

**MASSACHUSETTS PORT AUTHORITY
RETIREE BENEFITS TRUST**

Financial Statements and Required Supplementary Information

Years Ended December 31, 2024 and 2023

(With Report of Independent Auditors)

**MASSACHUSETTS PORT AUTHORITY
RETIREE BENEFITS TRUST**
Financial Statements and Required Supplementary Information
Years Ended December 31, 2024 and 2023

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Report of Independent Auditors

To Management and the Members of the Massachusetts Port Authority Retiree Benefits Trust

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Massachusetts Port Authority Retiree Benefits Trust (the Trust), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Trust'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 fiduciary net position of the Trust at December 31, 2024 and 2023, and the changes in fiduciary net position, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Trust, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free 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 Trust'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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust'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 Trust's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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



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management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2025 on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control over financial reporting and compliance.

Ernst & Young LLP

June 12, 2025



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**Report of Independent Auditors on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To Management and Members of the Massachusetts Port Authority Retiree Benefit Trust

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Massachusetts Port Authority Retiree Benefit Trust (the Trust), which comprise the statement of fiduciary net position as of December 31, 2024, the related statement of changes in fiduciary net position for the year then ended, and the related notes (collectively referred to as the “financial statements”), and have issued our report thereon dated June 12, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an



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objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst & Young LLP

June 12, 2025

MASSACHUSETTS PORT AUTHORITY

RETIREE BENEFITS TRUST

Management's Discussion and Analysis

December 31, 2024 and 2023

(Unaudited)

This section presents Management's Discussion and Analysis ("MD&A") of the Massachusetts Port Authority Retiree Benefits Trust (the "RBT" or the "Trust") financial activity and performance as of and for the years ended December 31, 2024 and 2023. The MD&A is unaudited and is intended to serve as an introduction to the Trust's basic financial statements, as well as to offer readers of the Trust's financial statements a narrative view and analysis of the RBT's financial activities.

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, and certain facilities in the Port of Boston. It uses revenues from landing fees, concessions, parking fees, terminal and other rentals, port activities, and ground rents, to fund operating expenses and to make capital improvements.

The Trust was established in June 2008 for the sole purpose of providing funding for post-employment health care insurance premiums and other benefits ("OPEB") for its participants and beneficiaries ("Plan Members"). The Trust was created as an irrevocable trust and in no event shall any part of the principal or income of the Trust be paid or revert to the Authority or be used for any purpose whatsoever other than for the exclusive benefit of the Plan Members. The Trust was created pursuant to the Authority's Enabling Act, other applicable laws, and the 1978 Trust Agreement and therefore constitutes a governmental trust. The Trust consists of the contributions made by the Authority and Plan Members, all investments made or held under the Trust, and all income there from and any other property, which may be received or held by reason of this Trust.

Overview of the Financial Statements

The basic financial statements consist of the (1) Statements of Fiduciary Net Position; (2) Statements of Changes in Fiduciary Net Position; (3) Notes to Financial Statements; and (4) Required Supplementary Information.

The Statements of Fiduciary Net Position report the Trust's assets, liabilities, and net position available for OPEB benefits at the end of the fiscal period. The Statements of Fiduciary Net Position report the financial position of the Trust at a given point in time, in this case, December 31. Over time, the increase or decrease in net position serves as a useful indicator of the Trust's financial health.

The Statements of Changes in Fiduciary Net Position report additions to and deductions from the Trust during the fiscal period. The Statements of Changes in Fiduciary Net Position reports activity occurring over a specific period.

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the Trust's financial statements.

The Required Supplementary Information following the Notes to Financial Statements consists of three schedules and related notes: Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios, Schedule of Investment Returns and Schedule of Authority Contributions.

MASSACHUSETTS PORT AUTHORITY
RETIREE BENEFITS TRUST

Management's Discussion and Analysis

December 31, 2024 and 2023

(Unaudited)

Financial Highlights

As of December 31, 2024, the Trust's fiduciary net position was \$346.1 million, a \$33.4 million or 10.7% increase from the prior fiscal year due to positive returns in the Trust's investments.

The Trust's fiduciary net position as a percentage of the total OPEB liability was 91.1% and 84.5% at December 31, 2024 and 2023, respectively. The Authority's net OPEB liability decreased \$23.7 million or 41.2% from \$57.4 million in 2023 to \$33.7 million in 2024 mainly due to investment gains and a change in plan experience.

