MASSACHUSETTS PORT AUTHORITY

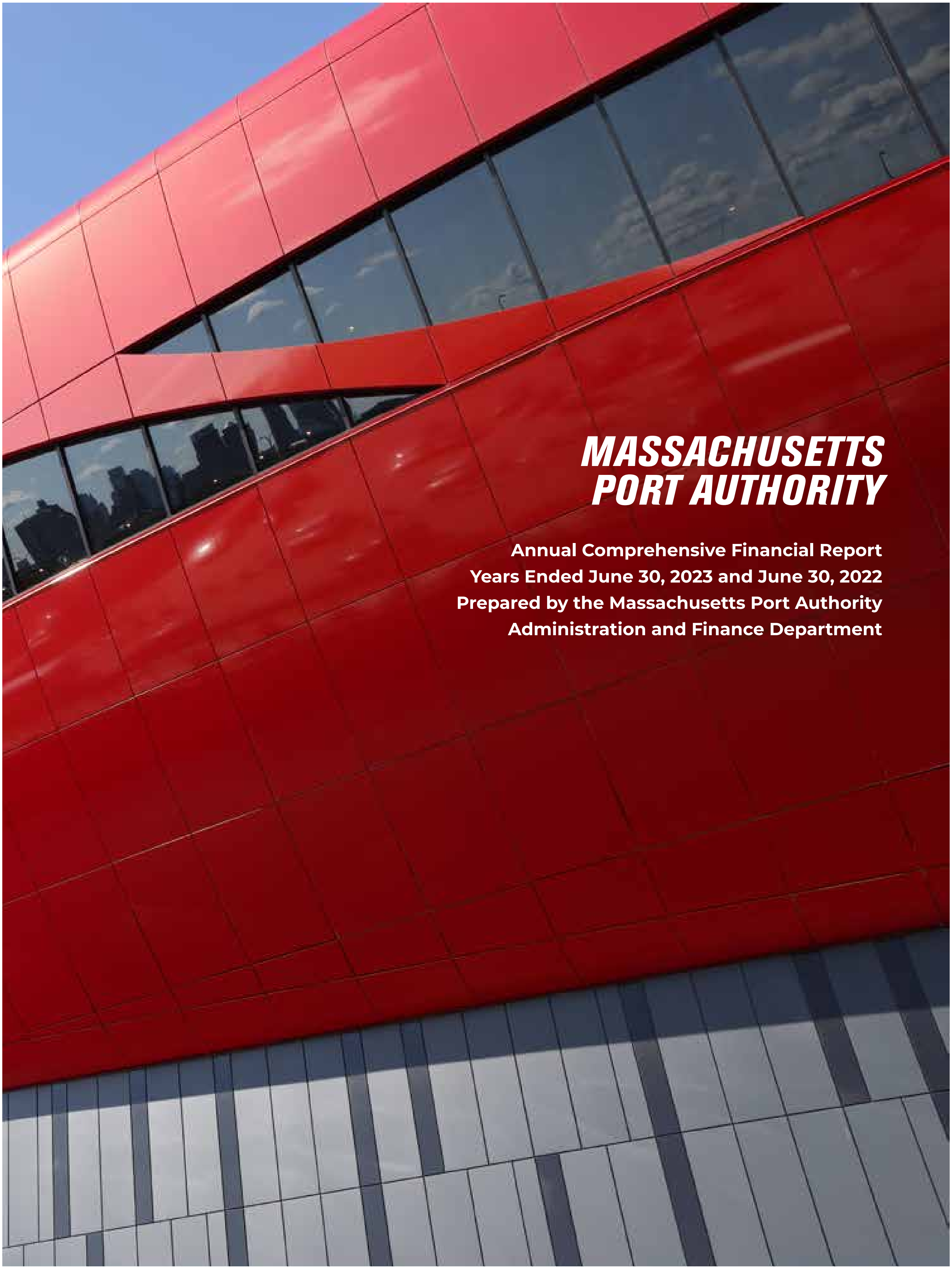
2023 ANNUAL

COMPREHENSIVE FINANCIAL REPORT

Years ended June 30, 2023 & June 30, 2022

ON THE COVER AND
PICTURED RIGHT:
The modernized Terminal E,
opened 2023.

Photo by Emma Peters
Photography



MASSACHUSETTS PORT AUTHORITY

Annual Comprehensive Financial Report
Years Ended June 30, 2023 and June 30, 2022
Prepared by the Massachusetts Port Authority
Administration and Finance Department

The modernized Terminal E has sustainable features, including a glass wall that lets in lots of natural light, thus reducing energy costs.

INTRODUCTION

FINANCIAL

Supplementary Information

STATISTICAL SECTION (UNAUDITED)

ANNUAL DISCLOSURE

APPENDICIES

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Ed Freni, Interim Chief Executive Officer and Director of Aviation

TO THE MEMBERS OF THE MASSACHUSETTS PORT AUTHORITY:

I am pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Massachusetts Port Authority (Massport) for the fiscal year ended June 30, 2023 (FY23). The ACFR, which was prepared by the Administration and Finance department, is intended to provide the Members of the Authority (Board), the public and other interested parties with information on our financial results, operational performance and strategic accomplishments during the past fiscal year.

During FY23, activities improved across all of our business lines, exceeding revenue and margin targets even as we restored services to keep pace with growing post-pandemic demand. Together, these results prove that the fiscal initiatives we pursued during the COVID-19 pandemic helped minimize any long-term impacts to the Authority's fiscal stability. At the end of FY23, the Authority is well positioned to advance our mission and commitments to safety and security; diversity, equity and inclusion (DE&I); sustainability; being good neighbors; and creating economic opportunities for The Commonwealth of Massachusetts.

As the aviation industry continued to recover in FY23 and leisure air travel remained strong, Massport worked to enhance the customer experience for our airport passengers. At Boston Logan International Airport, we completed construction of the Terminal B-to-C Connector (the B-to-C Connector). Opened in August 2022, the B-to-C Connector provides a seamless post-security link for travelers to catch connecting flights between the airport's busiest terminals. The B-to-C Connector, which was built with sustainable materials and energy efficient features, received Leadership in Energy and Environmental Design (LEED) Gold certification.

In September 2022, Massport welcomed President Joseph Biden to Boston Logan to celebrate a $62 million Bipartisan Infrastructure Law (BIL) grant through the FAA's competitive Airport Terminals Program to help push Phase 1 of the Terminal E Modernization and the Terminal B-to-C Roadways Improvement projects over the finish line. The opening of the new, LEED Gold Terminal E wing which includes four new gates and other amenities, in August 2023 supports the Commonwealth's economic growth by providing a better airport experience and global connectivity for residents, businesses and visitors. New terminal roadways opening in fall 2023 will eliminate bottlenecks between our two busiest terminals, creating a safer and more efficient airport traffic flow for all.

We made several improvements to ground transportation services to enhance the customer's experience to and from Boston Logan while supporting our Net Zero goals.

- Added a new Logan Express (LEX) employee service from Quincy to increase capacity for airline passengers using the Braintree LEX service.
- Relocated Ride-App pickup and drop-off operations for Terminal B passengers from Central Parking to the Terminal B garage, creating a more convenient experience for riders.
- Restored the Back Bay LEX service with a $3 fare for trips to the airport and free return trips from the airport.
- Maintained the 25% discount on all LEX tickets purchased online to encourage greater use of transit options and ease congestion during the Sumner Tunnel closure in July and August 2023.

Worcester Regional Airport's passenger volume continued to climb during the fiscal year, reaching a milestone of serving its one millionth customer under Massport ownership in December 2022. All three airlines serving Worcester introduced larger size aircraft since the pandemic for a nearly 30% increase in seat capacity, helping to boost passenger levels. In June 2023, JetBlue launched new nonstop service connecting Worcester to Orlando, FL and it plans to add seasonal nonstop service to Ft. Myers, FL in January 2024. By the end of FY23, Worcester Regional Airport served 193,000 passengers, beating the pre-pandemic levels in FY19 by 6%.

Hanscom Field continued to see strong jet activity even as growth rates continued to normalize following the spike seen during COVID. As a result, the region's premier full-service general aviation airport ended the fiscal year with 35,500 jet operations, a 14% increase over FY19, and a total of 122,700 aircraft operations. In response to the strong demand for private aviation services, Signature Flight Support, the largest fixed-base operator (FBO) at Hanscom, completed construction on a modern passenger terminal in June 2023, while Atlantic Aviation continued construction on a 60,000-square-foot corporate aircraft hangar and improvements to existing facilities which are expected to be completed in 2024.

Conley Container Terminal increased its global connectivity in FY23. With the completion of the Boston Harbor deepening project and the Terminal's modernization project, the Port of Boston added two new services from six of the world's top ten ocean carriers. These new services expanded Conley Terminal's global reach, providing New England businesses with direct connections to more than 30 ports in China, Southeast Asia, the Indian subcontinent, Northern Europe, the Mediterranean, the Middle East and Latin America. By the end of the fiscal year, Conley handled 220,800 TEUs carrying diverse commodities, including seafood, furniture and apparel. At Flynn Cruiseport Boston, the return of a full cruise season schedule provided a boost to local businesses in the tourism and visitor industries, ending FY23 with more than 355,000 passengers served.

Several real estate projects continued to take shape along the South Boston Waterfront. Construction continued to advance on 10 World Trade, a 16-story office/lab building with extensive public realm amenities and nearby transit connections, which is expected to be completed in 2024. Seaport Circle, the third major development to implement the "Massport Model," which promotes DE&I in commercial real estate development, completed design and permitting. In September 2023, Massport designated a development partner to build a mixed-income residential building on Parcel D-4, the first of its kind in the South Boston Waterfront. At the Massport Marine Terminal in South Boston, Boston Sword & Tuna opened a 10,000 square foot addition to its plant, and Aquanor completed design and permitting for a new processing and distribution facility.

During the fiscal year, we further delivered on a commitment to our neighboring community to build more open space. In October 2022, we officially broke ground on the construction of Piers Park II. In collaboration with East Boston residents and the Piers Park Advisory Committee, we are building a 4.5-acre park along the East Boston waterfront that includes resiliency features to help protect the neighborhood from flooding and sea level rise and other design features for multigenerational use based on extensive community input. When the $20 million project is completed in late 2023, it will also include a new facility for the Piers Park Sailing Center.

Finally, we continued to forge our path to Net Zero by 2031.

- Purchased ten new enhanced electric Silver Line 1 buses that are now in service and run exclusively on electricity while on terminal roadways.
- Acquired six additional all-electric vehicles and five hybrid vehicles in a continuation of our fleet decarbonization efforts.
- Through a grant from the Massachusetts Clean Energy Center (MassCEC), we worked to encourage adoption of electric vehicles (EVs) by commercial providers at Boston Logan by offering incentives that include free charging for Ride Apps and taxis and front-of-the-line privileges for EV taxis. Since the launch, Logan Airport has more than 1,300 rental car EVs available, EV product offerings from Uber and Lyft, and five EV taxis.
- Expanded EV charging infrastructure by adding six airside charging units at the Terminal B-to-C Connector for airline electric ground support equipment and additional landside vehicle charging stations across our campuses, including in the Ride App lots at Boston Logan and the parking lot at Worcester Regional Airport.
- Initiated work to identify net zero options for the Logan Central Heating Plant, the Authority's largest single source of Scope 1 emissions.
- Joined MIT's Zero Impact Aviation Alliance (ZIAA), together with Boeing, BP, Delta Air Lines, Pratt & Whitney, and World Energy, to provide research-driven thought leadership across the aviation value chain and develop pilot programs and policies to drive down aviation carbon emissions.

The Authority's accomplishments over the past year would not have been possible without the dedication, innovation and tenacity of our diverse workforce. I am grateful for their professionalism and hard work to keep our airports, ports and other facilities open and safe. Together with our local, state and federal partners, Massport is fiscally ready to serve the needs of the Commonwealth.

Respectfully,

Edward C. Freni

Interim Chief Executive Officer and Director of Aviation

SUPPLEMENTAL INFORMATION

The letter of transmittal should be read in conjunction with Management's Discussion and Analysis (MD&A), which immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the Authority's financial statements. Responsibility for the accuracy, completeness, and fairness of the presentation and disclosures rests with management.

PROFILE OF MASSACHUSETTS PORT AUTHORITY

The Authority was created by and exists pursuant to Chapter 465 of the Massachusetts Acts of 1956, as amended to date (the "Enabling Act"), and is a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts. It is governed by a seven-member board, of which five members are appointed by the Governor of Massachusetts and one is appointed by the Massachusetts Port Authority Community Advisory Committee. These six members serve staggered terms of seven years each. The seventh member is the Secretary of Transportation and Chief Executive Officer of the Massachusetts Department of Transportation. Members are not compensated for their service.

The Authority owns Boston Logan International Airport ("Logan Airport"), L. G. Hanscom Field ("Hanscom Field"), Worcester Regional Airport ("Worcester Airport"), Conley Terminal, Raymond L. Flynn Cruiseport at Black Falcon Terminal ("Flynn Cruiseport Boston") and various other maritime properties ("the Port"). The Authority has no taxing power and is not taxpayer funded. As a self-sustaining entity, the Authority relies on revenues collected from airline fees, parking fees, terminal, ground and other rents, concessions, and other fees to fund operating expenses. The Authority's operating revenues along with federal grants, passenger facility charges (PFCs), and customer facility charges (CFCs) fund its capital expenditures. The Authority issues revenue bonds that are secured solely by the Authority's revenues, as defined by the 1978 Trust Agreement and the CFC Trust Agreement (collectively, the "Trust Agreements"), respectively. The Authority's bonds do not constitute a debt or a pledge of the full faith and credit of The Commonwealth of Massachusetts or of any other political subdivision thereof. The Authority also receives Federal and State grants for specific capital projects.

ECONOMIC ENVIRONMENT

The U.S. economy continued to perform well for the first three quarters of 2023. Real Gross Domestic Product (GDP) increased at annual rates of 2.2% in Q1, 2.1% in Q2, and 4.9% in Q3 (advance estimate) due to the strength of consumer spending, business investment and government spending. GDP growth exceeded expectations in the face of the Federal Reserve's actions to curtail rising inflation by raising interest rates 525 basis points since March of 2022. Consumer spending was robust during this period, aided by low unemployment, which stood at 3.7% in Q3 2023, up slightly from 3.6% in Q2 2023. Strong competition for employees, coupled with the scarcity of workers, helped propel employee wage growth 4.8% for the twelve month period ending September 2023, outpacing inflation by 1%. Consumers continued to spend vigorously during this period on travel, leisure, recreation and hospitality with the help of higher wages, household savings accumulated during the pandemic, and consumer credit. GDP benefitted from new business spending on technology and artificial intelligence, as corporations used these tools to lower costs and increase employee productivity to offset rising inflation. GDP during this period was also aided by new infrastructure investments, made possible by the infusion of federal funding for infrastructure, energy efficiency, and carbon reduction, and contributed to increased construction spending.

The Massachusetts economy outpaced the U.S. economy for the first two quarters of 2023. According to MassBenchmarks, from the UMass Donahue Institute and the Federal Reserve Bank of Boston, Massachusetts Real GDP increased 2.5% and 3.6%, respectively. During Q3 of 2023, Massachusetts Real GDP increased 3.8%, slower than the national growth rate but significantly faster than the predicted growth of 0.7%. Strong job growth, a continuation of robust consumer spending and business investment propelled Massachusetts GDP growth in the third quarter.

ECONOMIC OUTLOOK

The rapid rise in interest rates, continued geopolitical tensions, stubborn inflation, and low unemployment, along with many other uncertainties, make future predictions about the economy extremely challenging. The Fed has been clear that it intends to keep interest rates high for a longer period. To date, the economy and the consumer have been able to withstand the Fed's decisions to increase interest rates to slow the economy and lower inflation. The future pace of economic growth is projected to be more muted as interest rate sensitive industries look to manage costs to offset their higher cost of capital, and the consumer begins to feel the effect of rising borrowing costs for housing, vehicles, consumer credit, and the return of student loan payments. These domestic challenges are in addition to rising geopolitical tensions from conflicts in both the Middle East and Ukraine that may also pressure the economy and lower consumer spending going forward. Should these economic headwinds fail to curtail consumer spending, and job growth remain elevated, the Fed may need to raise interest rates further to achieve its desired policy target of 2% inflation. Collectively, these economic factors continue to weigh heavily on the Fed's outlook for economic growth, which is predicted to slow to around 1.5% in 2024.

The Massachusetts economy is also expected to face similar challenges and is forecast to slow in 2024 in line with the trajectory for the U.S. economy. The MassBenchmarks forecast for Massachusetts Real GDP indicates a slowdown to 1.9% in Q4 2023, decelerating further to 0.3% in Q1 2024. In preparing their forecast for MA GDP, MassBenchmarks cites labor force constraints, slowdowns in sales tax revenues and motor vehicle purchases, a possible softening of the labor market as measured by the number of first payments in unemployment claims, rising interest rates and "lackluster consumer confidence" as factors that will restrain MA GDP growth. While the precise direction of the U.S. and Massachusetts economies is difficult to predict, Massport closely monitors the demand for its transportation assets and is prepared to act and manage business activities appropriately to continue supporting the Massachusetts and regional economies.

FINANCIAL POLICIES AND PRATICES

INTERNAL CONTROL ENVIRONMENT

The Authority's financial statements are prepared on an accrual basis of accounting. The Authority's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Authority are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the complete and accurate preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental enterprise funds. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The Authority's Internal Audit function maintains oversight over the key areas of the Authority's business and financial processes and controls. In addition, the Authority's Audit and Finance Committee plays a critical role in the oversight of the Authority's internal control structure. This committee meets with the senior staff of the Authority periodically and has regular communication with the Authority's independent auditors, Ernst & Young LLP. Massport's Internal Audit department reports directly to the Authority's Audit and Finance Committee.

BUDGETARY CONTROL

Operating budgetary controls and evaluations are accomplished by comparing actual interim and annual results with the budget. The Authority prepares budget and non-GAAP actual financial statements on a monthly basis and prepares unaudited GAAP financial statements on a quarterly basis.

The Authority traditionally utilizes a rolling, five-year capital program as its comprehensive and coordinated capital improvement and financial master plan for all Authority facilities. The capital program, which is amended and approved by the Board annually, sets forth the planned capital projects and expected sources of funding for the next succeeding five-year period. While the Board annually approves a five-year capital program as a whole, each individual project within the capital plan is its own "module," the scope of and budget for which must be approved separately by the Board before work on such module is commenced. Many of the commitments within the Authority's capital plan have already been authorized by the Authority and extend over several years. This permits the Authority to undertake the construction and financing of each project independently of other capital projects, while retaining overall program coordination and integration. The modular design of the capital program significantly increases the Authority's ability to make needed adjustments in capital spending levels. If significant changes in funding sources occur, or if the costs of certain projects increase significantly, the Authority will adjust the timing or reduce the scope of individual proposed projects or the overall program, or both, to accommodate such changed circumstances.

CAPITAL FINANCING DEBT MANAGEMENT

All debt must be issued pursuant to the Debt Issuance and Debt Management Policy adopted in February 2010, as most recently amended and approved by the Massport Board in June 2023. As of June 30, 2023, outstanding debt obligations of the Authority issued pursuant to the Trust Agreements totaled approximately $2.8 billion and include senior and subordinated revenue bonds but exclude commercial paper and special facilities revenue bonds. Special facilities revenue bonds issued on behalf of and payable by certain borrowers are excluded because they are not obligations of the Authority. Debt service payments on debt issued pursuant to the 1978 Trust Agreement and the CFC Trust Agreement were $187.5 million and $12.2 million, respectively, in fiscal year 2023.

The rating agencies continue to recognize the value of the Authority's prudent financial management, revenue diversity and underlying market strengths. As of the date of this report, the Authority's revenue bonds currently maintain ratings of Aa2 by Moody's, AA by S&P and AA by Fitch. These ratings continue to give Massport one of the highest ratings for all large airports in the country, and the Authority continues to diligently meet its debt service requirements, coverage ratios and other compliance requirements under the Trust Agreements.

OTHER INFORMATION

INDEPENDENT AUDIT

The financial statements of the Authority, in all material respects, present fairly and disclose the Authority's financial position, results of operations and cash flows as of and for the year ended June 30, 2023 in accordance with GAAP requirements. An audit of the Authority's financial statements as of and for the fiscal year ended June 30, 2023 has been completed by the Authority's independent auditors, Ernst & Young LLP. Their report is included herein and includes an unmodified opinion on the Authority's financial statements. The introductory, statistical and annual disclosure sections, including the related appendices, have not been subjected to the auditing procedures applied in the audit of the financial statements.

GASB STATEMENT NO. 96

As of July 1, 2022, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements ("GASB 96"). Fiscal Year 2022 results were restated to conform to GASB 96 standards. Please see Note 1 of the Authority's Financial Statements as of June 30, 2023 for more detailed information.

AWARDS

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its ACFR for the fiscal year ended June 30, 2022. This was the 22nd consecutive year that the Authority has received this prestigious award. The Authority believes that the 2023 ACFR continues to meet the requirements of the Certificate of Achievement program, and it will be submitted to the GFOA to determine its eligibility for a Certificate of Achievement for fiscal year 2023.

REQUEST FOR INFORMATION

For additional information concerning the Authority, please see the Authority's website, **www.massport.com**. Financial information can be found in the Finance section of the website at **http://www.massport.com/massport/finance/**. The Retirement ACFR can be found in the Retirement Information section of the website at **https://www.massport.com/media/44kduyx0/2022-mpaers-annual-report.pdf**. Copies of the Annual Statements prepared pursuant to Rule 15c2-12 with respect to the Authority's bonds issued under the 1978 Trust Agreement and the CFC Trust Agreement for years prior to fiscal year 2023 are available at **http://www.emma.msrb.org** and from the Authority. The Authority's executive offices are located at One Harborside Drive, Suite 200S, East Boston, Massachusetts 02128, and the main telephone number is (617) 568-5000. Questions may be directed to John P. Pranckevicius, CPA, Director of Administration and Finance and Secretary-Treasurer of the Massachusetts Port Authority.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Massachusetts Port Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

AUTHORITY BOARD MEMBERS

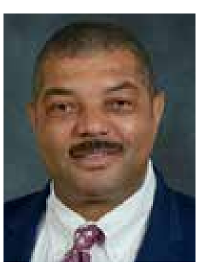
The Authority consists of seven Members of which five members are appointed by the Governor of Massachusetts to staggered terms of seven years each. The Secretary of Transportation serves as one Member of the Board during her or his tenure as Secretary, a position which is also chosen by the Governor. One Member is appointed by the Massport Community Advisory Committee (Massport CAC). Members serve without compensation.

PATRICIA JACOBS
Chair

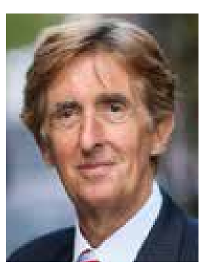
LAURA SEN
Vice Chair

MONICA TIBBITS-NUTT
Secretary and CEO of the Massachusetts Department of Transportation (MassDOT)

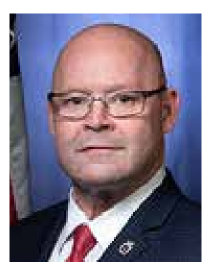
LEWIS EVANGELIDIS
Sheriff of Worcester County



WARREN FIELDS



JOHN NUCCI



SEAN O'BRIEN

MASSPORT ORGANIZATION CHART

Senior Staff

FINANCIAL

Financial Statements, Required
Supplementary Information, and
Supplementary Schedules
Years Ended June 30, 2023 and 2022
(With Report of Independent Auditors)


Piers Park, 6.5-acres of public greenspace along the East Boston waterfront.

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Report of Independent Auditors

To the Members of the Massachusetts Port Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Massachusetts Port Authority (the Authority), as of and for the years ended June 30, 2023 and 2022, 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 respective financial position of the business-type activities and the aggregate remaining fund information of the Authority at June 30, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 these 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 of 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 of 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 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.

In performing an audit in accordance with GAAS, 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.

We did not audit the financial statements of the Massachusetts Port Authority Employee's Retirement System (the "System"), which represents 74% and 74% of total assets and 74% and 74% of fiduciary net position as of June 30, 2023 and 2022, respectively, and 76% and 71% of total additions of the aggregate remaining fund information for the years then ended, respectively. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the System, is based solely on the report of the other auditor.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the schedule of pension contributions, the schedule of changes in the net pension liability and related ratios, schedule of pension investment returns, schedule of OPEB contributions, schedule of changes in the net OPEB liability and related ratios and schedule of pension investment returns, as listed 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, who 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are 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 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 GAAS. In our opinion, the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Ernst + Young LLP

September 29, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) of the activities and financial performance of the Massachusetts Port Authority ("Massport" or "the Authority") provides an introduction to the financial statements of the Authority for the fiscal years ended June 30, 2023 and 2022. This discussion was prepared by management and it should be read in conjunction with the audited financial statements and notes that follow this section.

Overview of the Financial Statements

The Authority's financial statements consist of: (1) the Statements of Net Position; (2) the Statements of Revenues, Expenses and Changes in Net Position; and (3) the Statements of Cash Flows. These financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

The comparative Statements of Net Position depict the Authority's financial position as of a point in time, specifically June 30, 2023, 2022 and 2021, and include all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the Authority. Net position represents the residual interest in the Authority's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. The Authority's net position is divided into three components: 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Please see Note 1 in the financial statements attached for a discussion on the Authority's net position.

The Statements of Revenues, Expenses and Changes in Net Position report operating revenues, operating expenses, non-operating revenue and expenses, and other changes in net position. Revenues and expenses are categorized as either operating or non-operating based upon management's policies as established in accordance with definitions set forth by GASB. Certain sources of the Authority's revenues, including Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), investment income and capital grants are reported as other than operating revenue because their uses are restricted and generally are not available for operating purposes.

The Statements of Cash Flows present information showing how the Authority's cash and cash equivalents changed during the fiscal year. The Statements of Cash Flows classify cash receipts and cash payments resulting from operating activities, capital and related financing activities, and investing activities.

As of July 1, 2021, the Authority adopted GASB Statement No. 87, *Leases* ("GASB 87"). The Authority had previously classified lease agreements as operating leases and recognized inflows and outflows of resources based on the payment provisions of the contract. A lessee is now required to recognize a lease liability and an intangible right-of-use lease asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This statement increases the usefulness of government's financial statements as it enhances the relevance and consistency of information about government's leasing activities. This Statement was applied retroactively by restating the Authority's Statement of Net Position, the Statement of Revenue, Expenses and Changes in Net Position and the Statement of Cash Flows for the year ended June 30, 2021.

Note 1: In the charts and tables contained herein, fiscal year 2021 results were restated to conform to GASB 87 standards for lease reporting. Please refer to footnote 1, section S for the restatement details.

As of July 1, 2022, the Authority adopted GASB Statement No. 96, *standards for subscription-based information technology arrangements (SBITAs) reporting* ("GASB 96"). The Authority had previously classified SBITAs as operating expenses. SBITAs are now required to be recognized as a subscription liability and an intangible right-of-use asset. This statement establishes uniform accounting and financial reporting requirements for SBITAs; improves the comparability of government's financial statements; and enhances the understandability, reliability, relevance, and consistency of information about SBITAs. This Statement was applied retroactively by restating the Authority's Statement of Net Position, the Statement of Revenue, Expenses and Changes in Net Position and the Statement of Cash Flows for the year ended June 30, 2022.

Note 2: In the charts and tables contained herein, fiscal year 2022 results were restated to conform to GASB 96 standards for SBITAs reporting. However, the narrative discussion of the FY22 results and comparative within the Management Discussion and Analysis were not re-edited to reflect the restatement, but rather remain consistent with the presentation in FY22. Please refer to footnote 1 section S for the restatement details.

The Notes to the basic financial statements are an integral part of the financial statements. Such disclosures are essential to a full understanding of the information provided in the basic financial statements.

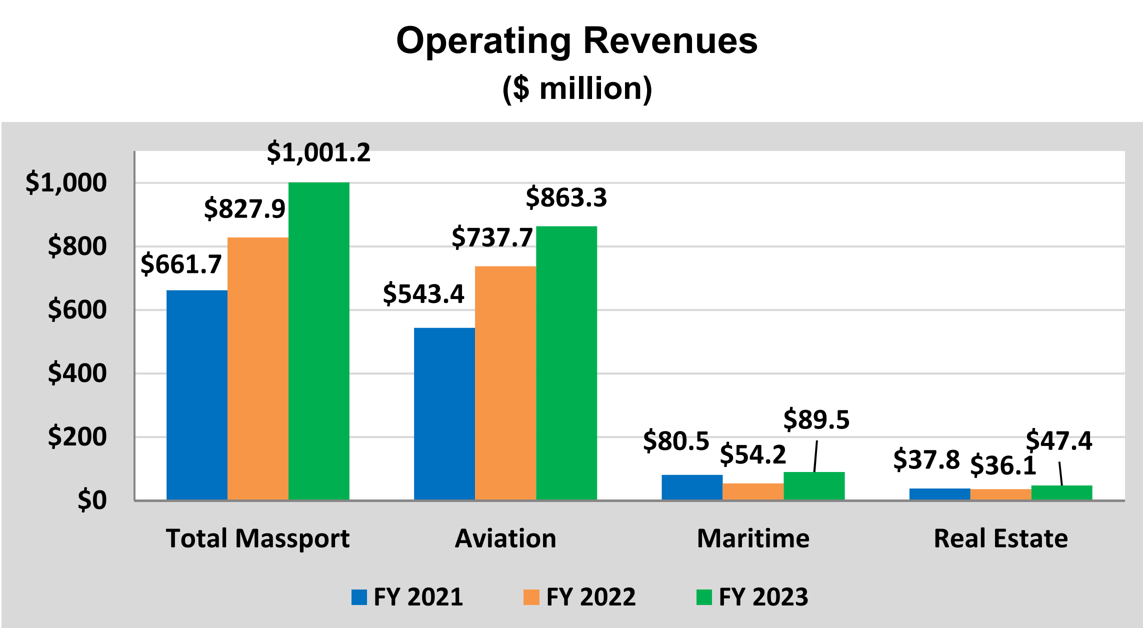
FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2023

- **Operating revenues were $1.0 billion for FY23, a 21% increase over the prior year as activity levels improved Authority wide.**

- Aviation revenues in FY23 were $863.3 million, a 17.0% increase over FY22 as passenger activity at Logan International Airport ("Logan Airport," "Logan" or the "Airport") increased 26%, or by 8.1 million passengers, to 39.2 million passengers in FY23. Logan Airport generated $835.5 million in total revenue, $123.0 million more than the prior year. Revenues for Hanscom Field and Worcester Regional Airport were $24.8 million and $3.0 million, respectively, increasing a combined $2.6 million over the prior year as business activity and lease revenue also increased at these facilities.

- Maritime total revenues for the year were $89.5 million, an increase of $35.3 million, or 65.1% from the prior year. Maritime's financial performance was bolstered by the robust return of 356,000 cruise passengers at Flynn Cruiseport Boston and a 56% increase in container volume at Conley Terminal to 220,800 Twenty-foot Equivalent Units (TEUs) compared to FY22.

- Real Estate assets generated $47.4 million in revenues in FY23, an $11.3 million or 31.3% increase from FY22. The revenue increase was due to the $5.7 million in higher percentage rents on commercial and maritime ground leases and other real estate assets, and a $2.7 million increase in vehicle parking operations at the South Boston Waterfront Transportation Center and other parking operations.



Note 1: FY21 results have been restated to conform to GASB 87 standards for lease reporting.

- **Operating expenses for FY23 totaled $855 million, a 19% increase to keep pace with increased business activity across Massport's facilities.**

- With the return of over 39.2 million passengers at Logan Airport, aviation related expenses for operations and maintenance increased by $46.7 million to $316.8 million. Added expense was necessary to increase frequency and service of Logan Airport's off-airport shuttle bus program, Logan Express, and on-airport shuttle bus to accommodate the growth in passenger and employee usage. Expenses relating to building cleaning, supplies and repairs also increased due to higher passenger traffic and increased facility usage. Utility expenses increased as energy costs and usage increased, concession distribution and receiving costs were higher to keep pace with growing in-terminal concession demand and equipment investment, and credit card fees increased as parking exits and on-line transaction volume rose.

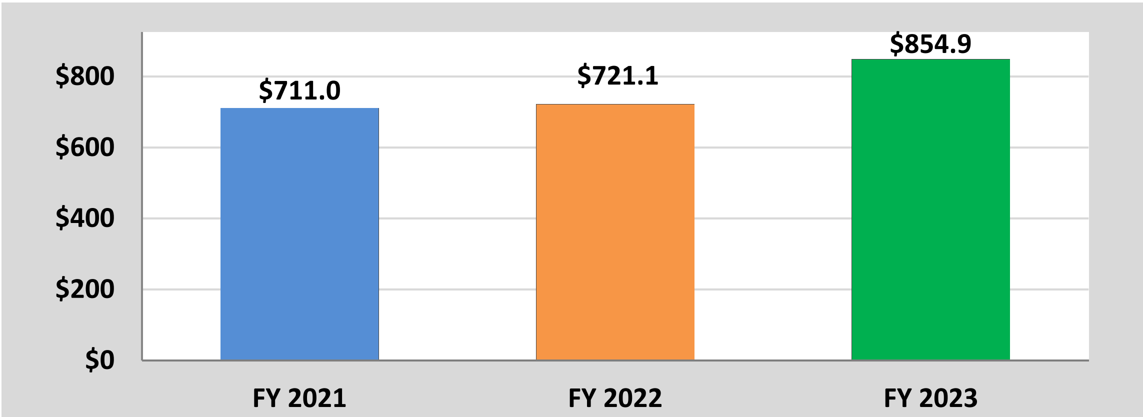
- Maritime related expenses totaled $60.5 million, an increase of $12.2 million, or 25.3% as the 56% increase in container volumes at Conley Terminal necessitated more stevedoring services and other terminal related expenses, and 136 cruise ship operations at Flynn Cruiseport Boston required additional staffing, terminal cleaning and maintenance, and utility expenses.

- Real Estate expenses were $18.4 million, a $2.5 million increase, as lease and parking activity required additional parking operations expense and public safety resources. Utility expenses also increased by $0.5 million.

- Pension and Other Post-Employment Benefits (OPEB) expenses totaled $24.7 million, an increase of $49.4 million, as investment losses in FY23 offset prior year gains.

- Depreciation expense was $330.0 million, an increase of $7.6 million, which reflects new assets being placed into service, the run-off of certain assets fully amortized, GASB 96 implementation, and other capital adjustments.

Operating Expenses
($ million)

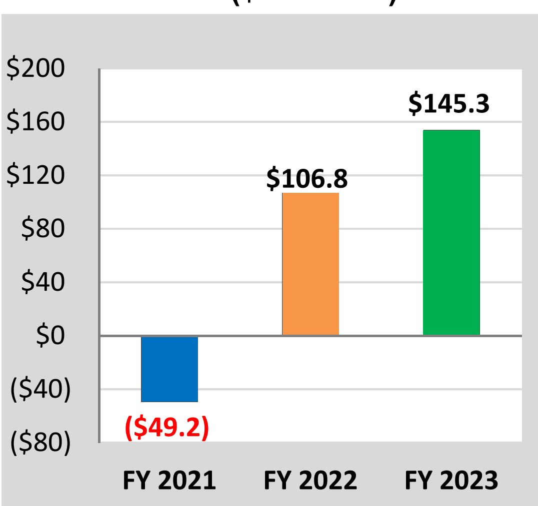


Note 1-FY21 results have been restated to conform to GASB 87 standards for lease reporting.
Note 2-FY22 results have been restated to conform to GASB 96 standards for SBITAs reporting.

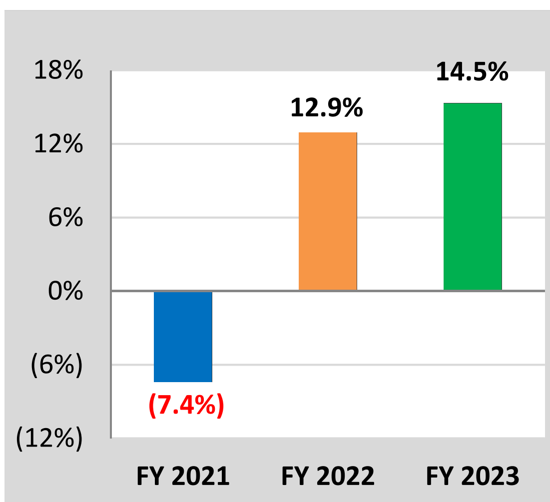
- **Massport's operating income increased $39 million over FY22.**

- The Authority ended the year with $145.3 million in operating income, a $38.5 million increase over the prior year, as activity-driven revenues outpaced the growth of operating expenses. Management's emphasis on balancing the growth in business activity, with appropriate expense controls contributed to the Authority improved financial performance resulting in additional financial capacity that is being re-invested in the Authority's strategic initiatives, net zero goals, and new capital assets previously suspended during the pandemic.

Operating Income
($ millions)



Operating Margin



Note 1 - FY21 results have been restated to conform to GASB 87 standards for lease reporting
Note 2 - FY22 results have been restated to conform to GASB 96 standards for SBITAs reporting.

- **The Authority's net position increased 10% in FY23.**

- The Authority's FY23 change in net position was $295.9 million. The change in net position reflects $125.8 million in net non-operating revenues, comprised of (i) $110.9 million in PFC and CFC collections, an increase of $18.9 million as a result of both passenger growth at Logan International Airport and an increase in rental car transaction days at the Rental Car Center, (ii) $20.8 million of other income, which included the remaining balance of federal airport assistance from the American Rescue Plan Act (ARPA) that was realized in FY23, and (iii) investment income and lease interest income of $62.7 million and $40.5 million, respectively (an increase of $47.0 million and $6.2 million, respectively, over the prior year).

- Non-operating revenues were offset by the $109.1 million in interest expense payments made to bondholders, an increase of $4.6 million over the prior year.

- The change in net position also reflects $24.9 million in contributed capital from federal and state grants, and $145.3 million of operating income earned by various facilities during FY23.

Condensed Statement of Revenues, Expenses and Changes in Net Position
($ millions)

	FY 2023	FY 2022 Restated (2)	$ Change	% Change
Operating revenues	$ 1,000.2	$ 827.9	$ 172.3	20.8%
Operating expenses including depreciation and amortization	854.9	721.1	133.8	18.6%
Operating income	**145.3**	**106.8**	**38.5**	**36.0%**
Total non-operating revenues (expenses), net	125.8	102.8	23.0	22.4%
Capital grant revenues	24.9	56.6	(31.7)	(56.0%)
Increase in net position	**295.9**	**266.2**	**29.7**	**11.2%**
Net position, beginning of year	2,923.6	2,657.3	266.3	10.0%
Net position, end of year	**$ 3,219.5**	**$ 2,923.6**	**$ 295.9**	**10.1%**

	FY 2022 Restated (2)	FY 2021 Restated (1)	$ Change	% Change
Operating revenues	$ 827.9	$ 661.7	$ 166.2	25.1%
Operating expenses including depreciation and amortization	721.1	711.0	10.1	1.4%
Operating income (loss)	**106.8**	**(49.2)**	**156.0**	**(317.1%)**
Total non-operating revenues (expenses), net	102.8	104.3	(1.5)	(1.4%)
Capital grant revenues	56.6	61.9	(5.3)	(8.6%)
Increase in net position	**266.2**	**117.0**	**149.2**	**127.5%**
Net position, beginning of year	2,657.3	2,540.3	117.0	4.6%
Net position, end of year	**$ 2,923.6**	**$ 2,657.3**	**$ 266.3**	**10.0%**

Note 1 - FY21 results have been restated to conform to GASB 87 standards for lease reporting.

Note 2 - FY22 results have been restated to conform to GASB 96 standards for SBITAs reporting.

Detailed descriptions of operating revenues and expenses, and non-operating revenues and expenses are provided in the following sections.

Operating Revenue

The Authority's FY23 operating revenues were $1.0 billion, an increase of $172.3 million from the prior year. The Authority's operating revenues benefited primarily from the 39.2 million passengers at Logan Airport, the 220,800 TEUs serviced at Conley Terminal, and the 356,000 cruise passengers at Flynn Cruiseport Boston. The following charts and commentary provide further detail regarding Massport's business activities and their impacts on the Authority's revenues.

Operating Revenues
($ millions)

	FY 2023	FY 2022	$ Change	% Change
Aviation Rentals	$ 313.7	$ 291.0	$ 22.7	7.8%
Aviation Parking	198.5	156.9	41.6	26.5%
Aviation Fees	171.2	152.7	18.5	12.1%
Aviation Concessions	157.4	120.3	37.1	30.8%
Shuttle Bus	18.9	13.4	5.5	41.0%
Aviation Operating Grants and Other	3.6	3.4	0.2	5.9%
Total Aviation Revenues	**$ 863.3**	**$ 737.7**	**$ 125.6**	**17.0%**
Maritime Fees, Rentals and Other	89.5	54.2	35.3	65.1%
Real Estate Fees, Rentals and Other	47.4	36.1	11.3	31.3%
Total	**$ 1,000.2**	**$ 827.9**	**$ 172.3**	**20.8%**

	FY 2022	FY 2021 Restated (1)	$ Change	% Change
Aviation Rentals	$ 291.0	$ 274.6	$ 16.4	6.0%
Aviation Parking	156.9	58.2	98.7	169.6%
Aviation Fees	152.7	141.5	11.2	7.9%
Aviation Concessions	120.3	59.3	61.0	102.9%
Shuttle Bus	13.4	8.1	5.3	65.4%
Aviation Operating Grants and Other	3.4	1.8	1.6	88.9%
Total Aviation Revenues	**$ 737.7**	**$ 543.4**	**$ 194.3**	**35.8%**
Maritime Fees, Rentals and Other	54.2	80.5	(26.3)	(32.7%)
Real Estate Fees, Rentals and Other	36.1	37.8	(1.7)	(4.5%)
Total	**$ 827.9**	**$ 661.7**	**$ 166.2**	**25.1%**

Note 1 - FY21 results have been restated to conform to GASB 87 standards for lease reporting.

Aviation Revenues

The Authority's Aviation revenues are derived from its three airport facilities: Logan Airport, Hanscom Field ("Hanscom") and Worcester Regional Airport ("Worcester").

Aviation Revenues
($ millions)

	FY2023	FY2022	FY2021 Restated (1)
Logan	$ 835.5	$ 712.5	$ 523.2
Hanscom	24.8	22.9	18.3
Worcester	3.0	2.3	1.8
Total	**$ 863.3**	**$ 737.7**	**$ 543.3**

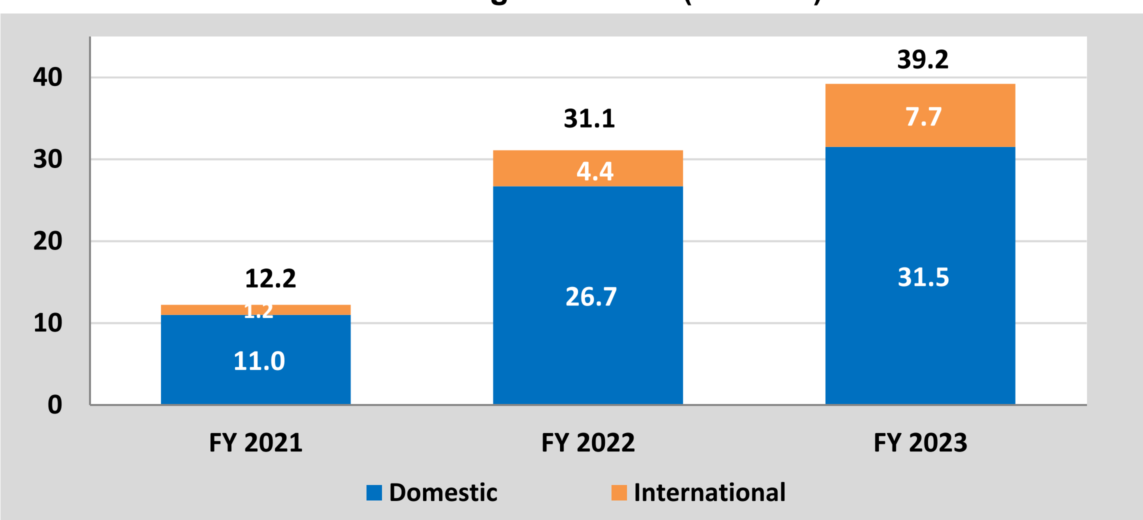
Note 1 - FY21 results have been restated to conform to GASB 87 standards for lease reporting.

Logan International Airport

Logan Airport served 39.2 million passengers during FY23.

Passenger activity at Logan Airport in FY23 increased by 8.1 million passengers, or 26.0% compared to FY22. Logan Airport served 31.5 million domestic passengers (up 18.0% versus FY22) and 7.7 million international passengers (up 75.0% versus FY22) in FY23. Logan Airport's FY23 passenger volume reached 93.7% of its pre-pandemic passenger levels recorded in FY19.

Logan International Airport
Passengers Served (millions)



Flight operations at Logan Airport in FY23 were 396,535, an increase of 16.0% versus the prior year, as airlines increased capacity to accommodate higher passenger demand.

Logan Airport's ground transportation services also rose commensurate with increasing passenger volumes. Logan Airport parking facilities experienced 1.9 million exits, an increase of 358,431, or 23.5%, compared to FY22. Logan Express HOV ridership increased 60% over the prior year, while Ride App pickups and drop-offs increased 46% compared to FY22. Improvements in these business activities contributed to Logan Airport's revenue growth.

Fiscal Year 2023 Compared to 2022

Logan Airport Revenues

Logan Airport generated $835.5 million of revenues in FY23, a $123.0 million, or 17.3% increase over FY22.

Logan Airport Revenues
($ millions)

	FY2023	FY2022	FY2021 Restated (1)
Logan Rentals	$ 299.9	$ 277.3	$ 261.2
Logan Parking	197.9	156.8	58.1
Logan Fees	159.3	142.7	135.5
Logan Concessions	156.0	119.0	58.6
Shuttle Bus	18.9	13.4	8.1
Logan Operating Grants and Other	3.5	3.3	1.7
Total	**$ 835.5**	**$ 712.5**	**$ 523.2**

Note 1 - FY21 results have been restated to conform to GASB 87 standards for lease reporting.

Rental revenues are earned through terminal building, non-terminal building and ground lease agreements. Revenue from Logan Airport rentals was $299.9 million, a $22.6 million or 8.2% increase versus the prior year. Terminal rent, which accounts for 80.4%, or $241.1 million of this revenue, increased by $20.9 million as fees increased to recover operating costs associated with increased passenger activity, the recovery of recent capital investments from assets placed into service including the Terminal B to C Connector, and roadway improvements. The remaining 19.6% is comprised of non-terminal rent (6.7%) and ground rent (12.9%), which increased by a total of $1.7 million in FY23.

Parking revenues are generated from the Authority's on-airport and off-airport parking facilities. In FY23, Logan parking revenue was $197.9 million, up from the $156.8 million earned in FY22. Revenue from on-airport facilities was $190.0 million, up $38.8 million, as parking exits increased 23.5% over the prior year. Parking revenues from the off-airport Logan Express locations were $7.9 million, an increase of $2.3 million compared to the prior year as ridership increased 60%

due to additional service frequencies from existing Logan Express locations, the resumption of two previously suspended Logan Express operations, and a new employee-only service to encourage greater HOV transportation options for passengers and employees.

Fee revenues are earned from aircraft landing fees, utility reimbursements, and aircraft parking and fueling. During FY23, Logan Airport generated $159.3 million from fees, an increase of $16.6 million over FY22. Aircraft landing fees, which account for 78% of fee revenues, increased by $8.4 million compared to FY22 as the Authority recovered the additional costs the Airport incurred to operate and maintain the airfield with increased activity. Landing fees are collected from scheduled and non-scheduled airlines based on the landed weight of aircraft serving Logan Airport. The landing fee rate is determined annually based on full recovery of landing field costs necessary to operate and maintain the airfield. Tenant utility revenues were $19.4 million in FY23 as energy prices increased and higher usage was realized from increased operations and facility usage. Other fee revenues increased $2.2 million to $15.6 million in FY23, and was aided by an agreement with a peer-to-peer car operator that resulted in a one-time settlement payment.

Logan Airport Aviation Fees
(in millions)

	FY2023	FY2022	FY2021
Landing Fees	$ 124.3	$ 115.9	$ 122.6
Utilities	19.4	13.4	9.3
Other	15.6	13.4	3.6
Total	**$ 159.3**	**$ 142.7**	**$ 135.5**

Concessions revenues are earned from airport terminal retail operations, on-airport car rental transactions, and the activities of ground transportation and other service providers including taxis, bus, limousine, Ride Apps (Transportation Network Companies), aircraft ground handling, and in-flight catering. In FY23, Logan Airport earned $156.0 million from concessions, an increase of $37.0 million compared to FY22, as more passengers purchased terminal concessions during their travel experience and rental car companies experienced higher rental car transactions and implemented higher price points to manage strong rental car demand.

Revenues from in-terminal concessions totaled $57.2 million, an increase of $17.4 million over the prior year. Food and beverage, news and gifts, and duty-free revenue were higher as more passengers flowed through Logan's terminals. Rental car revenue benefited from additional passenger activity and generated $42.4 million in revenue in FY23, a $4.5 million, or 11.9% increase over the prior year as rental car transactions increased 22%. Revenues from ride apps, taxis, and buses, and other commission-based revenues totaled $56.4 million, up $15.1 million over FY22 primarily due to Logan's increase in passenger activity.

Logan Airport Concession Fees
($ millions)

	FY2023	FY2022	FY2021 Restated (1)
In-Terminal	$ 57.2	$ 39.8	$ 13.1
Rental Car	42.4	37.9	25.6
Ground Transportation & Other	56.4	41.3	19.9
Total	**$ 156.0**	**$ 119.0**	**$ 58.6**

Note 1 - FY21 results have been restated to conform to GASB 87 standards for lease reporting.

