,019
Current portion of restricted investments	11,601,517	14,930,588	13,577,636
Short-term investments	145,652,937	142,073,403	134,145,235
Accounts receivable	9,519,014	6,960,090	7,958,506
Lease receivable - GASB 87	5,687,466	5,359,884	6,576,476
Prepaid expenses and other assets	889,539	1,987,959	1,921,401
Grants receivable	7,048,933	43,630,298	55,069,893
Due from the State	5,962,825	6,880,887	5,729,254
Total current assets	197,790,344	230,702,451	235,084,420
Noncurrent assets:			
Restricted assets:			
Investments	144,106,179	117,023,700	79,690,060
Accounts receivable	2,338,349	3,349,437	2,459,941
Interest receivable	153,097	186,713	171,127
Capital assets:			
Assets not subject to depreciation	53,080,889	142,497,021	275,272,993
Assets subject to depreciation - Net	497,497,612	474,440,548	452,499,729
Lease receivable - Net of current portion -	119,767,025	115,338,206	137,094,468
Total noncurrent assets	816,943,151	852,835,625	947,188,318
Total assets	1,014,733,495	1,083,538,076	1,182,272,738

Deferred Outflows of Resources			
Other deferred costs - Net	32,492	28,881	25,271
Deferred pension costs	17,848,777	12,808,342	22,362,300
Deferred OPEB costs	15,873,815	14,080,886	11,595,433
Total deferred outflows of resources	33,755,084	26,918,109	33,983,004
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	34,094,185	62,919,272	76,601,922
Unearned revenue and other	4,976,058	3,589,588	6,154,651
Due to the State	171,928	-	-
Payables from restricted assets:			
Current portion of revenue bonds payable	8,820,000	10,710,000	11,060,000
Revenue bond interest payable	3,701,692	3,612,405	3,499,941
Total current liabilities	51,763,863	80,831,265	97,316,514
Noncurrent liabilities:			
Net pension liability	54,952,702	43,538,819	54,187,902
Net OPEB liability	56,556,939	59,283,714	63,363,522
Revenue bonds payable and premium - Net of current portion	217,237,266	206,417,178	195,247,090
Total noncurrent liabilities	328,416,907	309,239,711	312,798,514
Total liabilities	380,180,770	390,070,976	410,115,028
Deferred Inflows of Resources			
Deferred pension cost reductions	18,990,156	19,804,811	14,639,193
Deferred OPEB cost reductions	38,080,514	29,791,988	18,367,264
Deferred Amounts Related to Leases	121,373,755	114,236,444	134,318,347
Total deferred inflows of resources	178,444,425	163,833,243	167,324,804
Net Position			
Net investment in capital assets	341,376,439	376,032,749	487,084,708
Restricted:			
Bond indenture requirement	159,768	11,484,779	17,086,925
Debt service	11,601,517	14,930,588	13,577,636
Capital projects	129,605,005	95,036,230	51,168,136
Unrestricted	7,120,655	59,067,620	69,898,505
Total Net Position	**$ 489,863,384**	**$ 556,551,966**	**$ 638,815,910**

Total net position increased by $66,688,582 in fiscal year 2024 and $82,263,944 in fiscal year 2025. Total assets increased by $68,804,581, while total liabilities increased by $9,890,206 from fiscal year 2023 to fiscal year 2024. From fiscal year 2024 to fiscal year 2025, total assets increased by $98,734,662 while total liabilities increased by $20,044,052. The increase in net position shown on Statement of Net Position table was generated from the activity shown on Statement of Revenue, Expenses, and Changes in Net Position shown below. The growth in the net position during the audited period was mainly attributed to an increase in passenger traffic and the authority's efforts to grow new airline routes.

Statement of Revenues, Expenses, and Changes in Net Position

Based on the CAA's audited financial statements, a summary of revenues, expenses, and changes in net position for the audited period and the preceding fiscal years follows:

	Fiscal Year Ended June 30,		
	2023	**2024**	**2025**
Operating Revenue			
Airline revenue:			
Landing fees	$ 21,903,956	$ 24,430,219	$ 25,712,613
Airline terminal rent	10,074,198	12,198,244	12,496,544
Apron and remote aircraft parking	3,927,541	5,757,744	5,374,255
Total airline revenue	35,905,695	42,386,207	43,583,412
Nonairline revenue:			
Rental cars	9,982,459	10,375,816	10,958,811
Terminal concessions	2,330,061	6,318,516	7,472,024
Land rent	9,415,188	10,345,088	11,897,322
Other concessions	5,453,909	5,868,852	6,714,022
Other operating revenue	4,595,710	5,356,919	5,623,149
Auto parking	35,765,246	38,288,125	40,483,344
Lease revenue adjustment - GASB 87	(2,415,321)	(3,684,348)	(3,546,905)
Interest revenue - GASB 87	6,103,269	6,065,256	6,437,856
Total nonairline revenue	71,230,521	78,934,224	86,039,623
Total operating revenue	107,136,216	121,320,431	129,623,035
Operating Expenses			
Salaries and related expenses	31,311,054	33,365,277	34,648,575
Administrative and general	32,691,190	35,375,417	36,763,063
Repairs and maintenance	10,088,263	11,840,865	13,383,991
Energy and utilities	6,827,890	8,675,546	8,360,336
Depreciation and amortization	31,826,847	30,995,949	31,879,962
Total operating expenses	112,745,244	120,253,054	125,035,927
Operating Income (Loss)	(5,609,028)	1,067,377	4,587,108
Nonoperating Revenue (Expense)			
Passenger facility charge revenue	14,996,492	16,302,750	15,457,775
Car rental facility charge revenue	12,216,120	13,915,633	15,036,645
Investment income	7,865,391	11,102,633	8,324,635
Federal grant revenue	3,013,559	192,447	-
Aviation fuel tax revenue	8,564,912	-	-
Other nonoperating expenses	(5,957,797)	(7,436,325)	(10,907,033)
Bond interest expense	(11,370,108)	(8,397,941)	(8,048,585)
Airline revenue share expense	(8,995,321)	(11,522,071)	(11,624,018)
Noncash pension and OPEB actuarial assumption adjustments	14,549,434	8,997,615	8,929,955
Total nonoperating revenue	34,882,682	23,154,741	17,169,374
Income - Before capital contributions	29,273,654	24,222,118	21,756,482
Capital Contributions	12,888,197	42,466,464	60,507,462
Change in Net Position	42,161,851	66,688,582	82,263,944
Net Position - Beginning of year	447,701,533	489,863,384	556,551,966
Net Position - End of year	**$ 489,863,384**	**$ 556,551,966**	**$ 638,815,910**

The significant growth in the operating revenues during the audited period was attributable to a continued increase in passenger traffic each year. The largest share of airline revenues was derived from

landing fees, followed by airline terminal rent and aircraft parking. Non-airline revenues consisted of various concessions including parking, rental cars, food and beverage, retail, and advertising.

Operating expenses in fiscal year 2024 grew by $7,507,810 or 6.7 % from fiscal year 2023, due to the increases in salaries, utility, and repair costs. Operating expenses in fiscal year 2025 grew by $4,782,873 or 4% from fiscal year 2024, primarily due to the increase in salaries, maintenance, and additional depreciation and amortization expenses.

Nonoperating revenues and expenses included passenger facility charges, car rental facility charges, federal grant revenue, investment income, revenue bond interest expense, other nonoperating expenses, actuarial pension gain and other post-employment benefits (OPEB) gain, and airline net revenue share expense. Nonoperating revenues decreased during the audited period because of the suspension of the aviation fuel tax and decreases in federal grant revenues. CAA also experienced higher nonoperating expenses and lower investment income in fiscal year 2025 due to lower interest rates and costs to fix a large landside stormwater drainage pipe that collapsed outside the terminal. Nonoperating revenue decreased from $34 million in fiscal year 2023 to $23 million in fiscal year 2024 and $17 million in fiscal year 2025.

Fiscal year 2024 capital contributions grew by $29,578,267 from the prior year, primarily due to an increase in capital contributions for an Inline Baggage Screen Building. In fiscal year 2025, capital contributions increased by $18,040,998 largely for the Checked Baggage Inspection System.

Other Audits and Engagements

Independent public accountants (IPA) audited the CAA financial statements for the fiscal years under review. Those audits attested that the financial statements presented fairly, in all material respects, the financial position of CAA for the audited period, and the results of its operations and cash flows during that period are in conformity with accounting principles generally accepted in the United States of America.

As an integral part of their financial statement audits, the IPA also provided reports on internal control over financial reporting and compliance. The reports on internal control over financial reporting disclosed no significant deficiencies or material weaknesses. The reports on compliance with certain laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.