As of December 31, 2024 the Trust's additions were \$49.4 million, a decrease of \$5.4 million or 9.9%, compared to December 31, 2023, which had total additions of \$54.8 million. The decrease in additions is attributed to the decrease in contributions as well as a decline in market performance. The Trust's rate of return on investments, gross of fees, was a gain of 12.7% and 15.9% for the years ended December 31, 2024 and December 31, 2023, respectively.

As of December 31, 2024, the Trust realized total Trust deductions of \$16.0 million comprised of \$15.7 million in benefit related premium payments and \$0.3 million in administrative expenses. This is an overall increase in expenses of \$0.8 million, or 5.0% from 2023, which had total deductions of \$15.2 million. The increase is primarily due to benefit-related premium increases paid from the Trust and an increase in the number of retirees receiving benefits.

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RETIREE BENEFITS TRUST

Management's Discussion and Analysis

December 31, 2024 and 2023

(Unaudited)

Financial Analysis

The following tables summarize the Net Position at December 31, 2024, 2023 and 2022:

Condensed Financial Information

	<u>2024</u>	<u>2023</u>	<u>\$ change</u>	<u>% change</u>
	<u>(in thousands)</u>			
Assets:				
Cash and cash equivalents	\$ 857	\$ 8,404	\$ (7,547)	-89.8%
Investments	345,453	304,437	41,016	13.5%
Other assets	91	85	6	7.1%
Total assets	<u>346,401</u>	<u>312,926</u>	<u>33,475</u>	<u>10.7%</u>
Liabilities:				
Accounts payable and accrued expenses	300	260	40	15.4%
Total liabilities	<u>300</u>	<u>260</u>	<u>40</u>	<u>15.4%</u>
Net position	<u>\$ 346,101</u>	<u>\$ 312,666</u>	<u>\$ 33,435</u>	<u>10.7%</u>

Total Trust assets at December 31, 2024 increased by \$33.5 million to \$346.4 million, a 10.7% increase from the \$312.9 million in total Trust assets recorded as of December 31, 2023. The increase in total Trust assets represents the Authority's contribution of \$9.3 million, Plan Member contributions of \$0.5 million, net investment returns of \$39.6 million realized during the year offset by Plan disbursements of \$16.0 million for member benefit payments and administrative fees.

Condensed Financial Information

	<u>2023</u>	<u>2022</u>	<u>\$ change</u>	<u>% change</u>
	<u>(in thousands)</u>			
Assets:				
Cash and cash equivalents	\$ 8,404	\$ 4,420	\$ 3,984	90.1%
Investments	304,437	268,831	35,606	13.2%
Other assets	85	39	46	117.9%
Total assets	<u>312,926</u>	<u>273,290</u>	<u>39,636</u>	<u>14.5%</u>
Liabilities:				
Accounts payable and accrued expenses	260	254	6	2.4%
Total liabilities	<u>260</u>	<u>254</u>	<u>6</u>	<u>2.4%</u>
Net position	<u>\$ 312,666</u>	<u>\$ 273,036</u>	<u>\$ 39,630</u>	<u>14.5%</u>

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RETIREE BENEFITS TRUST

Management's Discussion and Analysis

December 31, 2024 and 2023

(Unaudited)

Total Trust assets at December 31, 2023 increased by \$39.6 million to \$312.9 million, a 14.5% increase from the \$273.3 million in total Trust assets recorded as of December 31, 2022. The increase in total Trust assets represents the Authority's contribution of \$12.1 million, Plan Member contributions of \$0.5 million, net investment returns of \$42.2 million realized during the year offset by Plan disbursements of \$15.2 million for member benefit payments and administrative fees.

Additions to Fiduciary Net Position

Additions	2024	2023	\$ change	% change
	(in thousands)			
Total contributions	\$ 9,818	\$ 12,616	\$ (2,798)	-22.2%
Net investment income (loss)	39,567	42,201	(2,634)	-6.2%
Total addition / (reduction)	\$ 49,385	\$ 54,817	\$ (5,432)	-9.9%

Condensed Financial Information

Contributions and investment income for the years ended December 31, 2024 and December 31, 2023 totaled approximately \$49.4 million and \$54.8 million, respectively.

Total contributions to the Trust were \$9.8 million and \$12.6 million for the years ended December 31, 2024 and 2023, respectively. The net contributions decrease of \$2.8 million in the Trust's fiscal year was the result of a \$35.6 million increase in investment fair market value from December 31, 2022 to December 31, 2023. The required contribution to the Plan was lower due to this increase in fair market value.