Shuttle bus and other revenues consist of revenues from Logan's transportation services, including the on-airport shuttle bus that links the terminal buildings, the rental car center, parking garages and the MBTA Blue Line station; Logan Express bus services from off-airport locations in the Boston metropolitan area (Back Bay, Braintree, Framingham, Peabody, and Woburn); and the MBTA Silver Line bus. The Authority earned $18.9 million of revenue from on- and off-airport shuttle bus operations, an increase of $5.5 million over the prior year. Logan Express shuttle bus revenue increased to $12.1 million, or $3.6 million above FY22, as service frequencies were increased, both the Back Bay and Peabody Logan Express services were restored, and a new employee-only service was added. Revenue from the on-airport shuttle bus, which is generated from a proportionate cost-recovery fee, was $6.1 million in FY23, an increase of $1.2 million as shuttle bus operations increased. Ridership revenue from the MBTA Silver Line bus service was $0.7 million, an increase of $0.9 million over the prior year as more passengers used this service to the Airport.

Logan operating grants and other revenues totaled $3.5 million, a $0.2 million increase over last year from additional federal grant funding and emergency management reimbursements for COVID-19 related expenses.

Logan Airport Shuttle Bus and Other Revenues
($ millions)

	FY2023	FY2022	FY2021
Shuttle Bus	$ 18.9	$ 13.4	$ 8.1
Other	3.5	3.3	1.7
Total	**$ 22.4**	**$ 16.7**	**$ 9.8**

Worcester Regional Airport and Hansom Field

During FY23, Worcester Regional Airport served 193,000 passengers, the highest level of passenger activity since Massport took ownership of the facility in 2010. JetBlue provided service to Orlando, Fort Lauderdale and New York and increased capacity by utilizing larger aircraft in the Florida markets, and Delta Air Lines and American Airlines served New York destinations. The revitalization plan for this strategic transportation asset progressed as planned, as a cumulative 1.14 million passengers have used Worcester Regional Airport over the last ten years.

Hanscom Field benefited from a 31% increase in jet operations, while smaller engine recreational aircraft activity declined 10%, resulting in 1% overall reduction in total operations for the year in FY23.

Worcester Regional Airport and Hanscom Field Revenues

Worcester Regional Airport generated $3.0 million in operating revenues in FY23, up $0.7 million from FY22, as commercial airlines expanded services and revenues from landing fees, terminal rents, fuel flowage, and commission revenues increased. Hanscom Field revenues were $24.8 million in FY23, up nearly $1.9 million from FY22. Hanscom's revenue benefited from a 31% increase in jet operations, which contributed $1.6 million of additional revenues from landing fees, aircraft parking and fuel flowage, with the balance generated primarily from Hanscom's ground leases.

Worcester and Hanscom Revenues
($ millions)

	FY2023	FY2022	FY2021 Restated (1)
Hanscom	$ 24.8	$ 22.9	$ 18.3
Worcester	3.0	2.3	1.8
Total	**$ 27.8**	**$ 25.2**	**$ 20.1**

Note 1 - FY21 results have been restated to conform to GASB 87 standards for lease reporting.

Fiscal Year 2022 Compared to 2021

The Authority's airports generated $737.7 million of Aviation revenues during FY22, which was $194.3 million or 35.8% higher than the prior year.

Logan Airport generated $712.5 million of revenues in FY22, a $189.3 million, or 36.2% increase, over FY21. Revenue from Logan Airport rentals was $277.3 million, a $16.1 million, or 6.2% increase, versus the prior year, driven primarily by the increase in Terminal Rents as fees increased to recover operating costs associated with higher passenger activity and the recovery of recent capital investments. In FY22, Logan parking revenue was $156.8 million, up 169.9% from the $58.1 million earned in FY21as passenger traffic increased. Aircraft landing fees, which account for 81.2% of fee revenues, were lower by $6.7 million compared to FY21 due to reduced operating expenses and lower capital amortization recovery in this cost center.

In FY22, Logan Airport earned $119.0 million from concessions, an increase of $60.4 million compared to FY21, as higher passenger volumes translated to more in-terminal purchases and more rental car transactions. Revenues from in-terminal concessions totaled $39.8 million, an increase of $26.7 million over the prior year due to more passengers and higher passenger spending. Rental car revenue benefited from additional passenger activity and generated $37.9 million in revenue in FY22, a $12.3 million, or 48% increase over the prior year. Revenues from various ground transportation services and commission related activities totaled $41.3 million, up $21.4 million over FY21 primarily due to more passengers using Ride Apps, taxis, and buses. The Authority earned $13.4 million of revenue from the Logan Airport shuttle bus operations, an increase of $5.3 million over the prior year.

Hanscom Field revenues were $22.9 million in FY22, up nearly $4.6 million from the prior year. The increase was primarily due to an increase in jet operations. Worcester Regional Airport generated $2.3 million in operating revenues in FY22, up $0.5 million due to growth in parking revenues and landing fees.

Maritime Revenues

The Authority's maritime business includes container operations at Conley Terminal; cruise activity at Flynn Cruiseport Boston; rental facilities for seafood processors and commercial parking at the Boston Fish Pier; and the Autoport in Charlestown, which includes an automobile import/export facility and other maritime industrial businesses.

Maritime fees, rentals and other revenues are collected primarily from container shipping lines, cruise lines and other customers that use the Authority's port facilities. In FY23, the maritime business experienced a strong recovery following the prior year's reduced operations. Container activity increased 56% as shipping lines brought new trade routes to the Port of Boston and cruise operations resumed at the Cruiseport. As a result, Maritime operations generated $89.5 million in fees, rentals and other income in FY23, which was an increase of $35.3 million, or 65.1% over the prior year.

Maritime Revenues by Category
($ million)

	FY2023	FY2022	FY2021 Restated (1)
Containers	$ 65.4	$ 40.1	$ 69.3
Cruise	11.3	2.0	0.3
Seafood	6.4	6.5	5.8
Autoport	6.4	5.6	5.2
Total Maritime Revenues	**$ 89.5**	**$ 54.2**	**$ 80.5**

Note 1 - FY21 results have been restated to conform to GASB 87 standards for lease reporting.

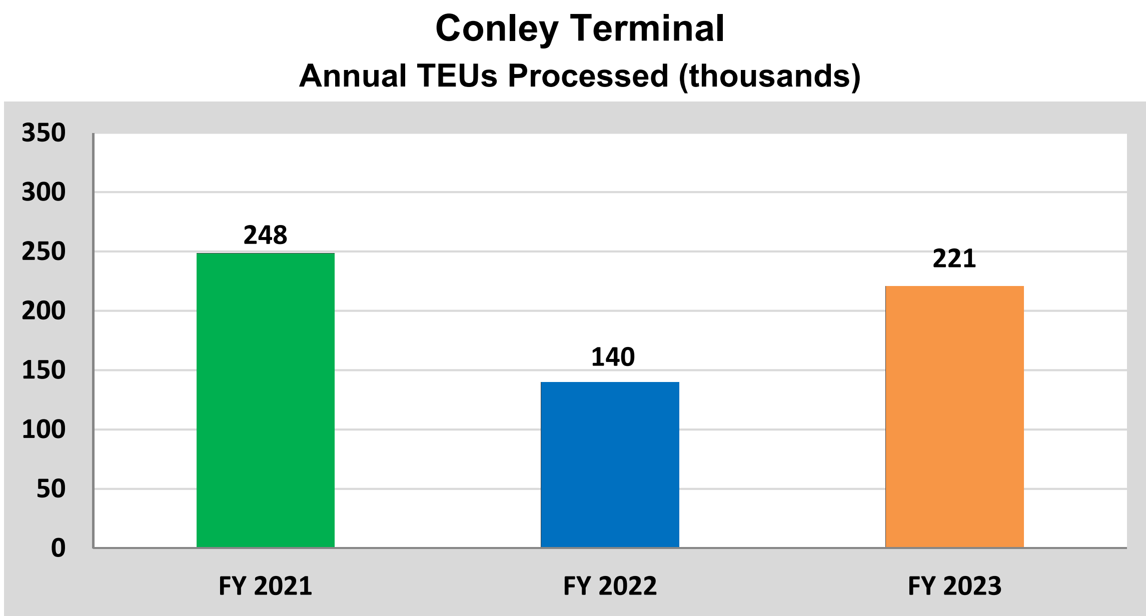
Conley Container Terminal

Conley Terminal container volume increased 56%, to 220,800 TEUs and two new trade routes were added in FY23.

Conley Terminal is anchored by the strength of the New England economy, efficient access to the interstate highway system, quick truck turn times, a highly productive workforce, and an ongoing focus on customer service. These advantages, combined with significant investments to deepen Boston Harbor, construct a deep-water berth, and procure three new ship-to-shore cranes, have enhanced Conley Terminal's cargo handling capabilities.

As a result, Conley Terminal gained two new services in FY23, diversifying Conley's market reach and providing New England importers and exporters direct access to more global markets. Mediterranean Shipping Company (MSC) added direct connectivity to Southeast Asia, Turkey, Greece, and other parts of the Mediterranean. COSCO Shipping and OOCL deployed a service connecting Boston to Vietnam, India, and Southeast Asia. Overall, in FY23, the Port of Boston's direct connectivity grew from seven to more than 30 global ports.

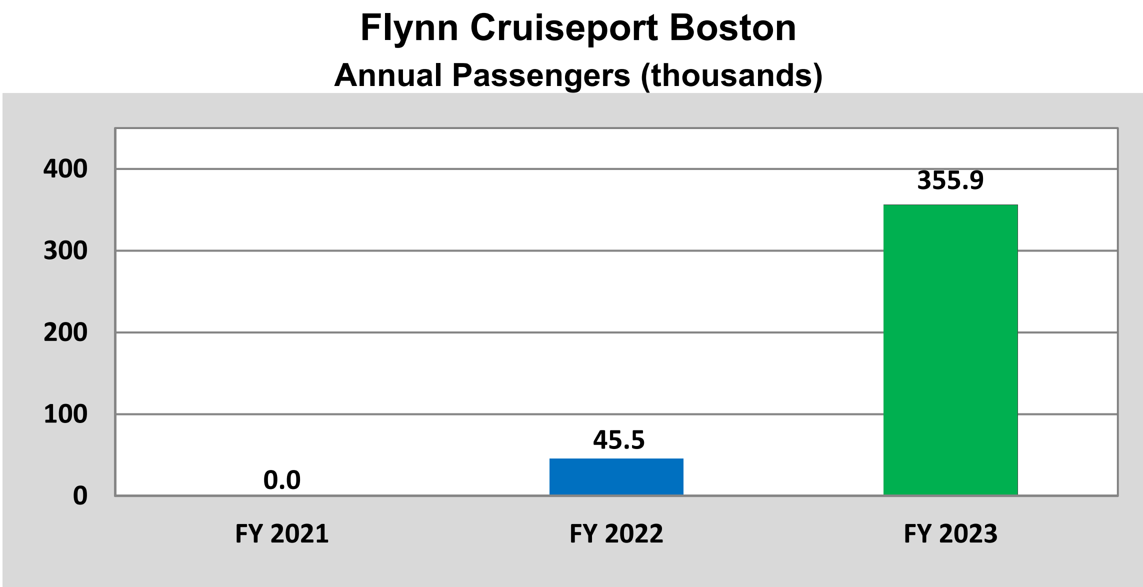
With its expanded service offerings, Conley Terminal served 220,800 TEUs in FY23, an increase of 56% over FY22.



Flynn Cruiseport Boston

355,900 cruise passengers were served by Flynn Cruiseport Boston in FY23.

Flynn Cruiseport Boston experienced a robust return of cruise sailings in FY23, as cruise lines returned to a full season of sailings following the lifting of the CDC's no -sail order. The facility hosted 23 cruise lines and 136 vessels during FY23. For the first time, Flynn Cruiseport Boston hosted four cruise lines offering five homeport vessels to Bermuda and Canada/New England, in addition to port of calls and repositioning cruises with unique destinations. With a full cruise schedule and pent–up demand, Flynn Cruiseport Boston accommodated 355,900 passengers in FY23.



Fiscal Year 2023 Compared to 2022

Container revenues during FY23 were $65.4 million, a $25.3 million increase over the prior year. Revenue is collected from fees paid by ocean shipping lines for the loading and unloading of containers at Conley Terminal and for related services through tariffs and contracts with the shipping lines and shippers using the Port. The increase in revenues reflects higher container volumes as new trade lanes were added, as well as additional fees for demurrage and detention that resulted from warehouse constraints further down the supply chain. Conley Terminal processed 220,800 TEUs during FY23, a 56% increase over the prior year.

Cruise revenues generated from the 355,900 passengers served by Flynn Cruiseport Boston were $11.3 million in FY23, surpassing FY22 by $9.3M, as cruise activity was restored along with associated passengers fees and other cruise related revenues.

Seafood revenues were $6.4 million in FY23, which was $0.1 million less than the prior year. Revenues are earned through space and ground rents from seafood processing and office tenants, commissions, utility charges, fees and parking lots at the Fish Pier.

Autoport revenues were $6.4 million in FY23, an increase of $0.8 million over the prior year, from ground lease revenue and utility charges.

Fiscal Year 2022 Compared to 2021

The Authority's maritime operations at the Port of Boston generated $54.2 million of revenues during FY22, which was $26.3 million or 32.7% below the prior year.

Container revenues during FY22 were $40.1 million, $29.2 million or 42.1% below the prior year. Container volume declined in FY22 to 140,000 TEUs, as the supply chain was adversely impacted by the COVID-19 pandemic. Cruise revenues were $2.0 million in FY22, up $1.7 million or 566.7% versus prior year, as the CDC no-sail order was lifted and limited cruises from Flynn Cruiseport Boston resumed in FY22.

Seafood revenues and Autoport revenues were $6.5 million and $5.6 million in FY21, respectively, and were relatively stable compared to the prior year.

Real Estate Revenues

Massport's real estate portfolio generated $47 million of revenues in FY23.

The Authority's commercial real estate business earns revenues from ground leases, district service fees and parking on properties owned by the Authority in South Boston, East Boston and Charlestown. Revenues from the Authority's real estate activities totaled $47.3 million in FY23, an increase of $11.2 million, or 31.0% from the prior year.

Fiscal Year 2023 Compared to 2022

FY23 real estate revenues totaled $47.3 million, an increase of $11.2 million over the prior year. Rental revenues were $27.3 million, reflecting an increase of $5.7 million in higher percentage rents on commercial and maritime ground leases and other real estate assets over the prior year as hotel occupancies rose, CPI adjustments to ground rents took effect and development property ground rents improved. Parking revenues of $11.8 million were $3.9 million higher than the prior year as event and transient parking improved at the South Boston Waterfront Transportation Center with increased convention activity and stronger demand for vehicle parking from restaurant dining patrons.

Real Estate Revenues by Category
($ million)

	FY2023	FY2022	FY2021 Restated (1)
Rentals	27.3	21.6	28.6
Parking	11.8	7.9	3.6
Other	8.2	6.6	5.6
Total Real Estate Revenues	**$ 47.3**	**$ 36.1**	**$ 37.8**

Note 1 - FY21 results have been restated to conform to GASB 87 standards for lease reporting.

Fiscal Year 2022 Compared to 2021

Total FY22 real estate revenues of $36.1 million were $1.7 million lower than prior year. Rental revenues were $21.6 million, reflecting an increase of $3.7 million in commercial ground rents as hotel occupancies improved, CPI adjustments to ground rents took effect and development property ground rents improved. Parking revenues of $7.9 million were $4.3 million more than the prior year as event and transient parking improved at the South Boston Waterfront Transportation Center with the opening of the new Omni Boston Hotel at the Seaport, increased convention activity, and stronger demand for vehicle parking from restaurant dining patrons. Other revenues also increased in FY22 by $1.0 million to $6.6 million.

Operating Expenses

The Authority aggressively increased its service offerings across its various transportation facilities during FY23 to accommodate increased passenger demand and higher business activity. As a result, total operating expenses increased 18.6% to $854.9 million in FY23. Inflationary cost pressures also contributed to expense increases as expiring contracts were renewed at higher price points and more goods and services were added to accommodate increased demand. Also, Pension and OPEB assessments required additional funding expense to mitigate market losses from investment portfolios as the markets adjusted to the Federal Reserve's aggressive position to raise interest rates to dampen the economic impacts of rising inflation.

More passenger activity and increased facility usage at Logan Airport led to additional terminal building cleaning, elevator and escalator maintenance and other operating. Utility expenses increased due to higher energy costs and the addition of more terminal space. Logan's on-airport shuttle bus and Logan Express expenses increased to accommodate higher ridership demand. Conley Terminal expenses were above prior year as demand for stevedoring services grew to accommodate higher container volumes and more activity at the terminal. General and Administrative costs also increased due to staff restoration; professional fees for department support; information technology investments to strengthen cybersecurity defenses; and implementation of digital transformation initiatives to enhance operational efficiency.

Operating Expenses
($ million)

	FY 2023	FY 2022 Restated (2)	$ Change	% Change
Aviation Operations and Maintenance	$ 316.8	$ 270.1	$ 46.7	17.3%
Maritime Operations and Maintenance	60.5	48.3	12.2	25.3%
Real Estate Operations and Maintenance	18.4	15.9	2.5	15.7%
General and Administrative	64.3	51.6	12.7	24.6%
Payments in Lieu of Taxes	23.2	21.7	1.5	6.9%
Pension and Other Post-employment Benefits	24.7	(24.7)	49.4	(200.0%)
Other	17.0	15.8	1.2	7.6%
Depreciation and Amortization	330.0	322.4	7.6	2.4%
Total Operating Expenses	**$ 854.9**	**$ 721.1**	**$ 133.8**	**18.6%**

	FY 2022 Restated (2)	FY 2021 Restated (1)	$ Change	% Change
Aviation Operations and Maintenance	$ 270.1	$ 245.2	$ 24.9	10.2%
Maritime Operations and Maintenance	48.3	54.4	(6.1)	(11.2%)
Real Estate Operations and Maintenance	15.9	13.3	2.6	19.5%
General and Administrative	51.6	56.0	(4.4)	(7.9%)
Payments in Lieu of Taxes	21.7	22.2	(0.5)	(2.3%)
Pension and Other Post-employment Benefits	(24.7)	(9.8)	(14.9)	152.0%
Other	15.8	13.8	2.0	14.5%
Depreciation and Amortization	322.4	315.8	6.6	2.1%
Total Operating Expenses	**$ 721.1**	**$ 711.0**	**$ 10.1**	**1.4%**

Note 1 - FY21 results have been restated to conform to GASB 87 standards for lease reporting.

Note 2 - FY22 results have been restated to conform to GASB 96 standards for SBITAs reporting.

Aviation Operating and Maintenance Expenses

<u>Aviation Operations and Maintenance Expenses – FY 2023</u>

Increased business activity across all three aviation facilities resulted in additional expenses to restore an array of demand-driven services, as well as higher maintenance and operations costs. As a result, aviation operations and maintenance expenses increased by $46.7 million, or 17.3%, to $316.8 million in FY23. The breakdown of aviation operations and maintenance expenses by each of Massport's aviation facilities is provided below:

Aviation Operating and Maintenance Expenses

($ millions)

	FY 2023	FY 2022 Restated (2)	FY 2021 Restated (1)
Logan	$ 294.0	$ 249.7	$ 228.0
Hanscom	11.8	10.8	9.7
Worcester	11.0	9.6	7.5
Total	**$ 316.8**	**$ 270.1**	**$ 245.2**

Note 1 - FY21 results have been restated to conform to GASB 87 standards for lease reporting.

Note 2 - FY22 results have been restated to conform to GASB 96 standards for SBITAs reporting.

Logan Airport Operations and Maintenance Expenses – FY 2023

Operations and maintenance expenses for Logan Airport in FY23 were $294.0 million, accounting for approximately 92.8% of all aviation operations and maintenance expenses.

Logan Airport's FY23 expenses increased primarily to keep pace with higher passenger demand. To support the Authority's Net Zero commitments, Massport expanded services and frequencies for the on-airport shuttle bus and Logan Express, including the restoration of two Logan Express service locations and the addition of a new employee-only service. These HOV transportation improvements added $12.1 million of expenses in FY23. Airport terminal expenses were also higher, as the growth in passenger volume required more materials, additional cleaning frequencies, more elevator and escalator maintenance, and increases for other facility operational needs and repairs. Utility expenses increased by $5.5 million due to higher energy prices and increased electricity, water and sewer usage. Credit card transaction processing fees also increased as the demand for parking, online reservations, and e-ticketing grew.

Logan Airport Operations and Maintenance Expenses – FY 2022[2]

Operations and maintenance expenses for Logan Airport in FY22 were $251.4 million, approximately 92.5% of all aviation operations and maintenance expenses and 73.2% of the Authority's total operations and maintenance expenses.

Logan Airport's FY22 expenses increased mainly to keep pace with higher passenger demand and an increase in the Logan Airport workforce. Restoring on-airport shuttle bus and Logan Express services and increasing service frequencies to accommodate passenger and employee demand, added $6.2 million in expenses. To manage the increase in parking demand, a limited number of personnel were recalled to manage the re-opening of parking inventory that was previously taken off line, which further contributed to the increase in transportation expenses. Terminal expenses increased to address additional cleaning frequencies, more elevator and

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escalator use, and an increase in facility maintenance and repairs, adding approximately $11.9 million of expenses. Energy expenses grew by $6.7 million as a result of expanded terminal operating hours and higher per unit energy costs. Snow removal costs increases, as the FY22 season brought higher than average snowfall. Technology investments for new customer experience initiatives including a new on-line parking reservation system and online ticket purchase capabilities for Logan Express, also contributed to higher expenses. Credit card transaction processing fees increased commensurate with the return of parking demand and other on-line transactions by customers. These expenses were offset by lower employee benefit costs and other miscellaneous expense reductions and cost controls.

Worcester Airport and Hanscom Field Operations and Maintenance Expenses – FY 2023

Worcester Regional Airport expenses increased due to a full year of restored commercial airline services by American Airlines, Delta Air Lines, and JetBlue. In FY23, operations and maintenance expenses for Worcester Regional Airport were $11.0 million, an increase of $1.4 million or 14.6%, as increased passenger and aircraft activity resulted in additional public safety requirements, materials and supplies, as well as and increased payroll and utility expenses.

Operations and maintenance expenses for Hanscom Field were $11.9 million, a $1.1 million or 10.2% increase. Payroll and fringe benefits had escalated $0.3 million versus the prior year, while mandatory pollution control requirements added $0.4 million in additional expense in FY23. Materials and supply related expenses also increased over prior year.

Worcester Airport and Hanscom Field Operations and Maintenance Expenses – FY 2022[2]

In FY22, operations and maintenance expenses for Worcester Regional Airport were $9.6 million, a $2.1 million or 28.0% increase over the prior year as commercial airline services that were suspended during the pandemic resumed. More passenger and aircraft activity required additional public safety and resulted in higher facility and maintenance needs, contributing to the expense increase.

FY22 operations and maintenance expenses for Hanscom Field were $10.8 million, a $1.1 million or 11.3% increase compared to FY21. Higher flight volume resulted in additional expenses for facility maintenance and repairs. Expenses for landscaping, professional services for environmental reporting, and other miscellaneous expenses also increased.

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Maritime Operating and Maintenance Expenses

Maritime Operations and Maintenance Expenses – FY 2023

Maritime operations and maintenance expenses were $60.5 million, a $12.2 million or 25.3% increase from the prior year. Stevedoring services increased by $6.7 million as a result of higher container volumes. Expenses for materials, supplies and repairs increased by $1.5 million compared to the year prior as a result of higher activity levels. Energy expense also increased by $0.7 million, due to more crane operations and the return of cruise passengers at Flynn Cruiseport Boston. Additional expenses such as marketing support were needed to promote the return of cruise sailings at Flynn Cruiseport Boston.

Maritime Operations and Maintenance Expenses – FY 2022[2]

Maritime operations and maintenance expenses were $48.6 million, a $5.8 million or 10.7% decrease from the prior year. Stevedoring costs were $6.4 million lower due to lower container volume. Materials, supplies, repairs, and other miscellaneous expenses were also lower commensurate with reduced container volume. These savings were offset by increases in areas such as snow removal and energy costs, as well as cruise marketing to support the return of cruise passengers at Flynn Cruiseport Boston.

Real Estate Operating and Maintenance Expenses

Real Estate Operations and Maintenance Expenses – FY 2023

Real Estate operations and maintenance costs in FY23 were $18.4 million, an increase of $2.5 million or 15.3% over the prior year. Public Safety expenses increased $0.8 million as additional construction and development required safety and security services at these sites. Energy costs increased by $0.5 million due to higher electricity costs and greater usage on properties under management. The growth in parking demand at the South Boston Waterfront Transportation Center also required additional operational expenses to properly manage enhanced parking activity.

Real Estate Operations and Maintenance Expenses – FY 2022[2]

Real Estate operations and maintenance costs in FY22 were $15.9 million, an increase of $2.6 million or 19.5% over the prior year. Professional fees for parcel development, planning, and legal services increased by $1.2 million, reflecting continued progress on certain development parcels. An increase in parking activity at the South Boston Waterfront Transportation Center

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required additional facility maintenance and management expenses. Utility expenses increased by $0.8 million due to higher energy costs and increased usage on properties under management.

General and Administrative Expenses

General and Administrative Expenses – FY 2023

The Authority's general and administrative costs were $64.3 million in FY23, an increase of $12.7 million or 24.6% compared to FY22. As business activity improved, restoration of staff levels required $5.1 million of additional employee wage and benefit expenses. Greater utilization of engineering, environmental, marketing, and legal services as operations and business activity improved, resulted in $3.7 million of additional expenses. Cybersecurity technology investments and digital transformation initiatives added $1.6 million to FY23 expenses.

General and Administrative Expenses – FY 2022[2]

The Authority's general and administrative costs were $52.7 million in FY22, a reduction of $3.3 million or 5.9% compared to FY21. Employee wages and benefits decreased by $6.4 million as a result of the FY21 Financial Sustainability Workforce Plan. Additional investments in technology increased third party service costs as business activity returned across various Authority facilities, adding $1.2 million of expenses. Engineering, marketing, and legal services were needed during the year resulting in $1.9 million of added expenses.

The following table shows the allocation of the Authority's general and administrative expenses by business line for FY23, FY22 and FY21.

General and Administrative Expenses

($ millions)

	FY 2023	FY 2022 Restated (2)	FY 2021 Restated (1)
Logan	$ 43.4	$ 34.0	$ 37.4
Hanscom	3.1	2.2	2.3
Worcester	3.6	2.9	2.5
Maritime	8.8	8.0	8.5
Real Estate	5.4	4.5	5.3
Total	**$ 64.3**	**$ 51.6**	**$ 56.0**

Note 1 - FY21 results have been restated to conform to GASB 87 standards for lease reporting.

Note 2 - FY22 results have been restated to conform to GASB 96 standards for SBITAs reporting.

2. FY22 discussion has not been updated to reflect restatement of FY22 results to conform to GASB 96 standards for SBITAs reporting. Accordingly, the numbers in these paragraphs may not match the restated numbers presented in the tables herein.

PILOT, Pension, OPEB and Other Expenses

PILOT, Pension, OPEB and Other Expenses – FY 2023

In FY23, the Authority's PILOT (payment in lieu of taxes) payments to the City of Boston and the Town of Winthrop totaled $23.2 million, an increase of $1.5 million, or 6.9% over FY22 payments. The increase is primarily attributed to the annual rise in the Consumer Price Index (CPI), as contractually required.

The Authority's pension and OPEB expenses increased in FY23, as investment performance was impacted by overall market losses resulting in increased funding requirements. Like many pension and OPEB funds, the Authority's pension plan investments realized an unfavorable (16.8%) return (net of fees) on plan assets, which was below the 6.75% actuarial rate of return used to project pension plan expenses. Similarly, the Authority's OPEB plan assets generated an unfavorable (15.4%) (net of fees) overall return, which was also below the 6.75% actuarial benchmark. As a result, the Authority recorded a combined $24.7 million expense in FY23 for pensions and OPEB compared to a $24.7 million contra expense in FY22 that resulted from strong investment returns by the two plan portfolios in the year prior. The measurement period for both the pension and OPEB assets was the calendar year ended December 31, 2022.

Other expenses in FY23 increased by $1.1 million to $16.9 million due to higher insurance premium payments for property, business liability, workers compensation excess, and other risk management premiums.

The following table shows the allocation of the Authority's PILOT, Pension, OPEB, and other expenses by business line and expense category for FY23, FY22 and FY21:

PILOT, Pension, OPEB, and Other Expenses

($ millions)

	FY 2023	FY 2022	FY 2021
Logan	$ 52.8	$ 10.3	$ 22.1
Hanscom	1.0	(0.7)	(0.2)
Worcester	0.9	(0.5)	(0.4)
Maritime	7.3	3.8	4.0
Real Estate	2.8	(0.1)	0.8
Total	**$ 64.8**	**$ 12.8**	**$ 26.3**

The following table shows the allocation of PILOT, Pension, OPEB, and other expenses by business line for FY 23:

FY23 - PILOT, Pension, OPEB, and Other Expenses

($ millions)

	PILOT	PENSION	OPEB	OTHER	TOTAL
Logan	$ 20.3	$ 16.4	$ 3.8	$ 12.3	$ 52.8
Hanscom	0.0	0.6	0.1	0.3	1.0
Worcester	0.0	0.6	0.1	0.2	0.9
Maritime	1.6	1.6	0.4	3.7	7.3
Real Estate	1.3	1.0	0.1	0.4	2.8
Total	**$ 23.2**	**$ 20.2**	**$ 4.5**	**$ 16.9**	**$ 64.8**

PILOT, Pension, OPEB and Other Expenses – FY 2022

In FY22, the Authority's PILOT payments to the City of Boston and the Town of Winthrop totaled $21.7 million and were $0.5 million, or 2.3% lower than FY21. Although baseline PILOT payments to the City of Boston and Town of Winthrop increased $0.6 million based on the annual CPI adjustment as contractually required, these higher payments were offset by non-recurring community mitigation payments linked to capital project milestones in the prior year.

The Authority's pension and OPEB expenses were positively impacted by the strong investment returns generated by both plans. The Authority's pension plan assets realized a 16.1% return (net of fees) compared to the 7.0% rate used to project the pension liability. The Authority's OPEB expenses also had a favorable return of 13.8% (net of fees) versus the 7.0% rate used to project the OPEB liability. As a result, the Authority recorded a $24.7 million contra expense in FY22. The measurement period for both the pension and OPEB assets was calendar year ended December 31, 2021.

Other expenses in FY22 increased by $2.0 million to $15.8 million due to higher insurance premium payments for property, business liability, workers compensation excess, and other risk management premiums.

Depreciation and Amortization Expenses

Depreciation and Amortization Expenses – FY 2023

The Authority recognized $330.0 million in depreciation and amortization expenses in FY23, an increase of $7.6 million, or 2.4% compared to FY22. The Authority placed $357.3 million of new assets into service during the year, including the Terminal B to C Connector ($162.5.0 million), an updated gate processing facility at Conley Terminal ($40.5 million), and electrical feed upgrades to support long-term net zero initiatives at Logan Airport ($15.7 million). The Authority also made a capital purchase of eight new enhanced electric hybrid Silver Line buses. The Authority also fully depreciated $331.2 million in assets in the prior year reducing FY23 depreciation expenses by $18.8 million. The Authority's adoption of GASB 96 contributed to increases in depreciation and amortization expenses of $3.6 million in FY23 and $2.6 million restated in FY22.

Depreciation and Amortization Expenses – FY 2022[2]

The Authority recognized $319.8 million in depreciation and amortization expenses in FY22, an increase of $4.0 million or 1.3% compared to FY21. The Authority placed $427.1 million of new assets into service during the year, which produced $14.5 million of new depreciation expenses. New assets placed into service included Berth 10 and three ship-to-shore cranes at Conley Terminal($184.0 million); Terminal B to C roadway improvements at Logan Airport ($101.2 million); a new Terminal C canopy and upper roadway deck at Logan($55.4 million); and the mid-life rebuild of on-airport shuttle buses ($10.0 million). The Authority also fully depreciated $310.8 million in assets in the prior year reducing FY22 depreciation expenses by $8.8 million. In addition, the Authority adjusted for project costs suspended during the pandemic and made other capital asset expense modifications to reflect pertinent depreciable asset values

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Non-operating Revenues (Expenses) and Capital Contributions

In FY23, the Authority recognized $125.8 million in non-operating revenues, an increase of $23.0 million versus FY22. The Authority's non-operating income was favorably impacted by Logan Airport's increase in passenger volume. PFC revenues increased by $13.6 million to $80.1 million for use on various FAA authorized capital investments and debt service expenses for certain Logan Airport projects. Also, the Authority collected $30.8 million in CFC revenues, an increase of $5.3 million, from on-airport rental car transactions. CFC revenues are used to service debt obligations and fund maintenance reserve capital requirements at the rental car facility. During FY23, the Authority recognized other income of $20.8 million, which reflects $33.7 million in federal airport assistance from the ARPA grant program as reimbursements for eligible expenses and the full draw down of Authority eligible federal funding. This federal assistance was offset by a $17.1 million reduction in the fair value of the Authority's fixed income investment assets as a result of increasing interest rates. The Authority earned $62.7 million in interest income on investments and $40.5 million of interest income on leases during the year, an increase of $47.0 million and $8.8 million respectively. The Authority also incurred $109.1 million in interest expense on $2.8 billion in outstanding Authority bonds, an increase of $4.6 million over the year prior.

Non-operating Revenues and Expenses and Capital Contributions

($ millions)

	FY 2023	FY 2022 Restated (2)	$ Change	% Change
Passenger facility charges	$ 80.1	$ 66.5	$ 13.6	20.5%
Customer facility charges	30.8	25.5	5.3	20.8%
Investment income on investments	62.7	15.7	47.0	299.4%
Lease interest income (expense), net	40.5	34.3	6.2	18.1%
Other income (expense), net	20.8	65.3	(44.5)	(68.1%)
Interest expense	(109.1)	(104.5)	(4.6)	4.4%
Total Non-operating Revenues (Expenses)	**$ 125.8**	**$ 102.8**	**$ 23.0**	**22.4%**
Capital Contributions	**$ 24.9**	**$ 56.6**	**($ 31.7)**	**(56.0%)**

	FY 2022 Restated (2)	FY 2021 Restated (1)	$ Change	% Change
Passenger facility charges	$ 66.5	$ 27.9	$ 38.6	138.4%
Customer facility charges	25.5	11.7	13.8	117.9%
Investment income on investments	15.7	15.5	0.2	1.3%
Lease interest income (expense), net	34.3	28.3	6.0	21.2%
Other income (expense), net	65.3	119.0	(53.7)	(45.1%)
Interest expense	(104.5)	(98.1)	(6.4)	6.5%
Total Non-operating Revenues (Expenses)	**$ 102.8**	**$ 104.3**	**($ 1.5)**	**(1.4%)**
Capital Contributions	**$ 56.6**	**$ 61.9**	**($ 5.3)**	**(8.6%)**

Note 1 - FY21 results have been restated to conform to GASB 87 standards for lease reporting.

Note 2 - FY22 results have been restated to conform to GASB 96 standards for SBITAs reporting.

Non-operating Revenues (Expenses) – FY22[2]

For FY22 the Authority recognized $102.8 million in non-operating revenues, a decrease of $1.5 million versus FY21. The Authority's non-operating income was favorably impacted by Logan Airport's increase in passenger volume. PFC revenues increased by $38.6M to $66.5 million to fund various capital investments and debt service expenses at the facility. Also, the Authority collected $25.5 million in CFC revenues, an increase of $13.8 million, from on-airport rental car transactions. CFC revenues are used to service debt obligations and fund maintenance reserve capital requirements at the rental car facility. During FY22, the Authority recognized $115.5 million in federal airport assistance from the CRRSA and ARPA grant programs as reimbursements for eligible expenses, a 5% decrease from the year prior. The Authority earned

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$52.4 million in interest income on investments and leases during the year, an increase of $7.2 million, or 16% from the year prior. The Authority also recorded a $60.0 million loss in the fair value of its fixed income investments as a result of increasing interest rates. The Authority also incurred $104.5 million in interest expense on $2.7 billion in outstanding Authority bonds. This was a $6.4 million increase from the prior year.

Capital Contributions – FY2023

In FY23, the Authority recognized $24.9 million in contributed capital, which consists mainly of federal and state capital grants. This is a $31.7 million decrease from the year prior as reimbursements for certain projects from the Commonwealth, the FAA AIP grant program and the U.S. Department of Transportation Maritime Administration (MARAD) FASTLANE and BUILD grants reimbursements were lower as projects advanced towards completion. During the year the Authority received FAA AIP grants for airport runway and taxiway safety improvements ($11.8 million) and MARAD funding for investment in the Conley Terminal modernization initiative ($7.7 million).

Capital Contributions – FY2022

In FY22, contributed capital was $56.6 million, a $5.3 million decrease from the year prior. The Authority received capital contributions for certain projects from the Commonwealth, the FAA AIP grant program and the MARAD FASTLANE and BUILD grants. The Authority received FAA AIP grants for airport runway and taxiway safety improvements ($8.6 million) and MARAD funding for the Conley Terminal modernization initiative ($10.5 million). The Commonwealth provided contributed capital to partially finance the construction costs for Berth 10 and three cranes at Conley Terminal ($37.5 million).

THE AUTHORITY'S STATEMENTS OF NET POSITION

The Statements of Net Position present the financial position of the Authority at the end of each fiscal year. The Statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the Authority. Net Position is the difference between total assets plus deferred outflows of resources less total liabilities and deferred inflows of resources and is an indicator of the current fiscal health of the Authority. A summarized comparison of the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2023 and 2022 is as follows:

Condensed Statements of Net Position for FY 2023 and FY 2022

($ millions)

	FY 2023	FY 2022 Restated (2)	$ Change	% Change
Assets				
Current assets	$ 1,343.4	$ 1,274.5	$ 68.9	5.4%
Capital assets, net	4,446.0	4,457.3	(11.3)	(0.3%)
Other non-current assets	3,424.7	3,087.3	337.4	10.9%
Total Assets	**9,214.1**	**8,819.1**	**395.0**	**4.5%**
Deferred Outflows of Resources				
Deferred loss on refunding of bonds	9.0	10.3	(1.3)	(12.6%)
Pension related	109.3	28.4	80.9	284.9%
OPEB related	47.4	18.0	29.4	163.3%
Total Deferred Outflows of Resources	**165.7**	**56.7**	**109.0**	**192.2%**
Liabilities				
Current liabilities	$ 337.6	$ 331.4	$ 6.2	1.9%
Bonds payable, including current portion	3,099.9	3,002.9	97.0	3.2%
Other non-current liabilities	454.9	342.3	112.6	32.9%
Total Liabilities	**3,892.4**	**3,676.6**	**215.8**	**5.9%**
Deferred Inflows of Resources				
Deferred gain on refunding of bonds	21.4	23.6	(2.2)	(9.3%)
Lease related	2,183.9	2,080.0	103.9	5.0%
Pension related	28.5	112.1	(83.6)	(74.6%)
OPEB related	34.1	59.9	(25.8)	(43.1%)
Total Deferred Inflows of Resources	**2,267.9**	**2,275.6**	**(7.7)**	**(0.3%)**
Total Net Position	**$ 3,219.5**	**$ 2,923.6**	**$ 295.9**	**10.1%**
Net position				
Net investment in capital assets	$ 1,305.8	$ 1,512.8	(207.0)	(13.7%)
Restricted	1,265.3	824.8	440.5	53.4%
Unrestricted	648.4	586.0	62.4	10.6%
Total Net Position	**$ 3,219.5**	**$ 2,923.6**	**295.9**	**10.1%**

Note 1 - FY21 results have been restated to conform to GASB 87 standards for lease reporting.

Note 2 - FY22 results have been restated to conform to GASB 96 standards for SBITAs reporting.

The Authority ended FY23 with total assets of $9.2 billion, an increase of $395.0 million, or 4.5% over the prior year. The increase in total assets reflects a $420.5 million increase in cash and cash equivalents, and investments and restricted investments made by the Authority from increasing cash flows. The Authority also recorded a $139.3 million lease receivable from new or amended lease transactions executed during the year. These increases are being offset by an $84.5 million decrease in net pension assets due to investment losses, a $63.8 million reduction in grants receivable as Federal CRRSA and ARPA funding programs were near completion, along with $15 million of other asset related adjustments. Total deferred outflows of resources increased by $109.0 million to $165.7 million as investment losses on plan assets caused Pension and OPEB liabilities to increase.

The Authority's total liabilities at year's end was $3.9 billion, an increase of $215.8 million or 5.9% over the prior year. Pension and OPEB liabilities grew $91.9 million and $48.6 million, respectively, as market losses increased these long-term obligations. Bonds payable (including current portion) totaled $3.1 billion, an increase of $97.0 million as a result of the $120.9 million "Green Bond" sale in the first quarter of FY23 and a $15 million increase in all other liability accounts. These increases were offset by a $10.8 million reduction in accounts payables and accrued expenses, and a $36 million decrease in lease liabilities.

Total deferred inflows of resources decreased by $7.7 million to $2.3 billion in FY23. The deferred inflows of lease related revenues increased $103.4 million, resulting from lease related adjustments. This increase was offset by reductions to deferred inflows from Pension and OPEB as the values of these portfolios were lowered to reflect losses from their equity and fixed asset investments.

The Authority's total net position for FY23 was $3.2 billion, an increase of $295.9 million or 10.1% over the prior year. This increase reflects the Authority's net operating income of $145.3 million, net non-operating income of $125.8 million and capital contributions of $24.9 million. The growth in net position is being used to fund the Authority's strategic initiatives, net zero strategies, and capital investments.

Condensed Statements of Net Position for FY 2022 and FY 2021

($ millions)

	FY 2022 Restated (2)	FY 2021 Restated (1)	$ Change	% Change
Assets				
Current assets	$ 1,274.5	$ 1,349.0	($ 74.5)	(5.5%)
Capital assets, net	4,457.3	4,199.4	257.9	6.1%
Other non-current assets	3,087.3	2,238.4	848.9	37.9%
Total Assets	**8,819.1**	**7,786.8**	**1,032.3**	**13.3%**
Deferred Outflows of Resources				
Deferred loss on refunding of bonds	10.3	11.7	(1.4)	(12.0%)
Pension related	28.4	31.0	(2.6)	(8.4%)
OPEB related	18.0	24.5	(6.5)	(26.5%)
Total Deferred Outflows of Resources	**56.7**	**67.2**	**(10.5)**	**(15.6%)**
Liabilities				
Current liabilities	$ 331.4	$ 294.9	$ 36.5	12.4%
Bonds payable, including current portion	3,002.9	3,029.5	(26.6)	(0.9%)
Other non-current liabilities	342.3	189.5	152.8	80.6%
Total Liabilities	**3,676.6**	**3,513.9**	**162.7**	**4.6%**
Deferred Inflows of Resources				
Deferred gain on refunding of bonds	23.6	25.9	(2.3)	(8.9%)
Lease related	2,080.0	1,512.6	567.4	37.5%
Pension related	112.1	83.9	28.2	33.6%
OPEB related	59.9	60.5	(0.6)	(1.0%)
Total Deferred Inflows of Resources	**2,275.6**	**1,682.9**	**592.7**	**35.2%**
Total Net Position	**$ 2,923.6**	**$ 2,657.3**	**$ 266.3**	**10.0%**
Net position				
Net investment in capital assets	$ 1,512.8	$ 1,444.6	68.2	4.7%
Restricted	824.8	785.8	39.0	5.0%
Unrestricted	586.0	426.9	159.1	37.3%
Total Net Position	**$ 2,923.6**	**$ 2,657.3**	**266.3**	**10.0%**

Note 1-FY22 results have been restated to conform to GASB 96 standards for SBITAs reporting.

Note 2- FY21 results have been restated to conform to GASB 87 standards for lease reporting.

The Authority ended FY22[2] with total assets of $8.8 billion, an increase of $1.0 billion, or 13.2% over the prior year. The increase in total assets reflects the Authority's adoption of GASB 87 and the recording of $533 million of lease receivables from five new or amended lease transactions, a net $276 million increase in capital assets that were placed into service during the year, and a $249 million increase in investments made by the Authority from positive cash flows.

The Authority's total liabilities at year's end was $3.7 billion, an increase of $156.0 million or 4.4% over the prior year. The adoption of GASB 87 resulted in the recording of a net change of $166.2 million in long-term lease liabilities from a term extension contract the Authority executed for land in South Boston that is being developed to support the seafood industry and the Authority's Maritime mission. The Authority's Accounts Payable increased $45.3 million to $242.5 million and reflects the expected return of an over-collection of airline fees resulting from business activity

2. FY22 discussion has not been updated to reflect restatement of FY22 results to conform to GASB 96 standards for SBITAs reporting. Accordingly, the numbers in these paragraphs may not match the restated numbers presented in the tables herein.

exceeding plan. Bonds payable of $3.0 billion was the largest component of total liabilities and accounted for 50.5% of the Authority's total liabilities and deferred inflows as of June 30, 2022. Bonds payable declined nearly $26.6 million and primarily reflects the retirement of outstanding commercial paper and principal payments made to bond holders during the year.

Total deferred inflows of resources increased by $592.7 million in FY22 and primarily reflects the adoption of GASB 87 and the deferred inflows of lease related revenues of $567.4 million from five third-party leases executed during the year. Also, positive investment returns resulted in a $27.6 million net increase in the deferred inflows from Pension and OPEB compared to last year.

The Authority's total net position for FY22 was $2.9 billion, an increase of $266.0 million or 10.0% over the prior year. This increase reflects the Authority's net operating income of $106.4 million, net non-operating income of $102.9 million and capital contributions of $56.6 million. The growth in net position is being used to fund the Authority's strategic initiatives.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2023 and 2022, the Authority had $4.4 billion and $4.5 billion of capital assets (net of depreciation), respectively. These include land, construction in process, buildings, runways, roadways, machinery and equipment, air rights, parking rights and right-of-use assets. The Authority's net capital assets decreased by $11.3 million or 0.3% in FY23 as capital project construction in progress in the amount of $357.3 million exceeded depreciation of $330.0 million, offset by the $38.6 million decrease in right-of-use assets to comply with the implementation of GASB 87 and GASB 96.

The Authority's capital assets are principally funded by the proceeds of revenue bonds, operating revenues, PFCs, CFCs, and federal and state grants. The following chart provides a breakdown of the Authority's total capital assets at June 30, 2023, 2022 and 2021 (for further information on Capital Assets see Note 4):

Capital Assets by Type

($ thousands)

	FY 2023	FY 2022 Restated (2)	FY 2021 Restated (1)	% Change 2023-2022	% Change 2022-2021
Land	$ 240,562	$ 240,553	$ 230,680	0.0%	4.3%
Construction in progress	730,130	744,952	779,910	(2.0%)	(4.5%)
Buildings	2,261,820	2,173,517	2,120,490	4.1%	2.5%
Runways and other pavings	317,148	349,520	369,919	(9.3%)	(5.5%)
Roadways	352,394	371,204	301,619	(5.1%)	23.1%
Machinery and equipment	275,522	265,753	251,557	3.7%	5.6%
Air rights	27,287	31,880	36,281	(14.4%)	(12.1%)
Parking rights	12,337	13,879	15,421	(11.1%)	(10.0%)
Right of use assets	228,820	266,025	93,538	(14.0%)	184.4%
Capital assets, net	**$ 4,446,020**	**$ 4,457,283**	**$ 4,199,415**	**(0.3%)**	**6.1%**

Note 1 - FY21 results have been restated to conform to GASB 87 standards for lease reporting.

Note 2 - FY22 results have been restated to conform to GASB 96 standards for SBITAs reporting.

Debt Administration

The Authority's bond issuances are governed by the Debt Management and Issuance Policy, which was recently re-adopted by the Members of the Authority (the "Board") at its June 2023 meeting. Among other things, the issuance of new or refunding debt must be approved by the Board and must comply with the rules and regulations of the United States Treasury Department. The Authority, through its 1978 Trust Agreement, has a covenant to maintain a debt service coverage ratio of not less than 1.25. Debt service coverage is calculated based on a formula set forth in the 1978 Trust Agreement. Historically, the Authority has maintained a debt service coverage ratio higher than the 1978 Trust Agreement requirement to maintain high investment grade bond ratings and keep capital costs low. In FY23, the Authority's debt service coverage ratio, defined as annual net revenues divided by annual principal and interest expense payments, was 3.89. In FY22, this ratio was 6.10 and was influenced by the Authority's debt restructuring program and federal COVID-19 pandemic aid for airports.

The CFC Trust Agreement requires that the Authority maintain a debt service coverage ratio of at least 1.30. In FY23 and FY22, the Authority's CFC Trust coverage was 3.08 and 2.46, exceeding coverage by 178 basis points in FY23 and 116 basis points in FY22.

In FY23, the Authority issued its first ever "Green Bonds", Revenue Bonds Series 2022 A (AMT), in the aggregate principal amount of $120.9 million (See Note 5 for more details).

The Authority had total net bonds payable of $3.1 billion outstanding as of June 30 2023. Total net bonds payable consists of Senior Debt revenue bonds of $2.45 billion, Subordinated debt revenue bonds of $74.0 million, Senior Direct Placement debt of $251.6 million, and $328.9 million of unamortized bond premiums as of June 30, 2023 (see Note 5). The $3.1 billion of net bonds payable as of June 30, 2023 is $97.0 million more than the previous year. In FY23, the Authority issued its first ever "Green Bonds" when it issued its Revenue Bonds, Series 2022 A (AMT) in the aggregate principal amount of $120.9 million.

The Authority had net bonds payable of $3.0 billion outstanding as of June 30, 2022. Total net bonds payable consists of Senior Debt revenue bonds of $2.34 billion, Subordinated debt revenue bonds of $74.0 million, Senior Direct Placement debt of $258.0 million, and $329.1 million of unamortized bond premiums as of June 30, 2022 (see Note 5). The $3.0 billion of net bonds payable as of June 30, 2022 is $26.6 million less than the previous year as a result of principal payments made and a year of bond premium amortization.

The Official Statements relating to the Authority's bond issuances are available from the Authority or by accessing the Authority's website.

Please see Note 5, Long-term Debt in the attached Financial Statements.

THE AUTHORITY'S CONDENSED CASH FLOWS

The following summary shows the major sources and uses of cash during the following years:

Statements of Cash Flows

($ millions)

	FY 2023	FY 2022 Restated (2)	$ Change	% Change
Net cash provided by operating activities	$ 477.1	$ 475.7	$ 1.4	0.3%
Net cash provided by non-capital activities (CARES/CRRSA/ARPA Acts)	97.4	79.2	18.2	23.0%
Net cash provided / (used in) capital and related financing activities	(199.6)	(378.5)	178.9	(47.3%)
Net cash provided / (used in) investing activities	(320.2)	(98.5)	(221.7)	225.1%
Net increase in cash and cash equivalents	**54.6**	**77.8**	**(23.2)**	**(29.8%)**
Cash and cash equivalents, beginning of year	**533.3**	**455.5**	**77.8**	**17.1%**
Cash and cash equivalents, end of year	**$ 587.9**	**$ 533.3**	**$ 54.6**	**10.2%**

	FY 2022 Restated (2)	FY 2021 Restated (1)	$ Change	% Change
Net cash provided by operating activities	$ 475.7	$ 198.8	$ 276.9	139.3%
Net cash provided by non-capital activities (CARES/CRRSA/ARPA Acts)	79.2	$ 98.0	(18.8)	(19.2%)
Net cash provided / (used in) capital and related financing activities	(378.5)	($ 141.2)	(237.3)	168.1%
Net cash provided / (used in) investing activities	(98.5)	(201.0)	102.5	(51.0%)
Net increase in cash and cash equivalents	**77.8**	**(45.3)**	**123.1**	**(271.7%)**
Cash and cash equivalents, beginning of year	**455.5**	**500.8**	**(45.3)**	**(9.0%)**
Cash and cash equivalents, end of year	**$ 533.3**	**$ 455.5**	**$ 77.8**	**17.1%**

Note 1 - FY21 results have been restated to conform to GASB 87 standards for lease reporting.

Note 2 - FY22 results have been restated to conform to GASB 96 standards for SBITAs reporting.

The Authority's cash and cash equivalents at June 30, 2023 were $587.9 million, an increase of $54.6 million or 10.2% from the prior year. The Authority generated $477.1 million in cash during FY23 primarily as a result of increased business activity at aviation and maritime facilities. In addition, the Authority received $97.4 million in expense reimbursements from federal COVID-19 funding provided by the CRRSA and ARPA grant programs. The Authority used $199.6 million in cash to for capital project expenses, debt service payments to bondholders and other financing activities. The Authority also used $320.2 million in cash to purchase investments that will fund future operating activities and capital payments.

The Authority's cash and cash equivalents at June 30, 2022[2] were $533.3 million, an increase of $77.8 million or 17.1% from the prior year. The Authority generated $472.7 million in cash during FY22 primarily from business activity at Logan Airport and the Port of Boston. In addition, the Authority received $79.2 million of federal COVID-19 funding provided by the CRRSA and ARPA grant programs. The Authority used $375.5 million in cash to finance the Authority's capital program and to make debt service payments to bondholders during the year. The Authority also used $98.5 million in cash to purchase investments that will be used for future operating and capital payments.

2. FY22 discussion has not been updated to reflect restatement of FY22 results to conform to GASB 96 standards for SBITAs reporting. Accordingly, the numbers in these paragraphs may not match the restated numbers presented in the tables herein.

Contacting the Authority's Financial Management

For additional information concerning the Authority and the Retirement System, please see the Authority's website, www.massport.com. Financial information can be found by clicking on "Business" from the home page and then selecting "Finance". The Authority's executive offices are located at One Harborside Drive, Suite 200S, East Boston, Massachusetts 02128, and the main telephone number is (617) 568-5000. Questions may be directed to John P. Pranckevicius, CPA, Director of Administration and Finance, and Secretary-Treasurer for the Massachusetts Port Authority.

MASSACHUSETTS PORT AUTHORITY

Statements of Net Position

Proprietary Fund Type – Enterprise Fund

June 30, 2023 and 2022

(In thousands)

	2023	2022 (Restated)
Assets		
Current assets:		
Cash and cash equivalents	$ 112,441	$ 201,136
Investments	256,908	221,354
Restricted cash and cash equivalents	475,439	332,144
Restricted investments	349,170	299,272
Accounts receivable		
Trade, net	75,650	92,641
Lease receivable	37,506	29,165
Grants receivable	23,914	87,676
Total receivables (net)	137,070	209,482
Prepaid expenses and other assets	12,378	11,150
Total current assets	1,343,406	1,274,538
Noncurrent assets:		
Investments	646,739	520,000
Restricted investments	574,918	421,254
Lease receivable	2,150,964	2,019,965
Accrued lease Interest receivable	42,397	25,595
Accounts receivable, long-term	—	5,855
Prepaid expenses and other assets	6,621	7,312
Investment in joint venture	3,004	2,822
Net pension asset	—	84,496
Capital assets-not being depreciated	970,693	985,505
Capital assets-being depreciated-net	3,475,327	3,471,778
Total noncurrent assets	7,870,663	7,544,582
Total assets	9,214,069	8,819,120
Deferred outflows of resources		
Deferred loss on refunding of bonds	8,984	10,305
Pension related	109,311	28,380
OPEB related	47,419	18,010
Total deferred outflows of resources	165,714	56,695
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	232,951	242,533
Compensated absences	1,087	1,108
Contract retainage	14,512	8,958
Current portion of long term debt	96,489	37,868
Accrued interest on bonds payable	61,561	58,902
Accrued interest on leases payable	3,145	1,143
Lease liability	13,039	11,015
Unearned revenues	11,247	7,736
Total current liabilities	434,031	369,263
Noncurrent liabilities:		
Accrued expenses	32,953	14,016
Compensated absences	13,902	14,175
Net pension liability	91,907	—
Net OPEB liability	89,783	41,209
Contract retainage	8,005	12,793
Long-term debt, net	3,003,447	2,965,013
Long term lease liability	217,846	255,967
Unearned revenues	504	4,171
Total noncurrent liabilities	3,458,347	3,307,344
Total liabilities	3,892,378	3,676,607
Deferred inflows of resources		
Deferred gain on refunding of bonds	21,444	23,654
Lease related	2,183,858	2,079,959
Pension related	28,455	112,118
OPEB related	34,142	59,901
Total deferred inflows of resources	2,267,899	2,275,632
Net position		
Net investment in capital assets	1,305,831	1,512,776
Restricted		
Bond funds	295,253	222,972
Project funds	691,089	414,678
Passenger facility charges	177,893	108,001
Customer facility charges	67,007	50,234
Other purposes	34,093	28,888
Total restricted	1,265,335	824,773
Unrestricted	648,340	586,027
Total net position	$ 3,219,506	$ 2,923,576

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

MASSACHUSETTS PORT AUTHORITY

Statements of Revenues, Expenses, and Changes in Net Position

Proprietary Fund Type – Enterprise Fund

Years ended June 30, 2023 and 2022

(In thousands)

	2023	2022 (Restated)
Operating revenues:		
Aviation rentals	$ 313,696	$ 290,971
Aviation parking	198,511	156,921
Aviation shuttle bus	18,919	13,391
Aviation fees	171,191	152,674
Aviation concessions	157,425	120,333
Aviation operating grants and other	3,617	3,408
Maritime fees, rentals and other	89,464	54,175
Real estate fees, rents and other	47,346	36,076
Total operating revenues	1,000,169	827,949
Operating expenses:		
Aviation operations and maintenance	316,848	270,121
Maritime operations and maintenance	60,507	48,352
Real estate operations and maintenance	18,381	15,939
General and administrative	64,292	51,595
Payments in lieu of taxes	23,206	21,657
Pension and other post-employment benefits	24,710	(24,747)
Other	16,956	15,827
Total operating expenses before depreciation and amortization	524,900	398,744
Depreciation and amortization	330,002	322,379
Total operating expenses	854,902	721,123
Operating income	145,267	106,826
Nonoperating revenues and (expenses):		
Passenger facility charges	80,106	66,545
Customer facility charges	30,824	25,473
Lease interest income	44,070	36,706
Investment income on investments	62,702	15,661
Net decrease in the fair value of investments	(17,099)	(60,012)
Other revenues	37,847	125,153
Other expenses	(116)	(137)
Gain on sale of equipment / property	163	247
Interest expense on leases	(3,605)	(2,358)
Interest expense on financing	(109,117)	(104,486)
Total nonoperating revenues, net	125,775	102,792
Increase in net position before capital contributions	271,042	209,618
Capital contributions	24,888	56,625
Increase in net position	295,930	266,243
Net position, beginning of year	2,923,576	2,657,333
Net position, end of year	$ 3,219,506	$ 2,923,576

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

MASSACHUSETTS PORT AUTHORITY
Statements of Cash Flows
Proprietary Fund Type – Enterprise Fund
Years ended June 30, 2023 and 2022
(In thousands)

	2023	2022 (Restated)
Cash flows from operating activities:		
Cash received from customers and operating grants	$ 984,345	$ 944,020
Payments to vendors	(304,106)	(283,026)
Payments to employees	(170,811)	(152,834)
Payments in lieu of taxes	(23,206)	(21,507)
Other post-employment benefits	(9,100)	(10,946)
Net cash provided by operating activities	477,122	475,707
Cash flows from noncapital financing activities:		
Cash received from CRRSA and ARPA Acts Airport Relief fund	97,376	79,168
Net cash provided by noncapital financing activities	97,376	79,168
Cash flows from capital and related financing activities:		
Proceeds from leases interest income	27,268	21,859
Interest paid on leases	(1,603)	(1,342)
Acquisition and construction of capital assets	(336,650)	(396,980)
Right to use assets	(12,382)	(11,104)
Proceeds from Bosfuel and Other project contributions	3,059	7,285
Proceeds from the issuance of bonds and notes	135,294	—
Interest paid on bonds and notes	(121,924)	(113,459)
Principal payments on long-term debt	(23,720)	(12,420)
Principal payments on commercial paper	—	(22,000)
Proceeds from passenger facility charges	75,726	66,270
Proceeds from customer facility charges	30,340	24,172
Proceeds from capital contributions	24,468	58,909
Settlement of claims	6	2
Proceeds from sale of equipment	467	271
Net cash used in capital and related financing activities	(199,651)	(378,537)
Cash flows from investing activities:		
Purchases of investments	(1,174,681)	(1,240,607)
Sales of investments	807,993	1,127,678
Realized gain (loss) on sale of investments	6	(36)
Interest received on investments	46,433	14,430
Net cash used in investing activities	(320,249)	(98,535)
Net increase in cash and cash equivalents	54,598	77,803
Cash and cash equivalents, beginning of year	533,281	455,478
Cash and cash equivalents, end of year	$ 587,879	$ 533,281
Reconciliation of operating income to net cash provided by operating activities:		
Cash flows from operating activities:		
Operating income	$ 145,267	$ 106,826
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	330,002	322,379
Changes in operating assets and liabilities:		
Trade receivables	(7,866)	33,700
Prepaid expenses and other assets	(374)	(3,805)
Accounts payable and accrued expenses	3,282	52,396
Net pension liability and deferred inflows/outflows	11,810	(24,545)
Net OPEB liability and deferred inflows/outflows	(4,549)	(15,523)
Compensated absences	(294)	(435)
Unearned revenue	(156)	4,714
Net cash provided by operating activities	$ 477,122	$ 475,707
Noncash investing activities:		
Net decrease in the fair value of investments	$ (74,768)	$ (57,663)

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

MASSACHUSETTS PORT AUTHORITY
Statements of Fiduciary Net Position
Fiduciary Funds
June 30, 2023 and 2022
(in thousands)

	Pension and Retiree Benefit Trust Funds	
	2023	**2022 (Restated)**
Assets:		
Cash and cash equivalents	$ 5,533	$ 5,983
Investments, at fair value:		
Common stocks	11,347	12,552
Commingled funds:		
Domestic equity	270,496	370,268
Fixed income	264,180	348,338
Opportunistic credit	41,011	—
International equity	254,224	300,725
Real estate	97,273	103,997
Private equity	93,501	100,150
Total investments, at fair value	1,032,032	1,236,030
Receivables:		
Plan member contributions	305	267
Accrued interest and dividends	20	12
Other state retirement plans	1,854	1,956
Receivable for securities sold	623	4
Other	80	44
Total receivables	2,882	2,283
Right of use Asset	265	452
Total assets	1,040,712	1,244,748
Liabilities:		
Payables to other state retirement plans	411	524
Other payables	547	639
Lease liability	521	454
Total liabilities	1,479	1,617
Net position:		
Restricted for:		
Pensions	766,197	920,488
Postemployment benefits other than pensions	273,036	322,643
Total net position	$ 1,039,233	$ 1,243,131

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

MASSACHUSETTS PORT AUTHORITY
Statements of Change in Fiduciary Net Position
Fiduciary Fund
Years ended June 30, 2023 and 2022
(in thousands)

	Pension and Retiree Benefit Trust Funds	
	2023	2022 (Restated)
Additions:		
Contributions:		
Plan members	$ 12,294	$ 11,303
Plan sponsor	22,913	33,169
Total contributions	35,207	44,472
Intergovernmental:		
Transfers from other state retirement plans	1,137	406
Section 3(8)(c) transfers, net	1,580	1,408
Net intergovernmental	2,717	1,814
Investment earnings:		
Interest and dividends	24,069	21,078
Net (depreciation) appreciation in fair value of investments	(200,946)	143,566
Less management and related fees	(3,434)	(3,278)
Net investment earnings/(losses)	(180,311)	161,366
Total deductions/additions	(142,387)	207,652
Deductions:		
Retirement benefits	58,350	56,002
Withdrawals by inactive members	778	1,274
Transfers to other state retirement plans	929	1,095
Administrative expenses	1,454	1,439
Total deductions	61,511	59,810
Net (decrease) increase in fiduciary net position	(203,898)	147,842
Net position - beginning of year	1,243,131	1,095,289
Net position - end of year	$ 1,039,233	$ 1,243,131

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

MASSACHUSETTS PORT AUTHORITY

Notes to Financial Statements

June 30, 2023 and 2022

1. Summary of Significant Accounting Policies and Practices Reporting Entity

The Massachusetts Port Authority (the “Authority”) is a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts (the “Commonwealth”) created and existing pursuant to Chapter 465 of the Acts of 1956, as amended, (the “Enabling Act”). The Authority controls, operates and manages Boston-Logan International Airport (“Logan Airport”), Laurence G. Hanscom Field, Worcester Regional Airport, the Port of Boston and other facilities in the Port of Boston.

The Authority has no stockholders or equity holders, and the Authority’s financial statements are not a component unit of the Commonwealth’s financial statements. The provisions of the Enabling Act and the Trust Agreement, dated as of August 1, 1978 as amended and supplemented (the “1978 Trust Agreement”), between the Authority and U.S. Bank Trust Company, National Association (as successor in interest to State Street Bank and Trust Company), as trustee (the “Trustee”), the Passenger Facility Charges (“PFC”) Depositary Agreement dated July 3, 2017 (the “PFC Depositary Agreement”), between the Authority and The Bank of New York Mellon, as custodian (the “PFC Custodian”)”, and the Customer Facility Charges (“CFC”) Revenue Bond Trust Agreement dated May 18, 2011, as amended and supplemented (the “CFC Trust Agreement”), between the Authority and U.S. Bank Trust Company, National Association, as trustee (the “CFC Trustee”), govern all funds, with limited exceptions, received by the Authority pursuant to the Enabling Act.

In April 1981, the Authority adopted a retiree benefit plan whereby the Authority assumed the full cost of group health insurance including basic life insurance, dental insurance and catastrophic illness coverage to those retirees and surviving spouses (and qualifying dependents) who have retired under the Authority’s retirement system (collectively referred to as the “OPEB Plan”). In June 2009 and May 2016, the Members of the Authority (the “Board”) made changes to the OPEB Plan benefits to be paid by the Authority for certain existing and future retirees. For additional details, see Note 7.

In June 2008, the Authority created the Retiree Benefits Trust (the “RBT” or the “Trust”) to fund its OPEB Plan obligations. It was established as an irrevocable governmental trust under Section 115 of the Internal Revenue Code. In no event shall any part of the principal or income of the RBT be paid or revert back to the Authority or be used for any purpose whatsoever other than for the exclusive benefit of retirees and their beneficiaries.

Basis of Accounting

The Authority’s business-type activities are accounted in a manner similar to that often utilized in the private sector. The Authority’s financial statements are presented in the form of a business-type activity related to owning and operating the airports and other facilities in the Port of Boston and fiduciary activities related to a pension and retiree benefits trust fund. The Authority’s financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus in accordance with U.S. generally accepted accounting principles (“GAAP”).

Revenues from airlines, rentals, parking fees, tolls and concessions are reported as operating revenues. Capital contributions, PFCs, CFCs and financing or investing related transactions are reported as non-operating revenues and expenses. All expenses related to operating the Authority's facilities are reported as operating expenses.

Accounting per Applicable Trust Agreements

Under the 1978 Trust Agreement, cash of the Authority is deposited daily into the Revenue Fund established pursuant to the 1978 Trust Agreement and is transferred to the cash concentration account. All such revenues are then transferred to the various funds established pursuant to the 1978 Trust Agreement. After providing for operating expenses, including pension expense and transfers to the self-insurance account, cash revenues are then transferred to the Bond Service Account, to be applied to debt service on any outstanding revenue bonds, the Maintenance Reserve Fund, the Payment In Lieu of Taxes Fund, the Capital Budget Fund, if applicable, and finally, the Improvement and Extension Fund.

CFC revenue is deposited in the CFC Revenue Fund established pursuant to the CFC Trust Agreement and is utilized to pay debt service on CFC Special Facilities Bonds as required in the CFC Trust Agreement. Any remaining funds are transferred to the CFC Stabilization Fund.

See Note 2 for a reconciliation between the increase in net position as calculated per GAAP and net revenues as calculated per accounting practices prescribed by the 1978 Trust Agreement.

a) Net Position

The Authority follows the "business type" activity requirements of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended, which requires that resources be classified for accounting and reporting purposes into the following three business-type activity net position components:

- Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt and the deferred outflows / inflows of resources attributable to the acquisition, construction or improvement of those assets.

- Restricted: Net position of assets whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire by the passage of time. Such assets include the construction fund held pursuant to the 1978 Trust Agreement, the PFC Depositary Agreement, the CFC Trust Agreement, the self-insurance fund and other custodial funds.

- Unrestricted: Net position of assets that are not subject to externally imposed stipulations. Net amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources not included in the determination of net investment in capital assets or restricted components of net position. Unrestricted net position may be designated for specific purposes by action of management or the Board or may otherwise be limited by contractual agreements with outside parties. When both restricted and unrestricted

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resources are available for a particular restricted use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as needed.

b) Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources, which represents a consumption of net assets that applies to future periods and will be recognized as an outflow of resources (expense) in a future period. At June 30, 2023 and 2022, the Authority recognized deferred outflows for debt refundings, the pension plan, and other post-employment benefits ("OPEB")

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources, which represents an acquisition of net assets that applies to future periods and will be recognized as an inflow of resources (revenue) in a future period. At June 30, 2023 and 2022, the Authority recognized deferred inflows for debt refundings, the pension plan, OPEB and leases related inflows of resources.

Deferred outflows and inflows of resources for debt refundings are amortized over the shorter maturity of the refunded or the refunding debt. The pension and OPEB deferred inflows and outflows related to the difference between expected and actual experience and changes in assumptions are recognized in pension and OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension and OPEB through the plans. The pension and OPEB deferred inflows and outflows related to the difference between projected and actual earnings are recognized in pension and OPEB expense using a systematic and rational method over a closed five-year period. Leases with respect to which the Authority is the lessor are recorded as deferred inflows until the resources become available in the applicable reporting period.

c) Cash and Cash Equivalents

For purposes of the statements of cash flows, the Authority considers all highly liquid investments, including restricted assets, with an original maturity date of 30 days or less to be cash equivalents.

d) Investments

Investments with a maturity greater than one year are recorded at fair value with all investment income, including changes in the fair value of investments, reported as investment income in the financial statements. Investments with a maturity date of less than one year are carried at amortized cost, which approximates fair value. Nonparticipating interest earning contracts, including certificates of deposit and guaranteed investment contracts, are carried at cost. Fair value is determined based on quoted market prices. For the years ended June 30, 2023 and 2022 the Authority recorded unrealized loss of $17.1 million and $60.0 million respectively, in investment income.

e) Restricted Cash and Investments

Certain cash, cash equivalents and investments are restricted for use by the 1978 Trust Agreement, the PFC Depositary Agreement, the CFC Trust Agreement, and other external requirements. These amounts have been designated primarily for expenditures related to future construction or asset acquisitions, debt service and debt service reserves.

f) Capital Assets

Capital assets are recorded at cost and include land, land improvements, buildings, machinery and equipment, runways, roadways and other paving and non-maintenance dredging. Such costs include, where appropriate, capitalized interest and related legal costs. The costs of normal upkeep, maintenance, maintenance dredging and repairs are not capitalized.

The capitalization threshold is noted below:

Asset Category	Dollar Threshold
Buildings	$ 10,000
Machinery & Equipment	5,000
Equipment Repair/Overhaul (Major)	25,000
Runway, Roadways & Other Paving	50,000
Land Improvements	50,000
Right of use	5,000

g) Depreciation

The Authority provides for depreciation using the straight-line method. Assets placed in service are depreciated for the full year. Depreciation is intended to distribute the cost of depreciable properties over the following estimated useful lives:

Asset Category	Years
Buildings	25
Air rights	10 to 25
Runways (original construction)	25
Other airfield paving	12
Roadway	25
Roadway-landscaping	10
Dredging	15
Machinery and equipment	5 to 10
Right of use assets	2 to 100

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h) Other Assets and Prepaid Items

Other assets consist of certain payments to vendors reflecting costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

i) Amortization

Revenue bond premiums and discounts are deferred and amortized on a straight-line basis over the term of the bonds, as this approximates the effective interest method. Unamortized amounts are presented as a (reduction) addition of the face amount of bonds payable.

The difference between the reacquisition price and net carrying amount of defeased bonds is amortized on the straight-line method over the shorter of the maturity of the new debt or the defeased debt and is recorded as deferred inflows/outflows of resources on the statement of net position.

j) Revenue Recognition

Fees and other services consist of parking fees, landing fees, and container handling fees. Revenues from parking fees and container handling fees are recognized at the time the service is provided. Landing fees are recognized as part of operating revenue when airline related facilities are utilized and are principally based on the landed weight of the aircraft. The scheduled airline fee structure is determined and approved annually by the Board and is based on full cost recovery pursuant to an arrangement between the Authority and the respective airlines.

Rental and concession fees are generated from airlines, rental car companies, and other commercial tenants. Rental revenue on leases is recognized over the term of the associated lease. Concession revenue is recognized partially based on self-reported concession revenue by the tenants and partially based on minimum rental rates. Unearned revenue consists primarily of amounts received in advance for future rents or other services. These amounts are recognized as revenue as they are earned over the applicable period.

Rates and charges are set annually based on the budgeted operating costs and actual capital costs. A true-up calculation is performed for landing fees, terminal rents, and baggage fees at year-end based on the actual results. In the event the actual costs are more than the budgeted amounts for the year, the Authority will recover additional rates and charges. In the event the actual costs are less than the budgeted amounts, the Authority will issue credits to the respective airlines.

The Authority presents its accounts receivable at the expected net realizable value. Accordingly, the Authority has recorded an allowance for doubtful accounts against its accounts receivable of $3.0 million and $3.5 million at June 30, 2023 and 2022, respectively.

k) Leases

As Lessee:

The Authority is a lessee for non-cancelable leases of land, buildings, equipment and another party's information technology (IT) software or subscription-based information technology arrangements (SBITAs). The Authority recognizes a lease liability and an intangible right-to-use lease assets (lease asset) in the financial statements. The Authority recognizes lease liabilities with an initial, individual value of $5,000 or more.

Lease liabilities are initially recognized at the lease commencement date based on the present value of future lease payments to be made by the Authority over the lease term. The estimated payments are discounted using the Authority's estimated incremental borrowing rate. The lease term includes the non-cancelable period of the lease. The lease liability is subsequently reduced by the principal portion of lease payments made. Lease liabilities are reported on the statements of net position.

Lease assets are recognized at the lease commencement date and represent the Authority's right to use an underlying asset for the lease term. Lease assets are initially measured at the initial value of the lease liability, adjusted for lease payments made at or before the lease commencement date and initial direct costs. The lease asset is subsequently amortized on a straight-line basis over its useful life. Lease assets are reported with capital assets on the statements of net position.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and remeasures its lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Authority monitors changes in SBITA agreements for circumstances that would change its lease liability and Right to Use Asset

As Lessor:

The Authority is a lessor for non-cancelable leases of buildings, land, and other capital assets. The Authority recognizes a lease receivable and a deferred outflow of resources in the statement of net position.

At the commencement of the lease, the Authority initially measures the lease receivable at the present value of lease payments expected to be received from lessees over the lease term. The estimated payments are discounted using the Authority's estimated incremental borrowing rate. The lease term includes the non-cancelable period of the lease. Lease receivables are subsequently 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. Deferred lease inflows are recognized as revenue over the lease term on a straight-line basis.

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The Authority monitors changes in circumstances that would require a remeasurement of its leases and remeasures its lease receivable and deferred inflows if certain changes occur that are expected to significantly affect the amount of the lease receivable.

l) *Passenger Facility Charges*

In 1993, the Authority received initial approval from the Federal Aviation Administration ("FAA") to impose a $3.00 PFC be collected from every eligible passenger at Logan Airport. PFCs collected by the Authority can be used for capital projects determined by the FAA to be eligible in accordance with the Aviation Safety and Capacity Expansion Act of 1990. Effective October 1, 2005, the Authority received approval from the FAA to increase the PFC collection to $4.50. All PFC's collected by the Authority are deposited under the PFC Depositary Agreement with the PFC Custodian.

Pursuant to the 1978 Trust Agreement, commencing in fiscal year 2020, the Authority is authorized to approve a resolution or resolutions that designate specified PFC revenues as Available Funds, and, to the extent approved by the FAA, such amount would then be used to pay debt service on specific Series of Bonds. The Authority expects, to the extent approved by the FAA, to designate in each annual budget certain PFCs as Available Funds to pay a portion of the debt service on certain outstanding Series of Bonds.

At June 30, 2023, the Authority's collection authorization and total use approval pertaining to certain approval of capital investments is $2.46 billion. Through June 30, 2023, the Authority had cumulative PFC cash collections of $1.53 billion, including interest thereon. The Authority had cumulative PFC expenditures of $1.37 billion on the FAA approved PFC airport projects.

Revenues derived from the collection of PFCs are recognized on the accrual basis, based on the month the charges were levied and collected by the airlines. Due to their restricted use, PFCs are categorized as non-operating revenues. The Authority recognized $80.1 million and $66.5 million in PFC revenue for the fiscal years ended June 30, 2023 and 2022, respectively.

m) *Customer Facility Charges*

Effective December 1, 2008, the Board established a CFC of $4.00 per transaction day for rental cars that originated out of Logan Airport. Effective December 1, 2009, this charge was increased to $6.00 per transaction day. The proceeds of the CFC are being used to finance and maintain the Rental Car Center (the "RCC") and associated bus purchases. Revenues derived from the collection of CFCs are recognized on the accrual basis, based on the month the charges were levied and collected by the rental car companies. Due to their restricted use, CFCs are categorized as non-operating revenues. Pursuant to the CFC Trust Agreement, the Authority issued two series of Special Facilities Revenue Bonds in June 2011 (the "Series 2011 Bonds or CFC Bonds"). The Series 2011 Bonds were issued for the purpose of providing funds sufficient, together with other available funds of the Authority, to finance the development and construction of the RCC and related improvements at Logan Airport, fund certain deposits to the Debt Service Reserve Fund and the Supplemental Reserve Fund, and pay certain costs of issuance of the Series 2011 Bonds. The Series 2011 Bonds and any additional bonds that may be issued under the CFC Trust Agreement on parity with the Series 2011 Bonds are secured by CFC Pledged Revenues and by Contingent Rent, if any, payable by the rental car companies and other funds. The Series 2011 Bonds are not secured by any other revenues of the Authority. For additional information on the Series 2011 Bonds, see Note 5.

The Authority recognized $30.8 million and $25.5 million in CFC revenue for the fiscal years ended June 30, 2023 and 2022, respectively. For the years ended June 30, 2023 and 2022 there were $115.6 million and $120.3 million of CFC bonds outstanding, respectively.

n) Capital Contributions

The Authority receives capital contributions from various federal agencies and the Commonwealth in support of specific operational programs and its Capital Program. Grant revenues are recognized as related expenditures are incurred and all eligibility requirements are met. Grants for capital asset acquisition, facility development, runway/airfield rehabilitation and long-term planning are reported as capital contributions. Capital contributions are reported in the Statement of Revenues, Expenses and Changes in Net Position after non-operating revenues and expenses and their use is restricted. In fiscal years 2023 and 2022, the Authority recognized $24.9 million and $56.6 million of capital contributions, respectively. The 2023 and the 2022 capital contributions were generated primarily from reimbursements under the FAA AIP grant program, the Nationally Significant Freight and Highway Project Program – Fastlane, and The Commonwealth of Massachusetts Department of Transportation for the Conley Terminal Berth 10 project.

o) Compensated Absences

The Authority accrues for vacation and sick pay liabilities when they are earned by the employee. The liability for vested vacation and sick pay is reflected in the accompanying statements of net position as compensated absences. The current portion of compensated absences at both June 30, 2023 and 2022 was $1.1 million. The table below presents the Authority's compensated absences activity at June 30, 2023 and 2022 and for the years then ended (in thousands):

	2023	2022
Liability balance, beginning of year	$ 15,283	$ 15,718
Vacation and sick pay earned during the year	17,058	17,211
Vacation and sick pay used during the year	(17,352)	(17,646)
Liability balance, end of year	$ 14,989	$ 15,283

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p) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Massachusetts Port Authority Employees Retirement System (the "Plan") and additions to/deductions from Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information on the Plan, see Note 6.

q) Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net 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 Massachusetts Port Authority Retiree Benefits Trust (the "Trust") and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they are reported by the Trust. For this purpose, the Trust recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information on OPEB, see Note 7.

r) Type of Fiduciary Fund

Pension and Other Employee Benefits Trust Funds report resources that are required to be held in trust for the members and beneficiaries of the Authority's defined benefit retirement plan and OPEB plan. Information reported for the plans was obtained from the audited financial statements prepared by each of the plans. The financial information obtained from the plans was for the years ended December 31, 2022 and 2021. These plans are considered fiduciary component units of the Authority and reported as fiduciary funds.

s) Use of Estimates

The preparation of financial statements in conformity with GAAP 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 revenues and expenditures during the reporting period. Actual results could differ from those estimates.

t) New Accounting Pronouncements Recently Adopted

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. This Statement were applied retroactively by restating the Authority's Statement of Net Position as of June, 30, 2022, the Statement of Revenue, Expenses and Changes in Net Position for the year ended June 30, 2022 and the Statement of Cash Flows for the year ended June 30 2022.

The Authority adopted GASB 96 as of July 1, 2021. Changes adopted to conform to the provisions of this Statement were adopted retroactively by restating the Authority's Net Position as of July 1, 2021, the Statement of net position as of June 30, 2022, the Statement of Revenue, Expenses and Changes in Net Position for the year ended June 30, 2022 and the Statement of Cash Flows for the year ended June 30, 2022.

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		As Reported in Fiscal Year 2022		Adjusted		Restated Fiscal Year 2022
Statement of Net Position as of June 30, 2022 (in thousands):						
Assets						
Capital assets-being depreciated and right to use asset, net	$	3,464,818	$	6,960	$	3,471,778
Total noncurrent assets		7,537,622		6,960		7,544,582
Total assets		8,812,160		6,960		8,819,120
Liabilities and Deferred Inflows						
Accrued interest lease liability, current	$	1,086	$	57	$	1,143
Lease liability, current		8,256		2,759		11,015
Total current liabilities		366,447		2,816		369,263
Lease liability, noncurrent		252,132		3,835		255,967
Total noncurrent liabilities		3,303,509		3,835		3,307,344
Total liabilities		3,669,956		6,651		3,676,607
Net Position						
Net Investment in Capital Assets	$	1,505,816	$	6,960	$	1,512,776
Unrestricted		592,678		(6,651)		586,027
Total net position		2,923,267		309		2,923,576
Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2022, (in thousands):						
Operating expenses:						
Aviation operations and maintenance	$	271,813	$	(1,692)	$	270,121
Maritime operations and maintenance		48,560		(208)		48,352
General and administrative		52,734		(1,139)		51,595
Total operating expenses before depreciation and amortization		401,783		(3,039)		398,744
Depreciation and amortization		319,769		2,610		322,379
Total operating expenses		721,552		(429)		721,123
Operating income		106,397		429		106,826
Nonoperating revenues and (expenses):						
Interest expenses, leases	$	(2,238)	$	(120)	$	(2,358)
Total nonoperating revenues, net		102,912		(120)		102,792
Increase in net position before capital contributions		209,309		309		209,618
Increase in net position		265,934		309		266,243
Net position, end of year		2,923,267		309		2,923,576
Statement of Cash Flows as of June 30, 2022 (in thousands):						
Cash flows from operating activities:						
Payments to vendors	$	(286,065)	$	3,039	$	(283,026)
Net cash provided by operating activities		472,668		3,039		475,707
Cash flows from capital and related financing activities:						
Interest paid on leases		(1,279)		(63)		(1,342)
Right to use assets		(8,129)		(2,976)		(11,105)
Net cash used in capital and related financing activities		(375,499)		(3,039)		(378,538)
Reconciliation of operating income to net cash provided by operating activities:						
Operating income		106,397		429		106,826
Depreciation and amortization		319,769		2,610		322,379
Net cash provided by operating activities		472,668		3,039		475,707

GASB Statement No. 94*, Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* was issued in March 2020. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which is defined in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Authority adopted this statement as of July 1, 2022, and there was no impact on its financial statements.

GASB Statement No. 99, *Omnibus 2022*, was issued on April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument;
- Clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives;
- Clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset;
- Clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability;

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- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt;
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP);
- Disclosures related to nonmonetary transactions;
- Pledges of future revenues when resources are not received by the pledging government;
- Clarification of provisions in Statement No. 34, Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements;
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position;
- Terminology used in Statement 53 to refer to resource flows Statements.

The Authority adopted this statement as of July 1, 2022, and there was no impact on its financial statements.

u) Accounting Pronouncements Issued But Not Yet Adopted

GASB Statement No. 101, *Compensated Absences*, was issued on June 2022. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. The requirements of this statement are effective for the fiscal years beginning after December 31, 2023. The Authority is in the process of evaluating the impact of its adoption on the financial statements.

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2. Reconciliation between increase in business-type activities net position as calculated under GAAP and net revenues as calculated under accounting practices prescribed by the 1978 Trust Agreement

Presented below are the calculations of the net revenues of the Authority under the 1978 Trust Agreement. Net revenue calculated based on the 1978 Trust Agreement is used in determining the Authority's compliance with the debt service coverage ratio (in thousands).

	2023	2022 (Restated)
Increase in Net Position per GAAP	$ 295,930	$ 266,243
Additions:		
Depreciation and amortization	330,002	322,379
Interest expense	109,117	104,486
Payments in lieu of taxes	23,206	21,657
Net decrease in the fair value of investments	17,099	60,012
Interest expense on Leases	3,605	2,358
Less:		
OPEB (income), net	(4,549)	(15,522)
Pension expense / (income), net	11,810	(31,880)
Passenger facility charges	(80,106)	(66,545)
Customer facility charges	(30,824)	(25,473)
Self insurance expense / (income), net	1,503	(1,857)
Capital grant revenue	(24,888)	(56,625)
Loss (gain) on sale of equipment	(163)	(247)
Other operating expenses, net	(7,301)	(12,157)
Other revenues, net	(6,466)	(7,834)
Other non-operating revenues	(4,058)	(9,540)
Lease interest income	(44,070)	(36,706)
Investment income	(14,862)	(4,957)
Net Revenue per the 1978 Trust Agreement	**$ 574,985**	**$ 507,792**

Total net revenues, as defined by the 1978 Trust Agreement, pledged for the repayment of bonds issued under the 1978 Trust Agreement were $575.0 million and $507.8 million for the years ended June 30, 2023 and 2022, respectively.

3. Deposits and Investments

Enterprise Fund:

The Authority's investments are made in accordance with the provisions of the 1978 Trust Agreement, the PFC Depositary Agreement and the CFC Trust Agreement along with the investment policy adopted by the Board (the "Investment Policy"). The goals of the Investment Policy are, in order of importance, to preserve capital, to provide liquidity and to generate interest income.

As of June 30, 2023 and 2022, all investments were held on behalf of the Authority by the Trustee, the PFC Custodian, the CFC Trustee or custodians in the Authority's name. The 1978 Trust Agreement, the PFC Depositary Agreement and the CFC Trust Agreement require that securities collateralizing repurchase agreements must continuously have a fair value at least equal to the cost of the agreement plus accrued interest.

The Authority's structured investments are in the form of a guaranteed investment contract ("GIC") and are fully collateralized. These investments provide for scheduled principal payments equaling the interest rate previously agreed to between the Authority and the provider of the guaranteed investment contract.

The total accumulated unrealized gain or loss due to the changes in fair value of investments related to investments with maturities in excess of one year was a loss of approximately $74.8 million and a loss of approximately $57.7 million for the year ended June 30, 2023 and June 30, 2022, respectively.

The following summarizes the Authority's cash and cash equivalents and investments by type held at June 30, 2023 and 2022 (in thousands):

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2023	Credit Rating (1)	Cost	Fair Value	Effective Duration
Massachusetts Municipal Depository Trust (6)	Not Rated	$ 528,393	$ 528,393	0.003
Federal Home Loan Bank	AA+ / Aaa	357,603	336,892	1.976
Federally Deposit Insurance Corporation	Unrated (2)	1,004	1,004	0.003
Federal Home Loan Mortgage Corp.	AA+ / Aaa	177,280	169,599	1.639
Federal National Mortgage Association	AA+ / Aaa	74,144	68,921	1.639
Federal Farm Credit	AA+ / Aaa	71,741	69,723	1.972
Guaranteed Investment Contracts (GIC) (6)	AA+ / A1 (4)	55,811	55,812	6.243
Cash Deposit	Unrated	2,840	2,840	0.003
Commercial Paper	A-1/ P-1	318,442	318,442	0.234
Supranational	AAA / Aaa	44,124	42,521	1.632
Government Fund-Morgan Stanley / Wells Fargo	AAA / Aaa (5)	28,012	28,012	0.003
Municipal Bond	AA+ / Aa2	231,744	220,641	1.645
Money Market Funds	AAA/Aaa (5)	27,631	27,631	0.003
Corporate Bonds	AA/ Aa2 (7)	468,821	443,589	2.177
U.S. Treasury	AA+/Aaa	102,792	101,595	0.708
		$ 2,490,382	$ 2,415,615	

2022	Credit Rating (1)	Cost	Fair Value	Effective Duration
Massachusetts Municipal Depository Trust (6)	Not Rated	$ 415,628	$ 415,628	0.003
Federal Home Loan Bank	AA+ / Aaa	287,193	272,573	2.772
Federally Deposit Insurance Corporation	Unrated (2)	1,000	1,000	0.003
Federal Home Loan Mortgage Corp.	AA+ / Aaa	100,445	95,053	2.373
Federal National Mortgage Association	AA+ / Aaa	69,087	64,473	2.722
Federal Farm Credit	AA+ / Aaa	22,844	21,650	2.144
Guaranteed Investment Contracts (GIC) (6)	AA+ / A1 (4)	53,609	53,609	6.942
Cash Deposit	Unrated	2,572	2,573	0.003
Certificates of Deposit	AA+ / Aaa (3)	2,584	2,584	0.400
Commercial Paper	A-1/ P-1	296,536	296,536	0.264
Supranational	AAA / Aaa	13,985	12,820	3.245
Government Fund-Morgan Stanley / Wells Fargo	AAA / Aaa (5)	59,213	59,213	0.003
Municipal Bond	AA+ / Aa2	208,143	198,417	2.110
Money Market Funds	AAA/Aaa (5)	27,498	27,498	0.003
Insured Cash Sw eep	Unrated (2)	27,369	27,369	0.003
Corporate Bonds	AA/ Aa2 (7)	385,305	364,325	2.330
U.S. Treasury	AA+/Aaa	79,811	79,840	0.588
		$ 2,052,822	$ 1,995,161	

1. The ratings are from S&P or Moody's as of the fiscal year presented.
2. FDIC Insured Deposits Accounts.
3. Collateralized by Federal Agency Notes or Letter of Credit backed by each reserve.
4. Underlying rating of security held.
5. Credit quality of fund.
6. MMDT and GIC are carried at cost, w hich approximates fair value in the tables.
7. The Authority ow ns a diverse portfolio of U.S. dollar denominated corporate bonds, notes or other debt obligations issued or guaranteed by a domestic or foreign corporation, financial institution, non-profit or other entity rated in one of the three highest rating categories, w ithout regard to gradations w ithin such categories, by any tw o nationally recognized statistical rating organizations.

The table below presents the Authority's cash and cash equivalents and investments based on maturity date (in thousands):

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Securities maturing in 1 year or more	$ 1,291,096	$ 1,221,657	$ 997,543	$ 941,255
Securities maturing in less than 1 year	611,406	606,078	522,000	520,626
Cash and cash equivalents	587,880	587,880	533,280	533,280
	$ 2,490,382	$ 2,415,615	$ 2,052,823	$ 1,995,161

a) Credit Risk

Credit risk is the risk that the Authority will be negatively impacted due to the default of the security issuer or investment counterparty.

The Authority's 1978 Trust Agreement, PFC Depositary Agreement and CFC Trust Agreement each stipulate that, in addition to U.S. Treasury and government agency obligations, only certain highly rated securities are eligible investments, including bonds or obligations of any state or political subdivision thereof, rated in one of the two highest rating categories without regard to gradations within such categories, by any two Nationally Recognized Statistical Rating Organizations (NRSROs), commercial paper of a U.S. corporation, finance company or money market funds rated in the highest rating category, without regard to gradations within categories, by any two NRSROs; and investment contracts with banks whose long-term unsecured debt rating is in one of the two highest rating categories, without regard to gradation within such categories, by any two NRSROs. In addition, U.S. dollar denominated corporate bonds, notes or other debt obligations issued or guaranteed by a domestic or foreign corporation, financial institution, non-profit or other entity rated in one of the three highest rating categories, without regard to gradations within such categories, by any two NRSROs.

b) Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be recovered. Bank deposits in excess of the insured amount are uninsured and uncollateralized.

The Authority maintains depository accounts with Bank of America, N.A., Wells Fargo Bank, N.A., TD Bank, N.A. and the Bank of New York Mellon. The Authority maintains a payroll disbursement, lockbox and collection accounts (for other than PFCs) with Bank of America, N.A. None of these accounts are collateralized.

The Authority's cash on deposit in the banks noted above at June 30, 2023 and 2022 was $2.8 million and $2.6 million, respectively, and of these amounts, $250.0 thousand was insured in each year, and no amount was collateralized at June 30, 2023 or 2022.

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c) *Custodial Credit Risk – Investments*

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Authority would not be able to recover the value of its investments or collateral securities that were in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are uninsured or not registered in the name of the Authority and are held by either the counterparty or, the counterparty's trust department or agent, but not in the Authority's name.

The Authority is authorized by the 1978 Trust Agreement, the PFC Depositary Agreement, the CFC Trust Agreement and the Investment Policy to invest in obligations of the U.S. Treasury, including obligations of its agencies and instrumentalities, bonds and notes of public agencies or municipalities, bank time deposits, guaranteed investment contracts, money market accounts, commercial paper of a U.S. corporation or finance company and corporate bonds. All investments are held by a third party in the Authority's name. These investments are recorded at fair value.

Additionally, the Authority is authorized to invest in the Massachusetts Municipal Depository Trust ("MMDT"), a pooled money market like investment fund managed by The Commonwealth of Massachusetts, established under Massachusetts General Laws (M.G.L.), Chapter 29, Section 38A. MMDT investments are carried at amortized cost, which approximates fair value which is the same as the value of the pool. The Authority can purchase and sell its investments at any time without penalty.

The following guaranteed investment contracts were in place as of June 30, 2023 and 2022, respectively; they are uncollateralized and recorded at cost (in thousands):

Investment Agreement Provider	Rate	Maturity	2023	2022
Trinity Plus Funding Company	4.36%	January 2, 2031	$ 25,111	$ 24,048
GE Funding Capital Markets	3.81%	December 31, 2030	30,700	29,561
Total			$ 55,811	$ 53,609

d) *Concentration of Credit Risk – Investments*

Concentration of credit risk is assumed to arise when the amount of investments that the Authority has with any one issuer exceeds 5% of the total value of the Authority's investments (except MMDT U.S. Treasuries or securities implicitly backed by the U.S. Government). The Authority had no exposure to any single issuer over the 5% maximum. The Authority consults with its Investment Advisor to select Commercial Paper Issuers with strong credit ratings. Below is the sector exposure and CP holdings of the Authority:

Issuer:	2023 % of Portfolio	2022 % of Portfolio
Commercial Paper	12.79%	14.45%
Corporate Bonds	18.83%	18.77%
Municipal Bond	9.31%	10.14%
Federal Agency Bonds	27.38%	23.41%
Certificates of Deposit	0.00%	0.13%
Supranational	1.77%	0.68%

Commercial Paper Issuer	**2023**	**2022**
Apple Inc CP	$ -	$ 9,991
ANZ Australia & New	9,802	15,899
Canadian Imperial Holdings Inc.	9,620	-
DNB BANK	34,762	19,999
Manhattan Asset Funding Co.	17,903	-
JP Morgan Chase	-	14,993
Mizuho Bank	38,927	24,781
MUFG Bank CP	49,328	25,435
Natixis NY	-	19,996
Old Line Funding	29,897	29,795
Royal Bank of Canada	29,785	39,999
Skandinaviska Enski	19,596	3,600
SWEDBANK	24,665	29,988
TD Bank	29,668	37,473
Toyota Motor Corporation	24,489	24,587
Total	$ 318,442	$ 296,536

e) *Credit Ratings – Investments*

The 1978 Trust Agreement, the PFC Depositary Agreement, the CFC Trust Agreement and the Investment Policy generally limit the Authority in the types of investments it can purchase to the two highest rating categories without regard to gradations within such categories by any two NRSROs, and in corporate bonds rated in one of the three highest rating categories without regard to gradations within such categories, by any two NRSROs.

Investments in bank certificates of deposits were fully collateralized. Also, the Authority invested in MMDT, managed by the State Treasury, which is not rated.

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f) Interest Rate Risk – Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority has set targets for the preferred maturity structure of the investments held in each fund and account, and also sets targets each quarter for the effective duration for each fund that reflect the need for liquidity and the expected tradeoffs between yield and term for each different fund and account. It is the Authority's practice to hold investments until maturity in order to insulate the Authority's investment earnings from interest rate risk. The Authority mitigates interest rate risk by managing the weighted average maturity of each portfolio type to best meet its liquidity needs.

g) Cash, Cash Equivalents and Investments by Fund

The following summarizes cash and investments, at cost and fair value, as of June 30, by the various funds and accounts established by the Authority for debt covenant requirements and other purposes. In the following table, the fair value of MMDT and GIC approximate their costs (in thousands):

	2023		2022	
1978 Trust	**Cost**	**Fair Value**	**Cost**	**Fair Value**
Improvement and Extension Fund	$ 968,084	923,514	$ 859,687	825,265
Capital Budget Account	372,809	372,232	189,458	189,374
Debt Service Reserve Fund	180,003	168,281	167,837	158,048
Debt Service Funds	120,874	120,874	58,475	58,475
Maintenance Reserve Fund	330,299	317,409	299,809	290,010
Operating/Revenue Fund	92,574	92,574	117,226	117,225
Subordinated Debt Fund	58,218	58,219	56,008	56,008
Self-Insurance Account	44,412	42,615	36,394	35,092
2019 B Project Fund	-	-	6,018	6,018
2019 C Project Fund	-	-	3,923	3,923
2020 B Project Fund	2,458	2,458	9,866	9,866
2021 D Project Fund	1,681	1,681	15,988	15,988
2021 E Project Fund	8,777	8,777	24,095	24,095
2022 A Project Fund	22,167	22,167	-	-
Other Funds	34,084	34,084	35,877	35,859
PFC Depositary Agreement				
Other PFC Funds	165,473	164,915	99,448	99,403
2011 CFC Trust				
Debt Service Reserve Fund	21,967	20,902	21,731	20,735
CFC Maintenance Reserve Fund	10,112	9,743	7,623	7,334
Debt Service Funds	8,659	8,659	8,476	8,476
CFC Stabilization and Other CFC Fund	47,731	46,511	34,884	33,967
Total	$ 2,490,382	$ 2,415,615	$ 2,052,823	$ 1,995,161

h) *Fair Value Measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same—that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

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The following tables show the fair value and the fair value measurements for the Authority's business-type activity's investments:

Investments Measured at Fair Value (in thousands)

As of June 30, 2023	Fair Value	Level 1	Level 2	Level 3
Federal Home Loan Bank	$ 336,892	$ -	$ 336,892	$ -
Federal Home Loan Mortgage Corp.	169,599	-	169,599	-
Federal National Mortgage Association	68,921	-	68,921	-
Federal Farm Credit	69,723	-	69,723	-
Supranational	42,521	-	42,521	-
Commercial Paper	318,442	-	318,442	-
Government Fund-Morgan Stanley / Wells Fargo	28,012	28,012	-	-
Municipal Bond	220,641	-	220,641	-
Money Market Funds	27,631	27,631	-	-
Treasury Notes	101,595	-	101,595	-
Corporate Bonds	443,589	-	443,589	-
Total Investments Measured at Fair Value	$ 1,827,566	$ 55,643	$ 1,771,923	$ -

Investments Measured at Fair Value (in thousands)

As of June 30, 2022	Fair Value	Level 1	Level 2	Level 3
Federal Home Loan Bank	$ 272,573	$ -	$ 272,573	$ -
Federal Home Loan Mortgage Corp.	95,053	-	95,053	-
Federal National Mortgage Association	64,473	-	64,473	-
Federal Farm Credit	21,650	-	21,650	-
Supranational	12,820	-	12,820	-
Commercial Paper	296,536	-	296,536	-
Government Fund-Morgan Stanley / Wells Fargo	59,213	59,213	-	-
Municipal Bond	198,417	-	198,417	-
Money Market Funds	27,498	27,498	-	-
Treasury Notes	79,840	-	79,840	-
Corporate Bonds	364,325	-	364,325	-
Total Investments Measured at Fair Value	$ 1,492,398	$ 86,711	$ 1,405,687	$ -

Money Market Funds

As of June 30, 2023 and 2022, the Authority held positions in various money market funds and the fair values of those funds were $55.6 million and $86.7 million, respectively. The fair values of the money market funds are valued at the daily closing price as reported by the fund (Level 1).