The Trust realized net investment gains of \$39.6 million and \$42.2 million for the years ended December 31, 2024 and December 31, 2023, respectively.

Condensed Financial Information

Additions	2023	2022	\$ change	% change
	(in thousands)			
Total contributions	\$ 12,616	\$ 15,026	\$ (2,410)	-16.0%
Net investment income (loss)	42,201	(49,785)	91,986	-184.8%
Total addition / (reduction)	\$ 54,817	\$ (34,759)	\$ 89,576	-257.7%

MASSACHUSETTS PORT AUTHORITY
RETIREE BENEFITS TRUST

Management's Discussion and Analysis

December 31, 2024 and 2023

(Unaudited)

Contributions and investment income for the year ended December 31, 2023 totaled approximately \$54.8 million and a reduction of \$34.8 million for the year ended December 31, 2022, which was mainly due to investment losses on Plan assets.

Total contributions to the Trust were \$12.6 million and \$15.0 million for the years ended December 31, 2023 and 2022, respectively. The net contributions decrease of \$2.4 million was the result of a \$3.0 million increase in the Authority's contributions, mainly due to the decrease in investment asset value. This was offset by an additional \$5.5 million of the Trust's 2021 funding contributions transferred during January through June 2022, due to timing of the contributions made by the Authority during the Plan year.

The Trust realized net investment gains for the year ended December 31, 2023 of approximately \$42.2 million compared to net investment losses of \$49.8 million for the year ended December 31, 2022.

Deductions from Fiduciary Net Position

Condensed Financial Information

Deductions	2024	2023	\$ change	% change
	(in thousands)			
Insurance premiums	\$ 15,675	\$ 14,952	\$ 723	4.8%
Administrative expenses	275	235	40	17.0%
Total deductions	<u>\$ 15,950</u>	<u>\$ 15,187</u>	<u>\$ 763</u>	<u>5.0%</u>

Deductions from the Trust include the payment of insurance premiums for Plan members and administrative costs of the Trust.

Premium payments made by the Trust for the years ended December 31, 2024 and 2023 totaled \$15.7 million and \$15.0 million, respectively. This was an increase of approximately \$0.7 million, or 4.8% from fiscal year 2023. The increase in premium payments was driven by higher health care premium rates and an additional 17 retired, disabled, survivor and beneficiary members receiving benefits from the Trust for the year ended December 31, 2024.

Condensed Financial Information

Deductions	2023	2022	\$ change	% change
	(in thousands)			
Insurance premiums	\$ 14,952	\$ 14,632	\$ 320	2.2%
Administrative expenses	235	216	19	8.8%
Total deductions	<u>\$ 15,187</u>	<u>\$ 14,848</u>	<u>\$ 339</u>	<u>2.3%</u>

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RETIREE BENEFITS TRUST

Management's Discussion and Analysis

December 31, 2024 and 2023

(Unaudited)

Premium payments made by the Trust for the years ended December 31, 2023 and 2022 totaled \$15.0 million and \$14.6 million, respectively. This was an increase of approximately \$0.3 million, or 2.2% from fiscal year 2022. The increase in premium payments was driven by higher health care premium rates and an additional 9 retired, disabled, survivor and beneficiary members receiving benefits from the Trust for the year ended December 31, 2023

Requests for Information

This financial report is designed to provide an overview of the Retiree Benefit Trust's finances. Questions concerning any of the information provided in this report should be directed to Mr. John P. Pranckevicius, CPA, Director of Administration and Finance and Secretary-Treasurer and addressed to Massachusetts Port Authority, One Harborside Drive, Suite 200S, East Boston, MA 02128.

**MASSACHUSETTS PORT AUTHORITY
RETIREE BENEFITS TRUST**

Statement of Fiduciary Net Position

December 31, 2024 and 2023

(in thousands)

	<u>2024</u>	<u>2023</u>
Assets:		
Cash and cash equivalents	\$ 857	\$ 8,404
Investments:		
Commingled funds:		
Domestic equity	140,196	128,241
Fixed income	113,081	89,574
International equity	67,754	60,283
Alternative investments:		
Private real estate	13,270	17,758
Private debt	8,489	8,581
Private equity	2,663	—
Total investments	<u>345,453</u>	<u>304,437</u>
Other assets	<u>91</u>	<u>85</u>
Total assets	<u>346,401</u>	<u>312,926</u>
Liabilities:		
Accounts payable and accrued expenses	<u>300</u>	<u>260</u>
Total liabilities	<u>300</u>	<u>260</u>
Net position restricted for OPEB	<u>\$ 346,101</u>	<u>\$ 312,666</u>

The accompanying notes are an integral part of these financial statements. Prior investment classifications have been updated to match current year presentation, which included additional subcategories.