Federal Agency and U.S. Treasury Notes

As of June 30, 2023 and 2022, the Authority held positions in federal agency notes the fair values were $746.7 million and $533.6 million, respectively. The fair values of the federal agency notes are based on a market approach using quoted prices by a third party, documented trade history in the security, and pricing models maximizing the use of observable inputs determined by investment managers (Level 2).

Commercial Paper Notes

As of June 30, 2023 and 2022, the Authority held positions in commercial paper notes and the fair values were $318.4 million and $296.5 million, respectively. The fair values of the commercial paper notes are based on a market approach using matrix pricing determined by investment managers (Level 2).

Municipal Bonds

As of June 30, 2023 and 2022, the Authority held positions in municipal bonds and the fair values were $220.6 million and $198.4 million, respectively. The fair values of the Municipal Bonds are based on a market approach using quoted prices by a third party, documented trade history in the security, and pricing models maximizing the use of observable inputs determined by investment managers (Level 2).

Corporate Bonds

As of June 30, 2023 and 2022, the Authority held positions in corporate bonds and the fair values were $443.6 million and $364.3 million. The fair values of the corporate bonds are based on a market approach valued either by using pricing models maximizing the use of observable inputs for similar securities or valued by the investment manager (Level 2).

Supranational

As of June 30, 2023 and 2022, the Authority held positions in supranational bonds and the fair values were $42.5 million and $12.8 million. The fair values of the bonds are based on a market approach valued either by using pricing models maximizing the use of observable inputs for similar securities or valued by the investment manager (Level 2).

Fiduciary Funds:

Massachusetts Port Authority Retiree Benefits Trust

The Trust's investments are made in accordance with the provisions of the Trust's Investment Policy (the "Trust Investment Policy"), which was adopted on May 8, 2009 and most recently amended on December 8, 2014 by the Retiree Benefits Trust Committee (the "Committee"). The goals of the Trust Investment Policy are to invest for the sole purpose of funding the OPEB Plan obligation of the Authority in a prudent manner, and to conserve and enhance the value of the Trust assets through appreciation and income generation, while maintaining a moderate investment risk. In addition, the Trust Investment Policy was developed to achieve a long-term return commensurate with contemporary economic conditions and equal to or exceed the investment objectives set forth in the Trust Investment Policy, currently set

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at 6.75%. The Trust has retained an investment advisor to work in a fiduciary capacity to ensure that strategic investment diversification is attained, to employ investment managers with expertise in their respective asset classes, and to closely monitor the implementation and performance of the respective investment strategies.

The Trust is currently invested in commingled funds that hold stocks (domestic and international) and fixed income securities and three private equity real estate funds.

The exposure limits per the Trust Investment Policy (as of December 8, 2014) are as follows:

Asset Class	December 31, 2022 Exposure	December 31, 2021 Exposure	Minimum Exposure	Maximum Exposure	Target Allocation
Domestic equity	37.9%	41.7%	28.0%	48.0%	38.0%
Fixed income	30.0%	27.9%	17.0%	47.0%	32.0%
International equity	20.1%	20.6%	10.0%	30.0%	20.0%
Cash and cash equivalents	1.6%	1.6%	0.0%	20.0%	0.0%
Alternatives:					
Real estate private equity	10.4%	8.2%	0.0%	15.0%	10.0%

The current OPEB plan investment philosophy consists of five asset classes. When asset weightings fall outside the Trust Investment Policy range, the investment advisor shall advise the Committee on potential investment courses of action and the Committee may elect to rebalance the Trust asset mix.

The following summarizes the Trust's cash, cash equivalents and investments by type held at December 31, 2022 and 2021 (in thousands):

	Credit Rating		December 31, 2022 Fair Value	Credit Rating		December 31, 2021 Fair Value
Cash and Cash Equivalents						
First American Government Fund	Unrated	$	458	Unrated	$	200
Massachusetts Municipal Depository Trust	Unrated		3,962	Unrated		4,850
Total Cash and Cash Equivalents		$	4,420		$	5,050
Investments						
Vanguard Index Funds	Unrated	$	120,209	Unrated	$	154,273
Acadian All Country World ex US Fund	Unrated		18,919	Unrated		20,087
WCM Focused International Growth Fund	Unrated		13,627	Unrated		19,105
Vanguard Intermediate Term Investment Grade Fund	A		9,510	A		11,030
Aberdeen Emerging Markets Fund	Unrated		5,710	Unrated		7,741
Alliance Bernstein High Income	BB		9,827	B		11,121
TCW Emerging Markets Income	BB		5,776	BB		5,812
PL Floating Rate Income Fund	B		9,060	B		9,133
Baird Core Plus Fund	A		24,567	A		27,071
Voya Intermediate Bond Fund	AA		23,267	A		25,969
Real Estate Private Equity Funds	Unrated		28,359	Unrated		26,471
Total Investments		$	268,831		$	317,813

The following discusses the Trust's exposure to common deposit and investment risks related to custodial credit, credit, concentration of credit, interest rate and foreign currency risks as of December 31, 2022 and 2021.

a) *Credit Risk*

For the years ended December 31, 2022 and 2021, the Trust's fixed income investments totaled $82.0 million and $90.1 million, respectively. These investments were split between six commingled mutual funds. The Trust Investment Policy limits fixed income securities of any one issuer to below 5% of the total bond portfolio at the time of purchase and this limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The diversification restrictions for individual stocks and fixed income securities purchased and held in the total portfolio shall not apply to similar investment instruments held in a commingled fund or a Securities and Exchange Commission ("SEC") registered mutual fund specifically approved by the Committee. The Trust invests primarily commingled funds and SEC registered mutual funds. The overall rating of the fixed income assets, as calculated by the Advisor, shall be investment grade, based on the rating of one NRSROs. In cases where the yield spread adequately compensates for additional risk, investments classified at below investment grade can be purchased or held to maturity up to a maximum of 30% of the total market value of the fixed income securities held by the Trust. The total percentage of the

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fixed income investments subject to this provision were 27.38% and 29.25% at December 31, 2022 and 2021, respectively.

b) Custodial Credit Risk

The Trust manages custodial credit risk by limiting its investments to highly rated institutions and or requiring high quality collateral be held by the Trustee in the name of the Trust. All investments are held by a third party in the Trust's name. These investments are recorded at fair value.

Additionally, the Trust is authorized to invest in the MMDT, a pooled money market like investment fund managed by The Commonwealth of Massachusetts, established under M.G.L., Chapter 29, Section 38A. MMDT investments are carried at amortized cost, which approximates fair value which is the same as the value of the pool. The Trust can purchase and sell its investments in this fund at any time without penalty.

c) Concentration of Credit Risk

Investments of Trust assets are diversified in accordance with the Trust Investment Policy which defines rules for the funds, including having no stock holding or fixed income holding with a 5% or greater portfolio weighting (except U.S. Treasury or securities backed by the federal government), holding no more than 5% of the outstanding shares of an individual stock, and holding no more than 40% of the portfolio in any one industry. Trust assets were in compliance with the Trust Investment Policy at December 31, 2022 and 2021, respectively.

d) Interest Rate Risk

This risk is confined to the fixed income and cash portions of the portfolio and is managed within the portfolio using the effective duration methodology. This methodology is widely used in the management of fixed income portfolios in that it quantifies to a much greater degree the risk of interest rate changes. The weighted duration of the fixed income portfolio at December 31, 2022 and 2021 was 5.25 and 5.67 years, respectively.

The individual fund durations are as follows at December 31, 2022 and 2021, respectively. (in thousands):

	Fair Value	Duration	Fair Value	Duration
Fixed Income Investments				
Vanguard Intermediate Term Investment Grade Fund	$ 9,510	6.20	$ 11,030	6.50
Alliance Bernstein High Income	9,827	3.96	11,121	3.82
TCW Emerging Markets Income	5,776	6.63	5,812	7.87
PL Floating Rate Income Fund	9,060	0.41	9,133	0.32
Baird Core Plus	24,567	5.96	27,071	6.54
Voya Intermediate Bond	23,267	6.20	25,969	6.60
Total Fixed Income Investments	$ 82,007		$ 90,136	
Weighted average duration of fixed income assets:		**5.25**		**5.67**

e) Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Trust invests in funds that hold stocks in either emerging or developed markets outside of the United States that may have an impact on the fair value of the investments and thus contribute currency risk due to their international equity holdings.

f) Rate of Return

The annual money weighted rate of return on trust investments, net of Trust expenses was (15.33)% and 13.84% for the audit period ended December 31, 2022 and 2021, respectively. The money weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested. The Trust's rates of return, measured for financial performance purposes, were (15.2)% and 14.2%, gross of fees, for the years ended December 31, 2022 and 2021, respectively as calculated by the Trust's investment advisor.

g) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same - that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

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The Trust has the following fair value measurements for investments at December 31, 2022 and 2021:

Investments Measured by Fair Value Level ($ 000)

As of December 31, 2022	Fair Value	Level 1	Level 2	Level 3
Investments				
Vanguard Index Funds	$ 120,209	$ 120,209	$ -	$ -
Baird Core Plus	24,567	24,567	-	-
Vanguard Intermediate Term Investment Grade Fund	9,510	9,510	-	-
Voya Internediate Bond	23,267	23,267	-	-
Aberdeen Emerging Markets Fund	5,710	5,710	-	-
AllianceBernstein High Income	9,827	9,827	-	-
TCW Emerging Markets Income	5,776	5,776	-	-
PL Floating Rate Income Fund	9,060	9,060	-	-
WCM Total International Stock Index	13,627	13,627	-	-
Acadian All Country World ex-USFund	18,919	18,919	-	-
Total investments measured by fair value level	240,472	240,472	-	-
Investments measured at the net asset value (NAV)				
Real Estate Private Equity Funds:				
Boyd Watterson GSA Fund	8,807			
Equus Fund X	4,656			
ATEL Private Debt Partners II	3,229			
Golub Capital Partners 12 L.P.	4,211			
PRISA LP	7,456			
Total investments measured at the NAV	28,359			
Total Investments	$ 268,831	$ 240,472	$ -	$ -

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Investments Measured by Fair Value Level ($ 000)

As of December 31, 2021	Fair Value	Level 1	Level 2	Level 3
Investments				
Vanguard Index Funds	$ 154,273	$ 154,273	$ -	$ -
Baird Core Plus	27,071	27,071	-	-
Vanguard Intermediate Term Investment Grade Fund	11,030	11,030	-	-
Voya Internediate Bond	25,969	25,969	-	-
Aberdeen Emerging Markets Fund	7,741	7,741	-	-
AllianceBernstein High Income	11,121	11,121	-	-
TCW Emerging Markets Income	5,812	5,812	-	-
PL Floating Rate Income Fund	9,133	9,133	-	-
WCM Total International Stock Index	19,105	19,105	-	-
Acadian All Country World ex-USFund	20,087	20,087	-	-
Total investments measured by fair value level	291,342	291,342	-	-
Investments measured at the net asset value (NAV)				
Real Estate Private Equity Funds:				
Boyd Watterson GSA Fund	8,421			
Equus Fund X	4,779			
Atel Private Debt Partners II	7,067			
Golub Capital Partners 12 L.P.	1,946			
PRISA LP	4,258			
Total investments measured at the NAV	26,471			
Total Investments	$ 317,813	$ 291,342	$ -	$ -

Commingled Mutual Funds

As of December 31, 2022 and 2021, the Authority held positions in several commingled mutual funds as noted above and the fair values were $240.5 million and $291.3 million, respectively. The fair values of the commingled mutual funds were valued using quoted market prices (Level 1).

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The valuation method for investments measured at the net asset value (NAV) per share or its equivalent is presented in the following table (in thousands):

	Investments Measured at NAV ($000)					
	December 31, 2022		December 31, 2021			
	NAV	Unfunded Commitments	NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Private Equity Funds						
Boyd Watterson GSA Fund (1)	$ 8,807	$ —	$ 8,421	$ —	Quarterly	60 days
Equus Fund X (2)	4,656	461	4,779	461	—	—
PRISA LP (3)	7,456	—	7,067	—	Quarterly	90 days
ATEL Private Debt Partners II (4)	3,229	1,277	1,946	2,622	—	—
Golub Capital Partners 12 LP (4)	4,211	460	4,258	460	—	—
Total investments measured at the NAV	$ 28,359		$ 26,471			

1. This fund invests primarily in real estate leased to the U.S. federal government. The fair value of the investment has been determined using the NAV per share (or its equivalent) of the Fund's ownership interest in partners' capital. The Trust can withdraw from the fund with 60 days notice prior to a calendar quarter end and the minimum withdrawal of $250,000.
2. This fund invests in U.S. commercial real estate. The fair value of the investment has been determined using the NAV per share (or its equivalent) of the Fund's ownership interest in partners' capital. The Partnership agreement stipulates a partnership dissolution on a date five years after the end of the Investment Period; provided, however, that the General Partner may, in its sole discretion, extend the term for up to two additional one year periods.
3. This fund invests primarily in commercial real estate. The fair value of the investment has been determined using the NAV per share (or its equivalent) of the Fund's ownership in partners' capital. The Trust can withdraw from the fund quarterly with one full quarter notice.
4. These are private debt funds. The fair value of the investment has been determined using the NAV per share (or its equivalent) of the Fund’s ownership interest in partners’ capital.

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Massport Employee’s Retirement System

The provisions of M.G.L. Chapter 32, Section 23(2) and the investment policy approved by the Massachusetts Port Authority Employees’ Retirement System Board (the “Retirement Board”) govern the Plan’s investment practice. Diversification is attained through varied investment management styles that comply with Massachusetts state law. This is accomplished through the retention of investment managers that adhere to M.G.L. Chapter 32, Section 23(3), the Prudent Person” rule. The Plan has retained an investment consultant to work with the Retirement Board in a fiduciary capacity to assure that strategic investment diversification is attained, to employ investment managers with expertise in their respective asset classes, and to closely monitor the implementation and performance of the respective investment strategies.

The Plan is currently invested in stocks (domestic and international), fixed income securities (domestic and international), real estate and private equity.

The exposure limits per the Plan Investment Policy are as follows:

	Target Allocation	
Asset Class	**2022**	**2021**
Domestic equity	27.5%	27.5%
International equity	27.5%	27.5%
Fixed income	22.5%	22.5%
Opportunistic Credit	5.0%	5.0%
Real estate	7.5%	7.5%
Private Equity	10.0%	10.0%

The Plan's current rebalancing policy states that "The Retirement Board shall rebalance to the established targets during the quarter following the quarter ended whenever the asset class allocation falls outside the allowable ranges."

The following summarizes the Plan's cash, cash equivalents and investments by type held at December 31, 2022 and 2021 (in thousands):

	December 31, 2022 Fair Value	December 31, 2021 Fair Value
Cash and Cash Equivalents	$ 1,113	$ 933
Investments		
Common stocks		
Equities	$ 11,348	$ 12,552
Commingled Equity funds		
Large Cap	158,485	224,207
Small Cap	8,457	11,462
International	199,313	234,118
Commingled Fixed Income funds		
Aggregate	41,011	76,627
Core Bond	182,173	181,575
Other Investments		
PRIT Real Estate fund	68,914	77,525
PRIT Private Equity	93,501	100,150
Total Investments	$ 763,202	$ 918,216

The following discusses the Plan's exposure to common deposit and investment risks related to custodial credit, credit, concentration of credit, interest rate and foreign currency as of December 31, 2022 and 2021.

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June 30, 2023 and 2022

a) *Credit Risk*

For the years ended December 31, 2022 and 2021, the Plan's fixed income investments totaled $223.2 million and $258.2 million, respectively. These investments are split between two commingled funds. Both funds are not rated.

There are no Plan-wide policy limitations for credit risk exposures within the portfolio. The Plan's two fixed income investments are managed in accordance with an investment contract that is specific as to permissible credit quality ranges and the average credit quality of the overall portfolio.

b) *Custodial Credit Risk*

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan and are held by either the depository financial institution or the depository financial institution's trust department or agent but not in the Plan's name.

Although there is no Plan-wide policy for custodial credit risk associated with deposits, the Plan's investments are held by the Plan's custodian and registered in the Plan's name. All of the Plan's securities are held by the Plan's custodial bank in the Plan's name, except for investments in mutual and commingled funds, real estate properties, and limited partnerships, which by their nature, are not required to be categorized. Investments in the Short-term Investment Funds ("STIF") are held in an SEC-registered pooled fund that is managed by the master custodian bank. The fair value of the position in the pool equals the value of the pool shares.

c) *Concentration of Credit Risk*

The Plan has no investments, at fair value, that exceed 5% of the Plan's total investments as of December 31, 2022 and 2021 other than pooled investments.

d) *Interest Rate Risk*

This risk is managed within the portfolio using the effective duration methodology. This methodology is widely used in the management of fixed income portfolios in that it quantifies to a much greater degree the risk of interest rate changes. While there are no Plan-wide policy limitations as to the degree of interest rate risk taken, the Plan's one actively managed fixed income portfolio has guidelines that specify that the average duration of the portfolio ranges between plus or minus 1.5 years of the average duration of the Bloomberg Barclays US Aggregate Bond Index. The other fixed income portfolio is in a passive index fund and the investment objective of this fund is to match the return of the Bloomberg Barclays US Aggregate Bond Index. It is believed that the reporting of effective duration found in the tables below quantifies to the fullest extent possible the interest rate risk of the Plan's fixed income assets.

The individual fund durations are as follows at December 31, 2022 and 2021, respectively (in thousands):

	Fair Value	Duration	Fair Value	Duration
Fixed Income Investments				
Commingled fund – actively managed fixed income	$ 182,173	6.87	$ 181,575	6.81
Commingled fund – actively managed -domestic	11,709	4.42	—	—
Commingled fund – actively managed- global	29,302	7.50	—	—
Commingled fund – passively managed	—		76,627	6.78
Total Fixed Income Investments	$ 223,184		$ 258,202	

e) *Foreign Currency Risk*

From time to time, the Plan's external managers may or may not hedge the portfolio's foreign currency exposures with currency forward contracts depending on their views on a specific foreign currency relative to the U.S. dollar. While there are no Plan-wide policy limitations related to foreign currency risk, the Plan will not manage currency as a separate asset class or enter into speculative currency positions in its portfolios, except as it relates to specific cross-hedging activity, which may be permitted in certain investment manager guidelines. While the plan has no investments denominated in foreign currencies, the following represents the investments denominated in U.S. dollars that can be subject to fluctuations in foreign currencies.

	December 31, 2022	December 31, 2021
Currency (in thousands)		
International equity pooled funds (various currencies)	$ 199,313	$ 234,118

f) *Rate of Return*

For the years ended December 31, 2022 and 2021, the annual money-weighted rate of return on Plan investments, net of Plan investment expenses was (14.4)% and 16.1%, respectively. The money-weighted rate of return expresses investment performance net of investment expenses adjusted for the changing amounts actually invested.

g) *Fair Value Measurement*

GAAP establishes a fair value hierarchy for investments that prioritizes inputs used to measure fair value into three levels:

Level 1 – quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities;

Level 2 – observable prices that are based on inputs not quoted in active markets, but corroborated by market data;

Level 3 – unobservable inputs that are used when little or no market data is available.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the Plan utilizes valuation techniques that maximize

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the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

Investments held through commingled funds for which fair value is estimated using net asset values (NAVs) as a practical expedient are not categorized in the fair value hierarchy.

The Plan uses an independent pricing source to determine the fair value of investments at quoted market prices

The Plan has the following fair value measurements for investments at December 31, 2022 and 2021:

Investments Measured by Fair Value Level ($ 000)

As of December 31, 2022	Fair Value	Level 1	Level 2	Level 3
Investments				
Common stocks				
Equities	$ 11,348	$ 11,348	$ -	$ -
Investments measured at NAV				
Commingled Equity funds				
Large Cap	158,485	-	-	-
Small Cap	8,457	-	-	-
International	199,313	-	-	-
Commingled Fixed Income funds				
Aggregate	41,011	-	-	-
Core Bond	182,173	-	-	-
Other Investments				
PRIT Real Estate fund	68,914	-	-	-
PRIT Private Equity	93,501	-	-	-
Total Investments	$ 763,202	$ 11,348	$ -	$ -

Investments Measured by Fair Value Level ($ 000)

As of December 31, 2021	Fair Value	Level 1	Level 2	Level 3
Investments				
Common stocks				
Equities	$ 12,552	$ 12,552	$ -	$ -
Investments measured at NAV				
Commingled Equity funds				
Large Cap	224,207	-	-	-
Small Cap	11,462	-	-	-
International	234,118	-	-	-
Commingled Fixed Income funds				
Aggregate	76,627	-	-	-
Core Bond	181,575	-	-	-
Other Investments				
PRIT Real Estate fund	77,525	-	-	-
PRIT Private Equity	100,150	-	-	-
Total Investments	$ 918,216	$ 12,552	$ -	$ -

Commingled Mutual Funds

The Plan categorizes its fair value measurements within the Fair Value Hierarchy established by GAAP. Equity securities classified in Level 1 of the Fair Value Hierarchy are valued using prices quoted in active markets for those securities. The Plan has no securities classified in Level 2 or Level 3.

The Pension Reserves Investment Trust ("PRIT") real estate and private equity funds are external investment pools that are not registered with the SEC but are subject to oversight by the Pension Reserves Investment Management Board (the "PRIM Board"). The PRIM Board was created by legislation to provide general supervision of the investments and management of PRIT. The PRIT real estate and private equity funds are not rated funds. The fair value of the PRIT real estate and private equity funds are based on unit value as reported by management of the PRIT funds. The PRIT funds issue separately available audited financial statements with a year-end of June 30. The Plan is required to provide a 24-hour redemption notice for the PRIT Real Estate fund. The PRIT Private Equity fund is not redeemable until notified by the PRIM Board.

The following represents the significant investment strategies and terms on which the Plan may redeem investments for those investments measured at the NAV (or its equivalent) as a practical expedient (in thousands):

Investments Measured at NAV ($000)

	December 31, 2022	December 31, 2021	Redemption Frequency	Redemption Notice Period
Commingled Equity Funds (1)	$ 366,255	$ 469,786	Daily to Thrice Monthly	1-30 days
Commingled Fixed Income Funds (2)	182,173	258,202	Daily	1-30 days
Commingled Opportunistic credit funds (3)	41,011	—	Daily to Quarterly	10-90 days
	$ 589,439	$ 727,988		

1. Commingled Equity Funds: This type includes five funds that invest primarily in U.S. large and small cap equity funds and international equity funds
2. Commingled Fixed Income Funds: This type includes two fixed income funds that invest in U.S. corporate bonds, U.S. government bonds, U.S. asset-backed securities and foreign bonds.
3. Commingled opportunistic credit funds: This type included two oportunistic credit funds that invest in domestic and global credit related instruments

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4. Capital Assets

Capital assets consisted of the following at June 30, 2023 and 2022 (in thousands):

	Restated June 30, 2022	Additions and Transfers In	Deletions and Transfers Out	June 30, 2023
Capital assets not being depreciated				
Land	$ 240,553	$ 10	$ —	$ 240,563
Construction in progress	744,952	342,456	357,278	730,130
Total capital assets not being depreciated	985,505	342,466	357,278	970,693
Capital assets being depreciated				
Buildings	4,620,203	255,607	—	4,875,810
Runway and other paving	1,085,888	12,430	—	1,098,318
Roadway	919,194	16,898	—	936,092
Machinery and equipment	922,508	72,330	1,023	993,815
Air rights	187,716	3	—	187,719
Parking rights	46,261	—	—	46,261
Right of use assets	285,791	14,080	37,850	262,021
Total capital assets being depreciated	8,067,561	371,348	38,873	8,400,036
Less accumulated depreciation:				
Buildings	2,446,686	167,304	—	2,613,990
Runway and other paving	736,368	44,802	—	781,170
Roadway	547,990	35,708	—	583,698
Machinery and equipment	656,755	62,561	1,023	718,293
Air rights	155,836	4,596	—	160,432
Parking rights	32,382	1,542	—	33,924
Right of use assets	19,766	13,490	54	33,202
Total accumulated depreciation	4,595,783	330,003	1,077	4,924,709
Total capital assets being depreciated, net	3,471,778	41,345	37,796	3,475,327
Capital assets, net	$ 4,457,283	$ 383,811	$ 395,074	$ 4,446,020

Depreciation and amortization for fiscal year 2023 and 2022 was $330.0 million and $322.4 million, respectively. During fiscal year 2023 and 2022, the Authority wrote off approximately $1.0 million and $6.2 million, respectively, for discontinued projects, which is included in depreciation expenses.

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June 30, 2023 and 2022

	June 30, 2021	Additions and Transfers In	Deletions and Transfers Out	Restated June 30, 2022
Capital assets not being depreciated				
Land	$ 230,680	$ 9,873	$ —	$ 240,553
Construction in progress	779,910	390,029	424,987	744,952
Total capital assets not being	1,010,590	399,902	424,987	985,505
Capital assets being depreciated				
Buildings	4,409,079	211,124	—	4,620,203
Runway and other paving	1,061,586	24,302	—	1,085,888
Roadway	816,391	102,803	—	919,194
Machinery and equipment	848,268	76,348	2,108	922,508
Air rights	187,180	536	—	187,716
Parking rights	46,261	—	—	46,261
Right of use assets	101,735	184,056	—	285,791
Total capital assets being	7,470,500	599,169	2,108	8,067,561
Less accumulated depreciation:				
Buildings	2,288,589	158,097	—	2,446,686
Runway and other paving	691,667	44,701	—	736,368
Roadway	514,772	33,218	—	547,990
Machinery and equipment	596,711	62,127	2,083	656,755
Air rights	150,899	4,937	—	155,836
Parking rights	30,840	1,542	—	32,382
Right of use assets	8,197	11,569	—	19,766
Total accumulated depreciation	4,281,675	316,191	2,083	4,595,783
Total capital assets being	3,188,825	282,978	25	3,471,778
Capital assets, net	$ 4,199,415	$ 682,880	$ 425,012	$ 4,457,283

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Notes to Financial Statements

June 30, 2023 and 2022

5. Long-term Debt

Long-term debt at June 30, 2023 consisted of the following and represents maturities on the Authority's fiscal year basis (in thousands):

	June 30, 2022	Additions	Reductions	June 30, 2023	Due within one year
Revenue Bonds:					
Senior Debt-1978 Trust Agreement:					
2014, Series A, 3.00% to 5.00%, issued July 17, 2014 due 2024 to 2045	$ 40,075	$ —	$ —	$ 40,075	$ 1,040
2014, Series B, 5.00%, issued July 17, 2014 due 2024 to 2045	42,545	—	—	42,545	1,105
2014, Series C, 3.40% to 5.00%, issued July 17, 2014 due 2024 to 2036	108,005	—	—	108,005	6,035
2015, Series A, 5.00%, issued July 15, 2015 due 2024 to 2046	96,250	—	—	96,250	2,325
2015, Series B, 5.00%, issued July 15, 2015 due 2024 to 2046	61,720	—	—	61,720	1,490
2015, Series C, 2.12% to 2.83%, issued June 30, 2015 due 2022 to 2030	92,045	—	12,675	79,370	12,950
2016, Series A, 4.00% to 5.00%, issued July 20, 2016 due 2024 to 2039	42,430	—	—	42,430	1,805
2016, Series B, 4.00% to 5.00%, issued July 20, 2016 due 2042 to 2047	180,285	—	—	180,285	—
2017, Series A, 5.00%, issued July 19, 2017 due 2024 to 2048	131,785	—	—	131,785	8,225
2019, Series A, 5.00%, issued February 13, 2019 due 2024 to 2041	284,395	—	—	284,395	10,110
2019, Series B, 3.00% to 5.00%, issued July 17, 2019 due 2024 to 2050	156,680	—	—	156,680	2,605
2019, Series C, 4.00% to 5.00%, issued July 17, 2019 due 2024 to 2050	292,525	—	—	292,525	5,430
2021, Series A, 5.00%, issued February 17, 2021 due 2034 to 2041	35,630	—	—	35,630	—
2021, Series B, 5.00%, issued February 17, 2021 due 2034 to 2041	21,900	—	—	21,900	—
2021, Series C, 0.384% to 2.869%, issued February 17, 2021 due 2025 to 2052	229,740	—	—	229,740	—
2021, Series D, 5.00%, issued March 24, 2021 due 2025 to 2052	56,450	—	—	56,450	—
2021, Series E, 5.00%, issued March 24, 2021 due 2024 to 2052	349,080	—	—	349,080	1,100
2022,Series A, 5.00%, issued July 20, 2022 due 2029 to 2043	—	120,925	—	120,925	—
Subtotal Senior Debt	2,221,540	120,925	12,675	2,329,790	54,220

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June 30, 2023 and 2022

(continued)	June 30, 2022	Additions	Reductions	June 30, 2023	Due within one year
Subordinated debt- 1978 Trust Agreement:					
2000, Series A,B & C, 6.45%, issued December 29, 2000 due 2031	40,000	—	—	40,000	—
2001, Series A,B & C, 6.45%, issued January 2, 2001 due 2031	34,000	—	—	34,000	—
Subtotal Subordinate Debt	**74,000**	**—**	**—**	**74,000**	**—**
Senior Debt - CFC Trust Agreement:					
2011, Series B, 4.85% to 6.352%, issued June 15, 2011 due 2021 to 2038	120,255	—	4,620	115,635	4,920
Subtotal CFC Senior Debt	**120,255**	**—**	**4,620**	**115,635**	**4,920**
Revenue Bonds Direct Placement (DP):					
Senior Debt-1978 Trust Agreement:					
2020, Series A, 1.57%, issued April 3, 2020 due 2023 to 2032	95,620	—	6,425	89,195	14,030
2020, Series B, 2.08%, issued April 3, 2020 due 2024 to 2033	162,380	—	—	162,380	8,435
Subtotal DP Bonds Payable	**258,000**	**—**	**6,425**	**251,575**	**22,465**
Total Long-term Debt	**2,673,795**	**120,925**	**23,720**	**2,771,000**	**81,605**
Less unamortized amounts:					
Bond premium (discount), net	329,085	14,735	14,884	328,936	14,884
Total Long-term Debt, net	**$ 3,002,880**	**$ 135,660**	**$ 38,604**	**$ 3,099,936**	**$ 96,489**

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June 30, 2023 and 2022

The following summarizes the Authority's long-term debt activity at June 30 (in thousands):

	June 30, 2022	Additions	Reductions	June 30, 2023	Due within one year
Senior Debt-1978 Trust Agreement:	$ 2,221,540	$ 120,925	$ 12,675	$ 2,329,790	$ 54,220
Subordinated Debt- 1978 Trust Agreement	74,000	—	—	74,000	—
Senior Debt - CFC Trust Agreement:	120,255	—	4,620	115,635	4,920
Senior Debt - Direct Placement	258,000	—	6,425	251,575	22,465
Total	**$ 2,673,795**	**$ 120,925**	**$ 23,720**	**$ 2,771,000**	**$ 81,605**

	June 30, 2021	Additions	Reductions	June 30, 2022	Due within one year
Senior Debt-1978 Trust Agreement:	$ 2,233,960	$ —	$ 12,420	$ 2,221,540	$ 12,675
Subordinated Debt- 1978 Trust Agreement	74,000	—	—	74,000	—
Senior Debt - CFC Trust Agreement:	120,255	—	—	120,255	—
Senior Debt - Direct Placement	258,000	—	—	258,000	6,425
Total	**$ 2,686,215**	**$ —**	**$ 12,420**	**$ 2,673,795**	**$ 19,100**

Debt service requirements on long-term debt outstanding at June 30, 2023 are as follows (in thousands):

	Principal	Interest	Total
Year ending June 30:			
2024	$ 81,605	$ 122,803	$ 204,408
2025	84,380	120,127	204,507
2026	87,835	116,939	204,774
2027	91,395	113,588	204,983
2028	95,205	109,975	205,180
2029-2033	621,905	482,522	1,104,427
2034-2038	532,400	349,017	881,417
2039-2043	502,710	227,227	729,937
2044-2048	465,050	110,423	575,473
2049-2051	208,515	21,889	230,404
Total	$ 2,771,000	$ 1,774,510	$ 4,545,510

a) Senior Debt - 1978 Trust Agreement

On July 20, 2022, the Authority issued $120.9 million of Massachusetts Port Authority Revenue Bonds in one series (the “Series 2022 A Bonds”). The Series 2022 A Bonds were issued in the principal amount of $120.9 million with an original issue premium of approximately $14.7 million and an interest rate of 5.0%. The Authority expects to use the proceeds of the Series 2022 A Bonds, which were issued as “Green Bonds” to finance a portion of the environmentally beneficial projects in the Authority’s current Capital Program. Due to the nature of the construction projects funded with the proceeds of the bonds, the Series 2022 A Bonds were issued as bonds subject to the alternative minimum tax (“AMT”).

The Authority, pursuant to its 1978 Trust Agreement, has covenanted to maintain a debt service coverage ratio of not less than 1.25. Debt service coverage is calculated based on a formula set forth in the 1978 Trust Agreement. Historically, the Authority has maintained a debt service coverage ratio higher than its 1978 Trust Agreement requirement. As of June 30, 2023 and 2022, the Authority’s debt service coverage under the 1978 Trust Agreement was 3.89 and 6.10, respectively.

b) Subordinate Debt - 1978 Trust Agreement

Subordinate debt is payable solely from funds on deposit in the Improvement and Extension Fund and is not subject to the pledge of the 1978 Trust Agreement or the CFC Trust Agreement. The Authority invested $12.0 million in January 2001 in two GICs, which at maturity will provide for the $74.0 million aggregate principal payments of the subordinate debt at their respective maturities on December 29, 2030 and January 2, 2031. As of June 30, 2023, the aggregate value of the two GICs was approximately $55.8 million as compared to $53.6 million as of June 30, 2022.

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c) Senior Debt - CFC Trust Agreement

The Authority's outstanding CFC debt continues to be secured by a pledge of the $6.00 per transaction day CFC collections. The Authority earned CFC Revenues, as defined in the CFC Trust Agreement, of approximately $30.8 million and $25.5 million during fiscal years 2023 and 2022, respectively. The CFC Trust Agreement requires that the Authority maintain a debt service coverage ratio of at least 1.30. As of June 30, 2023 and 2022, the CFC debt service coverage ratio was 3.08 and 2.46, respectively.

d) Senior Debt – Direct Placement

On April 3, 2020, the Authority entered into a direct purchase agreement with Bank of America, NA ("BAML") for the sale of up to $258.0 million of Massachusetts Port Authority Revenue Bonds in two series. The Series 2020 A Revenue Refunding Bonds ("2020 A Bonds") were issued in the principal amount of $95.6 million at an interest rate of 1.57%. The Series 2020 B Revenue Bonds ("2020 B Bonds") were issued in the principal amount of $162.4 million at an interest rate of 2.08%. The 2020 A and 2020 B Bonds were issued to redeem and defease portions of the Series 2010 A Bonds, the Series 2010 B Bonds, the Series 2012 A Bonds and the Series 2012 B Bonds (collectively, the "Defeased 2010 and 2012 Bonds") and to finance a portion of the Authority's Capital Program. Due to the nature of a portion of the construction projects funded with the bonds, the 2020 A Bonds were issued as bonds subject to the AMT. The 2020 B Bonds were sold as taxable bonds. The 2020 A Bonds consist of a single bond maturing on July 1, 2031 and the 2020 B Bonds consist of a single bond maturing on July 1, 2032.

This transaction constituted a legal defeasance. The Defeased 2010 and 2012 Bonds were redeemed on July 1, 2022.

e) Special Facility Bonds

To provide for the construction and improvement of various facilities at Logan Airport, the Authority has two outstanding series of special facilities revenue bonds as of June 30, 2023. The Authority's special facilities revenue bonds are special limited obligations of the Authority and are payable and secured solely from and by certain revenues held by a separate trustee. The Authority's special facilities revenue bonds do not constitute a debt or pledge of the full faith and credit of the Authority, or the Commonwealth of Massachusetts or any subdivision thereof and, accordingly, have not been reflected in the accompanying financial statements.

As of June 30, 2023 and 2022, the aggregate principal amount of the Authority's special facilities revenue bonds outstanding were approximately $140.4 million and $141.7 million, respectively. All of which were related to BOSFUEL Corporation, a Delaware non-stock membership corporation (BOSFUEL), the members of which are certain air carriers serving the Airport. The Authority leases to BOSFUEL all of the on-Airport jet fuel storage and distribution system owned by the Authority that provides jet fuel to the terminals and jet fuel uses at the Airport. The Authority has no obligation to assume the liability for the BOSFUEL special facilities revenue bonds or to direct revenue to pay debt service on such bonds.

f) *Commercial Paper Notes Payable*

The Authority's commercial paper notes payable as of June 30, 2023 and 2022 were as follows (in thousands):

	2023	2022
Commercial paper notes-beginning	$ -	$ 22,000
Commercial paper notes issued	-	-
Principal paid on commercial paper notes	-	(22,000)
Commercial paper notes-ending	$ -	$ -

The Authority maintains a commercial paper grogram pursuant to which it may issue taxable, tax-exempt AMT or tax-exempt non-AMT commercial paper in an aggregate maximum principal amount of $250 million. The obligations of the Authority with respect to its commercial paper notes are secured by the Improvement & Extension Fund and the proceeds of Bonds subsequently issued for the purpose. In addition, the commercial paper program is secured by an Amended and Restated Letter of Credit and Reimbursement Agreement with TD Bank, N.A. which expires June 1, 2025. As of June 30, 2023, the Authority has no outstanding commercial paper.

g) *Interest Rate Swaps / Hedging*

During fiscal year 2023 and fiscal year 2022, the Authority did not have any interest rate swaps or other interest rate hedging arrangements.

h) *Arbitrage – Rebate Liability*

The United States Treasury has issued regulations on calculating the rebate due to the United States Government on arbitrage liability and determining compliance with the arbitrage rebate provisions of the Tax Reform Act of 1986. Arbitrage liability arises when the Authority temporarily invests the proceeds of tax-exempt debt in securities with higher yields. The Authority has no estimated liability as of June 30, 2023 and 2022, respectively.

6. Pension Plan

a) *Plan Description*

The Massachusetts Port Authority Employees' Retirement System (the "Plan") is a single employer plan established on July 18, 1978, effective January 1, 1979, by enactment of Chapter 487 of the Acts of 1978 (an amendment to M.G.L. Chapter 32) to provide retirement benefits for substantially all employees of the Authority, and incidental benefits for their surviving spouses, beneficiaries and contingent annuitants. Prior to this enactment, Authority employees were members of the Commonwealth of Massachusetts Contributory Retirement System and the funding of the pension liability was on a "pay-as-you-go" method. Pursuant to this enactment, the employees' then present rights and benefits were transferred to the

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new retirement system. The Plan is a contributory defined benefit plan to which the Authority and its employees contribute such amounts as are necessary to provide assets sufficient to meet benefits to be paid to plan participants. The Plan is administered by the Massachusetts Port Authority Employees' Retirement System Board (the "Retirement Board"), consisting of five members including one ex-officio member, two elected members, one member appointed by the Massachusetts Port Authority and one member appointed by the other four board members.

Detailed information about the Plan's fiduciary net position is available in a separately issued report. The report may be obtained by writing to the Massachusetts Port Authority Employees' Retirement System, One Harborside Drive, Suite 200S, East Boston, MA 02128-2909 or please see the Authority's website, www.massport.com.

b) Benefits provided

Benefits are paid by the Plan from plan assets available for plan benefits. Plan participants are entitled at normal retirement age to benefit payments based upon length of service and earnings levels. Vesting occurs after 10 years of service.

Benefits to participants who retired prior to January 1, 1979 are paid by the Massachusetts State Board of Retirement. The Massachusetts State Board of Retirement is reimbursed for all such benefits paid after December 31, 1978 as these benefits represent obligations of the Plan.

Under M.G.L. Chapter 32, Section 3(8) (c), (Chapter 32), the Plan is reimbursed for benefits paid to participants entitled to receive benefits for previous participation in other Massachusetts Chapter 32 plans. The Plan is also obligated to pay a proportionate share of benefits to participants entitled to receive benefits for subsequent participation in other Massachusetts Chapter 32 plans.

Also under Chapter 32, for members leaving the Authority's employment to work for other Massachusetts governmental units, the Plan transfers their accumulated account balances and creditable service to the retirement system of the new employer. Other such retirement systems are in turn required to make comparable transfers to the Plan for employees coming to work for the Authority.

Optional payment methods may be elected, including the contingent annuitant method, which provides for reduced payments during the life of the plan participant and continued payments to the participant's beneficiary after the death of the participant.

At January 1, 2022 and 2021, the Plan's membership consisted of:

	2022	2021
Retirees and beneficiaries receiving benefits	976	930
Terminated employees entitled to benefits but not yet receiving them	78	70
Current members:		
Active	1,094	1,263
Inactive	258	168
Total membership	2,406	2,431

c) Contributions required and contributions made

Contributions are made by the Authority based on amounts required to be funded as determined by annual actuarial valuations and are designed to fund the Plan on a level cost basis, as a percentage of pay, over the average remaining working lifetime of the active participants and to fund operating costs of the Plan. For the years ended June 30, 2023 and 2022, the Authority was required and did contribute to the Plan $8.3 million and $11.7 million, respectively. The Authority bears the risk that plan assets might decline due to fluctuations in the fair value of the Plan's investments and contributions by the Authority will increase as part of its annual assessment.

Employees who became members prior to January 1, 1975 contribute 5% of their regular compensation through payroll deductions. Employees whose membership commenced on or after January 1, 1975 but prior to January 1, 1984 contribute 7%. Those employees whose membership began on or after January 1, 1984 but prior to July 1, 1996 contribute 8%. Employees hired after July 1, 1996 contribute 9% of their regular compensation. Employees who are hired after December 31, 1978 contribute an additional 2% of regular compensation over $30,000. These contributions accumulate and, subject to certain restrictions set forth in Chapter 32, are refundable to employees upon termination of employment by the Authority or payable to another retirement system should the employee transfer to another government unit covered by Chapter 32.

Contributions totaling $20.2 million ($8.3 million employer and $11.9 million employee) and $22.6 million ($11.7 million employer and $10.9 million employee) were recognized by the Plan for plan years 2022 and 2021, respectively.

d) Net Pension (Asset) Liability

The Authority's net pension (asset) liability at June 30, 2023 and 2022 was measured as of December 31, 2022 and 2021 and the total pension (asset) liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of January 1, 2022 and

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2021 and update procedures were used to roll forward the total pension (asset) liability to December 31, 2022 and 2021, respectively.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Balance at December 31, 2020	$ 789,992	$ 819,159	$ (29,167)
Service cost	18,994	—	18,994
Interest	55,140	—	55,140
Changes between expected and actual experience	(463)	—	(463)
Changes in assumptions	14,881	—	14,881
Contributions – employer	—	11,695	(11,695)
Contributions – employees	—	10,905	(10,905)
Net investment income	—	122,486	(122,486)
Benefits payments	(42,550)	(42,550)	—
Administrative expenses	—	(1,205)	1,205
Balance at December 31, 2021	$ 835,994	$ 920,490	$ (84,496)
Service cost	19,439	—	19,439
Interest	56,300	—	56,300
Changes between expected and actual experience	(28,554)	—	(28,554)
Changes in assumptions	17,634	—	17,634
Contributions – employer	—	8,340	(8,340)
Contributions – employees	—	11,841	(11,841)
Net investment income	—	(130,526)	130,526
Benefits payments	(42,708)	(42,708)	—
Administrative expenses	—	(1,238)	1,238
Balance at December 31, 2022	$ 858,105	$ 766,199	$ 91,906

e) Actuarial Assumptions

The January 1, 2022 and 2021 total pension actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

- *Inflation* – 3.0%
- *Salary increases* – 4.25% for 2022 and 2021

- *Investment rate of return* – 6.75% for 2022 and 2021, net of plan investment expense
- *Cost–of–living increases* – 3.0% on a maximum base of $14,000
- *Mortality*:

  Mortality – 2022

  Pre-Retirement: Pub 2010 Table Healthy Employees (sex-distinct) projected with MP2021 Generational Mortality. Separate tables for Groups 1 &2 (General Employees) and for Group 4 (Public Safety).

  Post- Retirement: Pub 2010 healthy annuitant Table (sex-distinct) projected with MP2021 Generational Mortality Group distinctions apply as with actives.

  Disabled: Pub-2010 Table for disabled lives (sex distinct) projected with P2021Generational Mortality was used. Mortality for accidental disability is assumed to be 50% from the same cause as the disability. Separate tables for Groups 1&2 and for Group 4.

  Mortality – 2021

  Healthy: RP2014 at 2006 Table Healthy Employees (sex-distinct) projected with MP2020 Generational Mortality. Post-retirement the RP2014 healthy annuitant Table (sex-distinct) projected with MP2020 Generational Mortality.

  Disabled: RP2014 at 2006 healthy annuitant Table (sex-distinct) projected with MP2020 Generational Mortality set-forward 2 years. Mortality for accidental disability is assumed to be 50% from the same cause as the disability.

- *Long-term Expected Rate of Return:*

  The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of geometric long-term expected real rates of return for each major asset class are summarized in the following table:

	rate of return	
Asset class	**2022***	**2021***
Domestic equity	4.71 %	3.63 %
International equity	5.37	4.36
Fixed income	2.42	1.07
Opportunistic Credit	4.20	3.13
Real estate	4.54	4.29
Private equity	7.72	6.75

* amounts are net of inflation assumption of 2.38% and 2.66% in fiscal years 2022 and 2021, respectively.

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f) Investment Policy

The provisions of M.G.L. Chapter 32, Section 23(2) and the Retirement Board approved investment policy govern the Plan's investment practice.

Diversification is attained through varied investment management styles that comply with Massachusetts state law. This is accomplished through the retention of investment managers that adhere to M.G.L. Chapter 32, Section 23(3), and the "Prudent Person" rule.

The Plan has retained an investment consultant to work with the Retirement Board in a fiduciary capacity to assure that strategic investment diversification is attained, to employ investment managers with expertise in their respective asset classes, and to closely monitor the implementation and performance of the respective investment strategies.

The Plan is currently invested in stocks (domestic and international), fixed income securities (domestic and international), real estate and private equity.

The target allocation for each major asset class is summarized in the following table:

	Target Allocation	
Asset class	**2022**	**2021**
Domestic equity	27.5%	27.5%
International equity	27.5%	27.5%
Fixed income	22.5%	22.5%
Opportunistic Credit	5.0%	5.0%
Private equity	7.5%	7.5%
Real estate	10.0%	10.0%
Total	100.0%	100.0%

g) Changes in Benefit Terms

In accordance with Chapter 147 of the Massachusetts Acts of 2022, vacation buybacks for certain eligible retirees and active members may be included in pensionable earnings when estimating the projected benefit payments. In the Plan fiscal year 2022, the interest rate was changed from 7.0% to 6.75%.

h) Discount Rate

The discount rates used to measure the total pension (asset) liability as of December 31, 2022 and 2021 were both 6.75%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on the Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

i) *Sensitivity of the net pension (asset) liability to changes in the discount rate*

The following presents the net pension (asset) liability of the Plan as of December 31, 2022 and 2021, calculated using the discount rate of 6.75% as well as what the net pension (asset) liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate (in thousands):

Fiscal Year End	1% decrease (5.75%)	Current discount rate (6.75%)	1% increase (7.75%)
2022	$ 193,513	$ 91,907	$ 7,362

Fiscal Year End	1% decrease (5.75%)	Current discount rate (6.75%)	1% increase (7.75%)
2021	$ 13,481	$ (84,496)	$ (166,921)

j) *Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions*

The Authority recognized pension expense of $20.1 million as of June 30, 2023 and a contra pension expense of ($20.1) million as of June 30, 2022.

At June 30, 2023 and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,361	$ 23,628	$ 4,767	$ 823
Differences arising from the recognition of changes in assumptions	31,610	4,827	23,613	7,288
Net difference between projected and actual earnings on pension Plan investments	74,340	—	—	104,007
Total	$ 109,311	$ 28,455	$ 28,380	$ 112,118

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In fiscal year 2021, the Authority reported $7.3 million as deferred outflows of resources related to the Authority's pension contributions subsequent to the measurement date but before the fiscal year end, which amount was recognized as a reduction of the net pension asset in fiscal year 2022.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension (expense) income as follows (in thousands):

Year ended June 30:		
2024	$	(212)
2025		14,785
2026		29,083
2027		37,818
2028		(618)
Total	$	80,856

7. Other Postemployment Benefits (OPEB)

a) Plan Description

In addition to providing the pension benefits described in Note 6, the Authority provides post-employment health care and life insurance benefits ("OPEB") for retired employees. The OPEB Plan is a single-employer plan and offers retirees a choice of medical plans, as well as two dental plans, and basic life insurance. The benefit levels, employer contributions and future employee contributions are governed by the Authority and can be amended by the Authority.

In June 2009, the Board made changes to the plan benefits to be paid by the Authority for certain existing and future retirees. All current retired members of the Authority and all existing Authority employees who were vested as of October 1, 2009 would be eligible to have 100% of their premium cost subsidized. Employees not yet vested but employed by the Authority on October 1, 2009 would, upon retirement be eligible to receive 85% of the premium cost for benefits with the balance paid for by the retiree. For employees hired on or after October 1, 2009, the Board voted to implement a sliding scale subsidy for retiree health care premiums (ranging from 0%-85%) based on creditable service at retirement age (retirees must be age 60 or older to receive the subsidy), and whether or not the employee retired within sixty (60) days after leaving the Authority. The Board also voted to eliminate retiree dental and life insurance coverage, as well as Medicare Part B premium subsidy for this group of employees.

In May 2016, the Board made changes to the plan benefits to be paid by the Authority for certain future retirees. Persons who commenced employment with the Authority during the period from October 1, 2009 through May 25, 2016, and who, as of the date such employment commenced, had accrued ten (10) years or more of creditable service pursuant to M.G.L. Chapter 32, would upon retirement, be eligible to receive 80% of the premium cost for those benefits with the balance paid for by the retiree; provided, however, that employees who retire with at least thirty (30) years of creditable service would be eligible to receive 85% of the premium cost of such benefits with the balance paid for by the retiree. For purposes of calculating the percentage of the subsidy (80% or 85%), years of creditable service shall be calculated at separation from employment with the Authority. The spouse and dependents of eligible retirees will qualify for the same premium subsidy and retiree health benefits as the retiree. Eligible retirees, but not their spouse or dependents, will also qualify for a 100% subsidy from the Authority for retiree basic life insurance.

The Authority issues publicly available audited financial statements for the Trust. The report may be obtained by writing to the Massachusetts Port Authority, Attn: John P. Pranckevicius, CPA, Director of Administration and Finance and Secretary-Treasurer, One Harborside Drive, Suite 200S, East Boston, MA 02128-2909. Those statements are prepared with an "economic resources" measurement focus on the accrual basis of accounting in accordance with GAAP. Employer contributions are recognized when the employer has made formal commitments to provide the contributions and benefits are recorded when due and payable in accordance with the terms of the Trust. Investments are reported at fair value. Mutual funds and commingled funds are valued based on fair value and alternative investments are valued based on net asset or unit value at year-end. The Trust did not own any individual securities and no long-term contracts for contributions to the Trust existed at December 31, 2022 and 2021, respectively.

b) Benefits provided

The medical plans are either HMOs, PPOs or indemnity plans, and some are designed to work with Medicare benefits, such as Medicare supplement or Medicare HMO plans. The basic life insurance provides a $5,000 death benefit to the retiree. Spouses and dependents are not eligible for this death benefit upon their death.

At December 31, 2022 and 2021, respectively, the Trust's membership consisted of:

	December 31, 2022	December 31, 2021
Active Employees		
Pre-Medicare (hired prior to 3/31/1986)	5	12
Post-Medicare (hired after 3/31/1986)	1,140	1,082
Total	1,145	1,094
Inactive Participants (Vested)	83	78
Retired, Disabled, Survivors and Beneficiaries	977	965
Total Membership	2,205	2,137

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c) *Contributions required and contributions made*

The Trust has adopted a funding policy that allows for the contributions to attempt to minimize the volatility from year to year and is the sum of the employees normal cost and expenses plus a payment to amortize the unfunded accrued liability as of the date of the valuation. The annual employer contribution rate goal shall be 100% of the Actuarial determined contribution. For the years ended June 30, 2023 and 2022, the Authority contributed to the Trust $9.1 million and $10.9 million, respectively, and $5.5 million are recorded in the Statement of Net Position as a deferred outflow of resources as of June 30, 2022. The Authority bears the risk that trust assets might decline due to fluctuations in the fair value of the Trust's investments and contributions by the Authority will increase as part of its annual assessment.

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d) Net OPEB liability

The Authority's net OPEB liability at June 30, 2023 and 2022 was measured as of December 31, 2022 and 2021, and total OPEB liability used to calculate the net OPEB liability was determined using an actuarial valuation as of January 1, 2023 and 2022, respectively.

	Increase (Decrease)		
	Total OPEB Liability (a)	**Trust Fiduciary Net Position (b)**	**Net OPEB Liability (a) - (b)**
Balance at December 31, 2020	$ 340,692	$ 276,130	$ 64,562
Service cost	5,591	—	5,591
Interest	23,695	—	23,695
Difference between expected and actual experience	(1,058)	—	(1,058)
Change in assumption	10,488	—	10,488
Contributions – employer	—	23,422	(23,422)
Contributions – employees	—	398	(398)
Net investment income	—	38,880	(38,880)
Benefits payments	(15,557)	(15,955)	398
Administrative expenses	—	(232)	232
Balance at December 31, 2021	$ 363,851	$ 322,643	$ 41,208
Service cost	6,131	—	6,131
Interest	24,427	—	24,427
Difference between expected and actual experience	(19,748)	—	(19,748)
Change in assumption	4,381	—	4,381
Contributions – employer	—	14,573	(14,573)
Contributions – employees	—	453	(453)
Net investment income	—	(49,785)	49,785
Benefits payments	(16,223)	(14,632)	(1,591)
Administrative expenses	—	(216)	216
Balance at December 31, 2022	$ 362,819	$ 273,036	$ 89,783

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e) Actuarial Assumptions

The following actuarial assumptions were applied to the periods included in the measurement as of December 31, 2022 and 2021, respectively:

- *Inflation* – 2.5% for both 2022 and 2021.
- *Salary increases* – 4.25% for both 2022 and 2021.
- *Investment rate of return* – 6.75%, net of Trust investment expenses, for both 2022 and 2021,
- *Health care trend rates* – Initial annual health care cost trend rates range of 3.0% to 8.4%, which decreases to a long-term trend rate between 5.0% and 6.5% for all health care benefits after six years. The initial annual dental cost trend rates range from 5.0% to 7.0%, which decreases to a long-term trend rate of 5.0% for all dental benefits after two years.
- *Mortality:*

  Mortality 2022

  The PUB-2010 Headcount-weighted Mortality Tables, sex-distinct, for Employees projected using generational mortality and scale MP-2021; General (Groups 1&2 and Spouses), Safety (Group 4)

  - Actives: Employee Tables
  - Retirees: Healthy Retiree Tables
  - Disabled: Disabled Retiree Tables
  - Surviving Spouses: Contingent Survivor Tables

  Mortality 2021

  - Actives – RP-2014 Table adjusted to 2006, (sex-distinct) for employees projected using Generational Mortality and scale MP-2021.
  - Retirees – RP-2014 Table adjusted to 2006, (sex-distinct), for Healthy Annuitants projected using Generational Mortality and scale MP-2021.

    Disabled - RP-2014 Table adjusted to 2006, (sex-distinct), for Healthy Annuitants projected using Generational Mortality and scale MP-2021. Set forward 2 years.
- *Other Information:*
  - As of January 1, 2019, the effect of eliminating the "Cadillac Tax" on liabilities was recognized.
  - As of January 1, 2018, the scales used to convert the premiums to age weighted claim costs were updated and the effect of the "Cadillac Tax" on liabilities was recognized.
  - As of January 1, 2016, employees hired after September 30, 2009 are not eligible for post –retirement medical insurance until age 60, and retirement age begins at age 60 with 10 years of service.
- *Long-term Expected Rate of Return:*

  The long-term expected rate of return on Trust investments was using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Trust investment expense and inflation) are developed for each major asset class and fund. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

f) *Discount Rate*

The discount rate used to measure the total OPEB liability as of December 31, 2022 and 2021 was 6.75% The projection of cash flows used to determine the discount rate assumed that Trust member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Trust's fiduciary net position was projected to be available to make all projected further benefit payments of current Trust members. Therefore, the long-term expected rate of return on the plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

g) *Sensitivity of the net OPEB liability to changes in the discount rate*

The following presents the net OPEB liability of the Authority as of December 31, 2022 and 2021, calculated using the discount rate of 6.75%, respectively, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate (in thousands):

Plan's Fiscal Year End	1% decrease (5.75%)	Current discount rate (6.75%)	1% increase (7.75%)
2022	$ 135,902	$ 89,783	$ 51,731
2021	$ 87,380	$ 41,209	$ 3,125

h) *Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Rates*

The following presents the net OPEB liability of the Authority as of December 31, 2022 and 2021, calculated using healthcare cost trend rates of 8.4% decreasing to 5.0% and 9.0% decreasing to 5.0% respectively, as well as what the net OPEB liability (asset) would be if it

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were calculated using a health care cost trend rate that is one-percentage point lower or one-percentage point higher than the current rate (in thousands):

		1% decrease	Current discount rate	1% increase
		(7.4%) decreasing to (4.0%)	(8.4%) decreasing to (5.0%)	(9.4%) decreasing to (6.0%)
2022 - Authority's net OPEB liability	$	45,853	89,783	143,357
		(8.0%) decreasing to (4.0%)	(9.0%) decreasing to (5.0%)	(10.0%) decreasing to (6.0%)
2021 - Authority's net OPEB liability	$	(2,888)	41,209	95,024

i) OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

The Authority recognized OPEB expense of $4.6 million as of June 30, 2023 and an OPEB contra expense of ($4.6) million as of June 30, 2022.

At June 30, 2023 and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	2023		2022	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ —	$ 27,587	$ 805	$ 19,292
Changes in assumptions	11,575	6,555	11,733	9,815
Net difference between projected and actual earnings on OPEB investments	35,844	—	—	30,794
OPEB contribution subsequent to measurement date	—	—	5,472	—
Total	$ 47,419	$ 34,142	$ 18,010	$ 59,901

In fiscal year 2022, the Authority reported $5.5 million as deferred outflows of resources related to the Authority's OPEB contributions subsequent to the measurement date but before the fiscal year end, which amount was recognized as a reduction of the net OPEB liability in fiscal year 2023.

Amounts reported as deferred outflows of deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year ended June 30:		
2024	$	(5,069)
2025		(1,964)
2026		9,056
2027		11,254
Total	$	13,277

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8. Leases

a) Lease receivable (lessor)

The Authority leases buildings, land, and other capital assets to outside parties under various leases. The future payments that are included in the measurement of the lease receivable, as of June 30, 2023, are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	$ 37,506	$ 32,378	$ 69,884
2025	37,627	35,755	73,382
2026	37,844	36,142	73,987
2027	32,853	36,089	68,942
2028	33,752	36,001	69,753
2029-2033	144,968	175,416	320,384
2034-2038	97,224	170,691	267,915
2039-2043	103,444	168,481	271,925
2044-2048	131,920	156,990	288,909
2049-2053	111,652	148,434	260,086
2054-2058	119,231	144,309	263,540
2059-2063	100,830	142,170	243,001
2064-2068	56,265	143,921	200,185
2069-2073	72,555	140,065	212,620
2074-2078	94,525	119,584	214,109
2079-2083	109,976	115,064	225,040
2084-2088	110,409	110,370	220,779
2089-2093	120,412	106,021	226,433
2094-2098	91,417	102,893	194,310
2099-2103	99,841	52,785	152,626
2104-2108	121,579	35,891	157,470
2109-2113	115,506	24,738	140,244
2114-2118	139,441	13,015	152,456
2119-2121	67,693	1,424	69,118
Totals	**$ 2,188,470**	**$ 2,248,627**	**$ 4,437,098**

For the years ended June 30, 2023 and 2022, the Authority recognized $64.7 million and $62.4 million in lease revenue and $44.1 million and $36.7 million in lease interest revenue, respectively.

Regulated Leases

For certain lease agreements for airport gates, aprons, airline ticket counters, ticketing / check-in stations and baggage claim facilities, specific terms are regulated by the FAA. The Authority entered into various lease agreements for the right to use these airport gates and aprons to third parties in accordance with these provisions set by the FAA. Specified regulated terms include limits on lease rates, consistency of lease rates for all lessees, and leasing opportunities made available to any potential lessees if the facilities are vacant. The lease revenue related to these regulated agreements amounted to $151.9 million and $142.1 million for the years end June 30, 2023 and 2022, respectively.

Subleases

The Authority subleases certain portions of various Right-of-Use assets to third parties. The Authority's leases for these Right-of-Use assets are included in the lease receivable as real estate leases. These subleases represent a portion of Right-of-Use assets of $170.4 million and $172.3 million as of June 30, 2023 and 2022, respectively. These agreements result in lease receivables of $18.5 million and $23.9 million and deferred inflows of resources of $18.4 million and $23.6 million, as of June 30, 2023 and 2022, respectively.

Discount Rate

The Authority uses discount rates in order to account for future cash flows associated with leases. The Authority uses incremental borrowing rates as the discount rate when calculating the present value of lease payments. The rates are in compliance with applicable accounting standards to accurately represent the present value of lease obligations on our financial statements.

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Notes to Financial Statements

June 30, 2023 and 2022

b) Lease payable (lessee)

The Authority is lessee of certain buildings and other capital assets to outside parties under various leases. The future principal and interest lease payments that are included in the measurement of the lease payable, as of June 30, 2023, are as follows (in thousands):

Fiscal Year	Principal	Interest	Total
2024	$ 9,025	$ 1,483	$ 10,508
2025	7,156	1,325	8,481
2026	6,342	1,293	7,635
2027	6,117	1,269	7,386
2028	6,271	1,250	7,521
2029-2033	7,058	6,363	13,421
2034-2038	132	7,308	7,440
2039-2043	193	8,446	8,639
2044-2048	223	9,762	9,985
2049-2053	133	11,291	11,424
2054-2058	-	13,084	13,084
2059-2063	-	15,168	15,168
2064-2068	-	17,584	17,584
2069-2073	-	20,385	20,385
2074-2078	-	23,632	23,632
2079-2083	-	27,396	27,396
2084-2088	-	31,759	31,759
2089-2093	-	36,817	36,817
2094-2098	-	42,681	42,681
2099-2103	-	49,479	49,479
2104-2108	19,315	38,045	57,360
2109-2113	54,835	11,661	66,496
2114-2118	71,124	5,963	77,087
2119-2120	27,827	449	28,276
Totals	$ **215,751**	$ **383,893**	$ **599,644**

c) SBITA payable (lessee)

The Authority is using IT software specified in the Authority's contracts, to which the Authority has control of the right to use another party's IT software alone or in combination with a tangible capital assets (with underlying IT assets). The future principal and interest lease payments that are included in the measurement of the lease payable, as of June 30, 2023, are as follows (in thousands):

Years	Principal		Interest		Total	
2024	$	3,952	$	412	$	4,364
2025		2,612		287		2,899
2026		2,152		217		2,369
2027		1,603		158		1,761
2028		943		119		1,062
2029-2033		3,872		263		4,135
Total	**$**	**15,134**	**$**	**1,456**	**$**	**16,590**

9. Risk Management

The Authority, as mandated by the 1978 Trust Agreement, maintains a self-insurance account for general liability and workers compensation within the Operating Fund. The self-insurance accruals are determined based on insurance claim history and actuarial estimates needed to pay prior and current-year claims. The accrued liability was approximately $14.1 million and $12.8 million as of June 30, 2023 and 2022, respectively, and is included as a component of accrued expenses in the accompanying financial statements. This liability is fully funded as of June 30, 2023 and 2022.

Changes in the accrued liability accounts, related to self-insurance, in fiscal year 2023, 2022, were as follows (in thousands):

		2023		2022
Liability balance, beginning of year	$	12,794	$	10,480
Provision to record estimated losses		7,497		7,005
Payments		(6,149)		(4,691)
Liability balance, end of year	$	14,142	$	12,794

As part of its normal operations, the Authority encounters the risk of accidental losses stemming from third party liability claims, property loss or damage, and job-related injuries and illnesses. In managing these loss exposures, a combination of risk management measures is applied, including safety and loss prevention programs, emergency planning, contractual risk transfer, self-insurance, and insurance.

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In connection with the self-insurance and insurance programs, the Authority retains part of the losses incurred and internally manages the self-insured claims. The self-insured retention currently includes: $1.0 million for worker's compensation per job related accident for Authority employees and International Longshoreman's Association Members; $5,000 per occurrence for automobile liability; aviation general liability and airport terrorism insurance; $0.25 million for airside incidents and for non-airside auto losses; $25 thousand for Comprehensive Marine Liability, Terminal Operator's Liability, Stevedore's liability; and $1.0 million plus 10% of the first $50 million layer for property losses per occurrence. Insurance is purchased above the self-insured amounts, subject to availability and the reasonableness of cost. Liabilities for self-insured claims are reported if it is probable that a loss has been incurred and the amount can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported at year-end and are based on the historical cost of settling similar claims. The Authority records such liabilities as accrued expenses. The Authority from time to time is engaged in various matters of routine litigation. These matters include personal injury and property damage claims for which the Authority's liability is covered in whole or in part by insurance. The Authority does not expect that these matters will require any amounts to be paid which in the aggregate would materially affect the financial statements.

Settled claims resulting from the risks discussed above have not exceeded the amount of insurance coverage in force in any of the past three fiscal years.

10. Payments in Lieu of Taxes

The Authority's Enabling Act and the 1978 Trust Agreement authorize and direct the Authority, subject to certain standards and limitations, to enter into agreements to make annual payments in lieu of taxes to the City of Boston and the Town of Winthrop (collectively, the "PILOT Agreements").

The PILOT Agreements provide that annual payments may not exceed the balance of revenues remaining after deposits to pay operating expenses, required deposits to the Interest and Sinking Fund and required deposits to the Maintenance Reserve Fund.

Pursuant to the terms of the amended payment–in-lieu-of-taxes agreement between the Authority and the City of Boston (the "Boston PILOT Agreement"), and at the City of Boston's election, the Boston PILOT Agreement terminated on June 30, 2022. The Authority continues to make payments in accordance with the terms of the Agreement pending further communication from the City. The parties expect to commence negotiations on a successor agreement or an amendment to the existing Agreement. The Boston PILOT Agreement provided for the Authority to pay an annual base amount (the "Base Amount") of $14.0 million, which, commencing in fiscal year 2007, increased annually by the annual percentage change in the consumer price index, provided that such increase shall be no less than 2% nor greater than 8% per year and a community portion (the "Community Portion").

Pursuant to the terms of the amended and restated payment-in-lieu-of-taxes agreement between the Authority and the Town of Winthrop (the "Winthrop PILOT Agreement"), the Winthrop PILOT Agreement expires June 30, 2025. The Winthrop PILOT Agreement was amended in November 2018, and pursuant thereto the Authority expects to make adjusted annual payments for the remainder of the term, commencing with a payment of $1.4 million in fiscal year 2019 and increasing annually to $2.0 million by fiscal year 2025, as well as an additional community portion.

PILOT expenses to the City of Boston for fiscal years 2023 and 2022 were $21.4 million and $20.0 million, respectively. PILOT expenses to the Town of Winthrop for fiscal years 2022 and 2021 were $1.8 million and $1.7 million, respectively.

11. Commitments

a) *Contractual Obligations for Construction*

The Authority enters into construction contracts with various construction and engineering companies. Construction contracts outstanding were approximately $367.8 million and $299.0 million as of June 30, 2023 and 2022, respectively.

b) *Seaport Bond Bill*

The Seaport Bond Bill was enacted in 1996 and among other things, provides for funding improvements to the Massachusetts rail transportation network allowing rail shipment of double stack cargo from Allston Yards in Boston to points west, which is anticipated to encourage expanded container shipments through the Port of Boston. The Seaport Bond Bill requires that the Authority provides up to fifty percent (50%) of the cost of improvements to the rail line from Framingham to the Allston Yard in Boston to permit double stack shipments. Expenditure of funds will not occur until the execution of a Master Agreement, as defined by the statute, between the Commonwealth and the participating railroads. The Authority believes that the likelihood that any such Master Agreement will be executed, and Authority funds committed for double stack improvements within the next fiscal year is remote.

c) *Boston Harbor Dredging Project*

During fiscal year 2018, the Authority entered into an agreement with the Department of the Army and The Commonwealth of Massachusetts, Department of Transportation related to the Boston Harbor Deep Draft Improvement Project and the construction of the Dredged or excavated Material Facility at Boston Harbor, Massachusetts. This project includes the deepening and widening of the Broad Sound North Channel to 51 feet, the deepening and widening of the Main Ship Channel (MSC) and Reserve Channel Turning Basin to 47 feet. The non-federal share is split between the Authority and the Commonwealth. The Boston Harbor Deepening Project was completed in June 2022.

12. Litigation

The Authority is engaged in numerous matters of routine litigation. These matters include personal injury and property damage claims for which the Authority's liability is covered in whole or in part by insurance. Others include such matters as disputes with contractors, subcontractors, engineers and others arising out of construction and maintenance of the Authority's properties; disputes over leases and concessions; property, theft and damage claims arising from the Authority's operations, employment matters and workers compensation, as to which the Authority

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is self-insured. The Authority does not expect that these matters will require any amounts to be paid which, in the aggregate, will be material to the results of operations.

13. Federal Grants

The Authority participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. In the opinion of the Authority's management, liabilities resulting from such disallowed expenditures, if any, will not be material to the accompanying financial statements.

In fiscal year 2023 the Authority recognized $24.9 million in contributed capital, which consists mainly of federal and state capital grants. This is a $31.7 million decrease from the year prior as reimbursements for certain projects from the Commonwealth, the FAA AIP grant program and the U.S. Department of Transportation Maritime Administration (MARAD) FASTLANE and BUILD grants reimbursements were lower as projects advanced towards completion. During the year the Authority received FAA AIP grants for airport runway and taxiway improvements ($11.8 million) and MARAD funding for investment in the Conley Terminal modernization initiative ($7.7 million).

In fiscal year 2022 contributed capital was $56.6 million, a $5.3 million decrease from the year prior. The Authority received capital contributions for certain projects from the Commonwealth, the FAA AIP grant program and the MARAD FASTLANE and BUILD grants. The Authority received FAA AIP grants for airport runway and taxiway improvements ($8.6 million) and MARAD funding for the Conley Terminal modernization initiative ($10.5 million). The Commonwealth provided contributed capital to partially finance the construction costs for Berth 10 and three cranes at Conley Terminal ($37.5 million).

In fiscal year 2023, the Authority was awarded $146.7 million of federal American Rescue Plan ("ARPA") Act funding under the Airport Coronavirus Response Grant Program to help offset the financial impact of the COVID-19 pandemic. The Authority recognized $33.7 million and $113.0 million at June 30, 2023 and June 30, 2022 respectively.

In fiscal year 2021, the Authority was awarded $36.9 million of federal Coronavirus Response and Relief Appropriations ("CRRSA") Act funding under the Airport Coronavirus Response Grant Program to help offset the financial impact of the COVID-19 pandemic. The Authority recognized $2.5 million and $34.4 million in revenue for the years ended June 30, 2022 and 2021, respectively.

These two COVID-19 pandemic grants are reported as a component of other non-operating revenues.

14. Pollution Remediation Obligation

The Authority is currently involved in six separate pollution remediation obligations that meet the requirements for accounting treatment under GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations ("GASB No. 49"). These obligations are generally related to the removal and/or treatment of contaminated soil, groundwater and petroleum products associated with fuel storage and conveyance. GASB No. 49 dictates that for each obligating event, an estimate of the expected pollution remediation outlays is required to be accrued as a liability and expensed in the current period. Re-measurement of the liability is required when new information indicates increases or decreases in estimated outlays.

The estimated liability as of June 30, 2023 and 2022 is $6.8 million and $2.3 million, respectively, which represents the approximate amounts the Authority expects to pay for future remediation activities. The Authority paid approximately $1.2 million and $0.1 million in fiscal years 2023 and 2022, respectively. This estimate was generated using input and guidance from internal management and professional consultants, and represents a wide array of remediation activities ranging from onetime events to longer-term sustained monitoring activity. The Authority will continue to closely monitor each of these obligations, working toward regulatory closure, and will make any necessary adjustments to the potential liability as new information becomes available.

15. Interagency Agreements

a) Investment in Joint Venture

In May 1996, the Authority entered into an interagency agreement with the Massachusetts Highway Department ("MHD") and the Massachusetts Bay Transportation Authority ("MBTA") for the construction of a Regional Transportation Center ("RTC") in Woburn, Massachusetts (the "Interagency Agreement"). Under the terms of the Interagency Agreement, the Authority paid one third of the costs of acquiring the site and constructing the RTC and now shares in a like proportion in the profits and losses of the RTC, which opened in 2001. During fiscal years 2023 and 2022, the Authority recognized a net profit of approximately $182.6 thousand and a net loss of $16.0 thousand, respectively, representing its share of the net loss or earnings of the RTC.

b) Logan Airport Silver Line Transportation Agreement

The Authority entered into an agreement with the MBTA to provide public transportation between South Station in Boston, Massachusetts and Logan Airport along a route called the Silver Line. Under the agreement, the Authority is responsible for a proportionate share (76.06%) of the operations and maintenance of the Silver Line service based on the amount of vehicle miles traveled between Logan Airport's terminals and the MBTA's south Boston World Trade center passenger facility, as well as bus acquisition costs. During fiscal year 2023, the Authority paid $2.87 million to operate and maintain the Silver Line service and $13.5 million to acquire eight new enhanced electric buses. In fiscal year 2022, the Authority paid $2.82 million to operate and maintain this service.

MASSACHUSETTS PORT AUTHORITY

Required Supplementary Information (Unaudited)

Schedule of Pension Contributions

(In thousands)

For the years ending June 30,	2023	2022	2021	2020	2019
Actuarially determined contribution	$ 8,340	$ 11,695	$ 14,642	$ 12,029	$ 13,043
Actual contribution in relation to the actuarially determined contribution	8,340	11,695	14,642	12,029	13,043
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 119,308	$ 107,861	$ 117,317	$ 125,749	$ 117,686
Contributions as a percentage of covered payroll	7.0%	10.8%	12.5%	9.6%	11.1%

For the years ending June 30,	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 13,362	$ 13,552	$ 10,845	$ 11,146	$ 11,960
Actual contribution in relation to the actuarially determined contribution	13,362	13,552	10,845	11,146	11,960
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 111,749	$ 109,652	$ 101,216	$ 96,686	$ 91,007
Contributions as a percentage of covered payroll	12.0%	12.4%	10.7%	11.5%	13.1%

Notes to Schedule

Valuation date: Actuarially determined contribution rates are calculated based on valuations as of January 1, 12 months prior to the end of the Trust's fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Frozen entry age
Amortization method	20 year Level, closed
Remaining amortization period	Multiple bases with remaining periods from 4 to 20 years
Asset valuation method	Fair value of assets using a five year smoothing period.
Inflation rate	3.0%
Salary increases	4.25% for 2022 and 2021
Investment rate of return / discount rate	6.75% and 7.0%, net of plan investment expenses for 2022 and 2021, respectively
Retirement age	2019 valuation changed based on an experience study. In the 2013 valuation, additional retirement assumptions were added for employees hired after April 1, 2012 and subject to pension reform and the assumption was changed due to an experience study. In the 2008 valuation the retirement assumption was extended to age 70 for Group 1 employees.
Disability and withdrawal	Changed in 2019 and 2013 due to an experience study.

Mortality - 2022

Pre-Retirement:	Pub-2010 Table Healthy Employees (sex-distinct) projected with MP2021 Generational Mortality. Separate tables for Groups 1 & 2 (General Employees) and for Group 4 (Public Safety).
Post-Retirement:	Pub-2010 healthy annuitant Table (sex-distinct) projected with MP2021 Generational Mortality. Group distinctions apply as with actives.
Disabled:	Pub-2010 Table for disabled lives (sex-distinct) projected with MP2021 Generational Mortality was used. Mortality for accidental disability is assumed to be 50% from the same cause as the disability. Separate tables for Groups 1 & 2 and for Group 4.

Mortality - 2021

Healthy:	RP2014 at 2006 Table Healthy Employees (sex-distinct) projected with MP2020 Generational Mortality Post-retirement the RP2014 healthy annuitant Table (sex-distinct) projected with MP2020 Generational Mortality
Disabled:	RP2014 at 2006 healthy annuitant Table (sex-distinct) projected with MP2020 Generational Mortality set-forward 2 years. Mortality for accidental disability is assumed to be 50% from the same cause as the disability

Other information

The Cost-of-Living base is assumed to be $14,000. Annual Cost-of-Living increases are assumed to be 3.0% of the lesser of the base or annual benefits.

Changed in the 2013 valuation due to an experience study.
In the 2013 valuation, mortality was changed to RP2000 projected generationally with scale BB.
In the 2012 valuation, mortality was changed to RP2000 projected 22 years using scale AA.
In the 2009, 2010 and 2011 valuations mortality was changed to RP2000 projected nine, ten and eleven years, respectively, using scale AA.

In the 2012 valuation the superannuation retirement liability and normal cost for actives was increased by 1.25% to reflect vacation buybacks. This provision was removed in the 2019 valuation, and replaced with a liability for return of related contributions.

As of January 1, 2016, employees hired after September 30, 2009 are not eligible for post-retirement medical insurance until age 60, retirement age begins at age 60 with 10 years of service.

As of January 1, 2013, the mortality assumption was changed to the RP2000 Generational Table and the retirement, disability and withdrawal assumptions were changed based on an experience study.

As of January 1, 2012, the mortality assumption was changed to the RP2000 Table projected forward 22 years with Scale AA, interest rate changed to 7.625% (from 7.75%) and salary rate to 4.50% (from 4.75%). Vacation buyback factor was increased from 1.00% to 1.25%.

Employees of Group 4 were assumed to retire at the later of age 56 and 10 years of service.

MASSACHUSETTS PORT AUTHORITY

Required Supplementary Information (Unaudited)

Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios

(In thousands)

For the years ending December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
TOTAL PENSION LIABILITY										
Service cost	$ 19,438	$ 18,994	$ 17,335	$ 17,529	$ 16,774	$ 16,419	$ 15,920	$ 14,875	$ 13,056	$ 12,516
Interest	56,300	55,140	53,204	51,734	49,569	47,341	44,962	41,160	40,956	38,660
Change in benefit terms	-	-	-	-	(4,891)	-	-	-	-	-
Differences between expected and actual experience	(28,554)	(463)	5,846	15	749	(1,474)	2,592	(1,395)	1,929	-
Change of assumptions	17,634	14,881	15,574	(13,789)	-	-	(1,479)	24,098	-	-
Benefit payments, including refunds of employee contributions	(42,708)	(42,550)	(36,952)	(33,101)	(33,087)	(30,731)	(28,604)	(26,106)	(24,357)	(22,708)
Net change in total pension liability	22,110	46,002	55,007	22,388	29,114	31,555	33,391	52,632	31,584	28,468
Total pension liability - beginning	835,994	789,992	734,985	712,597	683,483	651,928	618,537	565,905	534,321	505,853
Total pension liability - ending	$ 858,104	$ 835,994	$ 789,992	$ 734,985	$ 712,597	$ 683,483	$ 651,928	$ 618,537	$ 565,905	$ 534,321
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 8,340	$ 11,695	$ 14,642	$ 12,029	$ 13,043	$ 13,362	$ 13,552	$ 10,845	$ 11,146	$ 11,960
Contributions - employee	11,841	10,905	13,100	12,576	11,559	11,242	10,660	9,948	9,628	9,112
Net Investment Income	(130,526)	122,486	113,321	118,235	(31,212)	92,226	42,565	(4,572)	32,062	65,818
Benefit payments, including refunds of employee contributions	(42,708)	(42,550)	(36,952)	(33,101)	(33,087)	(30,731)	(28,604)	(26,106)	(24,357)	(22,707)
Administrative expense	(1,240)	(1,205)	(1,152)	(1,216)	(1,182)	(1,149)	(1,189)	(1,189)	(1,417)	(957)
Net change in plan fiduciary net position	(154,293)	101,331	102,959	108,523	(40,879)	84,950	36,984	(11,074)	27,062	63,226
Plan fiduciary net position - beginning	920,490	819,159	716,200	607,677	648,556	563,606	526,622	537,696	510,634	447,408
Plan fiduciary net position - end	$ 766,197	$ 920,490	$ 819,159	$ 716,200	$ 607,677	$ 648,556	$ 563,606	$ 526,622	$ 537,696	$ 510,634
Massport net pension liability (asset) - ending	$ 91,907	$ (84,496)	$ (29,167)	$ 18,785	$ 104,920	$ 34,927	$ 88,322	$ 91,915	$ 28,209	$ 23,687
Plan fiduciary net position as a percentage of the total pension liability (asset)	89.3%	110.1%	103.7%	97.4%	85.3%	94.9%	86.5%	85.1%	95.0%	95.6%
Covered payroll	112,199	126,887	128,613	119,262	114,541	114,385	112,167	99,190	99,113	90,042
Massport's net pension liability (asset) as a percentage of covered payroll	81.9%	-66.6%	-22.7%	15.8%	91.6%	30.5%	78.7%	92.7%	28.5%	26.3%

Note to Schedule

This schedule is presented based on a measurement date that is 6 months in arrears.

Benefit changes

2018 - Cost-of-Living adjustments increased, resulting in an increased net pension liability totaling $3.0 million. Additionally, vacation buybacks were no longer includable in pensionable earnings, resulting in a decreased net pension liability totaling $7.9 million.

Changes in assumptions

2022 - The mortality assumption was changed to the Pub-2010 Tables. This assumption change resulted in an increased net pension liability totaling $17.6 million.

2021 - The interest rate was changed from 7.0% to 6.75%. The mortality improvement scale was changed from MP2018 to MP2021. Rates of retirement and withdrawal rates were adjusted for 2021 only to reflect the impact of the COVID-19 pandemic. The net of these changes resulted in an increased total pension liability totaling $14.9 million.

2020 - The interest rate was changed to 7.0% from 7.25%. The salary increase assumption was changed to 4.25% from 4.5%. Compensation limits under Section 401(a) were recognized. The net of these changes resulted in an increased total pension liability totaling $15.6 million.

2019 - The mortality assumption was changed to the RP2014 at 2006 Table Healthy Employees (sex-distinct) projected with MP2018 Generational Mortality. The withdrawal, retirement and disability assumptions were also changed. These assumption changes resulted in a decreased net pension liability totaling $13.8 million.

2016 - The minimum retirement age increased to age 60 for post 9/30/2009 hires, resulting in a decreased net pension liability totaling $1.5 million.

2015 - Discount rate decreased from 7.625% to 7.25%, resulting in an increased net pension liability totaling $24.1 million.

MASSACHUSETTS PORT AUTHORITY
Required Supplementary Information (Unaudited)
Schedule of Pension Investment Returns

	December 2022	December 2021	December 2020	December 2019	December 2018
Annual money-weighted rate of return, net of investment expense	(14.41)%	16.13 %	16.14 %	19.64 %	(4.83)%

	December 2017	December 2016	December 2015	December 2014	December 2013
Annual money-weighted rate of return, net of investment expense	16.51 %	8.14 %	(0.82)%	6.36 %	14.80 %

Massport partners with MassCEC to increase the EV fleet in the rental car and the ride-for-hire business at Boston Logan.

MASSACHUSETTS PORT AUTHORITY
Required Supplementary Information (Unaudited)
Schedule of OPEB Contributions

	June 2023	June 2022	June 2021	June 2020	June 2019
Actuarially determined contribution (ADC)	$ 10,857	$ 13,014	$ 20,294	$ 19,482	$ 15,725
Contributions in relation to the ADC:					
Premium implicit subsidy contribution	2,021	2,068	1,807	1,532	1,611
Authority contribution	9,100	10,946	20,447	13,341	18,398
Contribution deficiency (excess	$ (264)	$ —	$ (1,960)	$ 4,609	$ (4,284)

	June 2018	June 2017	June 2016	June 2015	June 2014
Actuarially determined contribution	$ 15,177	$ 18,084	$ 14,390	$ 13,187	$ 14,738
Contributions in relation to the ADC:					
Premium implicit subsidy contribution	1,555	1,487	1,260	1,905	2,370
Authority contribution	15,682	14,300	12,000	12,000	14,000
Contribution deficiency (excess	$ (2,060)	$ 2,297	$ 1,130	$ (718)	$ (1,632)

Methods and assumptions used to determine contribution rates:

Valuation date:	January 1, 2022
Actuarial cost method:	Entry Age Normal
Amortization method:	20 years from FY 2018, 15 years remaining (open after 10 years) increasing from 0-3% annually
Asset valuation method:	5 years smoothing of market value gains/ losses; prior to 2018 Market value of assets.
Inflation:	2.5%
Salary increases:	4.25%, including inflation
Investment rate of return:	6.75%, net of plan investment expenses as of December 31, 2022 and 2021, respectively 7.00%, net of plan investment expenses as of January 01, 2021 7.25% per year as of July 1, 2019
Health care trend rates	Initial annual health care cost trend rate range of 3.0% to 8.4% which decreases to a long-term trend rate between 5.0% and 6.0% for all health care benefits after ten years. The initial annual dental cost trend rates range from 5.0% to 7.0% which decrease to a long term trend rate of 5.0% for all dental benefits after ten years.
Mortality:	The PUB-2010 Headcount-weighted Mortality Tables, sex-distinct, for Employees projected using generational mortality and scale MP-2021; General (Groups 1&2 and Spouses), Safety (Group 4).

Notes to Schedule

Benefit changes - none

Changes in assumptions :

Prior mortality was as follows:
Actives - RP 2014 Tables adjusted to 2006, (sex distinct), for Employees projected using Generational Mortality and scale MP - 2021.
Retirees - RP 2014 Tables adjusted to 2006, (sex distinct), for Healthy Annuitants projected using Generational Mortality and scale MP - 2021.
Disabled - RP 2014 Table adjusted to 2006, (sex distinct), for Healthy Annuitants projected using Generational Mortality and scale MP - 2021. Set forward 2 years.

Actives - RP 2014 Tables adjusted to 2006, (sex distinct), for Employees projected using Generational Mortality and scale MP - 2020.
Retirees - RP 2014 Tables adjusted to 2006, (sex distinct), for Healthy Annuitants projected using Generational Mortality and scale MP - 2020.
Disabled - RP 2014 Table adjusted to 2006, (sex distinct), for Healthy Annuitants projected using Generational Mortality and scale MP - 2020. Set forward 2 years.

Actives - RP 2014 Tables adjusted to 2006, (sex distinct), for Employees projected using Generational Mortality and scale MP - 2018.
Retirees - RP 2014 Tables adjusted to 2006, (sex distinct), for Healthy Annuitants projected using Generational Mortality and scale MP - 2018.
Disabled - RP 2014 Table adjusted to 2006, (sex distinct), for Healthy Annuitants projected using Generational Mortality and scale MP - 2018. Set forward 2 years.

Actives - RP 2000 Mortality Tables, (sex distinct), for Employees projected using generational mortality and scale BB using a base year of 2000 .
Retirees - RP 2000 Mortality Tables, (sex distinct), for Healthy Annuitants projected using generational mortality and scale BB using a base year of 2000 .
Disabled - RP 2000 Tables (sex distinct), for Healthy Annuitants projected using generational mortality and scale BB. Set forward 2 years.

As of January 1, 2019, the effects of the "Cadillac Tax" on liabilities was eliminated.

As of January 1, 2018, the scales used to convert the premiums to age weighted claim costs were updated and the effect of the “Cadillac Tax” on liabilities was recognized.

Mortality table changes from Scale AA to BB in FY 2017.

MASSACHUSETTS PORT AUTHORITY
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios
(in thousands)

	December 2022	December 2021	December 2020	December 2019 *	June 2018	June 2017	June 2016
Total OPEB liability:							
Service cost	$ 6,131	$ 5,591	$ 6,103	$ 9,022	$ 6,692	$ 6,405	$ 5,891
Interest	24,427	23,695	24,569	37,032	23,870	22,693	20,285
Differences between expected and actual experience	(19,748)	(1,058)	(16,263)	(7,968)	(17,359)	—	18,841
Change of assumptions	4,381	10,488	(11,751)	(3,552)	8,575	—	—
Benefits payments	(16,223)	(15,557)	(13,692)	(20,432)	(13,428)	(12,643)	(11,987)
Net change in total OPEB liability	(1,032)	23,159	(11,034)	14,102	8,350	16,455	33,030
Total OPEB liability – beginning	363,851	340,692	351,726	337,624	329,274	312,819	279,789
Total OPEB liability – ending (a)	$ 362,819	$ 363,851	$ 340,692	$ 351,726	$ 337,624	$ 329,274	$ 312,819
Trust fiduciary net position:							
Contributions – employer	16,617	23,422	10,552	29,668	17,237	15,787	13,340
Contributions – employees	453	398	319	468	279	248	209
Net investment income	(49,785)	38,880	36,052	31,460	13,755	19,829	2,348
Benefits payments	(16,676)	(15,955)	(14,010)	(20,900)	(13,428)	(12,643)	(11,987)
Administrative expenses	(216)	(232)	(222)	(332)	(184)	(173)	(172)
Net change in fiduciary net position	(49,607)	46,513	32,691	40,364	17,659	23,048	3,738
Trust fiduciary net position – beginning	322,643	276,130	243,439	203,075	185,416	162,368	158,630
Trust fiduciary net position – ending (b)	$ 273,036	$ 322,643	$ 276,130	$ 243,439	$ 203,075	$ 185,416	$ 162,368
Authority's net OPEB liability – end of year (a-b)	$ 89,783	$ 41,208	$ 64,562	$ 108,287	$ 134,549	$ 143,858	$ 150,451
Trust fiduciary net position as a percentage of the total OPEB liability	75.3%	88.7%	81.0%	69.2%	60.1%	56.3%	51.9%
Covered payroll	$ 134,761	$ 127,740	$ 141,877	$ 125,822	$ 140,995	$ 135,585	$ 131,477
Net OPEB liability as a percentage of covered payroll	66.6%	32.3%	45.5%	86.1%	95.4%	106.1%	114.4%

This schedule is intended to present 10 years of data. Additional years will be presented when available.

Notes to Schedule

In March 2020, the Committee voted to recommend that the Authority's Board change the Trust's fiscal year end from June 30 to December 31. The Board approved the change in May 2020. The measurement date for 2020 is 6 months in arrears and previous periods are 1 year in arrears.

* Data represents eighteen months.

Benefit changes - none
Changes in assumptions :
The discount rate was changed from 7.00% as of 01/01/2021 to 6.75% as of 12/31/2021 and as of 12/31/2022.

As of January 1, 2022, the PUB-2010 Headcount-weighted Mortality Tables, sex-distinct, for Employees projected using generational mortality and scale MP-2021; General (Groups 1&2 and Spouses), Safety (Group 4)

As of January 1, 2021, the mortality assumptions for Actives and Retirees was changed to the RP-2014 Table adjusted to 2006, sex distinct, using generational mortality and scale MP-2021 and the disability assumptions were changed as above, set forward 2 years.

As of January 1, 2020, the mortality assumptions for Actives and Retirees was changed to the RP-2014 Table adjusted to 2006, sex distinct, using generational mortality and scale MP-2020 and the disability assumptions were changed as above, set forward 2 years.

As of January 1, 2019, the effect of the "Cadillac Tax" on liabilities was eliminated.

As of January 1, 2018, the scales used to convert the premiums to age weighted claim costs were updated and the effect of the "Cadillac Tax" on liabilities was recognized.

OPEB liabilities as of December 31, 2020 no longer include an estimate of the impact from the Patient Protection and Affordable Care Act (PPACA), including the so-called "Cadillac Tax".

MASSACHUSETTS PORT AUTHORITY
Required Supplementary Information (Unaudited)
Schedule of OPEB Investment Returns

	December 2022	December 2021	December 2020	December 2019	June 2019	June 2018	June 2017	June 2016
Annual money-weighted rate of return, net of investment expense	(15.33)%	13.84 %	14.07 %	14.12 %	7.64 %	7.32 %	11.88 %	1.53 %

Note: This schedule is intended to present 10 years of data. Additional years will be presented when available.

Worcester Regional Airport served a record number of passengers under Massport ownership in FY23 with services from JetBlue, American Airlines and Delta Air Lines.