**MASSACHUSETTS PORT AUTHORITY
RETIREE BENEFITS TRUST**

Statement of Changes in Fiduciary Net Position
For the year ended December 31, 2024 and 2023
(in thousands)

	<u>2024</u>	<u>2023</u>
Additions:		
Contributions:		
Authority	\$ 9,292	\$ 12,131
Plan members	526	485
Total contributions	<u>9,818</u>	<u>12,616</u>
Investment income (loss):		
Interest and dividends	21,510	9,164
Net appreciation (depreciation) in fair value of investments	18,274	33,269
Management fees	(217)	(232)
Net investment income (loss)	<u>39,567</u>	<u>42,201</u>
Total addition / (reduction)	<u>49,385</u>	<u>54,817</u>
Deductions:		
Insurance premiums	15,675	14,952
Administrative expenses	275	235
Total deductions	<u>15,950</u>	<u>15,187</u>
Net increase (decrease) in net position	<u>33,435</u>	<u>39,630</u>
Net position restricted for OPEB:		
Beginning of period	312,666	273,036
End of period	<u>\$ 346,101</u>	<u>\$ 312,666</u>

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

MASSACHUSETTS PORT AUTHORITY

RETIREE BENEFITS TRUST

Notes to Financial Statements

December 31, 2024 and 2023

A. Plan Description

a) *Plan Administration*

In April 1981, the Massachusetts Port Authority (the “Authority”) adopted a retiree benefit plan (the “Plan”) whereby the Authority assumes 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”).

On June 27, 2008, the Authority created the Retiree Benefits Trust (the “RBT” or the “Trust”), an irrevocable trust to fund its OPEB Plan obligations. Management of the Trust is vested in a five-member Trust Committee (the “Committee” or the “Trustee”) that consists of two officers of the Authority, two members appointed by the Chief Executive Officer and Executive Director of the Authority and one member appointed by the Board. 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 as defined by the Members of the Authority (the “Board”). No part of the assets of the RBT may inure to the exclusive benefit of any retiree or beneficiary other than by benefit payments for services provided in the administration of the RBT. A portion of assets of the Trust may be used for payment for reasonable and necessary professional services, costs and expenses related to assisting the Trustee in the operation of the Trust.

b) *Benefits*

The OPEB Plan is a single-employer defined benefit plan and offers retirees, as defined above, a choice of medical plans, as well as two dental plans, and basic life insurance. The medical plans are either HMOs, PPOs or indemnity plans, and some are designed to work with Medicare benefits, such as a Medicare supplement or Medicare HMO plans. The basic life insurance provides a \$10,000 death benefit to the retiree. Spouses and dependents are not eligible for this death benefit upon their death. The OPEB Plan is a liability of the Authority, and no liabilities associated with the OPEB Plan are recorded by the RBT based on the premise that the legal obligation to pay for these post-employment retiree benefits resides with the Authority.

Benefits are recorded when due and payable in accordance with the terms of the Trust.

c) *Contributions*

Employer contributions are recognized when the employer has made commitments to provide the contributions. The Authority bears the risk that the Trust’s net position might decline due to fluctuations in the fair value of the Trust’s investments and contributions by the Authority may need to increase.

The benefit levels, employer contributions and future employer contributions are governed by the Authority and can be amended by the Authority. Contributions to the RBT are made by the Authority and were based on the Actuarially Determined Contribution (“ADC”) as determined by an actuarial valuation performed by a third-party actuary and calculated according to the OPEB

MASSACHUSETTS PORT AUTHORITY

RETIREE BENEFITS TRUST

Notes to Financial Statements

December 31, 2024 and 2023

funding policy adopted by the Board on June 21, 2018 and amended on June 15, 2023. The ADC represents a level of funding that, if made on an ongoing basis, is projected to cover the annual normal cost and amortize any unfunded actuarial liabilities over a period originally set up not to exceed twenty years. Additional layered amortization bases are established annually to amortize gains and losses, assumption changes, and Plan changes over a period not to exceed twenty years. The amortization period of the initial unfunded liability has thirteen years remaining as of December 31, 2024.

The funding policy allows for the contributions to attempt to minimize the volatility from year to year and is the sum of the employers 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 ("ADC").