MASSACHUSETTS PORT AUTHORITY

Schedule I

Combining Statement of Net Position

Proprietary Fund Type – Enterprise Fund

June 30, 2023

(In thousands)

	Authority Operations	PFC Program	CFC Program	Combined Totals
Assets				
Current assets:				
Cash and cash equivalents	$ 112,441	$ —	$ —	$ 112,441
Investments	256,908	—	—	256,908
Restricted cash and cash equivalents	415,339	41,351	18,749	475,439
Restricted investments	239,031	81,502	28,637	349,170
Accounts receivable				
Trade, net	59,144	13,145	3,361	75,650
Lease receivable	37,506	—	—	37,506
Grants	23,914	—	—	23,914
Total receivables, net	120,564	13,145	3,361	137,070
Prepaid expenses and other assets	12,337	—	41	12,378
Total current assets	1,156,620	135,998	50,788	1,343,406
Noncurrent assets:				
Investments	646,739	—	—	646,739
Restricted investments	494,427	42,062	38,429	574,918
Lease receivable	2,150,964	—	—	2,150,964
Accrued lease Interest receivable	42,397	—	—	42,397
Accounts receivable, long-term	—	—	—	—
Prepaid expenses and other assets, long-term	6,124	—	497	6,621
Investment in joint venture	3,004	—	—	3,004
Capital assets-not being depreciated	968,822	—	1,871	970,693
Capital assets-being depreciated-net	3,004,613	282,604	188,110	3,475,327
Total noncurrent assets	7,317,090	324,666	228,907	7,870,663
Total assets	8,473,710	460,664	279,695	9,214,069
Deferred outflows of resources				
Deferred loss on refunding of bonds	8,984	—	—	8,984
Pension related	109,311	—	—	109,311
OPEB related	47,419	—	—	47,419
Total deferred outflows of resources	165,714	—	—	165,714
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	231,921	167	863	232,951
Compensated absences	1,087	—	—	1,087
Contract retainage	14,512	—	—	14,512
Current portion of long-term debt	91,569	—	4,920	96,489
Accrued interest on bonds payable	57,932	—	3,629	61,561
Accrued interest on leases payable	3,145			3,145
Lease liability	13,039			13,039
Unearned revenues	11,247	—	—	11,247
Total current liabilities	424,452	167	9,412	434,031
Noncurrent liabilities				
Accrued expenses	32,744	—	209	32,953
Compensated absences	13,902	—	—	13,902
Net pension liability	91,907	—	—	91,907
Net OPEB liability	89,783	—	—	89,783
Contract retainage	8,005	—	—	8,005
Long-term debt, net	2,892,732	—	110,715	3,003,447
Long term lease liability	217,846			217,846
Unearned revenues	504	—	—	504
Total noncurrent liabilities	3,347,423	—	110,924	3,458,347
Total liabilities	3,771,875	167	120,336	3,892,378
Deferred inflows of resources				
Deferred gain on refunding of bonds	21,444	—	—	21,444
Lease related	2,183,858			2,183,858
Pension related	28,455	—	—	28,455
OPEB related	34,142	—	—	34,142
Total deferred inflows of resources	2,267,899	—	—	2,267,899
Net position				
Net investment in capital assets	930,875	282,604	92,352	1,305,831
Restricted for other purposes				
Bond funds	295,253	—	—	295,253
Project funds	691,089	—	—	691,089
Passenger facility charges	—	177,893	—	177,893
Customer facility charges	—	—	67,007	67,007
Other purposes	34,093	—	—	34,093
Total restricted	1,020,435	177,893	67,007	1,265,335
Unrestricted	648,340	—	—	648,340
Total net position	$ 2,599,650	$ 460,497	$ 159,359	$ 3,219,506

Schedule II

MASSACHUSETTS PORT AUTHORITY

Combining Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Fund Type – Enterprise Fund

Year ended June 30, 2023

(In thousands)

	Authority Operations	PFC Program	CFC Program	Combined Totals
Operating revenues:				
Aviation rentals	$ 313,696	$ —	$ —	$ 313,696
Aviation parking	198,511	—	—	198,511
Aviation shuttle bus	18,919	—	—	18,919
Aviation fees	171,191	—	—	171,191
Aviation concessions	157,425	—	—	157,425
Aviation operating grants and other	3,617	—	—	3,617
Maritime fees, rentals and other	89,464	—	—	89,464
Real estate fees, rents and other	47,346	—	—	47,346
Total operating revenues	1,000,169	—	—	1,000,169
Operating expenses:				
Aviation operations and maintenance	316,848	—	—	316,848
Maritime operations and maintenance	60,507	—	—	60,507
Real estate operations and maintenance	18,381	—	—	18,381
General and administrative	64,292	—	—	64,292
Payments in lieu of taxes	23,206	—	—	23,206
Pension and other post-employment benefits	24,710	—	—	24,710
Other	16,956	—	—	16,956
Total operating expenses before depreciation and amortization	524,900	—	—	524,900
Depreciation and amortization	264,130	51,209	14,663	330,002
Total operating expenses	789,030	51,209	14,663	854,902
Operating income (loss)	211,139	(51,209)	(14,663)	145,267
Nonoperating revenues and (expenses):				
Passenger facility charges	—	80,106	—	80,106
Customer facility charges	—	—	30,824	30,824
Lease interest income	44,070	—	—	44,070
Investment income on investments	55,825	4,979	1,898	62,702
Net (decrease) in the fair value of investments	(16,135)	(512)	(452)	(17,099)
Other revenues	37,798	—	49	37,847
PFC debt service contribution	14,684	(14,684)	—	—
Other expenses	—	—	(116)	(116)
Gain on sale of equipment	160	3	—	163
Interest expense on leases	(3,605)	—	—	(3,605)
Interest expense on financing	(101,817)	—	(7,300)	(109,117)
Total nonoperating revenue, net	30,980	69,892	24,903	125,775
Increase in net position before capital contributions	242,119	18,683	10,240	271,042
Capital contributions	24,888	—	—	24,888
Increase in net position	267,007	18,683	10,240	295,930
Net position, beginning of year	2,332,643	$ 441,814	$ 149,119	2,923,576
Net position, end of year	$ 2,599,650	$ 460,497	$ 159,359	$ 3,219,506

MASSACHUSETTS PORT AUTHORITY

Combining Statement of Net Position

Proprietary Fund Type – Enterprise Fund

June 30, 2022

(In thousands)

Schedule III

	Authority Operations	PFC Program	CFC Program	Combined Totals
Assets				
Current assets:				
Cash and cash equivalents	$ 201,136	$ —	$ —	$ 201,136
Investments	221,354	—	—	221,354
Restricted cash and cash equivalents	267,417	46,295	18,432	332,144
Restricted investments	244,952	48,104	6,216	299,272
Accounts receivable				
Trade, net	80,864	8,784	2,993	92,641
Lease receivable	29,165	—	—	29,165
Grants	87,676	—	—	87,676
Total receivables, net	197,705	8,784	2,993	209,482
Prepaid expenses and other assets	11,108	—	42	11,150
Total current assets	1,143,672	103,183	27,683	1,274,538
Noncurrent assets:				
Investments	520,000	—	—	520,000
Restricted investments	370,387	5,004	45,863	421,254
Lease receivable	2,019,965	—	—	2,019,965
Accrued lease Interest receivable	25,595	—	—	25,595
Accounts receivable, long-term	5,855	—	—	5,855
Prepaid expenses and other assets, long-term	6,773	—	539	7,312
Investment in joint venture	2,822	—	—	2,822
Net pension asset	84,496	—	—	84,496
Capital assets-not being depreciated	984,369	—	1,136	985,505
Capital assets-being depreciated-net	2,938,597	333,813	199,368	3,471,778
Total noncurrent assets	6,958,859	338,817	246,906	7,544,582
Total assets	8,102,531	442,000	274,589	8,819,120
Deferred outflows of resources				
Deferred loss on refunding of bonds	10,305	—	—	10,305
Pension related	28,380	—	—	28,380
OPEB related	18,010	—	—	18,010
Total deferred outflows of resources	56,695	—	—	56,695
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	241,162	186	1,185	242,533
Compensated absences	1,108	—	—	1,108
Contract retainage	8,958	—	—	8,958
Current portion of long-term debt	33,248	—	4,620	37,868
Accrued interest on bonds payable	55,130	—	3,772	58,902
Accrued interest on leases payable	1,143			1,143
Lease liability	11,015			11,015
Unearned revenues	7,736	—	—	7,736
Total current liabilities	359,500	186	9,577	369,263
Noncurrent liabilities				
Accrued expenses	13,758	—	258	14,016
Compensated absences	14,175	—	—	14,175
Net OPEB liability	41,209	—	—	41,209
Contract retainage	12,793	—	—	12,793
Long-term debt, net	2,849,378	—	115,635	2,965,013
Long term lease liability	255,967			255,967
Unearned revenues	4,171	—	—	4,171
Total noncurrent liabilities	3,191,451	—	115,893	3,307,344
Total liabilities	3,550,951	186	125,470	3,676,607
Deferred inflows of resources				
Deferred gain on refunding of bonds	23,654	—	—	23,654
Lease related	2,079,959			2,079,959
Pension related	112,118	—	—	112,118
OPEB related	59,901	—	—	59,901
Total deferred inflows of resources	2,275,632	—	—	2,275,632
Net position				
Net investment in capital assets	1,080,078	333,813	98,885	1,512,776
Restricted for other purposes				
Bond funds	222,972	—	—	222,972
Project funds	414,678	—	—	414,678
Passenger facility charges	—	108,001	—	108,001
Customer facility charges	—	—	50,234	50,234
Other purposes	28,888	—	—	28,888
Total restricted	666,538	108,001	50,234	824,773
Unrestricted	586,027	—	—	586,027
Total net position	$ 2,332,643	$ 441,814	$ 149,119	$ 2,923,576

MASSACHUSETTS PORT AUTHORITY

Combining Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Fund Type – Enterprise Fund

Year ended June 30, 2022

(In thousands)

Schedule IV

	Authority Operations	PFC Program	CFC Program	Combined Totals
Operating revenues:				
Aviation rentals	$ 290,971	$ —	$ —	$ 290,971
Aviation parking	156,921	—	—	156,921
Aviation shuttle bus	13,391	—	—	13,391
Aviation fees	152,674	—	—	152,674
Aviation concessions	120,333	—	—	120,333
Aviation operating grants and other	3,408	—	—	3,408
Maritime fees, rentals and other	54,175	—	—	54,175
Real estate fees, rents and other	36,076	—	—	36,076
Total operating revenues	827,949	—	—	827,949
Operating expenses:				
Aviation operations and maintenance	270,121	—	—	270,121
Maritime operations and maintenance	48,352	—	—	48,352
Real estate operations and maintenance	15,939	—	—	15,939
General and administrative	51,595	—	—	51,595
Payments in lieu of taxes	21,657	—	—	21,657
Pension and other post-employment benefits	(24,747)	—	—	(24,747)
Other	15,827	—	—	15,827
Total operating expenses before depreciation and amortization	398,744	—	—	398,744
Depreciation and amortization	255,090	52,539	14,750	322,379
Total operating expenses	653,834	52,539	14,750	721,123
Operating income (loss)	174,115	(52,539)	(14,750)	106,826
Nonoperating revenues and (expenses):				
Passenger facility charges	—	66,545	—	66,545
Customer facility charges	—	—	25,473	25,473
Lease interest income	36,706	—	—	36,706
Investment income on investments	14,895	330	436	15,661
Net (decrease) in the fair value of investments	(57,784)	(38)	(2,190)	(60,012)
Other revenues	125,104	—	49	125,153
Terminal A debt service contribution	9,109	(9,109)	—	—
Other expenses	(17)	—	(120)	(137)
Gain on sale of equipment	247	—	—	247
Interest expense on leases	(2,358)	—	—	(2,358)
Interest expense on financing	(96,821)	(79)	(7,586)	(104,486)
Total nonoperating revenue, net	29,081	57,649	16,062	102,792
Increase in net position before capital contributions	203,196	5,110	1,312	209,618
Capital contributions	56,625	—	—	56,625
Increase in net position	259,821	5,110	1,312	266,243
Net position, beginning of year	2,072,822	$ 436,704	$ 147,807	2,657,333
Net position, end of year	$ 2,332,643	$ 441,814	$ 149,119	$ 2,923,576

MASSACHUSETTS PORT AUTHORITY

Schedule V

Combining Statements of Fiduciary Net Position

Fiduciary Funds

June 30, 2023

(in thousands)

	Pension	Retiree Benefit Trust Fund	Total Pension and Retiree Benefit Trust Funds
Assets:			
Cash and cash equivalents	$ 1,113	$ 4,420	$ 5,533
Investments, at fair value:			
Common stocks	11,347	—	11,347
Commingled funds:			
Domestic equity	166,942	103,554	270,496
Fixed income	182,173	82,007	264,180
Opportunistic credit	41,011	—	41,011
International equity	199,313	54,911	254,224
Real estate	68,914	28,359	97,273
Private Equity	93,501	—	93,501
Total investments, at fair value	763,201	268,831	1,032,032
Receivables:			
Plan member contributions	305	—	305
Accrued interest and dividends	20	—	20
Other state retirement plans	1,854	—	1,854
Receivable for securities sold	623	—	623
Other	41	39	80
Total receivables	2,843	39	2,882
Right of use Asset	265	—	265
Total assets	767,422	273,290	1,040,712
Liabilities:			
Payables to other state retirement plans	411	—	411
Other payables	547	254	801
Lease liability	267	—	267
Total liabilities	1,225	254	1,479
Net position:			
Restricted for:			
Pensions	766,197	—	766,197
Postemployment benefits other than pensions	—	273,036	273,036
Total net position	$ 766,197	$ 273,036	$ 1,039,233

Schedule VI

MASSACHUSETTS PORT AUTHORITY

Combining Statements of Change in Fiduciary Net Position

Fiduciary Funds

Year ended June 30, 2023

(in thousands)

	Pension	Retiree Benefit Trust Fund	Total Pension and Retiree Benefit Trust Funds
Additions:			
Contributions:			
Plan members	$ 11,841	$ 453	$ 12,294
Plan sponsor	8,340	14,573	22,913
Total contributions	20,181	15,026	35,207
Intergovernmental:			
Transfers from other state retirement plans	1,137	—	1,137
Section 3(8)(c) transfers, net	1,580	—	1,580
Net intergovernmental	2,717	—	2,717
Investment earnings:			
Interest and dividends	14,379	9,690	24,069
Net appreciation in fair value of investments	(141,684)	(59,262)	(200,946)
Less management and related fees	(3,221)	(213)	(3,434)
Net investment earnings	(130,526)	(49,785)	(180,311)
Total additions	(107,628)	(34,759)	(142,387)
Deductions:			
Retirement benefits	43,718	14,632	58,350
Withdrawals by inactive members	778	—	778
Transfers to other state retirement plans	929	—	929
Administrative expenses	1,238	216	1,454
Total deductions	46,663	14,848	61,511
Net increase in fiduciary net position	(154,291)	(49,607)	(203,898)
Net position - beginning of year	920,488	$ 322,643	1,243,131
Net position - end of year	$ 766,197	$ 273,036	$ 1,039,233

Schedule VII

MASSACHUSETTS PORT AUTHORITY

Combining Statements of Fiduciary Net Position

Fiduciary Funds

June 30, 2022

(in thousands)

	Pension (Restated)	Retiree Benefit Trust Fund	Total Pension and Retiree Benefit Trust Funds
Assets:			
Cash and cash equivalents	$ 933	$ 5,050	$ 5,983
Investments, at fair value:			
Common stocks	12,552	—	12,552
Commingled funds:			
Domestic equity	235,669	134,599	370,268
Fixed income	258,202	90,136	348,338
International equity	234,118	66,607	300,725
Real estate	77,526	26,471	103,997
Private Equity	100,150	—	100,150
Total investments, at fair value	918,217	317,813	1,236,030
Receivables:			
Plan member contributions	267	—	267
Accrued interest and dividends	12	—	12
Other state retirement plans	1,956	—	1,956
Receivable for securities sold	4	—	4
Other	9	35	44
Total receivables	2,248	35	2,283
Right of use Asset	452	—	452
Total assets	921,850	322,898	1,244,748
Liabilities:			
Payables to other state retirement plans	524	—	524
Other payables	384	255	639
Lease liability	454	—	454
Total liabilities	1,362	255	1,617
Net position:			
Restricted for:			
Pensions	920,488	—	920,488
Postemployment benefits other than pensions	—	322,643	322,643
Total net position	$ 920,488	$ 322,643	$ 1,243,131

* Pension fund was restated due to the implementation of GASB Statement No. 87.

Schedule VIII

MASSACHUSETTS PORT AUTHORITY

Combining Statements of Change in Fiduciary Net Position

Fiduciary Funds

Year ended June 30, 2022

(in thousands)

	Pension (Restated)	Retiree Benefit Trust Fund	Total Pension and Retiree Benefit Trust Funds
Additions:			
Contributions:			
Plan members	$ 10,905	$ 398	$ 11,303
Plan sponsor	11,695	21,474	33,169
Total contributions	22,600	21,872	44,472
Intergovernmental:			
Transfers from other state retirement plans	406	—	406
Section 3(8)(c) transfers, net	1,408	—	1,408
Net intergovernmental	1,814	—	1,814
Investment earnings:			
Interest and dividends	15,149	5,929	21,078
Net appreciation in fair value of investments	110,433	33,133	143,566
Less management and related fees	(3,096)	(182)	(3,278)
Net investment earnings	122,486	38,880	161,366
Total additions	146,900	60,752	207,652
Deductions:			
Retirement benefits	41,995	14,007	56,002
Withdrawals by inactive members	1,274	—	1,274
Transfers to other state retirement plans	1,095	—	1,095
Administrative expenses	1,207	232	1,439
Total deductions	45,571	14,239	59,810
Net increase in fiduciary net position	101,329	46,513	147,842
Net position - beginning of year	819,159	$ 276,130	1,095,289
Net position - end of year	$ 920,488	$ 322,643	$ 1,243,131

* Pension fund was restated due to the implementation of GASB Statement No. 87.

STATISTICAL SECTION

Iconic roof of modernized Terminal E.

Photo by Emma Peters Photography

This part of the Massachusetts Port Authority's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Authority's overall financial health and performance.

Financial Trends:

These schedules present trend information on the Authority's financial position.

S-1	Revenues, Expenses and Changes in Net Position
S-4	Conversion of GAAP Revenues and Expenses to the 1978 Trust Agreement Revenues and Expenses
S-5	Calculation of Net Revenues Pledged Under the 1978 Trust Agreement
S-6	Calculation of Total PFC Revenue Pledged Under the PFC Trust Agreement/ PFC Depositary Agreement and Calculation of Total CFC Revenue Pledged Under the CFC Trust Agreement

Revenue Capacity:

These schedules present trend information on the Authority's most significant revenue sources.

S-2	Most Significant Revenues and Related Rates and Charges
S-3	Historical Principal Operating Revenue Payers

Debt Capacity:

These schedules present information on the Authority's current levels of outstanding debt and its ability to support existing or issue additional debt.

S-7	Calculation of Debt Service Coverage Under the 1978 Trust Agreement, the PFC Trust Agreement and the CFC Trust Agreement
S-8	Debt Metrics Under the 1978 Trust Agreement, the PFC Trust Agreement and the CFC Trust Agreement

Demographic and Economic Information:

These schedules provide demographic and economic information about the environment in which the Authority's financial activities take place.

S-9	Largest Private Sector Employers
S-10	Demographics and Employment Data

Operations and Other Information:

These schedules provide operating data that reflects how the Authority's financial report relates to the services it provides and the activities it performs.

S-11	Number of Employees by Facility
S-17	Insurance Coverage
S-18	Physical Asset Data

Other Information:

S-12	Logan International Airport Traffic Metrics
S-13	Logan International Airport Market Share of Total Passenger Traffic
S-14	Logan International Airport Passenger Markets
S-15	Port of Boston Cargo and Passenger Activity
S-16	Port of Boston Principal Customers

MASSACHUSETTS PORT AUTHORITY

Revenues, Expenses and Changes in Net Position
Fiscal Years Ended June 30, 2014 through June 30, 2023 (In Thousands)

S-1 Changes in Net Position

	2023	2022 (1)	2021 (2) & (3)	2020 (3)	2019
Operating revenues					
Aviation rentals	$ 313,696	$ 290,971	$ 274,550	$ 275,271	$ 267,055
Aviation parking	198,511	156,921	58,213	136,951	182,135
Aviation shuttle bus	18,919	13,391	8,084	17,013	21,196
Aviation fees	171,191	152,674	141,524	139,239	153,194
Aviation concessions	157,425	120,333	59,274	111,130	130,801
Aviation operating grants and other	3,617	3,408	1,759	2,762	2,034
Maritime fees, rentals and other	89,464	54,175	80,485	92,952	102,774
Real estate fees, rents and other	47,346	36,076	37,830	49,196	46,334
Total operating revenues	1,000,169	827,949	661,719	824,514	905,523
Operating expenses					
Aviation operations and maintenance	$ 316,848	$ 270,121	$ 245,156	$ 295,748	$ 305,596
Maritime operations and maintenance	60,507	48,352	54,383	61,089	64,412
Real estate operations and maintenance	18,381	15,939	13,329	14,971	16,898
General and administrative	64,292	51,595	56,042	68,083	67,273
Payments in lieu of taxes	23,206	21,657	22,247	21,030	21,331
Pension and other post-employment benefits	24,710	(24,747)	(9,764)	36,058	40,740
Other	16,956	15,827	13,777	9,684	8,631
Total operating expenses before depreciation and amortization	524,900	398,744	395,170	506,663	524,881
Depreciation and amortization	330,002	322,379	315,780	299,334	288,344
Total operating expenses	854,902	721,123	710,950	805,997	813,225
Operating income	145,267	106,826	(49,231)	18,517	92,298
Nonoperating revenues and (expenses)					
Passenger facility charges (4)	80,106	66,545	27,948	59,875	84,824
Customer facility charges (5)	30,824	25,473	11,657	25,884	33,517
Lease interest income	44,070	36,706	29,561	-	-
Investment income on investments	62,702	15,661	15,521	35,931	29,785
Net increase / (decrease) in the fair value of investments	(17,099)	(60,012)	(6,997)	8,207	6,989
Other revenues-CARES/CRRSA/ARPA (8)	33,667	115,476	121,078	57,080	-
Other revenues	4,180	9,677	5,414	8,172	21,052
Gain / (loss) on sales of assets	163	247	(41)	264	203
Settlement of claims	-	-	2	(22)	1,469
Terminal A debt service contributions (PFC)	-	-	-	-	(7,494)
Other expense	(116)	(137)	(429)	(187)	(2,940)
Interest expense on leases	(3,605)	(2,358)	(1,275)	-	-
Interest expense	(109,117)	(104,486)	(98,146)	(109,441)	(76,010)
Total nonoperating (expense) revenue, net	125,775	102,792	104,293	85,763	91,395
Increase in net position before capital contributions	271,042	209,618	55,062	104,280	183,693
Capital contributions	24,888	56,625	61,923	59,899	28,143
Increase in net position	295,930	266,243	116,985	164,179	211,836
Net position, beginning of year	2,923,576	2,657,333	2,540,348	2,376,169	2,164,333
Net position, end of year	$ 3,219,506	$ 2,923,576	$ 2,657,333	$ 2,540,348	$ 2,376,169
Total net position composed of:					
Invested in capital assets, net of debt	1,305,831	1,512,776	1,444,628	1,548,630	1,489,809
Restricted	1,265,335	824,773	785,794	714,652	689,965
Unrestricted	648,340	586,027	426,911	277,066	196,395
Total Net Position	**$ 3,219,506**	**$ 2,923,576**	**$ 2,657,333**	**$ 2,540,348**	**$ 2,376,169**

(1) In fiscal year 2022, certain financial data have been restated to conform to GASB 96 standards for SBITAs reporting.
(2) In fiscal year 2021, certain financial data have been restated to conform to GASB 87 standards for lease reporting.
(3) Fiscal year 2020 and 2021 results reflect impact of COVID-19 pandemic.
(4) PFC accrued revenue exclusive of PFC interest earnings.
(5) CFC accrued revenue exclusive of CFC interest earnings.
(6) In accordance with the requirements of GASB No.68, the Authority's Net position and Pension expense were restated as for fiscal year 2014 and forward to reflect the required adjustments.
(7) In accordance with the requirements of GASB No.75, the Authority's Net position and OPEB expense were restated as for fiscal year 2017 and forward to reflect the required adjustments.
(8) Reflects Federal CARES Act, CRRSA Act and ARPA Act grant funding received by the Authority and used for operating expenses; such amounts were designated as Available Funds under the 1978 Trust Agreement.

Source: Authority's audited financial statements.

MASSACHUSETTS PORT AUTHORITY

Revenues, Expenses and Changes in Net Position
Fiscal Years Ended June 30, 2014 through June 30, 2023 (In Thousands)

S-1 Changes in Net Position (Continued)

	2018	2017	2016	2015	2014
Operating revenues					
Aviation rentals	$ 240,798	$ 217,906	$ 198,103	$ 185,953	$ 181,007
Aviation parking	180,803	169,354	154,568	149,155	136,733
Aviation shuttle bus	20,303	19,278	18,009	15,717	12,283
Aviation fees	153,236	145,418	139,425	135,044	124,718
Aviation concessions	114,492	98,913	87,401	82,662	77,838
Aviation operating grants and other	1,911	2,909	2,781	3,894	3,763
Maritime fees, rentals and other	94,351	82,088	74,654	68,435	62,148
Real estate fees, rents and other	30,497	25,037	24,537	22,069	23,981
Total operating revenues	836,391	760,903	699,478	662,929	622,471
Operating expenses					
Aviation operations and maintenance	$ 296,186	$ 274,506	$ 261,115	$ 256,519	$ 237,235
Maritime operations and maintenance	63,976	59,629	53,359	54,231	49,974
Real estate operations and maintenance	14,852	13,215	11,887	10,428	9,477
General and administrative	62,470	59,342 (7)	58,232	59,064	53,809
Payments in lieu of taxes	20,408	19,276	19,375	19,282	18,444
Pension and other post-employment benefits	28,952	38,903 (7)	29,654	14,844 (6)	16,814 (6)
Other	8,449	9,631	7,595	8,005	9,454
Total operating expenses before depreciation and amortization	495,293	474,502	441,217	422,373	395,207
Depreciation and amortization	262,162	252,846	247,502	227,158	217,767
Total operating expenses	757,455	727,348	688,719	649,531	612,974
Operating income	78,936	33,555	10,759	13,398	9,497
Nonoperating revenues and (expenses)					
Passenger facility charges (4)	81,016	76,296	70,718	65,807	62,682
Customer facility charges (5)	33,003	33,055	32,335	30,768	29,963
Lease interest income	-	-	-	-	-
Investment income on investments	18,577	13,093	9,453	7,405	6,642
Net increase / (decrease) in the fair value of investments	(4,373)	(4,501)	2,116	527	1,976
Other revenues-CARES/CRRSA/ARPA (8)	-	-	-	-	-
Other revenues	1,364	4,062	49	10,091	10,547
Gain / (loss) on sales of assets	182	125	(595)	180	90
Settlement of claims	2,019	248	70	-	1,792
Terminal A debt service contributions (PFC)	(12,232)	(11,941)	(11,903)	(10,918)	(11,839)
Other expense	(195)	(198)	(116)	(956)	(1,407)
Interest expense on leases	-				
Interest expense	(67,490)	(67,157)	(63,613)	(64,829)	(64,973)
Total nonoperating (expense) revenue, net	51,871	43,082	38,514	38,075	35,473
Increase in net position before capital contributions	130,807	76,637	49,273	51,473	44,970
Capital contributions	25,384	12,635	56,033	55,953	56,124
Increase in net position	156,191	89,272	105,306	107,426	101,094
Net position, beginning of year	2,008,142	1,918,870 (7)	1,978,636	1,871,210 (6)	1,770,116 (6)
Net position, end of year	$ 2,164,333	$ 2,008,142	$ 2,083,942	$ 1,978,636	$ 1,871,210
Total net position composed of:					
Invested in capital assets, net of debt	1,379,079	1,290,338	1,310,922	1,272,271	1,227,358
Restricted	633,268	585,636	529,616	516,906	509,520
Unrestricted	151,986	132,168 (7)	243,404	189,459 (6)	134,332 (6)
Total Net Position	**$ 2,164,333**	**$ 2,008,142**	**$ 2,083,942**	**$ 1,978,636**	**$ 1,871,210**

(1) In fiscal year 2022, certain financial data have been restated to conform to GASB 96 standards for SBITAs reporting.
(2) In fiscal year 2021, certain financial data have been restated to conform to GASB 87 standards for lease reporting.
(3) Fiscal year 2020 and 2021 results reflect impact of COVID-19 pandemic.
(4) PFC accrued revenue exclusive of PFC interest earnings.
(5) CFC accrued revenue exclusive of CFC interest earnings.
(6) In accordance with the requirements of GASB No.68, the Authority's Net position and Pension expense were restated as for fiscal year 2014 and forward to reflect the required adjustments.
(7) In accordance with the requirements of GASB No.75, the Authority's Net position and OPEB expense were restated as for fiscal year 2017 and forward to reflect the required adjustments.
(8) Reflects Federal CARES Act, CRRSA Act and ARPA Act grant funding received by the Authority and used for operating expenses; such amounts were designated as Available Funds under the 1978 Trust Agreement.

Source: Authority's audited financial statements.

MASSACHUSETTS PORT AUTHORITY

Most Significant Revenues and Related Rates and Charges
Fiscal Years Ended June 30, 2014 through June 30, 2023 (In Thousands)

S-2 Principal Revenues and Rates as of June 30

	2023	2022	2021 (3)	2020 (3)	2019
Logan Airport Revenues (in thousands)					
Landing Fees	$ 122,826	$ 117,382	$ 122,564	$ 110,490	$ 119,847
Terminal Rentals and Fees	240,350	218,032	209,318	211,136	203,861
Parking Fees	197,864	156,797	58,089	136,436	181,478
Logan Airport Rates and Charges (1)					
Landing Fee (per 1,000 lbs)	$ 5.49	$ 5.95	$ 12.30	$ 4.37	$ 4.43
Terminal Rental Rates (per square foot - annual rate)					
Terminal A (2)	$ 182.23	$ 169.64	$ 170.50	$ 178.66	$ 132.09
Terminal B	$ 167.49	$ 152.32	$ 160.46	$ 154.80	$ 161.31
Terminal C - Main Terminal	$ 201.43	$ 216.19	$ 227.35	$ 206.22	$ 194.35
Terminal E - Type 3 Space	$ 145.05	$ 134.60	$ 139.92	$ 140.17	$ 134.91
Baggage Fee (per checked bag)	$ 1.94	$ 1.98	$ 6.37	$ 1.66	$ 1.61
Terminal E Passenger Fees (per passenger)					
Inbound International	$ 12.99	$ 24.79	$ 60.77	$ 11.36	$ 11.89
Outbound	$ 3.97	$ 8.90	$ 20.08	$ 3.38	$ 3.45
Inbound Domestic	$ 12.99	$ 24.79	$ 60.77	$ 11.36	$ 11.89
Common Use Check-in Fee	$ 8.23	$ 13.95	$ 36.50	$ 6.19	$ 6.44
Central Parking Garage (maximum 24 hours)	$ 38.00	$ 38.00	$ 38.00	$ 38.00	$ 35.00

(1) Board approved rates as of June 30 of each fiscal year.
(2) Prior to February 13, 2019, excludes the portion of Terminal A rental revenue that was pledged to pay debt service on the Terminal A Bonds.
On February 13, 2019, the Terminal A Bonds were retired, and accordingly, after such date, all Terminal A rental revenue is included in Logan rental revenues.
(3) Fiscal year 2020 and 2021 results reflect impact of COVID-19 pandemic.

Source: Authority reports.

MASSACHUSETTS PORT AUTHORITY

Most Significant Revenues and Related Rates and Charges
Fiscal Years Ended June 30, 2014 through June 30, 2023 (In Thousands)

S-2 Principal Revenues and Rates as of June 30 (Continued)

	2018	2017	2016	2015	2014
Logan Airport Revenues (in thousands)					
Landing Fees	$ 119,190	$ 113,162	$ 104,489	$ 101,123	$ 92,896
Terminal Rentals and Fees	180,331	161,816	142,176	133,897	129,487
Parking Fees	180,349	168,919	154,068	148,653	136,307
Logan Airport Rates and Charges (1)					
Landing Fee (per 1,000 lbs)	$ 4.49	$ 4.78	$ 4.84	$ 4.64	$ 4.57
Terminal Rental Rates (per square foot - annual rate)					
Terminal A (2)	$ 126.98	$ 117.29	$ 101.38	$ 93.99	$ 93.94
Terminal B	$ 130.74	$ 122.10	$ 110.99	$ 110.63	$ 106.55
Terminal C - Main Terminal	$ 189.91	$ 178.30	$ 134.05	$ 132.79	$ 118.31
Terminal E - Type 3 Space	$ 128.27	$ 118.51	$ 105.46	$ 111.40	$ 112.66
Baggage Fee (per checked bag)	$ 1.66	$ 1.31	$ 1.35	$ 1.34	$ 1.34
Terminal E Passenger Fees (per passenger)					
Inbound International	$ 12.70	$ 12.82	$ 11.98	$ 10.36	$ 10.17
Outbound	$ 4.00	$ 3.19	$ 2.66	$ 2.52	$ 2.74
Inbound Domestic	$ 12.70	$ 12.82	$ 11.98	$ 10.36	$ 10.17
Common Use Check-in Fee	$ 6.65	$ 7.34	$ 7.05	$ 6.67	$ 7.00
Central Parking Garage (maximum 24 hours)	$ 35.00	$ 32.00	$ 29.00	$ 29.00	$ 27.00

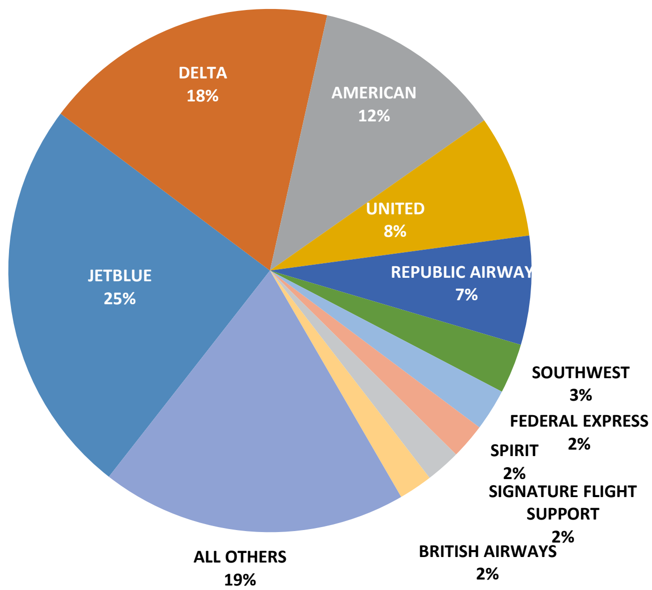
(1) Board approved rates as of June 30 of each fiscal year.

(2) Prior to February 13, 2019, excludes the portion of Terminal A rental revenue that was pledged to pay debt service on the Terminal A Bonds.
On February 13, 2019, the Terminal A Bonds were retired, and accordingly, after such date, all Terminal A rental revenue is included in Logan rental revenues.

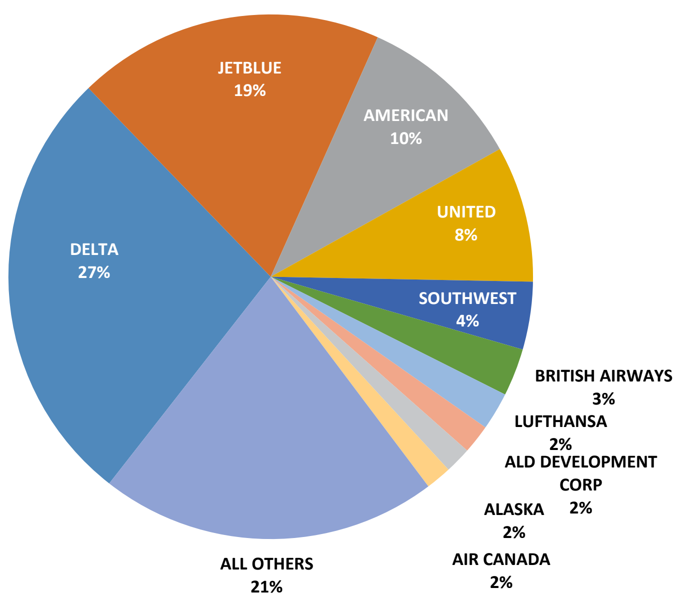
(3) Fiscal year 2020 and 2021 results reflect impact of COVID-19 pandemic.

Source: Authority reports.

Logan International Airport
Percentage of Landing Fee Revenues in FY2023



Logan International Airport
Percentage of Terminal Rent and Fee Revenues in FY2023



MASSACHUSETTS PORT AUTHORITY

Historical Principal Operating Revenue Payers
Current Year and Nine Years Ago (In Thousands)

S-3 Principal Operating Revenue Payers

Landing Fee Revenue	For the Fiscal Year Ended June 30, 2023				For the Fiscal Year Ended June 30, 2014			
Customer		**Landing Fee Revenue**	**Rank**	**Customers to Total Landing Fees**		**Landing Fee Revenue**	**Rank**	**Customers to Total Landing Fees**
JETBLUE AIRWAYS	$	30,314	1	24.68%	$	21,058	1	22.67%
DELTA AIRLINES		22,445	2	18.27%		9,179	3	9.88%
AMERICAN AIRLINES (1)		14,438	3	11.75%		8,155	5	8.78%
UNITED AIRLINES, INC.		9,327	4	7.59%		8,945	4	9.63%
REPUBLIC AIRWAYS, INC (2)		8,257	5	6.72%		552	27	0.59%
SOUTHWEST AIRLINES CO (3)		3,780	6	3.08%		4,808	6	5.18%
FEDERAL EXPRESS CORP.		3,158	7	2.57%		5,693	8	6.13%
SPIRIT AIRLINES		2,674	8	2.18%		883	19	0.95%
SIGNATURE FLIGHT SUPPORT LLC		2,642	9	2.15%		1,790	11	1.93%
BRITISH AIRWAYS, PLC		2,558	10	2.08%		3,281	7	3.53%
US AIRWAYS, INC. (1)		-	0	0.00%		10,112	2	10.89%
LUFTHANSA GERMAN AIRLINES		-	0	0.00%		2,047	9	2.20%
SHUTTLE AMERICA CORPORATION (2)		-	0	0.00%		1,807	10	1.95%
ALL OTHER PAYERS		23,233		18.92%		14,586		15.70%
Total Landing Fees	**$**	**122,826**		**100.00%**	**$**	**92,896**		**100.00%**

Terminal Rents and Fees	For the Fiscal Year Ended June 30, 2023				For the Fiscal Year Ended June 30, 2014			
Customer		**Terminal Rents and Fees**	**Rank**	**Ratio: Top Customers to Total Terminal Rents and Fees**		**Terminal Rents and Fees**	**Rank**	**Ratio: Top Customers to Total Terminal Rents and Fees**
DELTA AIRLINES	$	65,425	1	27.22%	$	25,409	1	19.62%
JETBLUE AIRWAYS		45,463	2	18.92%		19,902	2	15.37%
AMERICAN AIRLINES (1)		24,551	3	10.21%		10,529	5	8.13%
UNITED AIRLINES, INC.		20,177	4	8.39%		11,532	4	8.91%
SOUTHWEST AIRLINES CO (3)		10,026	5	4.17%		5,717	7	4.42%
BRITISH AIRWAYS, PLC		7,056	6	2.94%		7,464	6	5.76%
LUFTHANSA GERMAN AIRLINES		5,601	7	2.33%		5,338	8	4.12%
ALD DEVELOPMENT CORP (4)		4,298	8	1.79%		-	-	0.00%
ALASKA AIRLINES		3,902	9	1.62%		396	28	0.31%
AIR CANADA		3,810	10	1.59%		21	55	0.02%
US AIRWAYS, INC. (1)		-	-	-		11,991	3	9.26%
AER LINGUS		301	40	0.13%		4,123	9	3.18%
AIR FRANCE		3,703	12	1.54%		3,353	10	2.59%
ALL OTHER PAYERS		46,037		19.15%		23,712		18.31%
Total Terminal Rental and Fees	**$**	**240,350**		**100.00%**	**$**	**129,487**		**100.00%**

Parking Revenue	For the Fiscal Year Ended June 30, 2023				For the Fiscal Year Ended June 30, 2014			
Customer								
PUBLIC PARKING AT AIRPORT	$	177,529	1	89.72%	$	126,338	1	97.57%
TENANT EMPLOYEE PARKING		12,441	2	6.29%		6,564	2	5.07%
PUBLIC OFF-AIRPORT PARKING		7,894	3	3.99%		3,405	3	2.63%
Total Parking Revenue	**$**	**197,864**		**100.00%**	**$**	**136,307**		**105.27%**

(1) American Airlines and US Airways closed their merger during December 2013 and continued to operate under their separate names until October 2015.
(2) On January 31, 2017, Shuttle America merged with Republic Airline. In December 2018, the operating division was renamed to Republic Airways.
(3) Southwest Airlines and AirTran Airways closed their merger during May 2011 and continued to operate under their separate names until January 2015.
(4) ALD Development Corp. rented Lounge space at Terminal B to C Connector, commenced service at Logan Airport in June 2021.

Source: Authority's accounting reports.

MASSACHUSETTS PORT AUTHORITY

Conversion of GAAP Revenues and Expenses to the 1978 Trust Agreement Revenues and Expenses
Fiscal Years Ended June 30, 2014 through June 30, 2023 (In Thousands)

S-4 Conversion of GAAP Revenues and Expenses to the 1978 Trust Agreement Revenues and Expenses

	2023	2022 (1)	2021 (2)	2020	2019
Operating Revenue:					
Per Financial Statements	$ 1,000,169	$ 827,949	$ 661,719	$ 824,514	$ 905,523
Adjustments:					
Provision / recovery for uncollectible accounts	-	-	2,255	(2,179)	(385)
Other	(2,511)	(5,757)	(6,140)	525	(639)
Operating Revenue:					
Per the 1978 Trust Agreement	997,658	822,192	657,834	822,860	904,499
Income on Investments:					
Per Financial Statements	62,702	15,661	15,521	35,931	29,785
Adjustments:					
PFC	(4,979)	(330)	(240)	(1,101)	(1,246)
CFC	(1,898)	(436)	(698)	(2,455)	(2,304)
Self Insurance and Other Accounts	(7,985)	(4,191)	(4,187)	(8,981)	(4,576)
Income on Investments:					
Per the 1978 Trust Agreement	47,840	10,704	10,396	23,394	21,659
TOTAL REVENUES					
Per the 1978 Trust Agreement	**1,045,498**	**832,896**	**668,230**	**846,254**	**926,158**
Operating Expenses:					
Per Financial Statements	$ 854,902	$ 721,123	$ 710,950	$ 805,997	$ 813,225
Adjustments:					
Insurance	(1,503)	1,857	(1,423)	237	140
Payments in Lieu of Taxes	(23,206)	(21,657)	(22,247)	(21,030)	(21,331)
Provision for uncollectible accounts	-	-	-	(1,057)	(385)
Depreciation and Amortization	(330,002)	(322,378)	(315,780)	(299,334)	(288,344)
Other post-employment benefits	4,549	15,522	14,517	(4,799)	(165)
Other Expenses	7,301	12,157	2,775	3,128	(3,076)
Pension	(11,810)	31,880	25,900	(1,434)	(9,126)
Administration Expenses	3,949	2,077	1,858	2,267	1,490
TOTAL EXPENSES					
Per the 1978 Trust Agreement	**504,180**	**440,581**	**416,550**	**483,975**	**492,428**
Net Revenue before Other Available Funds:					
Per the 1978 Trust Agreement	**$ 541,318**	**$ 392,315**	**$ 251,680**	**$ 362,279**	**$ 433,730**
Other Available Funds (4)	33,667	115,476	121,127	57,080	-
Net Revenue:					
Per the 1978 Trust Agreement	**$ 574,985**	**$ 507,791**	**$ 372,807**	**$ 419,359**	**$ 433,730**

(1) In fiscal year 2022, certain financial data have been restated to conform to GASB 96 standards for SBITAs reporting.
(2) In fiscal year 2021, certain financial data have been restated to conform to GASB 87 standards for lease reporting.
(3) In fiscal year 2017, the Authority's Net position and OPEB expense have been restated to conform to GASB 75 standards for OPEB Accounting and Financial reporting.
(4) Reflects Federal CARES Act, CRRSA Act and ARPA Act grant funding received by the Authority and used for operating expenses; such amounts were designated as Available Funds under the 1978 Trust Agreement and are thus reflected as an adjustment to Net Revenues.

Source: Authority's audited financial statements.

MASSACHUSETTS PORT AUTHORITY

Conversion of GAAP Revenues and Expenses to the 1978 Trust Agreement Revenues and Expenses
Fiscal Years Ended June 30, 2014 through June 30, 2023 (In Thousands)

S-4 Conversion of GAAP Revenues and Expenses to the 1978 Trust Agreement Revenues and Expenses (Continued)

	2018	2017	2016	2015	2014
Operating Revenue:					
Per Financial Statements	$ 836,391	$ 760,903	$ 699,478	$ 662,929	$ 622,471
Adjustments:					
Provision / recovery for uncollectible accounts	(439)	(1,642)	(186)	(32)	(465)
Other	(629)	5,189	69	(170)	(1,546)
Operating Revenue:					
Per the 1978 Trust Agreement	835,323	764,450	699,361	662,727	620,460
Income on Investments:					
Per Financial Statements	18,577	13,093	9,453	7,405	6,642
Adjustments:					
PFC	(764)	(1,226)	(965)	(1,068)	(1,098)
CFC	(1,301)	(774)	(478)	(384)	(417)
Self Insurance and Other Accounts	(4,247)	(3,191)	(2,321)	(2,123)	(1,919)
Income on Investments:					
Per the 1978 Trust Agreement	12,265	7,902	5,689	3,830	3,208
TOTAL REVENUES					
Per the 1978 Trust Agreement	**847,588**	**772,352**	**705,050**	**666,557**	**623,668**
Operating Expenses:					
Per Financial Statements	$ 757,455	$ 727,348 (2)	$ 688,719	$ 649,531	$ 612,974
Adjustments:					
Insurance	61	245	821	612	(95)
Payments in Lieu of Taxes	(20,408)	(19,276)	(19,375)	(19,282)	(18,444)
Provision for uncollectible accounts	(439)	(1,642)	(186)	(31)	(453)
Depreciation and Amortization	(262,162)	(252,846)	(247,502)	(227,158)	(217,767)
Other post-employment benefits	(4,480)	(4,903) (3)	(2,093)	(654)	(140)
Other Expenses	(10,398)	(3,789)	(5,025)	(5,409)	(4,201)
Pension	4,576	(6,141)	(4,711)	8,956	9,316
Administration Expenses	1,025	1,245 (3)	1,338	1,905	2,370
TOTAL EXPENSES					
Per the 1978 Trust Agreement	**465,230**	**440,241**	**411,986**	**408,470**	**383,560**
Net Revenue before Other Available Funds:					
Per the 1978 Trust Agreement	**$ 382,358**	**$ 332,111**	**$ 293,064**	**$ 258,087**	**$ 240,108**
Other Available Funds (4)	-	-	-	-	-
Net Revenue:					
Per the 1978 Trust Agreement	**$ 382,358**	**$ 332,111**	**$ 293,064**	**$ 258,087**	**$ 240,108**

(1) In fiscal year 2022, certain financial data have been restated to conform to GASB 96 standards for SBITAs reporting.
(2) In fiscal year 2021, certain financial data have been restated to conform to GASB 87 standards for lease reporting.
(3) In fiscal year 2017, the Authority's Net position and OPEB expense have been restated to conform to GASB 75 standards for OPEB Accounting and Financial reporting.
(4) Reflects Federal CARES Act, CRRSA Act and ARPA Act grant funding received by the Authority and used for operating expenses; such amounts were designated as Available Funds under the 1978 Trust Agreement and are thus reflected as an adjustment to Net Revenues.

Source: Authority's audited financial statements.

MASSACHUSETTS PORT AUTHORITY

Calculation of Net Revenues Pledged Under the 1978 Trust Agreement
Fiscal Years Ended June 30, 2014 through June 30, 2023 (In Thousands)

S-5 Breakdown of Revenues and Expenses Under 1978 Trust Agreement

1978 Trust Agreement	2023	2022	2021 (1)	2020 (1)	2019
Revenues:					
Airport Properties - Logan					
Landing Fees	$ 122,826	$ 117,382	$ 122,564	$ 110,490	$ 119,847
Parking Fees	197,864	156,797	58,089	136,436	181,478
Utility Fees	19,204	13,424	9,263	11,126	13,541
Terminal Rentals (2)	240,350	218,032	209,318	211,136	203,861
Non-Terminal Building and Ground Rents	61,229	56,418	52,277	55,725	54,788
Concessions	155,074	118,090	57,742	110,669	129,356
Other (3)	37,844	30,049	13,555	29,001	34,596
Airport Properties - Logan Total	834,391	710,192	522,808	664,583	737,467
Airport Properties - Hanscom	23,876	19,485	14,091	14,587	14,924
Airport Properties - Worcester	2,991	2,289	1,918	1,959	3,007
Total Airport Properties	861,258	731,966	538,817	681,129	755,398
Port Properties					
Maritime Operations (4)	90,071	54,242	81,055	92,619	102,883
Maritime Business Development/Real Estate	46,329	35,984	37,962	49,112	46,218
Total Port Properties	136,400	90,226	119,017	141,731	149,101
Total Operating Revenue	997,658	822,192	657,834	822,860	904,499
Investment Income (5)	47,840	10,704	10,396	23,394	21,659
Total Revenues	1,045,498	832,896	668,230	846,254	926,158
Operating Expenses (6):					
Airport Properties					
Logan	375,699	327,272	302,078	352,390	361,177
Hanscom	15,489	14,230	13,346	15,132	14,866
Worcester	15,498	13,487	10,841	16,723	13,949
Total Airport Properties	406,686	354,989	326,265	384,245	389,992
Port Properties					
Maritime Operations (4)	72,240	62,211	68,600	76,704	78,432
Maritime Business Development/Real Estate	25,254	23,380	21,685	23,026	24,004
Total Port Properties	97,494	85,591	90,285	99,730	102,436
Total Operating Expenses	504,180	440,580	416,550	483,975	492,428
Net Revenue before Other Available Funds	$ 541,318	$ 392,316	$ 251,680	$ 362,279	$ 433,730
Other Available Funds (7)	33,667	115,476	121,127	57,080	-
Net Revenue	**$ 574,985**	**$ 507,792**	**$ 372,807**	**$ 419,359**	**$ 433,730**

(1) Fiscal year 2020 and 2021 results reflect impact of COVID-19 pandemic.
(2) Prior to February 13, 2019, excludes the portion of Terminal A rental revenue that was pledged to pay debt service on the Terminal A Bonds. On February 13, 2019, the Terminal A Bonds were retired, and accordingly, after such date, all Terminal A rental revenue is included in Logan rental revenues.
(3) Logan Airport uncollectible accounts have been included in Logan Other Revenue.
(4) Maritime Operations include Auto, Container, Cruise and Seafood Business lines.
(5) Excludes investment income earned by and deposited into Construction, PFC and CFC Funds and other funds not held under the 1978 Trust Agreement.
(6) Includes allocation of all operating expenses related to Authority General Administration.
(7) Reflects Federal CARES Act, CRRSA Act and ARPA Act grant funding received by the Authority and used for operating expenses; such amounts were designated as Available Funds under the 1978 Trust Agreement and are thus reflected as an adjustment to Net Revenues.

Source: Authority's accounting reports.

MASSACHUSETTS PORT AUTHORITY

Calculation of Net Revenues Pledged Under the 1978 Trust Agreement
Fiscal Years Ended June 30, 2014 through June 30, 2023 (In Thousands)

S-5 Breakdown of Revenues and Expenses Under 1978 Trust Agreement (Continued)

1978 Trust Agreement	2018	2017	2016	2015	2014
Revenues:					
Airport Properties - Logan					
Landing Fees	$ 119,190	$ 113,162	$ 104,489	$ 101,123	$ 92,896
Parking Fees	180,349	168,919	154,068	148,653	136,307
Utility Fees	15,349	15,284	17,960	18,274	16,798
Terminal Rentals (2)	180,331	161,816	142,176	133,897	129,487
Non-Terminal Building and Ground Rents	52,856	49,641	49,317	45,756	46,175
Concessions	113,588	98,093	86,645	81,270	76,003
Other (3)	33,321	31,303	32,061	29,452	24,895
Airport Properties - Logan Total	694,984	638,218	586,716	558,425	522,561
Airport Properties - Hanscom	14,262	12,839	12,195	12,066	10,640
Airport Properties - Worcester	1,800	1,634	1,572	1,624	1,538
Total Airport Properties	711,046	652,691	600,483	572,115	534,739
Port Properties					
Maritime Operations (4)	93,831	81,738	74,259	68,316	62,068
Maritime Business Development/Real Estate	30,446	30,021	24,619	22,295	23,653
Total Port Properties	124,277	111,759	98,878	90,611	85,721
Total Operating Revenue	835,323	764,450	699,361	662,726	620,460
Investment Income (5)	12,265	7,902	5,689	3,830	3,208
Total Revenues	847,588	772,352	705,050	666,556	623,668
Operating Expenses (6):					
Airport Properties					
Logan	342,973	328,869	307,394	307,368	290,641
Hanscom	14,498	12,530	12,152	10,043	10,396
Worcester	10,680	9,672	9,408	9,026	7,497
Total Airport Properties	368,151	351,071	328,954	326,437	308,534
Port Properties					
Maritime Operations (4)	75,695	70,088	66,307	62,020	59,860
Maritime Business Development/Real Estate	21,384	19,082	16,725	20,012	15,166
Total Port Properties	97,079	89,170	83,032	82,032	75,026
Total Operating Expenses	465,230	440,241	411,986	408,469	383,560
Net Revenue before Other Available Funds	$ 382,358	$ 332,111	$ 293,064	$ 258,087	$ 240,108
Other Available Funds (7)	-	-	-	-	-
Net Revenue	**$ 382,358**	**$ 332,111**	**$ 293,064**	**$ 258,087**	**$ 240,108**

(1) Fiscal year 2020 and 2021 results reflect impact of COVID-19 pandemic.
(2) Prior to February 13, 2019, excludes the portion of Terminal A rental revenue that was pledged to pay debt service on the Terminal A Bonds. On February 13, 2019, the Terminal A Bonds were retired, and accordingly, after such date, all Terminal A rental revenue is included in Logan rental revenues.
(3) Logan Airport uncollectible accounts have been included in Logan Other Revenue.
(4) Maritime Operations include Auto, Container, Cruise and Seafood Business lines.
(5) Excludes investment income earned by and deposited into Construction, PFC and CFC Funds and other funds not held under the 1978 Trust Agreement.
(6) Includes allocation of all operating expenses related to Authority General Administration.
(7) Reflects Federal CARES Act, CRRSA Act and ARPA Act grant funding received by the Authority and used for operating expenses; such amounts were designated as Available Funds under the 1978 Trust Agreement and are thus reflected as an adjustment to Net Revenues.