Retired Plan Members currently receiving benefits who were retired or vested on October 1, 2009 are required to contribute specified amounts monthly toward the cost of expanded dental insurance premiums, if elected by the retiree. No other contributions are required from this group of retired participants under the OPEB Plan.

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 health care 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 while working at the Authority at retirement age (retirees must be age 60 or older to receive the subsidy), and whether or not the employee retired within sixty 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 Massachusetts General Law, 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.

MASSACHUSETTS PORT AUTHORITY

RETIREE BENEFITS TRUST

Notes to Financial Statements

December 31, 2024 and 2023

Benefits are paid by the Trust from the net position available for Plan benefits and no long-term contracts for contributions to the Trust existed at December 31, 2024 and 2023.

d) Plan Membership

At December 31, 2024 and 2023, the OPEB Plan's membership consisted of:

	2024	2023
Active Employees	1,308	1,245
Inactive Participants (Vested)	81	87
Retired, Disabled, Survivors and Beneficiaries	1,003	986
Total Membership	<u>2,392</u>	<u>2,318</u>

B. Summary of Significant Accounting Policies

a) Basis of Accounting

These financial statements have been prepared with an "economic resources" measurement focus on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

b) Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on deposit, and highly liquid short-term investments with original maturities of thirty days or less from the date of acquisition.

c) Investment Valuation

Investments are reported at fair value. Securities traded on a national or international securities exchange are valued at the last reported sales price on the last business day of the Plan year; investments traded on a national securities exchange for which no sale was reported on that date and investments in common and preferred stocks traded in over-the-counter markets are valued at the mean of the last reported bid and ask prices, or the last reported bid price. Mutual funds and commingled funds are valued based on fair value and alternative investments are valued at net asset value at December 31, 2024 or 2023.

C. Cash, Cash Equivalents and Investments

a) Investment Policy

The Trust's investments are made in accordance with the provisions of the Trust's Investment Policy (the "Investment Policy"), which was adopted on May 8, 2009 and most recently amended on December 8, 2014 by the Retiree Benefits Trust Committee. The goals of the 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

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income generation, while maintaining a moderate investment risk. In addition, the 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 Investment Policy, currently set at 6.75%.

The Trust has retained an investment consultant 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 which hold stocks (domestic and international) and fixed income securities and six alternative investments in private real estate, private debt and private equity. The exposure limits per the Investment Policy are as follows:

Asset Class	Asset Weightings (as of December 8, 2014)				
	2024 Exposure	2023 Exposure	Minimum Exposure	Maximum Exposure	Target Allocation
Domestic equity	40.5%	41.0%	28.0%	48.0%	38.0%
Fixed income	32.6%	28.6%	17.0%	47.0%	32.0%
International equity	19.6%	19.3%	10.0%	30.0%	20.0%
Cash and cash equivalents	0.2%	2.7%	0.0%	20.0%	0.0%
Alternatives:					
Private: Real Estate, Debt, Equity Funds	7.1%	8.4%	0.0%	15.0%	10.0%

The current investment philosophy represents a long-term perspective. When asset weightings fall outside the 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.

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The following summarizes the Trust's cash, cash equivalents and investments by type held at December 31, 2024 and 2023 (in thousands):

	2024		2023	
	Credit Rating	Fair Value	Credit Rating	Fair Value
Cash and Cash Equivalents				
First American Government Fund	Unrated	\$ 245	Unrated	\$ 2,222
Massachusetts Municipal Depository Trust (MMDT)	Unrated	612	Unrated	6,182
Total Cash and Cash Equivalents		\$ 857		\$ 8,404
Investments				
Vanguard Index Funds	Unrated	\$ 161,769	Unrated	\$ 146,503
Acadian All Country World ex US Fund	Unrated	23,677	Unrated	20,945
WCM Focused International Growth Fund	Unrated	16,501	Unrated	15,302
Vanguard Intermediate Term Investment Grade Fund	A	11,848	A	10,329
Aberdeen Emerging Markets Fund	Unrated	6,003	Unrated	5,774
Alliance Bernstein High Income	B	12,990	B	11,281
TCW Emerging Markets Income	BB	8,774	BB	6,474
Aristotle Floating Rate Income Fund	B	12,382	B	10,318
Baird Core Plus Fund	A	33,678	A	26,260
Voya Intermediate Bond Fund	A	33,409	AA	24,912
Private Real Estate*	Unrated	13,270	Unrated	17,758
Private Debt*	Unrated	8,489	Unrated	8,581
Private Equity*	Unrated	2,663	—	—
Total Investments		\$ 345,453		\$ 304,437

* Prior investment classifications have been updated to match current year presentation, which included additional subcategories.