Source: Authority's accounting reports.

MASSACHUSETTS PORT AUTHORITY

Calculation of Total PFC Revenue Pledged Under the PFC Trust Agreement/ PFC Depositary Agreement and Calculation of Total CFC Revenue Pledged Under the CFC Trust Agreement
Fiscal Years Ended June 30, 2014 through June 30, 2023 (In Thousands)

S-6 Breakdown of Revenues by Governing Trust Agreement

	2023	2022	2021	2020	2019
PFC Trust Agreement / PFC Depositary Agreement					
Revenues:					
Logan Airport Net PFC Collections (1)	$ 80,106	$ 66,545	$ 27,948	$ 59,875	$ 84,824
PFC Investment Income (2)	4,979	330	240	1,101	1,246
PFC Revenue (3)	$ 85,085	$ 66,875	$ 28,188	$ 60,976	$ 86,070
CFC Trust Agreement					
Revenues:					
CFC Collections	$ 30,824	$ 25,473	$ 11,657	$ 25,884	$ 33,517
CFC Investment Income	1,898	436	698	2,455	2,304
CFC Revenue	$ 32,722	$ 25,909	$ 12,355	$ 28,339	$ 35,821

(1) PFC revenue collection began at Logan Airport on November 1, 1993. The PFC Trust Agreement was effective May 6, 1999 through July 2, 2017. All PFC revenue collections are presently deposited under the PFC Depositary Agreement.
(2) PFC investment income, per federal PFC law, includes only interest income generated by PFC collections. It does not include earnings on PFC bond funds.
(3) As of July 2, 2017, there are no PFC Revenue Bonds outstanding under the PFC Trust Agreement, as the final payment amount of $52.9 million matured on July 1, 2017.

Source: Authority's accounting reports.

MASSACHUSETTS PORT AUTHORITY

Calculation of Total PFC Revenue Pledged Under the PFC Trust Agreement/ PFC Depositary Agreement and Calculation of Total CFC Revenue Pledged Under the CFC Trust Agreement
Fiscal Years Ended June 30, 2014 through June 30, 2023 (In Thousands)

S-6 Breakdown of Revenues by Governing Trust Agreement (Continued)

	2018	2017	2016	2015	2014
PFC Trust Agreement / PFC Depositary Agreement					
Revenues:					
Logan Airport Net PFC Collections (1)	$ 81,016	$ 76,296	$ 70,718	$ 65,807	$ 62,682
PFC Investment Income (2)	764	537	277	82	69
PFC Revenue (3)	$ 81,780	$ 76,833	$ 70,995	$ 65,889	$ 62,751
CFC Trust Agreement					
Revenues:					
CFC Collections	$ 33,003	$ 33,055	$ 32,335	$ 30,768	$ 29,963
CFC Investment Income	1,301	774	478	384	417
CFC Revenue	$ 34,304	$ 33,829	$ 32,813	$ 31,152	$ 30,380

(1) PFC revenue collection began at Logan Airport on November 1, 1993. The PFC Trust Agreement was effective May 6, 1999 through July 2, 2017. All PFC revenue collections are presently deposited under the PFC Depositary Agreement.
(2) PFC investment income, per federal PFC law, includes only interest income generated by PFC collections. It does not include earnings on PFC bond funds.
(3) As of July 2, 2017, there are no PFC Revenue Bonds outstanding under the PFC Trust Agreement, as the final payment amount of $52.9 million matured on July 1, 2017.

Source: Authority's accounting reports.

MASSACHUSETTS PORT AUTHORITY

Calculation of Debt Service Coverage
Under the 1978 Trust Agreement, the PFC Trust Agreement and the CFC Trust Agreement
Fiscal Years Ended June 30, 2014 through June 30, 2023 (In Thousands - except coverage calculations)

S-7 Debt Service Coverage

	2023	2022	2021	2020	2019
1978 Trust Agreement					
Net Revenue	$ 574,985 (1)	$ 507,792 (1)	$ 372,807 (1)	$ 419,359 (1)	$ 433,730 (2)
Debt Service - Principal	76,685	19,100	12,420	62,680	53,565
Debt Service - Interest	110,771	110,877	88,908	93,153	69,100
PFC Revenues designated as Available Funds (3)	(14,684)	(9,109)	(7,066)	(11,571)	-
Credits to Debt Service (4)	(24,900)	(37,644)	(26,613)	(24,958)	(4,115)
Annual Debt Service	$ 147,872	$ 83,224	$ 67,649	$ 119,304	$ 118,550
Debt Service Coverage	3.89	6.10	5.51	3.52	3.66
PFC Trust Agreement (6)					
Net PFC Revenue	N/A	N/A	N/A	N/A	N/A
Debt Service - Principal	N/A	N/A	N/A	N/A	N/A
Debt Service - Interest	N/A	N/A	N/A	N/A	N/A
Credits to Debt Service (7)	N/A	N/A	N/A	N/A	N/A
Annual Debt Service	N/A	N/A	N/A	N/A	N/A
Debt Service Coverage (8)	N/A	N/A	N/A	N/A	N/A
First Lien Sufficiency Covenant	N/A	N/A	N/A	N/A	N/A
CFC Trust Agreement					
CFC Revenue	$ 30,824	$ 25,473	$ 11,657	$ 25,884	$ 33,517
Debt Service - Principal	4,920	4,620	-	4,165	3,960
Debt Service - Interest	7,258	7,545	7,545	10,951	11,144
Credits to Debt Service	(1,079)	(360)	(868)	(2,930)	(1,994)
Annual Debt Service	$ 11,099	$ 11,805	$ 6,677	$ 12,186	$ 13,110
Debt Service Coverage before the benefit of Rolling Cov. Fund and Sup. Reserve Fund balances	2.78	2.16	1.75	2.12	2.56
Debt Service Coverage after the benefit of Rolling Cov. Fund and Sup. Reserve Fund balances	3.08	2.46	2.05	2.42	2.86

(1) In fiscal years 2023, 2022, 2021 and 2020, Net Revenues included $33.7 million, $115.5 million, $121.1 million and $57.1 million, respectively, of CARES Act, CRRSA Act and ARPA Act grant funds used for operating expenses and designated as Available Funds under the 1978 Trust Agreement.
(2) Commencing February 13, 2019, all rental revenues the Authority receives from Delta and other Terminal A airline tenants ("Terminal A Rental Revenues") are included as Revenues, reflecting the impact of the refunding and defeasance of the Authority's Special Facilities Revenue Bonds (Delta Airlines, Inc. Project), Series 2001A, 2001B and 2001C (the "Terminal A Bonds") in February 2019.
(3) Represents PFC Revenues designated as Available Funds under the 1978 Trust Agreement.
(4) Consists of bond proceeds in the form of Capitalized Interest and investment earnings on the Construction Funds.
(5) Following the issuance of the June 30, 2016 audited financial statements on September 30, 2016, the 1978 Trust Debt Service Coverage calculations in the fiscal year 2016 MD&A were updated from 2.96 to 2.98 for fiscal year 2016 and from 2.49 to 2.62 for fiscal year 2015. The PFC First Lien Sufficiency covenant calculation was updated from 11.03 to 10.68 for fiscal year 2016.
(6) As of July 2, 2017, there are no PFC Revenue Bonds outstanding under the PFC Trust Agreement, as the final payment amount of $52.9 million matured on July 1, 2017.
(7) Consists of investment income on the PFC Debt Service Reserve Fund, the PFC Project Funds and investment income generated by the PFC Debt Service Funds that were not received from PFC collections. Fiscal year 2017 credits include $19.6 million released from the PFC Debt Service Reserve Fund.
(8) Debt Service Coverage reflects the pledge of revenue at the $4.50 PFC level.
(9) Following the issuance of the June 30, 2015 audited financial statements on September 30, 2015, the CFC Debt Service Coverage calculation was updated from 2.42 to 2.39 for fiscal year 2015. Following the issuance of the June 30, 2014 audited financial statements on September 24, 2014, the CFC Debt Service Coverage calculation was updated from 2.69 to 2.64 for fiscal year 2014.

Source: Authority's accounting reports.

MASSACHUSETTS PORT AUTHORITY

Calculation of Debt Service Coverage
Under the 1978 Trust Agreement, the PFC Trust Agreement and the CFC Trust Agreement
Fiscal Years Ended June 30, 2014 through June 30, 2023 (In Thousands - except coverage calculations)

S-7 Debt Service Coverage (Continued)

	2018	2017	2016	2015	2014
1978 Trust Agreement					
Net Revenue	$ 382,358	$ 332,111	$ 293,064	$ 258,087	$ 240,108
Debt Service - Principal	52,325	52,895	49,430	50,480	46,910
Debt Service - Interest	64,706	59,636	52,429	50,211	48,882
PFC Revenues designated as Available Funds (3)	-	-	-	-	-
Credits to Debt Service (4)	(5,709)	(11,075)	(3,639)	(2,191)	(5,229)
Annual Debt Service	$ 111,322	$ 101,456	$ 98,220	$ 98,500	$ 90,563
Debt Service Coverage	3.43	3.27	2.98 (5)	2.62 (5)	2.65
PFC Trust Agreement (6)					
Net PFC Revenue	N/A	$ 65,889	$ 70,995	$ 65,889	$ 62,751
Debt Service - Principal	N/A	52,910	22,325	17,475	17,720
Debt Service - Interest	N/A	2,579	3,731	4,563	5,435
Credits to Debt Service (7)	N/A	(20,245)	(312)	(841)	(1,311)
Annual Debt Service	$ -	$ 35,244	$ 25,744	$ 21,197	$ 21,844
Debt Service Coverage (8)	N/A	1.87	2.76	3.11	2.87
First Lien Sufficiency Covenant	N/A	63.44	10.68 (5)	5.64	4.75
CFC Trust Agreement					
CFC Revenue	$ 33,003	$ 33,055	$ 32,335	$ 30,768	$ 29,963
Debt Service - Principal	3,780	3,620	3,485	3,360	3,260
Debt Service - Interest	11,311	11,461	11,584	11,693	11,755
Credits to Debt Service	(1,050)	(729)	(397)	(366)	(2,220)
Annual Debt Service	$ 14,041	$ 14,352	$ 14,672	$ 14,687	$ 12,795
Debt Service Coverage before the benefit of Rolling Cov. Fund and Sup. Reserve Fund balances	2.35	2.30	2.20	2.09	2.34
Debt Service Coverage after the benefit of Rolling Cov. Fund and Sup. Reserve Fund balances	2.65	2.60	2.50	2.39 (9)	2.64 (9)

(1) In fiscal years 2023, 2022, 2021 and 2020, Net Revenues included $33.7 million, $115.5 million, $121.1 million and $57.1 million, respectively, of CARES Act, CRRSA Act and ARPA Act grant funds used for operating expenses and designated as Available Funds under the 1978 Trust Agreement.

(2) Commencing February 13, 2019, all rental revenues the Authority receives from Delta and other Terminal A airline tenants (“Terminal A Rental Revenues”) are included as Revenues, reflecting the impact of the refunding and defeasance of the Authority’s Special Facilities Revenue Bonds (Delta Airlines, Inc. Project), Series 2001A, 2001B and 2001C (the “Terminal A Bonds”) in February 2019.

(3) Represents PFC Revenues designated as Available Funds under the 1978 Trust Agreement.

(4) Consists of bond proceeds in the form of Capitalized Interest and investment earnings on the Construction Funds.

(5) Following the issuance of the June 30, 2016 audited financial statements on September 30, 2016, the 1978 Trust Debt Service Coverage calculations in the fiscal year 2016 MD&A were updated from 2.96 to 2.98 for fiscal year 2016 and from 2.49 to 2.62 for fiscal year 2015. The PFC First Lien Sufficiency covenant calculation was updated from 11.03 to 10.68 for fiscal year 2016.

(6) As of July 2, 2017, there are no PFC Revenue Bonds outstanding under the PFC Trust Agreement, as the final payment amount of $52.9 million matured on July 1, 2017.

(7) Consists of investment income on the PFC Debt Service Reserve Fund, the PFC Project Funds and investment income generated by the PFC Debt Service Funds that were not received from PFC collections. Fiscal year 2017 credits include $19.6 million released from the PFC Debt Service Reserve Fund.

(8) Debt Service Coverage reflects the pledge of revenue at the $4.50 PFC level.

(9) Following the issuance of the June 30, 2015 audited financial statements on September 30, 2015, the CFC Debt Service Coverage calculation was updated from 2.42 to 2.39 for fiscal year 2015. Following the issuance of the June 30, 2014 audited financial statements on September 24, 2014, the CFC Debt Service Coverage calculation was updated from 2.69 to 2.64 for fiscal year 2014.

Source: Authority’s accounting reports.

MASSACHUSETTS PORT AUTHORITY

Debt Metrics
Under the 1978 Trust Agreement, the PFC Trust Agreement and the CFC Trust Agreement
Fiscal Years Ended June 30, 2014 through June 30, 2023 (In Thousands - except per passenger calculations)

S-8 Debt Metrics (1)

	2023	2022	2021	2020	2019
1978 Trust Agreement-Annual Debt Service per enplaned passenger (2, 3)	$ 7.58	$ 5.38	$ 11.09	$ 7.90	$ 5.69
1978 Trust Agreement Bonds Outstanding (GAAP)	$ 2,655,365	$ 2,553,540	$ 2,565,960	$ 2,234,570	$ 1,752,315
Less Annual Debt Service - Principal (4)	76,685	19,100	12,420	62,680	53,565
1978 Trust Agreement Bonds Outstanding (4)	$ 2,578,680	$ 2,534,440	$ 2,553,540	$ 2,171,890	$ 1,698,750
1978 Trust Agreement Bonds per enplaned passenger	$ 132.22	$ 163.98	$ 418.47	$ 143.87	$ 81.54
PFC Trust Agreement Annual Debt Service per enplaned passenger	N/A	N/A	N/A	N/A	N/A
PFC Trust Agreement Bonds Outstanding (GAAP)	N/A	N/A	N/A	N/A	N/A
Less Annual PFC Debt Service - Principal	N/A	N/A	N/A	N/A	N/A
PFC Trust Agreement Bonds Outstanding (5)	N/A	N/A	N/A	N/A	N/A
PFC Trust Agreement Bonds per enplaned passenger	N/A	N/A	N/A	N/A	N/A
CFC Trust Agreement Bonds Outstanding (GAAP)	$ 115,635	$ 120,255	$ 120,255	$ 124,420	$ 190,795
Less Annual CFC Debt Service - Principal	4,920	4,620	-	4,165	3,960
CFC Trust Agreement Bonds Outstanding	$ 110,715	$ 115,635	$ 120,255	$ 120,255	$ 186,835
CFC Trust Agreement Bonds per enplaned passenger	$ 5.68	$ 7.48	$ 19.71	$ 7.97	$ 8.97
Subordinated Obligations Debt - Direct Placement (GAAP)	$ -	$ -	$ -	$ 72,500	$ 40,000
1978 Trust Agreement Subordinated Obligations Debt Outstanding - Direct Placement (6)	$ -	$ -	$ -	$ 72,500	$ 40,000
Total Long-term Debts at June 30 (GAAP)	$ 2,771,000	$ 2,673,795	$ 2,686,215	$ 2,431,490	$ 1,983,110
Less unamortized amounts: Bond premium (discount), net	$ 328,936	$ 329,085	$ 343,233	$ 256,718	$ 193,090
Total Long-term Debt, net	**$ 3,099,936**	**$ 3,002,880**	**$ 3,029,448**	**$ 2,688,208**	**$ 2,176,200**

(1) Excluding accrued maturities and commercial paper. See Exhibit S-12 for enplaned passenger statistics.
(2) Commencing in fiscal year 2020, excludes debt service paid from PFC Revenues designated by the Authority as Available Funds.
(3) Commencing in fiscal year 2019, reflects the impact of the refunding and defeasance of the Authority's Special Facilities Revenue Bonds (Delta Airlines, Inc. Project), Series 2001A, 2001B and 2001C (the "Terminal A Bonds") in February 2019.
(4) Includes principal paid from all sources, including PFC Revenues designated by the Authority as Available Funds.
(5) As of July 2, 2017, there are no PFC Revenue Bonds outstanding under the PFC Trust Agreement, as the final payment amount of $52.9 million matured on July 1, 2017.
(6) In November 2018, the 2018A Subordinated Obligations were issued to provide bridge financing for a portion of the Conley Terminal Berth 10 project, pending receipt of funds from The Commonwealth of Massachusetts pursuant to a Memorandum of Understanding with the Authority in May 2018. The 2018A Subordinated Obligations were retired in May 2021.

Source: Authority's accounting reports.

MASSACHUSETTS PORT AUTHORITY

Debt Metrics
Under the 1978 Trust Agreement, the PFC Trust Agreement and the CFC Trust Agreement
Fiscal Years Ended June 30, 2014 through June 30, 2023 (In Thousands - except per passenger calculations)

S-8 Debt Metrics (1) (Continued)

		2018		2017		2016		2015		2014
1978 Trust Agreement-Annual Debt Service per enplaned passenger (2, 3)	$	5.67	$	5.45	$	5.67	$	6.13	$	5.90
1978 Trust Agreement Bonds Outstanding (GAAP)	$	1,489,400	$	1,467,650	$	1,348,590	$	1,398,070	$	1,194,540
Less Annual Debt Service - Principal (4)		52,325		52,895		49,430		50,480		46,910
1978 Trust Agreement Bonds Outstanding (4)	$	1,437,075	$	1,414,755	$	1,299,160	$	1,347,590	$	1,147,630
1978 Trust Agreement Bonds per enplaned passenger	$	73.18	$	75.93	$	74.94	$	83.87	$	74.82
PFC Trust Agreement Annual Debt Service per enplaned passenger		N/A	$	1.89	$	1.49	$	1.32	$	1.42
PFC Trust Agreement Bonds Outstanding (GAAP)		N/A	$	52,910	$	75,235	$	92,710	$	110,430
Less Annual PFC Debt Service - Principal		N/A		52,910		22,325		17,475		17,720
PFC Trust Agreement Bonds Outstanding (5)		N/A	$	-	$	52,910	$	75,235	$	92,710
PFC Trust Agreement Bonds per enplaned passenger		N/A	$	-	$	3.05	$	4.68	$	6.04
CFC Trust Agreement Bonds Outstanding (GAAP)	$	194,575	$	198,195	$	201,680	$	205,040	$	208,300
Less Annual CFC Debt Service - Principal		3,780		3,620		3,485		3,360		3,260
CFC Trust Agreement Bonds Outstanding	$	190,795	$	194,575	$	(10,105)	$	(6,620)	$	(3,260)
CFC Trust Agreement Bonds per enplaned passenger	$	9.72	$	10.44	$	11.43	$	12.55	$	13.37
Subordinated Obligations Debt - Direct Placement (GAAP)	$	-	$	-	$	-	$	-	$	-
1978 Trust Agreement Subordinated Obligations Debt Outstanding - Direct Placement (6)	$	-	$	-	$	-	$	-	$	-
Total Long-term Debts at June 30 (GAAP)	$	1,683,975	$	1,718,755	$	1,625,505	$	1,695,820	$	1,513,270
Less unamortized amounts: Bond premium (discount), net	$	151,341	$	131,910	$	98,970	$	89,415	$	73,198
Total Long-term Debt, net	**$**	**1,835,316**	**$**	**1,850,665**	**$**	**1,724,475**	**$**	**1,785,235**	**$**	**1,586,468**

(1) Excluding accrued maturities and commercial paper. See Exhibit S-12 for enplaned passenger statistics.
(2) Commencing in fiscal year 2020, excludes debt service paid from PFC Revenues designated by the Authority as Available Funds.
(3) Commencing in fiscal year 2019, reflects the impact of the refunding and defeasance of the Authority's Special Facilities Revenue Bonds (Delta Airlines, Inc. Project), Series 2001A, 2001B and 2001C (the "Terminal A Bonds") in February 2019.
(4) Includes principal paid from all sources, including PFC Revenues designated by the Authority as Available Funds.
(5) As of July 2, 2017, there are no PFC Revenue Bonds outstanding under the PFC Trust Agreement, as the final payment amount of $52.9 million matured on July 1, 2017.
(6) In November 2018, the 2018A Subordinated Obligations were issued to provide bridge financing for a portion of the Conley Terminal Berth 10 project, pending receipt of funds from The Commonwealth of Massachusetts pursuant to a Memorandum of Understanding with the Authority in May 2018. The 2018A Subordinated Obligations were retired in May 2021.

Source: Authority's accounting reports.

Boston Sword & Tuna expanded their state-of-the-art seafood facility at the Massport Marine Terminal in 2023

MASSACHUSETTS PORT AUTHORITY

Largest Private Sector Employers
Current Year and Nine Years Ago
(Listed in alphabetical order)

S-9 Largest Private Sector Employers - Top 20 Massachusetts Employers with 10,000+ Employees (1)

Calendar Year 2022 (2)

Employer	Headquarters	Product or Service
Analog Devices Inc	Wilmington	Semiconductor Devices-Wholesale
Beth Israel Lahey Health Inc	Cambridge	Health Care Management
BJ'S Wholesale Club Holdings	Marlborough	Variety Stores
Boston Scientific Corp	Marlborough	Physicians & Surgeons Equip & Supplies-Wholesale
Bright Horizons Family Sltns	Newton	Child Care Service
Charles River Labs Intl Inc	Wilmington	Laboratories
FMR LLC	Boston	Financial Advisory Services
Fresenius Medical Care North	Waltham	Dialysis
General Electric Co	Boston	Electronic Equipment & Supplies-Manufacturers
John Hancock	Boston	Insurance
Keurig Dr Pepper Inc	Burlington	Beverages - Wholesale
Liberty Mutual Holding Co Inc	Boston	Insurance-Holding Companies
Mass General Brigham	Boston	Health Care Management
National Amusements Inc	Norwood	Theatres-Movie
Philips Electronics N America	Andover	Health Equipment & Supls-Manufacturers
State Street Corp	Boston	Holding Companies (Bank)
Thermo Fisher Scientific Inc	Waltham	Laboratory Equipment & Supplies-Wholesale
Thomas H Lee Partners LP	Boston	Private Equity Companies
TJX Co Inc	Framingham	Department Stores
Virtusa Corp	Southborough	Software/Application/Platform Developers & Programmers

Calendar Year 2013

Employer	Headquarters	Product or Service
BJ’S Wholesale Club Inc	Westborough	Wholesale Clubs
Boston Scientific Corp	Natick	Surgical Instruments-Manufacturers
Bright Horizons Family Solutions	Watertown	Child Care Service
EMC Corp	Hopkinton	Information Technology Services
Five Star Quality Care Inc	Newton	Residential Care Homes
Fresenius Medical Care	Waltham	Dialysis
Iron Mountain Inc	Boston	Business Records & Documents-Storage
John Hancock	Boston	Insurance
Liberty Mutual Holding Co Inc	Boston	Insurance-Holding Companies
Massachusetts General Hospital	Boston	Hospitals
Massachusetts Mutual Life Ins	Springfield	Insurance
National Amusements Inc	Norwood	Theatres-Movie
National Mentor Holdings Inc	Boston	Human Services Organizations
Partners Health Care System	Boston	Hospitals
Philips Electronics N America	Andover	Health Equipment & Supls-Manufacturers
Raytheon Co	Waltham	Aerospace Industries-Manufacturers
Shaw’s Supermarkets Inc	East Bridgewater	Grocers-Retail
Staples Inc	Framingham	Office Supplies
State Street Corp	Boston	Holding Companies (Bank)
Thermo Fisher Scientific Inc	Waltham	Measuring/Controlling Devices Nec-Manufacturers

(1) Largest employers headquartered in MA only, excludes subsidiaries that are headquartered outside of MA.
(2) As of October 2023.

Sources: Data Axle, Inc..

MASSACHUSETTS PORT AUTHORITY

Demographics and Employment Data
Calendar Years Ended 2013 through 2022

S-10 Demographics and Employment Data

(Calendar Years)

Boston Metropolitan Statistical Area (1)	2022	2021	2020	2019	2018
Population (2)	4,900,550	4,903,708	4,878,211	4,873,019	4,859,536
Total personal income (in millions)	N/A (3)	$452,212	$418,178	$397,139	$383,665
Per capita personal income	N/A (3)	$92,290	$85,724	$81,498	$78,694
Unemployment rate (annual average) (5)	3.4%	5.1%	9.0%	2.7%	3.1%
Employment By Industry					
Industry Type (In thousands) (4, 5)					
Educational and Health Services	593.4	582.3	563.5	595.9	593.0
Trade, Transportation and Utilities	406.1	397.7	388.8	443.7	440.1
Professional and Business Services	545.7	528.8	499.9	524.0	513.6
Government	308.0	301.6	301.4	321.8	320.2
Manufacturing	183.1	179.2	178.1	188.4	188.5
Leisure and Hospitality	252.0	216.0	192.2	279.2	271.4
Financial Activities	185.8	184.1	182.6	186.4	185.3
Construction	127.2	123.2	113.7	122.2	119.2
Other Services	99.8	93.0	85.6	105.1	103.2
Information	83.9	81.7	81.0	83.4	80.1
Total	**2,785.0**	**2,687.6**	**2,586.8**	**2,850.1**	**2,814.6**

(1) The Metropolitan Statistical Area as defined by the Office of Management and Budget for Federal statistical purposes.

(2) Population data for calendar year 2021 has been revised from what was reflected in Table S-10 of the Authority's fiscal year 2022 ACFR, reflecting updated data released by the U.S. Census Bureau. Population estimate as of July 1.

(3) U.S. Department of Labor changed its release date for statistical data estimates of personal income for all local areas. Data is expected to be released 11 months after the end of the referenced year.

(4) On February 28, 2013, the Office of Management and Budget announced through Bulletin No. 13-01 revised delineations of Metropolitan Statistical Areas. The Local Area Unemployment Statistics implemented these 2010 Census-based delineations on March 17, 2015. Employment figures are reflected as of December 31 each calendar year.

(5) Employment data for calendar year 2021 has been revised from what was reflected in Table S-10 of the Authority's fiscal year 2022 ACFR. reflecting updated data released by the Bureau of Labor Statistics.

Sources: Bureau of Economic Analysis - U.S. Department of Commerce and Bureau of Labor Statistics - U.S. Department of Labor.

MASSACHUSETTS PORT AUTHORITY

Demographics and Employment Data
Calendar Years Ended 2013 through 2022

S-10 Demographics and Employment Data (Continued)

(Calendar Years)

Boston Metropolitan Statistical Area (1)	2017	2016	2015	2014	2013
Population (2)	4,844,597	4,805,942	4,766,755	4,739,385	4,698,356
Total personal income (in millions)	$358,021	$336,363	$326,046	$304,329	$289,275
Per capita personal income	$74,024	$70,157	$68,292	$64,311	$61,754
Unemployment rate (annual average) (5)	3.4%	3.5%	4.4%	5.2%	6.1%
Employment By Industry					
Industry Type (In thousands) (4, 5)					
Educational and Health Services	585.9	582.4	570.6	558.6	539.9
Trade, Transportation and Utilities	440.9	437.8	434.6	432.4	423.8
Professional and Business Services	494.3	477.2	464.9	449.2	439.0
Government	317.8	319.6	318.4	320.1	313.5
Manufacturing	188.5	187.6	189.5	193.1	193.3
Leisure and Hospitality	270.9	263.6	257.1	250.0	242.4
Financial Activities	185.3	185.4	184.8	180.4	178.9
Construction	113.8	110.0	107.8	97.9	90.5
Other Services	102.0	101.1	100.1	99.8	98.3
Information	80.4	79.3	77.7	76.3	75.1
Total	**2,779.8**	**2,744.0**	**2,705.5**	**2,657.8**	**2,594.7**

(1) The Metropolitan Statistical Area as defined by the Office of Management and Budget for Federal statistical purposes.

(2) Population data for calendar year 2021 has been revised from what was reflected in Table S-10 of the Authority's fiscal year 2022 ACFR, reflecting updated data released by the U.S. Census Bureau. Population estimate as of July 1.

(3) U.S. Department of Labor changed its release date for statistical data estimates of personal income for all local areas. Data is expected to be released 11 months after the end of the referenced year.

(4) On February 28, 2013, the Office of Management and Budget announced through Bulletin No. 13-01 revised delineations of Metropolitan Statistical Areas. The Local Area Unemployment Statistics implemented these 2010 Census-based delineations on March 17, 2015. Employment figures are reflected as of December 31 each calendar year.

(5) Employment data for calendar year 2021 has been revised from what was reflected in Table S-10 of the Authority's fiscal year 2022 ACFR. reflecting updated data released by the Bureau of Labor Statistics.

Sources: Bureau of Economic Analysis - U.S. Department of Commerce and Bureau of Labor Statistics - U.S. Department of Labor.

MASSACHUSETTS PORT AUTHORITY

Number of Employees by Facility
Fiscal Years Ended June 30, 2014 through June 30, 2023

S-11 Number of Employees by Facility (1):

Facility	2023	2022	2021	2020	2019
Logan Airport	760.0	720.0	696.0	829.0	819.0
Hanscom Field	20.0	20.0	18.0	19.0	19.0
Worcester Regional Airport	22.0	21.0	13.0	25.0	24.0
Maritime	108.0	108.0	105.0	121.0	122.0
General Administration	287.0	257.0	251.0	349.0	346.0
Total Employees	**1,197.0**	**1,126.0**	**1,083.0**	**1,343.0**	**1,330.0**

(1) Excludes policing services that are provided to the Authority by Troop F of the Massachusetts State Police who are employees of the Commonwealth. In fiscal year 2023, there were 137 State Police positions assigned to the Authority.

Source: Authority-Wide Vacancy report as of June 30 each fiscal year.

New "Logan 100" exhibit in Terminal E looks back at Logan Airport's history of innovation, resilience and connecting people.

MASSACHUSETTS PORT AUTHORITY

Number of Employees by Facility
Fiscal Years Ended June 30, 2014 through June 30, 2023

S-11 Number of Employees by Facility (1): (Continued)

Facility	2018	2017	2016	2015	2014
Logan Airport	777.0	780.0	750.5	725.0	707.0
Hanscom Field	19.0	18.0	19.0	19.0	18.0
Worcester Regional Airport	33.0	32.0	31.0	32.0	26.5
Maritime	119.0	121.0	120.5	115.5	121.0
General Administration	336.0	322.0	318.0	311.5	300.5
Total Employees	**1,284.0**	**1,273.0**	**1,239.0**	**1,203.0**	**1,173.0**

(1) Excludes policing services that are provided to the Authority by Troop F of the Massachusetts State Police who are employees of the Commonwealth. In fiscal year 2023, there were 137 State Police positions assigned to the Authority.

Source: Authority-Wide Vacancy report as of June 30 each fiscal year.

Gov. Maura Healey was the guest speaker at the One Massport Business Meeting and Employee Recognition event in the Delta Air Lines hangar.

MASSACHUSETTS PORT AUTHORITY

Logan International Airport
Traffic Metrics
Fiscal Years Ended June 30, 2014 through June 30, 2023

S-12 Logan International Airport Activity:

	2023	2022	2021 (1)	2020 (1)	2019
Aircraft Operations (2)					
Domestic (3)	230,161	194,791	111,889	208,986	263,545
International (4)	48,363	32,925	15,784	39,318	54,736
Regional	87,703	84,068	44,163	71,285	77,809
General Aviation	30,308	30,196	15,706	21,534	30,420
Total Operations	396,535	341,980	187,542	341,123	426,510
Aircraft Landed Weights (1,000 pounds) (5)	25,115,080	20,822,089	11,355,731	21,462,516	26,547,968
Passengers Traffic					
Domestic (3)					
Enplaned	14,000,157	11,701,584	5,045,352	11,281,039	15,620,740
Deplaned	14,065,304	11,822,052	5,078,662	11,285,569	15,696,004
International (4)					
Enplaned	3,818,809	2,208,667	651,054	2,820,055	4,011,290
Deplaned	3,865,109	2,189,828	607,317	2,926,919	4,018,879
Regional					
Enplaned	1,683,438	1,545,426	405,660	995,484	1,200,779
Deplaned	1,687,154	1,551,704	404,688	980,667	1,204,503
Subtotal	39,119,971	31,019,261	12,192,733	30,289,733	41,752,195
General Aviation ("GA")					
Enplaned	56,059	55,605	28,477	39,038	55,608
Deplaned	56,059	55,605	28,477	39,038	55,608
Total Passengers	39,232,089	31,130,471	12,249,687	30,367,809	41,863,411
Total Enplaned Passengers (excluding GA)	19,502,404	15,455,677	6,102,066	15,096,578	20,832,809
Average Passengers Per Flight					
Domestic (3)	121.9	120.8	90.5	108.0	118.8
International (4)	158.9	133.6	79.7	146.2	146.7
Regional	38.4	36.8	18.3	27.7	30.9
Air Carrier and Passenger Metrics					
Primary carrier (6)	JetBlue	JetBlue	JetBlue	JetBlue	JetBlue
Primary carrier market share (6)	28.1%	27.8%	33.6%	29.3%	28.5%
Two top carriers market share (6)	47.5%	45.0%	51.6%	43.9%	43.9%
Origination & destination share (7)	95.0% (8)	95.5%	96.7%	94.4%	94.5%
Compensatory airline payments to Massport per enplaned passenger (9)	$17.58	$19.74	$50.97	$20.21	$14.63
Logan Airport revenue per enplaned passenger (10)	$42.78	$43.00	$85.68	$44.02	$35.40
Total Cargo & Mail (1,000 pounds)	623,486	682,743	610,444	657,848	733,465

(1) Fiscal year 2020 and 2021 traffic statistics reflect impact of COVID-19 pandemic.
(2) Includes all-cargo flights.
(3) Includes domestic flights on jets and charters.
(4) Includes international flights on jet, charter and commuter carriers.
(5) Excludes general aviation and non-tenant.
(6) Data consists of mainline activity only.
(7) Source: the Authority and U.S. DOT, Air Passenger Origin-Destination Survey, reconciled to Schedule T1, as reported in Appendix CFC-1 to the Authority's ACFR; this statistic is calculated based on outbound passengers only as of fiscal year end.
(8) Fiscal year 2023 data is preliminary.
(9) Consists of landing fees, terminal rents, certain non-PFC passenger fees and aircraft parking fees.
(10) Consists of landing fees, terminal rents, parking, utilities, non-terminal and ground rent, concessions and baggage fees.

Source: Authority reports.

MASSACHUSETTS PORT AUTHORITY

Logan International Airport
Traffic Metrics
Fiscal Years Ended June 30, 2014 through June 30, 2023

S-12 Logan International Airport Activity: (Continued)

	2018	2017	2016	2015	2014
Aircraft Operations (2)					
Domestic (3)	257,296	244,857	237,479	224,928	219,534
International (4)	52,483	51,500	46,687	41,084	38,059
Regional	71,198	68,223	72,416	71,233	79,983
General Aviation	31,186	31,300	30,026	26,114	26,286
Total Operations	412,163	395,880	386,608	363,359	363,862
Aircraft Landed Weights (1,000 pounds) (5)	25,249,192	24,040,957	22,652,895	20,784,046	20,297,245
Passengers Traffic					
Domestic (3)					
Enplaned	14,995,819	14,257,124	13,368,762	12,551,985	11,990,184
Deplaned	15,079,032	14,348,544	13,466,887	12,591,542	12,045,512
International (4)					
Enplaned	3,609,751	3,493,005	3,004,322	2,611,642	2,337,269
Deplaned	3,649,730	3,506,567	3,034,210	2,634,590	2,348,399
Regional					
Enplaned	1,030,643	881,940	962,163	903,180	1,011,299
Deplaned	1,028,876	871,399	952,308	910,348	1,021,968
Subtotal	39,393,851	37,358,579	34,788,652	32,203,287	30,754,631
General Aviation ("GA")					
Enplaned	56,329	55,886	54,883	47,967	47,816
Deplaned	56,329	55,886	54,883	47,967	47,816
Total Passengers	39,506,509	37,470,351	34,898,418	32,299,221	30,850,263
Total Enplaned Passengers (excluding GA)	19,636,213	18,632,069	17,335,247	16,066,807	15,338,752
Average Passengers Per Flight					
Domestic (3)	116.9	116.8	113.0	111.8	109.5
International (4)	138.3	135.9	129.3	127.7	123.1
Regional	28.9	25.7	26.4	25.5	25.4
Air Carrier and Passenger Metrics					
Primary carrier (6)	JetBlue	JetBlue	JetBlue	JetBlue	JetBlue
Primary carrier market share (6)	27.9%	27.2%	26.5%	26.9%	26.5%
Two top carriers market share (6)	44.1%	44.3%	40.7%	39.2%	37.7%
Origination & destination share (7)	94.2%	94.4%	94.8%	94.5%	94.5%
Compensatory airline payments to Massport per enplaned passenger (9)	$14.37	$13.98	$13.45	$13.78	$13.55
Logan Airport revenue per enplaned passenger (10)	$35.39	$34.25	$33.85	$34.76	$34.07
Total Cargo & Mail (1,000 pounds)	727,175	672,402	606,101	625,749	572,226

(1) Fiscal year 2020 and 2021 traffic statistics reflect impact of COVID-19 pandemic.
(2) Includes all-cargo flights.
(3) Includes domestic flights on jets and charters.
(4) Includes international flights on jet, charter and commuter carriers.
(5) Excludes general aviation and non-tenant.
(6) Data consists of mainline activity only.
(7) Source: the Authority and U.S. DOT, Air Passenger Origin-Destination Survey, reconciled to Schedule T1, as reported in Appendix CFC-1 to the Authority's ACFR; this statistic is calculated based on outbound passengers only as of fiscal year end.
(8) Fiscal year 2023 data is preliminary.
(9) Consists of landing fees, terminal rents, certain non-PFC passenger fees and aircraft parking fees.
(10) Consists of landing fees, terminal rents, parking, utilities, non-terminal and ground rent, concessions and baggage fees.

Source: Authority reports.

MASSACHUSETTS PORT AUTHORITY

Logan International Airport
Market Share of Total Passenger Traffic
Current Year and Nine Years Ago

S-13 Passenger Traffic Market Shares

	Fiscal Year 2023		Fiscal Year 2014	
Air Carrier (1)	**Passenger**	**%**	**Passenger**	**%**
JetBlue Airways Corp.	11,015,955	28.1%	8,181,523	26.5%
Delta Air Lines, Inc.	7,604,368	19.4%	3,347,109	10.8%
American Airlines, Inc. (2)	5,105,990	13.0%	6,471,213	21.0%
Foreign Flag	4,571,703	11.7%	3,359,482	10.9%
United Air Lines, Inc.	3,458,838	8.8%	3,462,335	11.2%
Regional Carriers (3)	3,430,765	8.7%	2,050,141	6.6%
Others (4)	2,527,264	6.4%	1,438,314	4.7%
Southwest Airlines Co. (5)	1,517,206	3.9%	2,540,146	8.2%
Total	**39,232,089**	**100.0%**	**30,850,263**	**100.0%**

Air Carrier (1)	2023	2022	2021	2020	2019
JetBlue Airways	**28.1%**	**27.8%**	**33.7%**	**29.3%**	**28.5%**
Delta Air Lines	**19.4%**	**17.2%**	**14.7%**	**14.4%**	**13.5%**
American (2)	**13.0%**	**16.8%**	**18.1%**	**14.6%**	**15.4%**
American	-	-	-	-	-
US Airways	-	-	-	-	-
Foreign Flag	**11.7%**	**7.8%**	**3.4%**	**14.0%**	**14.6%**
United Airlines	**8.8%**	**9.1%**	**8.3%**	**8.7%**	**9.5%**
Continental Airlines	-	-	-	-	-
United	-	-	-	-	-
Regional U.S. Carriers (3)	**8.7%**	**10.0%**	**6.6%**	**6.5%**	**5.7%**
Other U.S. Carriers (4)	**6.4%**	**7.2%**	**9.3%**	**6.7%**	**6.2%**
Southwest (5)	**3.9%**	**4.1%**	**5.9%**	**5.8%**	**6.6%**
AirTran Airways	-	-	-	-	-
Southwest	-	-	-	-	-
Total (6)	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

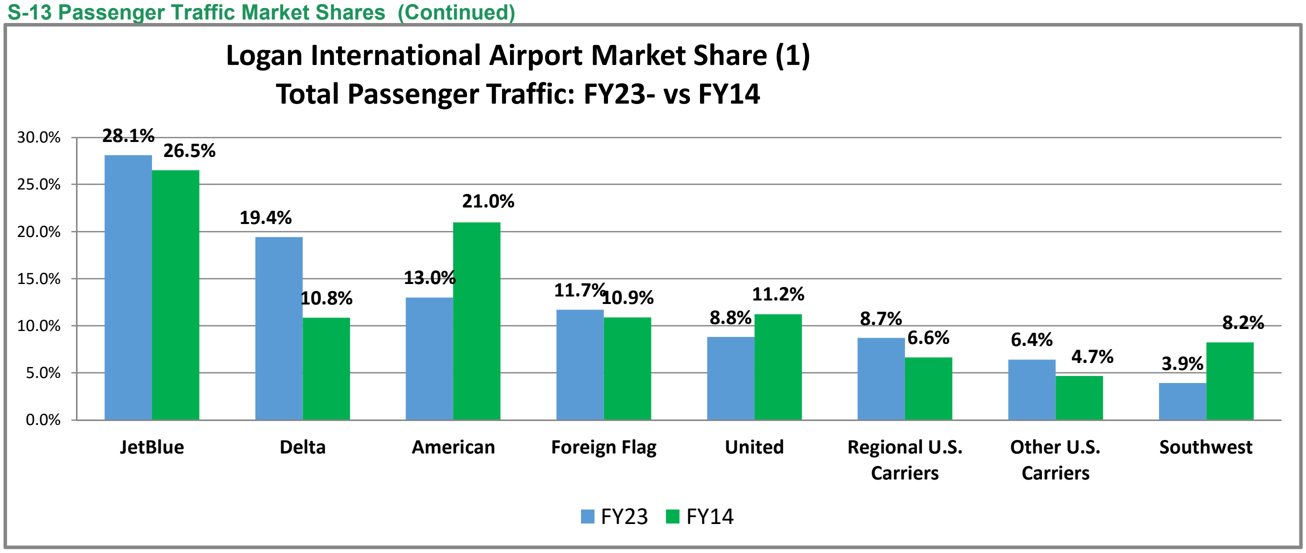
(1) For purposes of comparison, data for consolidated air carriers (American, Delta, Southwest and United) is presented for all fiscal years. In the case of each such consolidated air carrier, the data provided for each period occurring prior to the consolidation is estimated based on a summation of the individual carrier information for such period. The data provided for period(s) occurring after the consolidation reflects actual data for such period(s). To the extent individual merged carriers continue to operate separately, individual carrier information is also shown for the periods occurring post-merger, which information may not add to the consolidated figure.
(2) In December 2013, American merged with US Airways, and effective October 1, 2015, the two airlines were fully integrated under the American name.
(3) Includes PenAir, (through June 30, 2018), Boutique Air (commencing June 1, 2018), Silver Airways (summer seasonal commencing July 1, 2018), Cape Air, American Eagle, US Airways Shuttle, Delta Shuttle, United Express, Continental Express and associated regional carriers. These figures for passengers traveling on U.S. flag regional carriers include passengers traveling internationally.
(4) Includes Alaska Airlines, Allegiant (commencing September 2020), Eastern (commencing December 2020), Frontier, Hawaiian, Spirit Airlines, Sun Country, Virgin America (merged with Alaska effective January 11, 2018), and chartered/non-scheduled domestic service.
(5) In May 2011, Southwest merged with Air Tran Airways, and effective January 1, 2015, the two airlines were fully integrated under the Southwest name.
(6) Includes General Aviation figures.

Source: Authority reports.

MASSACHUSETTS PORT AUTHORITY

Logan International Airport
Market Share of Total Passenger Traffic
Current Year and Nine Years Ago

S-13 Passenger Traffic Market Shares (Continued)



Air Carrier (1)	2018	2017	2016	2015	2014
JetBlue Airways	**27.9%**	**27.2%**	**26.5%**	**26.9%**	**26.5%**
Delta Air Lines	**12.6%**	**12.0%**	**11.5%**	**12.3%**	**10.8%**
American (2)	**16.2%**	**17.1%**	**19.4%**	**20.3%**	**21.0%**
American	*0.0*	*0.0*	*14.2*	*9.4*	*10.0*
US Airways	*0.0*	*0.0*	*5.2*	*10.9*	*11.0*
Foreign Flag	**14.2%**	**14.4%**	**13.0%**	**12.0%**	**10.9%**
United Airlines	**9.8%**	**10.1%**	**10.3%**	**10.2%**	**11.2%**
Continental Airlines	*0.0*	*0.0*	*0.0*	-	*0.0*
United	*0.0*	*0.0*	*0.0*	-	*0.0*
Regional U.S. Carriers (3)	**5.2%**	**4.7%**	**5.5%**	**5.6%**	**6.6%**
Other U.S. Carriers (4)	**6.5%**	**6.3%**	**5.7%**	**5.1%**	**4.7%**
Southwest (5)	**7.6%**	**8.2%**	**8.1%**	**7.6%**	**8.2%**
AirTran Airways	-	-	-	*0.3*	*1.9*
Southwest	-	-	-	*7.3*	*6.3*
Total (6)	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

(1) For purposes of comparison, data for consolidated air carriers (American, Delta, Southwest and United) is presented for all fiscal years. In the case of each such consolidated air carrier, the data provided for each period occurring prior to the consolidation is estimated based on a summation of the individual carrier information for such period. The data provided for period(s) occurring after the consolidation reflects actual data for such period(s). To the extent individual merged carriers continue to operate separately, individual carrier information is also shown for the periods occurring post-merger, which information may not add to the consolidated figure.

(2) In December 2013, American merged with US Airways, and effective October 1, 2015, the two airlines were fully integrated under the American name.

(3) Includes PenAir, (through June 30, 2018), Boutique Air (commencing June 1, 2018), Silver Airways (summer seasonal commencing July 1, 2018), Cape Air, American Eagle, US Airways Shuttle, Delta Shuttle, United Express, Continental Express and associated regional carriers. These figures for passengers traveling on U.S. flag regional carriers include passengers traveling internationally.

(4) Includes Alaska Airlines, Allegiant (commencing September 2020), Eastern (commencing December 2020), Frontier, Hawaiian, Spirit Airlines, Sun Country, Virgin America (merged with Alaska effective January 11, 2018), and chartered/non-scheduled domestic service.

(5) In May 2011, Southwest merged with Air Tran Airways, and effective January 1, 2015, the two airlines were fully integrated under the Southwest name.

(6) Includes General Aviation figures.

Source: Authority reports.

MASSACHUSETTS PORT AUTHORITY

Logan International Airport
Passenger Markets
Calendar Year 2022 and Nine Years Ago

S-14 Logan International Airport - Passenger Markets

The following table shows the percentage of passengers traveling on U.S. air carrier airlines to or from the Airport and other final domestic destinations for calendar year 2022, as reported by the United States Department of Transportation. International passengers are not included.
It also shows the comparative ranking of the top 20 domestic destinations for the same period and for calendar year 2013.

Market	Calendar 2022 Percentage	Calendar 2022 Rank	Calendar 2013 Rank
MCO : Orlando, FL	5.3%	1	6
Washington DC (IAD, DCA) (1)	5.1%	2	1
Chicago, IL (ORD, MDW) (2)	4.8%	3	3
New York Area (JFK, LGA, EWR) (3)	4.6%	4	2
Los Angeles Area : (LAX and LGB)	4.5%	5	5
San Francisco Area : (SFO and SJC)	4.3%	6	4
MIA : Miami, FL	3.4%	7	24
ATL : Atlanta, GA	3.2%	8	8
FLL : Fort Lauderdale, FL	2.8%	9	9
DEN : Denver, CO	2.8%	10	12
TPA : Tampa, FL	2.7%	11	14
Dallas/Fort Worth, TX (DFW & DAL) (4)	2.5%	12	10
RSW : Fort Myers, FL	2.2%	13	13
PHL : Philadelphia, PA	2.2%	14	11
SEA : Seattle, WA	2.1%	15	18
LAS : Las Vegas, NV	1.9%	16	16
PBI: West Palm Beach, FL	1.9%	17	19
RDU : Raleigh/Durham, NC	1.9%	18	17
CLT : Charlotte, NC	1.9%	19	15
PHX : Phoenix, AZ	1.8%	20	22
Total for Cities Listed	61.9%		

(1) Includes Dulles Airport & National Airport.
(2) Includes Chicago O'Hare Airport and Midway Airport.
(3) Includes JFK, La Guardia and Newark Liberty International Airports.
(4) Includes Dallas/Fort Worth Airport and Dallas Love Field Airport.

Source: Airline Data Inc.: USDOT, O&D Survey.

MASSACHUSETTS PORT AUTHORITY

Port of Boston
Cargo and Passenger Activity
Fiscal Years Ended June 30, 2014 through June 30, 2023

S-15 Port of Boston Cargo and Passenger Activity

Port Activity	2023	2022	2021	2020	2019
Containers (1)	123,460	79,095	140,750	161,171	174,849
TEUs	220,810	139,959	247,845	283,061	307,331
Cruise Passengers (2)	355,874	45,539	0	298,029	395,971
Automobiles (3)	34,853	31,528	46,650	50,499	49,613
Bulk Tonnage	185,668	125,870	122,839	111,875	83,844

(1) Does not include over-the-road volumes.
(2) 2021 cruise season cancelled due to COVID-19 pandemic and CDC No Sail and Conditional Sail Orders.
(3) Does not include vehicles entered by over-the-road means.

Source: Authority reports.

Evergreen's *Ever Fortune* at Conley Container Terminal

MASSACHUSETTS PORT AUTHORITY

Port of Boston
Cargo and Passenger Activity
Fiscal Years Ended June 30, 2014 through June 30, 2023

S-15 Port of Boston Cargo and Passenger Activity (Continued)

Port	2018	2017	2016	2015	2014
Activity					
Containers (1)	161,130	145,540	140,967	125,809	116,800
TEUs	281,978	254,747	250,439	220,208	198,835
Cruise Passengers (2)	406,369	351,914	289,076	330,535	338,442
Automobiles (3)	52,736	48,983	59,740	57,522	57,662
Bulk Tonnage	82,868	110,480	110,673	155,415	182,714

(1) Does not include over-the-road volumes.
(2) 2021 cruise season cancelled due to COVID-19 pandemic and CDC No Sail and Conditional Sail Orders.
(3) Does not include vehicles entered by over-the-road means.

Source: Authority reports.

The Boston Autoport in Charlestown.

Norwegian Cruise Line's *Norwegian Pearl* at Flynn Cruiseport Boston.

MASSACHUSETTS PORT AUTHORITY

Port of Boston
Principal Customers
Current Year and Nine Years Ago

S-16 Port of Boston Principal Customers

Fiscal Year 2023

Direct Service	Shipping Lines	Cruise Lines	Large Customs House Brokers
AWE6	China Ocean Shipping Co	American Queen Voyages	A.N. Deringer
AWES	CMA CGM	Carnival	Albatrans, Inc
BEXP	Evergreen	Celebrity	BDP International, Inc.
ENWC	Mediterranean Shipping Corp.	Cunard	C.H. Powell Company
INDUS2	OOCL	Holland America	DHL Forwarding
OA	ZIM	Hurtigruten	Dolliff & Company, Inc
SANT		Norwegian Cruise Lines	Dynasty International, Inc.
TGUS		Oceania	EGL Eagle Global Logistics
ZXB		P&O Cruises	Expeditors Int'l
		Ponant	Fedex Trade Networks
		Princess Cruises	Hellmann Worldwide Logistics, Inc
		Regent Seven Seas	J.F. Moran Co., Inc.
		Royal Caribbean	Janel Group
		Seabourn	Kuehne & Nagel, Inc.
		Silversea	Magic Customs Brokers, Inc
		Swan	OceanAir, Inc
		TUI	Panalpina, Inc.
		Vantage Cruise Line	Savino Del Bene, Inc.
		Viking	Schenker International, INC
		Windstar	UPS Supply Chain Solutions

Fiscal Year 2014

Direct Service	Shipping Lines	Cruise Lines	Large Customs House Brokers
China Ocean Shipping Co	China Ocean Shipping Co	Aida Cruises	A.N. Deringer
Hanjin Shipping	Hanjin Shipping	Carnival Cruise Lines	Albatrans, Inc
K-Line	K-Line	Crystal Cruise Line	BDP International, Inc
Mediterranean Shipping Corp.	Mediterranean Shipping Corp.	Cunard	C.H. Powell Company
Yang Ming Line	Yang Ming Line	Holland America	DB Schenker
		Navitrans Shipping	DHL Forwarding
		Norwegian Cruise Lines	Dolliff & Company, Inc
		Oceania Cruises	Dynasty International, Inc.
		P&O Cruises	EGL Eagle Global Logistics
		Princess Cruises	Exel Global Logistics
		Regent Seven Seas	Expeditors Int'l
		Residen Sea	Fedex Trade Networks
		Royal Caribbean	Hellmann Worldwide Logistics, Inc
		Seabourn Cruise Lines	J.F. Moran Co., Inc.
		Silversea Cruises	Kuehne & Nagel, Inc.
		V-Ships Leisure	Liberty International
			Magic Customs Brokers, Inc
			OceanAir, Inc
			Panalpina, Inc.
			Savino Del Bene, Inc.
			SDV (USA)
			UPS Supply Chain Solutions
			Vandegrift Intl.

Source: Authority reports.

MASSACHUSETTS PORT AUTHORITY

Insurance Coverage

Fiscal Year Ended June 30, 2023

S-17 Insurance Coverage

POLICY - 7/01/2022 6/30/2023	BROKER / UNDERWRITER	LIMITS	RETENTION / UNDERLYING
PROPERTY INSURANCE			
All Risk Property Insurance including Boiler & Mach., Contractor's Equip. & Bus. Int. & Terrorism	Alliant/AIG	$500,000,000	$1,000,000 + 10% of first $50,000,000 occurrence
Hull Insurance - Including Terrorism	HUB International/STARR	Agreed Value	$1,000 - $50,000
LIABILITY INSURANCE			
Aviation General Liability War Risk Coverage Primary and Excess	Aon/Chubb	$500,000,000	$250,000
Marine Liability Terminal Operator's Liability Protection & Indemnity Including Port & Stevedore Liability Primary and Excess Including Terrorism	HUB/Berkley	$100,000,000	$25,000
Automobile Liability Primary & Excess	Knapp, Schenck/Arbella	$5,000,000	
Comprehensive & Collision Deductible			$5,000
WORKERS' COMPENSATION			
Excess Workers' Compensation	HUB International/Chubb	Statutory	$1,000,000
OTHER COVERAGE			
Crime, Dishonesty Burglary and Robbery	Braley & Wellington/ Hartford Insurance Company	$3,000,000	$10,000-$100,000
Secretary-Treasurer's Bond	Braley & Wellington/ Hartford Insurance Company	$1,000,000	$0
Customs Bond	Braley & Wellington/ American Casualty Company	$50,000	$0
Marine Terminal Operator's Bond	Braley & Wellington/ Western Surety Company	$100,000	$0

Source: Authority reports.

MASSACHUSETTS PORT AUTHORITY
Physical Asset Data
Fiscal Year Ended June 30, 2023

S-18 List of Certain Physical Asset Characteristics

	2023
Logan Airport	
Area of Airport (acres - approximate)	2,411
Runways	
Runway 15R/33L (length in feet)	10,083
Runway 4R/22L (length in feet)	10,006
Runway 4L/22R (length in feet)	7,864
Runway 9/27 (length in feet)	7,001
Runway 15L/33R (length in feet)	2,557
Runway 14/32 (length in feet)	5,000
Terminal Buildings	
Terminal A (number of jet contact gates)	21
Terminal B (number of jet contact gates)	41
Terminal C (number of jet contact gates)	27
Terminal E (number of jet contact gates)	12
Parking	
Number of commercial and employee parking spaces	18,904
Cargo Facilities (square feet)	267,703
Hanscom Field	
Area of Airport (acres - approximate)	1,302
Runways	
Runway 11/29 (length in feet)	7,011
Runway 5/23 (length in feet)	5,107
Worcester Regional Airport	
Area of Airport (acres - approximate)	1,330
Runways	
Runway 11/29 (length in feet)	7,001
Runway 15/33 (length in feet)	5,000
Port of Boston	
Conley Terminal (101 acres)	
Berth 10 (length in feet)	1,275
Berth 11 (length in feet)	1,000
Berth 12 (length in feet)	950
Berth 14 (length in feet)	500
Berth 15 (length in feet)	500
Berth 16 (length in feet)	580
Berth 17 (length in feet)	580
Moran Terminal (64 acres)	
Berth 1 (length in feet)	1,000
Flynn Cruiseport Terminal	
10 berths (length in feet (each))	500
Commercial Real Estate (approximate acres)	96.0

Source: Authority reports.

massport

The Terminal B-to-C Connector completed in August 2022

ANNUAL DISCLOSURE

STATEMENT OF THE 1978 TRUST AGREEMENT
ANNUAL FINANCIAL INFORMATION
AND OPERATING DATA
of the
MASSACHUSETTS PORT AUTHORITY
FOR FISCAL YEAR 2023

INTRODUCTION

This Statement of Annual Financial Information and Operating Data dated as of November 22, 2023 (this "Annual Disclosure Statement") of the Massachusetts Port Authority (the "Authority") is prepared and submitted in accordance with the requirements of (i) its Continuing Disclosure Certificate dated as of July 19, 2012 and (ii) its Continuing Disclosure Certificate dated July 10, 2019 (collectively, the "Continuing Disclosure Undertaking"). Set forth below is certain financial information and operating data relating to the Authority for the fiscal year ended June 30, 2023 ("fiscal year 2023"), which updates financial information and operating data presented in the Authority's Statement of Annual Financial Information and Operating Data dated as of November 23, 2022 (the "2022 Annual Disclosure Statement"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Authority's Official Statement dated July 12, 2022 (the "2022 Official Statement"). This Annual Disclosure Statement is part of the Authority's Annual Comprehensive Financial Report (the "2023 ACFR") dated November 22, 2023 for fiscal year 2023, and the remaining sections of the 2023 ACFR are incorporated herein by reference. The Authority's audited financial statements for fiscal year 2023 and comparative information for fiscal year 2022, prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), with a report thereon by Ernst & Young LLP, independent auditors, are also included in the financial section of the 2023 ACFR. The 2022 Official Statement and the 2022 Annual Disclosure Statement are each on file with the Municipal Securities Rulemaking Board ("MSRB"). For a more complete description of the Authority and the Bonds, reference is made to the 2022 Official Statement.

This Annual Disclosure Statement applies to the following Series of Bonds issued by the Authority and outstanding at June 30, 2023 (collectively, the "Bonds"):

Massachusetts Port Authority Revenue Bonds, Series 2022-A (AMT) (Green Bonds)
Massachusetts Port Authority Revenue Refunding Bonds, Series 2021-A (Non-AMT)
Massachusetts Port Authority Revenue Refunding Bonds, Series 2021-B (AMT)
Massachusetts Port Authority Revenue Refunding Bonds, Series 2021-C (Taxable)
Massachusetts Port Authority Revenue Bonds, Series 2021-D (Non-AMT)
Massachusetts Port Authority Revenue Bonds, Series 2021-E (AMT)
Massachusetts Port Authority Revenue Refunding Bonds, Series 2020-A (AMT)
Massachusetts Port Authority Revenue Bonds, Series 2020-B (Taxable)
Massachusetts Port Authority Revenue Bonds, Series 2019-A (AMT)
Massachusetts Port Authority Revenue Bonds, Series 2019-B (Non-AMT)
Massachusetts Port Authority Revenue Bonds, Series 2019-C (AMT)
Massachusetts Port Authority Revenue Bonds, Series 2017-A (AMT)
Massachusetts Port Authority Revenue Refunding Bonds, Series 2016-A (Non-AMT)
Massachusetts Port Authority Revenue Bonds, Series 2016-B (AMT)
Massachusetts Port Authority Revenue Bonds, Series 2015-A (Non-AMT)
Massachusetts Port Authority Revenue Bonds, Series 2015-B (AMT)
Massachusetts Port Authority Revenue Refunding Bonds, Series 2015-C (Non-AMT)
Massachusetts Port Authority Revenue Bonds, Series 2014-A (Non-AMT)
Massachusetts Port Authority Revenue Bonds, Series 2014-B (AMT)
Massachusetts Port Authority Revenue Refunding Bonds, Series 2014-C (Non-AMT)

As of June 30, 2023, the Authority had issued and outstanding 20 series of bonds pursuant to the Trust Agreement dated as of August 1, 1978, as supplemented and amended (the "1978 Trust Agreement") between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Please see Note 5 of the Authority's Financial Statements as of June 30, 2023 for more detailed information.

As of June 30, 2023, the Authority had $74.0 million aggregate principal amount of Subordinated Indebtedness outstanding, consisting of its Subordinated Revenue Bonds, Series 2000-A, 2000-B and 2000-C (the "Series 2000 Subordinated Obligations"), and its Subordinated Revenue Bonds, Series 2001-A, 2001-B and 2001-C (the "Series 2001 Subordinated Obligations", and together with the Series 2000 Subordinated Obligations, the "Subordinated Indebtedness"). The Subordinated Indebtedness is payable solely from amounts on deposit in the Improvement and Extension Fund established under the 1978 Trust Agreement and in separate accounts not subject to the pledge of the 1978 Trust Agreement. The Subordinated Indebtedness is subordinate to all of the revenue bonds issued prior to the date hereof by the Authority pursuant to the 1978 Trust Agreement. Please see Note 5 of the Authority's Financial Statements as of June 30, 2023 for more detailed information.

As of June 30, 2023, the Authority had one outstanding series of CFC Revenue Bonds with a balance of $115.6 million, consisting of the Special Facilities Revenue Bonds (ConRAC Project), Series 2011B (the "CFC Bonds") issued pursuant to a Trust Agreement dated May 18, 2011 (the "CFC Trust Agreement") between the Authority and U.S. Bank Trust Company, National Association (the "CFC Trustee"). The CFC Bonds were issued for the purpose of providing funds sufficient, together with other available funds, to finance the design and construction of a new consolidated rental car facility and related improvements at Logan Airport, fund certain deposits to the debt service reserve and supplemental reserve funds for the CFC Bonds, and pay certain costs of issuance of the CFC Bonds. Please see Note 5 of the Authority's Financial Statements as of June 30, 2023 for more detailed information.

Pursuant to the Continuing Disclosure Certificate dated as of June 15, 2011 (the "CFC Disclosure Certificate"), delivered by the Authority, the Authority is also including as part of the 2023 ACFR its Statement of Annual Financial Information and Operating Data for fiscal year 2023 (the "2023 CFC Disclosure Statement") with respect to the CFC Bonds.

As of June 30, 2023, the Authority had two outstanding series of BOSFUEL Project Special Facilities Revenue Bonds (the "2019 BOSFUEL Bonds"). The 2019 BOSFUEL Bonds were issued to finance enhancements to the fuel facilities at Logan Airport and to currently refund the previously issued 2007 BOSFUEL Bonds. The 2019 BOSFUEL Bonds are not subject to the Authority's Continuing Disclosure Undertaking or the CFC Disclosure Certificate. Please see Note 5 of the Authority's Financial Statements as of June 30, 2023 for more detailed information.

Commercial Paper

The Authority maintains a commercial paper program pursuant to which it may issue taxable, tax-exempt AMT or tax-exempt non-AMT commercial paper in an aggregate maximum principal amount of $250 million. The obligations of the Authority with respect to its commercial paper notes are secured by the Improvement & Extension Fund and the proceeds of Bonds subsequently issued for the purpose. In addition, the commercial paper program is secured by an Amended and Restated Letter of Credit and Reimbursement Agreement with TD Bank, N.A., which expires June 1, 2025. As of June 30, 2023, the Authority has no outstanding commercial paper. Please see Note 5 of the Authority's Financial Statements as of June 30, 2023 for more detailed information.

Additional Information

For additional information concerning the Authority, please see the Authority's website, www.massport.com. Financial information can be found in the Financial Publications section of the Authority's website at http://www.massport.com/massport/finance/financial-publications. Copies of the Annual Statements prepared pursuant to Rule 15c2-12 with respect to the Authority's bonds issued under the 1978 Trust Agreement and the CFC Trust Agreement for prior fiscal years are available at http://www.emma.msrb.org and from the Authority. The Authority's principal office is located at One Harborside Drive, Suite 200S, East Boston, Massachusetts 02128. Its telephone number is (617) 568-5000. Questions may be directed to John P. Pranckevicius, CPA, the Authority's Director of Administration and Finance and Secretary-Treasurer.

Annual Disclosure Statement

This Annual Disclosure Statement is of limited scope. It contains only an updating of certain financial information and operating data described below. **Except as expressly noted, all information presented in this Annual Disclosure Statement is on the basis required under the 1978 Trust Agreement, and not on the basis of GAAP.** For a comparison of the Authority's financial results under the 1978 Trust Agreement and GAAP, please refer to Schedule S-4 (Conversion of GAAP Revenues and Expenses to 1978 Trust Agreement Revenues and Expenses) set forth in the statistical section of the 2023 ACFR or to Exhibit I at the end of this section. The information set forth herein does not contain all material information concerning the Bonds or the Authority necessary to make an informed investment decision. This Annual Disclosure Statement does not constitute an offer to sell or the solicitation of an offer to buy the Bonds.

This Annual Disclosure Statement is submitted pursuant to the Continuing Disclosure Undertaking. The intent of the Authority's Continuing Disclosure Undertaking is to provide on a continuing basis for the benefit of the owners of the Bonds and any other bonds of the Authority that are designated by resolution of the Authority as subject to and having the benefits of the Continuing Disclosure Undertaking the information described in Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934. Pursuant to the Continuing Disclosure Undertaking, the Authority has agreed with respect to the Bonds to provide, or cause to be provided, certain annual financial information and operating data, prepared on the basis of the 1978 Trust Agreement, and notices of certain listed events. The Authority reserves the right to modify the disclosure required under the Continuing Disclosure Undertaking, or the format of such disclosure, so long as any such modification is permitted by the Rule.

The purpose of the Authority's undertaking is to conform to the requirements of the Rule and not to create new contractual or other rights for the Trustee or for the underwriters of the Bonds, any registered owner or beneficial owner of Bonds, any municipal securities broker or dealer, any potential purchaser of the Bonds, the SEC, or any other person. The sole remedy in the event of any actual or alleged failure by the Authority to comply with any provision of the Continuing Disclosure Undertaking shall be an action for the specific performance of the Authority's obligations thereunder and not for money damages in any amount. Any failure by the Authority to comply with any provision of such undertaking shall not constitute an event of default under the 1978 Trust Agreement or any other instrument relating to the Bonds.

UPDATED OPERATING INFORMATION

Airport Properties

Boston-Logan International Airport ("Logan Airport") continues to be the principal source of the Authority's Revenues, Net Revenues and net income, and is the dominant factor in the determination of the Authority's financial condition. In fiscal year 2023, Logan Airport accounted for 79.8% of the Authority's Revenues and 84.7% of the Authority's Net Revenues (as defined in the 1978 Trust Agreement), before other Available Funds as defined in the 1978 Trust Agreement. For additional information regarding activities at Logan Airport Properties during fiscal year 2023, please refer to Schedules S-5, S-12, S-13 and S-14 presented in the statistical section of the 2023 ACFR. Schedule S-12 summarizes Logan Airport traffic statistics for the ten most recent fiscal years.

Logan Airport plays a leading role in New England's air service infrastructure. According to data from Airports Council International ("ACI"), Logan Airport was the most active airport in New England and the 16th most active airport in North America in reporting year 2022, based upon total passenger volume. In reporting year 2022, Logan Airport was the 29th most active in the world according to data from ACI. Enplaned plus deplaned passengers at Logan Airport for fiscal year 2023 totaled approximately 39.2 million passengers. This is a 26.0% increase from the 31.1 million passengers that used Logan Airport in fiscal year 2022. The increase in the passenger volume and business activities are primarily the result of the continued domestic and international travel recovery from the COVID-19 pandemic.

The primary destinations of passengers using Logan Airport for calendar year 2022 were: 20.5% to Florida, 5.1% to Washington D.C., 4.5% to the Los Angeles market, which includes traffic to Los Angeles and Long Beach, 4.8% to Chicago and 4.6% to the New York market, which includes traffic to LaGuardia, JFK and Newark.

In fiscal year 2023, international passengers (including those traveling on foreign flag and regional carriers) accounted for 19.6% of passenger traffic, or approximately 7.7 million passengers. This is an increase of 74.7% or 3.3 million international passengers compared to the prior year. Of the 19.6% of passengers traveling internationally in fiscal year 2023, 54.4% traveled to or from Europe, 19.8% to or from Bermuda and the Caribbean, 9.4% to or from Canada, 8.6% to or from Middle East, 3.2% to or from the Trans-Pacific and 4.6% to or from Central and South America.

In fiscal year 2023, passengers traveling domestically on regional airlines accounted for approximately 8.6% of total passenger traffic at Logan Airport, or approximately 3.4 million passengers. The number of regional passengers (excluding passengers traveling internationally) increased by 8.8% in fiscal year 2023. As of June 30, 2023, the top five regional airlines were Republic Airlines with 78.5% of domestic regional passengers, followed by SkyWest with 5.8%, Cape Air with 4.5%, Envoy with 4.2%, and Piedmont with 3.5%.

During fiscal year 2023, six domestic low-cost carriers ("LCCs") and ultra-low cost carriers ("ULCCs")—JetBlue Airways, Southwest Airlines, Spirit Airlines, Allegiant, Sun Country (MN Airlines) and Frontier—handled 36.8% of Logan Airport's passengers.

In fiscal year 2023, total combined cargo and mail volume was approximately 623.5 million pounds. The total volume of air cargo and mail handled at Logan Airport decreased in fiscal year 2023 by 8.7% compared to fiscal year 2022. A large percentage of the total volume of air cargo for the period was attributable to integrated all-cargo companies and small package/express carriers, including Federal Express (with Mountain Air Cargo and Wiggins), United Parcel Service, DHL (with ABX, Atlas Air, Kalitta 21-Air). Integrated carriers accounted for 55.7% of total domestic and international cargo (including mail) volume in fiscal years 2023.

SELECTED FINANCIAL DATA

Schedule S-5 set forth in the statistical section of the 2023 ACFR reflects Revenues and Operating Expenses for the ten most recent fiscal years, prepared in accordance with accounting principles required by the 1978 Trust Agreement. Information for each of the ten fiscal years is derived from the Authority's financial statements for the respective fiscal years; note that in certain cases information from prior fiscal years has been conformed to comply with current GASB standards. Financial statements of the Authority for fiscal year 2023 and comparative data for fiscal year 2022, together with the report thereon of Ernst & Young LLP, independent auditors, are included in the 2023 ACFR.

Schedules S-7 and S-8 of the 2023 ACFR show the calculation of Annual Debt Service Coverage of the Authority, as provided under the 1978 Trust Agreement, which equals the ratio of the Net Revenues of the Authority to the Annual Debt Service for such year. "Net Revenues" is defined in the 1978 Trust Agreement as the excess of Revenues over Operating Expenses. For the purposes of the calculations, proceeds of passenger facility charges ("PFCs") and customer facility charges ("CFCs") have been excluded from Revenues because such proceeds have been excluded from Revenues under the 1978 Trust Agreement. As used in the schedules, "Annual Debt Service" is equal to the "Principal and Interest Requirements" on Bonds (other than the Special Facilities Revenue Bonds) outstanding for the applicable fiscal year, less the capitalized interest paid from the applicable project fund, less debt service paid from PFCs that have been designated by the Authority as Available Funds beginning in fiscal year 2020. "Available Funds" is defined in the 1978 Trust Agreement to mean, for any period of time, (i) the amount of PFCs and/or CFCs to be received by the Authority during such period and not previously pledged or irrevocably committed to payment of principal of, interest on or premium, if any, on a series of Bonds, and (ii) the amount of any other future income or revenue source not then included in the definition of "Revenues" that the Authority designates as "Available Funds" in a future resolution adopted by the Authority supplementing the 1978 Trust Agreement.

MANAGEMENT'S DISCUSSION OF HISTORICAL OPERATING RESULTS

Prepared in Accordance with the 1978 Trust Agreement

Total Operating Revenues in fiscal year 2023 were $1.045 billion compared to $832.9 million in fiscal year 2022, while Operating Expenses were $504.2 million in fiscal year 2023 compared to $440.6 million in fiscal year 2022, resulting in Net Revenues, prior to the application of other Available Funds, of $541.3 million and $392.3 million in fiscal year 2023 and fiscal year 2022, respectively. During fiscal year 2023, the Authority used $33.7 million of grant funds received pursuant to the federal American Rescue Plan Act ("ARPA") for operating expenses and designated such grant funds as Available Funds under the 1978 Trust Agreement. Taking into account these Available Funds, fiscal year 2023 Net Revenues were $575.0 million. Logan Airport is the primary source of the Authority's Revenues, Net Revenues and Operating

Expenses. For a discussion of the differences between the accounting principles required by the 1978 Trust Agreement and GAAP, see Note 2 to the Authority's Financial Statements as of June 30, 2023 or Exhibit I at the end of this section. Revenues and Net Revenues do not include PFC revenues, which are required under federal law to be applied to certain FAA-authorized capital projects at the Airport and are not pledged for the benefit of holders of the Bonds, or CFC revenues, which are pledged as security for the CFC Bonds.

Airport Properties

The Authority's Airport Properties total revenues in FY 23 were $861.3 million, an increase of $129.3 million or 17.7%. Airport Properties operating expenses in FY 23 were $406.7 million, an increase of $51.7 million, or 14.6%. Prior to the application of other Available Funds, Net revenues for Airport properties was $454.6 million, an increase of $77.6 million or 20.6% from fiscal year 2022. Logan Airport's passenger volume (excluding general aviation) in fiscal year 2023 was 39.1 million, a 26.1% increase over last year. Landed weights were 20.6% greater than the prior fiscal year. Logan Airport's operating revenues were $834.4 million in fiscal year 2023, an increase of $124.2 million, or 17.5%. Logan Airport's operating expenses in fiscal year 2023 was $375.7 million, an increase of $48.4 million, or 14.8%. Operating revenue and expense figures for Logan Airport stated in this paragraph do not include certain items, particularly expense items, such as interest, depreciation and amortization, properly allocable to Logan Airport, that are excluded from the definition of operating expenses pursuant to the 1978 Trust Agreement.

Unlike many airport operators, the Authority is not constrained by contractual arrangements with the air carriers serving Logan Airport governing the incurrence of aeronautical costs and the recovery of such costs in the landing fee and terminal rentals. Instead, landing fees and terminal rentals are set annually by the Authority on a compensatory basis to cover direct and allocated capital, administration, maintenance and operating costs. The Authority can also make adjustments during the year to the landing fee and to terminal rental rates, if necessary. Accordingly, each July, the Authority establishes the landing fee per thousand pounds of landed weight and the rental rates for the terminals, based upon historical capital costs and projected landed weights and the budgeted direct and allocable indirect operating costs of providing these facilities for that fiscal year.

Landing Fees. Logan Airport generated $122.8 million in landing fee revenue in fiscal year 2023, an increase of $5.4 million or 4.6%. Logan Airport's 2023 landing fee adjusted rate of $4.81 per thousand pounds was lower than the $5.74 per thousand pounds approved in 2022. Total landed weights in fiscal year 2023 was 25,115,080 pounds, an increase of 4,292,991 pounds compared to fiscal year 2022.

Parking Fees. Logan Airport's parking revenues (including Logan Express) totaled $197.9 million, an increase of $41.1 million over last year, or 26.2%. The number of commercial parking spaces at Logan Airport is subject to a limitation imposed by the EPA.

Terminal Rentals. Each fiscal year, the Authority establishes terminal building rental rates and fees for all of the Terminals on a compensatory basis. All leases with air carriers for terminal space at the Airport currently provide that the Authority may revise rental rates periodically, at the discretion of the Authority, to recover the actual direct and indirect capital and operating costs for such leased space. The Authority resets these rates each fiscal year to recover its actual capital and budget operating costs. Similar to its policy regarding landing fees, the Authority calculates the variance from the projections after the fiscal year ends, and the adjustment is invoiced to (in the case of a shortfall) or paid to (in the case of a surplus) the air carriers. The Authority's practice, however, is that the Authority does not recover through its terminal rentals the cost allocable to unrented space. The Authority can also make adjustments during the year to the rates charged to air carriers for terminal usage.

The Authority exercises significant control over Terminal facilities at Logan Airport through the leasing arrangements it has entered into with the carriers operating at the Airport. The Authority uses a combination of short-term leases, preferential use provisions, recapture provisions and forced subletting provisions to allow it to allocate its gate resources effectively and accommodate new entrant carriers.

In general, the Authority prefers to lease space on a short term basis—either on a month-to-month or year-to-year basis. This provides the Authority the flexibility to allocate gates so that carriers will maximize usage of these facilities. The Authority also has adopted a preferential gate use policy applicable to all gates at Logan Airport. Under the conditions specified in the policy, the Authority may schedule arrivals and departures at a gate by carriers other than the tenant for any period that the tenant is not using the gate. The tenant carrier must permit the carrier being accommodated under the policy to use the facilities required for the functional use of the gate, and may assess reasonable fees for such use. If a tenant carrier fails to accommodate a carrier under the terms of the preferential use policy, then the Authority may convert the gate to a common use gate.

The table below reflects the Authority's lease arrangements for contact gates at the Airport as of June 30, 2023.

Terminal	Carrier	# of Gates	Lease Term	Expiration Date
Terminal A	Delta	21	5 years	*
Terminal B	Air Canada	3	Monthly	N/A
	Alaska	2	Monthly	N/A
	American	18	Varied*****	September 30, 2023
	Southwest	5	1 year	**
	Spirit	2	Monthly	N/A
	United	9	1 year	***
Terminal C	JetBlue	27†	1 year	****
Terminal E	JetBlue	1††	1 year	****
	Total:	88		

* The Delta lease was entered into on July 1, 2006, with an original term of ten years. Effective as of July 1, 2016, the lease was amended to extend the term with automatic one-year extensions, until terminated by either party. Delta subleases one gate to WestJet. Effective September 1, 2019, Delta and the Authority further amended the lease to extend the term for five years through August 31, 2024, and Delta will have the option to extend the term an additional five years.

** The Southwest lease was entered into on August 29, 2019, with an original term of one year and automatic one-year extensions thereafter, until terminated by either party.

*** The United lease was entered into on May 1, 2014 with an original term of one year and automatic one-year extensions thereafter, until terminated by either party.

**** The JetBlue lease was entered into on March 18, 2005 with an effective date of May 1, 2005 and an original term of five years with 20 automatic one-year extensions thereafter, until terminated by either party.

***** American has 18 contact gates. Ten gates are subject to a lease that expired September 30, 2023. Eight gates were subject to a lease originally expiring June 13, 2021 and extended to September 30, 2023. A new lease is being negotiated.

† JetBlue subleases one gate to Cape Air. It also allows Aer Lingus to operate out of two of its gates pursuant to a Facility Use Agreement and allows TAP to operate out of one of its gates pursuant to a Facility Use Agreement.

†† JetBlue has a 24 hour preferential lease on Gate E1 and effective August 15, 2023, JetBlue began 24 hour preferentially leasing Gate E2.

The leases with Delta, American, Southwest, United and JetBlue provide for the "recapture" of gates by the Authority if the tenant carrier's average usage (measured in the number of daily operations per gate) falls below a certain Airport-wide average for such usage. These leases also generally require that, at the request of the Authority, the tenant carrier sublease a certain number of gates, as specified in the lease. The monthly leases with Spirit, Alaska and Air Canada do not contain "recapture" language, but rather provide the Authority with the right to terminate portions of the premises on 30-days' notice.

The Authority's preference is to lease space on a short-term basis. The only long-term lease arrangements currently in place are with Delta and American. American's lease arrangement, entered into in connection with the significant capital investments the carrier made in the Authority's Terminal B facilities, expired on September 30, 2023. American continues to operate in Terminal B while a new lease is being negotiated. Such terminal improvements were largely financed with special facilities revenue bonds issued by the Authority for the benefit of US Airways (assumed by American) on a non-recourse basis. American has fully repaid its special facilities revenue bonds.

As reflected above, as of June 30, 2023, the Authority leased 88 of its 101 contact gates to various carriers serving the Airport. Rental revenue from Terminals totaled $240.4 million in fiscal year 2023, and rental income from non-terminal buildings and ground rents other than Terminals totaled $61.2 million in fiscal year 2023.

Concessions. Revenues from concessions in fiscal year 2023 were $155.1 million, an increase of $37.0 million, or 31.3%, primarily due to the 26.6% increase in passenger volume at Logan Airport. Concession revenues include payments made by rental car companies that operate at Logan Airport and commissions from the following concessions: food and beverage, news and gifts, duty free shops, specialty shops, ground transportation services and other concessions. Ground transportation services include taxis, Ride Apps and buses and limousines. Revenues from ground transportation services increased from $10.8 million in fiscal year 2022 to $15.1 million in fiscal year 2023 (excluding Ride App Drop Off Fees). In fiscal year 2023, the Authority's Ride App Drop Off Fee of $3.25 per drop off generated $13.7 million of additional ground transportation services revenue compared to $9.5 million in fiscal year 2022.

Hanscom Field. During fiscal year 2023, Hanscom Field operating revenues generated approximately 2.3% of the total Revenues of the Authority prior to the application of other Available Funds, and Hanscom Field's operating expenses were approximately 3.1% of the Authority's operating expenses. In fiscal year 2023, Hanscom Field generated $23.9 million in operating revenues, and had operating expenses of $15.5 million, yielding an operating surplus before debt service or other capital expenses of approximately $8.4 million. Operating revenue and expense figures for Hanscom Field stated in this paragraph do not include certain items, particularly expense items, such as interest, depreciation and amortization, properly allocable to Hanscom Field, that are excluded from the definition of operating expenses pursuant to the 1978 Trust Agreement.

Worcester Regional Airport. In fiscal year 2023, Worcester Airport's operating revenues were $3.0 million, and represented less than 1% of the total revenues of the Authority prior to the application of other Available Funds. Worcester Airport's operating expenses were $15.5 million constituted and represented approximately 3.1% of the Authority's operating expenses resulting in an annual operating loss of approximately $12.5 million before debt service and other capital expenses.

Federal Stimulus Funds. The United States government and the Federal Reserve Board took various legislative and regulatory actions and implemented various measures to mitigate the broad disruptive effects of the COVID-19 pandemic on the U.S. economy. There were three federal relief bills passed by Congress and signed into law by the President since the COVID-19 pandemic began that provide Federal Relief Proceeds. The CARES Act provided $10 billion of assistance to United States commercial airports, which is apportioned among such airports based on various formulas; the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSA Act") included $2 billion of financial relief for airports; and ARPA provided an additional $8 billion of direct aid for airports. The Authority was allocated approximately $143.7 million of CARES Act grant funds, $36.9 million of CRRSA Act grant funds and $146.7 million of ARPA grant funds for all of its three airports for expense reimbursement, which grant funds have been or are expected to be designated by the Authority as Available Funds. The Authority may draw on such funds, on a reimbursement basis, to pay for any purpose for which airport revenues can lawfully be used, including, but not limited to, the payment of maintenance and operation expenses and the payment of debt service.

As of June 30, 2023 the Authority has recognized the entire $143.7 million CARES Act funding, the entire $36.9 million CRRSA Act grant funding and $146.6 million of the $146.7 million of ARPA grant funds. For purposes of the fiscal year 2023 audited financial statements, in accordance with GAAP, the Authority recognized $33.7 million of ARPA grant funds as being used for operating expenses, and designated such funds as Available Funds under the 1978 Trust Agreement.

Passenger Facility Charges. Pursuant to the 1978 Trust Agreement, commencing in fiscal year 2020, the Authority is authorized to approve a resolution or resolutions that designate specified PFC revenues as Available Funds, and, to the extent approved by the FAA, such amounts would then be used to pay debt service on specific Series of Bonds (PFC Backed Debt). The Authority expects, to the extent approved by the FAA, to designate in each annual budget certain PFCs as Available Funds to pay a portion of the debt service on the Authority's 2019-A Bonds, 2019-C Bonds, 2021-C Bonds, 2021-E Bonds and 2022-A Bonds. Debt service on PFC Backed Debt will not be included in the calculation of the rate covenant set forth in the 1978 Trust Agreement. In fiscal year 2023, $14.7 million of PFC revenues were designated as Available Funds and used for the payment of eligible debt service on the 2019-A Bonds, 2019-C Bonds, 2021-C Bonds and 2021-E Bonds, and in the fiscal year 2024 budget, $25.4 million of PFC revenues have been designated as Available Funds and are expected to be used to pay eligible debt service on the 2019-A Bonds, 2019-C Bonds, 2021-C Bonds, 2021-E Bonds and 2022-A Bonds.

Port Properties

In fiscal year 2023, the Revenue attributable to the Port Properties totaled approximately $136.4 million, or approximately 13.0% of the Revenues of the Authority, and the Port Properties accounted for approximately $97.5 million of Operating Expenses according to the 1978 Trust Agreement, or approximately 19.3% of the Authority's Operating Expenses. The Port Properties realized a surplus of approximately $38.9 million and $4.6 million in Net Revenues in fiscal years 2023 and 2022, respectively.

The Net Revenue from Maritime Operations, which includes the auto, container, cruise and seafood business lines, was a surplus of $17.8 million and a deficit of $8.0 million in fiscal years 2023 and 2022, respectively. The surplus in 2023 is a result of the 56% increase container volumes and an 685% increase cruise passengers at the Port. Net Revenue from Maritime Real Estate was a surplus of $21.1 million and $12.6 million in fiscal years 2023 and 2022, respectively, reflecting an increase in parking revenues and higher percentage rents on commercial and maritime ground leases and other real estate assets over the prior year as hotel occupancies rose. Over the period shown, the Authority has pursued a policy of seeking compensatory (or cost recovery) pricing, aggressively negotiating new lease terms when possible, and revenue development through more intense use of the Port Properties and a marketing program designed to increase the volume of containers handled and the number of cruise passengers who embark or disembark in Boston.

Operating revenue and expense figures for the Port Properties, stated in the above paragraph, do not include certain items, particularly expense items such as payments in lieu of taxes, interest and depreciation and amortization, properly allocable to the Port Properties, that are excluded from the definition of operating expenses pursuant to the 1978 Trust Agreement.

Other

Investment Income. Investment income (excluding CFCs, PFCs and other funds not held under the 1978 Trust Agreement) during fiscal year 2023 was $47.8 million, an increase of $37.1 million from fiscal year 2022, as the Authority had more cash available to invest and also took advantage of a higher interest rate environment.

Signature Aviation's new facility at Hanscom opened in 2023.

Exhibit - I

Reconciliation of Revenues and Operating Expenses as Determined by Accounting Practices Prescribed by the 1978 Trust Agreement to the Financial Statement: Trust Operating Results and Change in Net Assets

Presented below are the revenues and operating expenses as determined in accordance with the 1978 Trust Agreement, and a reconciliation to net assets as determined (Unaudited)

(In Thousands)	Airport Properties	Port Properties	Investment Income	Net change in the fair value of investments	6/30/2023 Fiscal Year 2023 Total	6/30/2022 Fiscal Year 2022 Total (*Restated)
Trust revenues:						
Pledged revenues	$ 857,290	$ 136,542	$ -	$ -	$ 993,832	$ 816,927
Operating grants	3,373	183	-	-	3,556	3,392
Subtotal	860,663	136,725	-	-	997,388	820,319
Operating interest income	-	-	47,840	-	47,840	10,704
Adjustment for uncollectible accounts	595	(325)	-	-	270	1,873
Total Trust Revenues	861,258	136,400	47,840	-	1,045,498	832,896
Trust operating expenses:						
Operations and maintenance	325,311	77,726	-	-	403,037	345,430
Administration	53,470	14,771	-	-	68,241	54,811
Insurance	12,879	2,574	-	-	15,453	17,684
Pension	7,167	1,182	-	-	8,349	11,709
Other Postemployment Benefits (1978 Trust)	7,859	1,241	-	-	9,100	10,946
Total Trust Expenses	406,686	97,494	-	-	504,180	440,580
Excess of revenues over operating Expenses as prescribed by the 1978 Trust Agreement before Other Available Funds	454,572	38,906	47,840	-	541,318	392,316
Other Available Funds:						
CRRSA / CARES / ARPA Acts Airport grant-other Federal-assistance pr	33,667	-	-	-	33,667	115,476
Excess of revenues over operating Expenses as prescribed by the 1978 Trust Agreement	**488,239**	**38,906**	**47,840**	**-**	**574,985**	**507,792**
ADD:						
Revenues recognized under GAAP which are excluded under 1978 Trust Agreement:						
Investment income self insurance / others	-	-	7,985	-	7,985	4,191
Passenger facility charge (PFC)-Logan	80,106	-	-	-	80,106	66,545
Investment income PFC-FAA	-	-	4,979	-	4,979	330
Customer facility charge (CFC)	30,824	-	-	-	30,824	25,473
Investment income CFC	-	-	1,898	-	1,898	436
Lease interest income	15,984	28,086	-	-	44,070	36,706
Capital grant revenue	17,160	7,728	-	-	24,888	56,625
Gain/Loss on sale of equipment	163	-	-	-	163	247
Realized net increase in the fair value of investments	-	-	-	6	6	-
Administration Expenses	3,465	484	-	-	3,949	2,077
Operating revenues	1,923	397			2,320	5,757
Adjust for Operating Grant	178	13	-	-	191	-
Settlement of claims	6	-	-	-	6	-
Nonoperating other revenues	3,652	522	-	-	4,174	9,677
Pension	-	-	-	-	-	31,880
LESS:						
Expenses recognized under GAAP which are excluded under 1978 Trust Agreement:						
PILOT	(20,300)	(2,906)	-	-	(23,206)	(21,657)
Other Postemployment Benefits	3,929	620	-	-	4,549	15,522
Self insurance cost	4	(1,507)	-	-	(1,503)	1,857
Pension	(10,296)	(1,514)	-	-	(11,810)	-
Interest expense	(104,908)	(4,209)	-	-	(109,117)	(104,486)
Interest expense on Leases	(553)	(3,052)	-	-	(3,605)	(2,358)
Realized net (decrease) in the fair value of investments			-	-	-	(36)
Unrealized net (decrease) in the fair value of investments	-	-	-	(17,105)	(17,105)	(59,976)
Depreciation and amortization (2)	(296,017)	(33,985)	-	-	(330,002)	(322,378)
Operating expenses	8,287	(986)	-	-	7,301	12,157
Nonoperating other expenses	(116)	-	-	-	(116)	(137)
Increase / (decrease) in net assets	$ 221,730	$ 28,597	$ 62,702	$ (17,099)	$ 295,930	$ 266,244

(1) Reflects Federal CARES Act, CRRSA Act and ARPA Act grant fundings received by the Authority and used for operating w ere designated as Available Funds under the 1978 Trust Agreement. expenses; such amounts w ere designated as Available Funds under the 1978 Trust Agreement.

(2) Capital Assets are depreciated under GAAP but not under 1978 Trust Agreement.

Note*: FY22 results have been restated to conform to GASB 96 standards for subscription-based information technology arrangements (SBITAs) reporting.

CFC DISCLOSURE

STATEMENT OF
CFC ANNUAL FINANCIAL INFORMATION
AND OPERATING DATA
of the
MASSACHUSETTS PORT AUTHORITY
FOR FISCAL YEAR 2023

INTRODUCTION

This Statement of CFC Annual Financial Information and Operating Data dated as of November 22, 2023 (the "CFC Annual Disclosure Statement") of the Massachusetts Port Authority (the "Authority") is prepared and submitted in accordance with the requirements of the Continuing Disclosure Certificate dated as of June 15, 2011 (the "CFC Disclosure Certificate") executed and delivered by the Authority for the benefit of the owners of the CFC Bonds (as defined below). Set forth below is certain financial information and operating data relating to the Authority for the fiscal year ended June 30, 2023 ("fiscal year 2023") updating the financial information and operating data presented in the Authority's Official Statement dated June 8, 2011 relating to the CFC Bonds (the "2011 CFC Official Statement"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the 2011 CFC Official Statement. This CFC Annual Disclosure Statement is part of the Authority's Annual Comprehensive Financial Report (the "2023 ACFR") dated November 22, 2023 for fiscal year 2023. The Authority's audited financial statements for fiscal year 2023 and comparative information for fiscal year 2022, prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), with a report thereon by Ernst & Young LLP, independent auditors, are included in the Financial Section of the 2023 ACFR. The 2011 CFC Official Statement is on file with the Municipal Securities Rulemaking Board ("MSRB"). For a more complete description of the Authority and the CFC Bonds, reference is made to the 2011 CFC Official Statement.

This CFC Annual Disclosure Statement applies to the following Series of Bonds issued by the Authority and outstanding as of June 30, 2023 (the "CFC Bonds"):
Massachusetts Port Authority Special Facilities Revenue Bonds (ConRAC Project), Series 2011-B (Federally Taxable)

The CFC Bonds were issued pursuant to a Trust Agreement dated as of May 18, 2011, as supplemented and amended (the "CFC Trust Agreement"), between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "CFC Trustee").

Additional Information

For additional information concerning the Authority, please see the Authority's website, www.massport.com. Financial information can be found in the Financial Publications section of the Authority's website at http://www.massport.com/massport/finance/financial-publications. Copies of the Annual Statements prepared pursuant to Rule 15c2-12 with respect to the Authority's bonds issued under the 1978 Trust Agreement and the CFC Trust Agreement for prior fiscal years are available at http://www.emma.msrb.org and from the Authority. The Authority's principal office is located at One Harborside Drive, Suite 200S, East Boston, Massachusetts 02128. Its telephone number is (617) 568-5000. Questions may be directed to John P. Pranckevicius, CPA, the Authority's Director of Administration and Finance and Secretary-Treasurer.

Annual Disclosure Statement

This CFC Annual Disclosure Statement is of limited scope. It contains only an updating of certain financial information and operating data described below. **Except as expressly noted, all information presented in this CFC Annual Disclosure Statement is on the basis required under the CFC Trust Agreement, and not on the basis of GAAP**. The information set forth herein does not contain all material information concerning the CFC Bonds or the Authority necessary to make an informed investment decision. This CFC Annual Disclosure Statement does not constitute an offer to sell or the solicitation of an offer to buy the CFC Bonds.

This CFC Annual Disclosure Statement is submitted pursuant to the CFC Disclosure Certificate dated June 15, 2011, executed by the Authority in connection with the issuance of the CFC Bonds. The intent of the Authority's undertaking under the CFC Disclosure Certificate is to provide on a continuing basis for the benefit of the owners of the CFC Bonds and any other bonds of the Authority that are designated by resolution of the Authority as subject to and having the benefits of the CFC Disclosure Certificate the information described in Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as in effect as of the date of the CFC Disclosure Certificate. Pursuant to the CFC Disclosure Certificate, the Authority has agreed with respect to the CFC Bonds to provide, or cause to be provided, certain annual financial information and operating data, prepared on the basis of the CFC Trust Agreement, and notices of material events. The Authority reserves the right to modify the disclosure required under the CFC Disclosure Certificate, or the format of such disclosure, so long as any such modification is permitted by the Rule.

The purpose of the Authority's undertaking is to conform to the requirements of the Rule and not to create new contractual or other rights for the CFC Trustee or for the underwriters of the CFC Bonds, any registered owner or beneficial owner of CFC Bonds, any municipal securities broker or dealer, any potential purchaser of the CFC Bonds, the SEC, or any other person. The sole remedy in the event of any actual or alleged failure by the Authority to comply with any provision of the CFC Disclosure Certificate shall be an action for the specific performance of the Authority's obligations thereunder and not for money damages in any amount. Any failure by the Authority to comply with any provision of such undertaking shall not constitute an event of default under the CFC Trust Agreement or any other instruments relating to the CFC Bonds.

UPDATED OPERATING INFORMATION

Incorporation by Reference

To view the 2023 ACFR on-line, please visit:
https://www.massport.com/massport/finance/financial-publications/annual-comprehensive-financial-report/

CFC ANNUAL FILING

The following information is provided with respect to the CFC Bonds pursuant to the CFC Disclosure Certificate.

Historical Total Enplaned Passengers, by Type of Passenger

A table presenting historical Total Enplaned Passengers, by Type of Passenger as of June 30, 2023 is attached hereto as APPENDIX CFC-1.

Debt Service Coverage – Rate Covenant

A table presenting CFC Revenues (as defined in the CFC Trust Agreement) and debt service coverage on the CFC Bonds as of June 30, 2023 is attached hereto as APPENDIX CFC-2.

Additional Information

The remaining information required to be included in the Authority's Annual Filing under subsection 4(a) of the CFC Disclosure Certificate is included in the Authority's audited financial statements for the fiscal year ended June 30, 2023, which are part of the 2023 ACFR.

* * *

This CFC Annual Disclosure Statement has been executed and delivered on behalf of the Authority pursuant to the CFC Disclosure Certificate.

View of mondernized Terminal E and new aircraft gates from the airfield.

Appendix CFC-1

TOTAL ENPLANED PASSENGERS, BY TYPE OF PASSENGER

Boston-Logan International Airport
Fiscal Years 2019 through 2023
(Passengers in Thousands)

	Outbound O&D passengers						
	Residents		Visitors				
Fiscal Year	Passengers	Percent of O&D total	Passengers	Percent of O&D total	Total	Connecting and other passengers	Total
2019	9,977	50.5%	9,761	49.5%	19,737	1,151	20,888
2020	7,299	51.1%	6,986	48.9%	14,286	850	15,136
2021	3,403	57.4%	2,526	42.6%	5,929	201	6,130
2022	7,967	53.8%	6,845	46.2%	14,812	699	15,511
2023*	9,571	52.1%	8,787	47.9%	18,358	1,201	19,559

Notes: Figures may not sum due to rounding.
Because foreign-flag carriers are not required to report with respect to the U.S. DOT Air Passenger Origin-Destination Survey, some LeighFisher estimates were used to develop the data in the above table.

* U.S. DOT data for 2023 is preliminary. The decreases in fiscal years 2020 and 2021 reflect the impact of the COVID-19 pandemic.

Source: Massachusetts Port Authority; U.S. DOT, Air Passenger Origin-Destination Survey, reconciled to Schedule T100.

Appendix CFC-2

DEBT SERVICE COVERAGE – RATE COVENANT

	Fiscal Year 2023
Rental car transaction days	5,137,349
Percentage change from prior year	21.00%
CFC Revenues	$ 30,824,094
Plus: Portion of Rolling Coverage Fund balance *(a)*	$ 2,774,737
Plus: Portion of Supplemental Reserve Fund balance *(b)*	$ 554,947
Total	$ 34,153,778
Aggregate Debt Service	$ 11,098,950
Debt service coverage	3.08
Debt service coverage (without Rolling Coverage Fund and Supplemental Reserve Fund balances)	2.78

(a) An amount equivalent to not more than 25% of Aggregate Debt Service.
(b) An amount equivalent to not more than 5% of Aggregate Debt Service.

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