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, 2024 and 2023.

b) Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of a depository financial institution, the Trust's deposits may not be returned. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Trust and are held by either the depository financial institution or the depository financial institution's trust department or agent but not in the Trust's name.

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.

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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 the General Laws, 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) Credit Risk

Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations.

For the years ended December 31, 2024 and 2023, the Trust's fixed income investments totaled \$113.1 million and \$89.6 million, respectively. These investments were split between six commingled mutual funds. The 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 an 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 Nationally Recognized Statistical Rating Organization. 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 of the Fund. The total percentage of the fixed income investments subject to this provision were 27.8% and 26.1% at December 31, 2024 and 2023, respectively.

d) Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the Trust's investment in a single issuer. Investments of Trust assets are diversified in accordance with the Investment Policy that 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 Investment Policy at December 31, 2024 and 2023, respectively.

e) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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, 2024 and 2023 was 5.02 and 5.13 years.

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The individual fund durations are as follows at December 31, 2024 and 2023:

	2024	Effective Duration	2023	Effective Duration
	Fair Value	(Years)	Fair Value	(Years)
Fixed Income Investments				
Vanguard Intermediate Term				
Investment Grade Fund	\$ 11,848	5.90	\$ 10,329	6.10
Alliance Bernstein High Income	12,990	3.11	11,281	3.73
TCW Emerging Markets Income	8,774	6.09	6,474	6.63
Aristotle Floating Rate Income Fund	12,382	0.43	10,318	0.31
Baird Core Plus	33,678	5.84	26,260	6.00
Voya Intermediate Bond	33,409	6.03	24,912	6.06
Total Fixed Income Investments	\$ 113,081		\$ 89,574	
Weighted average duration of fixed income assets:		5.02		5.13

f) 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.

g) Rate of Return

The actuarially determined annualized money weighted rate of return on trust investments, net of trust expenses, was a gain of 12.38% and 15.09% for the audit period ended December 31, 2024 and 2023, 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 a gain 12.7% and 15.9%, gross of fees, for the years ended December 31, 2024 and 2023, respectively as calculated by the Trust's investment advisor.

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.

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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.

The Trust has the following fair value measurements for investments at December 31, 2024 and 2023:

Investments Measured by Fair Value Level (\$ 000)

As of December 31, 2024	Fair Value	Level 1	Level 2	Level 3
Investments				
Vanguard Index Funds	\$ 161,769	\$ 161,769	\$ -	\$ -
Baird Core Plus	33,678	33,678	-	-
Vanguard Intermediate Term Investment Grade Fund	11,848	11,848	-	-
Voya Intermediate Bond	33,409	33,409	-	-
Aberdeen Emerging Markets Fund	6,003	6,003	-	-
AllianceBernstein High Income	12,990	12,990	-	-
TCW Emerging Markets Income	8,774	8,774	-	-
Aristotle Floating Rate Income Fund	12,382	12,382	-	-
WCM Total International Stock Index	16,501	16,501	-	-
Acadian All Country World ex-US Fund	23,677	23,677	-	-
Total investments measured by fair value level	\$ 321,031	321,031	-	-
Investments measured at the net asset value (NAV)				
Alternative Investments:				
Boyd Watterson GSA Fund	\$ 5,219			
Equus Fund X	2,525			
ATEL Private Debt Partners II	4,243			
Golub Capital Partners 12 L.P.	4,246			
PRISA LP	5,526			
Hamilton Lane Secondary Fund VI A	2,663			
Total investments measured at the NAV	\$ 24,422			
Total Investments	\$ 345,453			

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Investments Measured by Fair Value Level (\$ 000)

As of December 31, 2023	Fair Value	Level 1	Level 2	Level 3
Investments				
Vanguard Index Funds	\$ 146,503	\$ 146,503	\$ -	\$ -
Baird Core Plus	26,260	26,260	-	-
Vanguard Intermediate Term Investment Grade Fund	10,329	10,329	-	-
Voya Intermediate Bond	24,912	24,912	-	-
Aberdeen Emerging Markets Fund	5,774	5,774	-	-
AllianceBernstein High Income	11,281	11,281	-	-
TCW Emerging Markets Income	6,474	6,474	-	-
Aristotle Floating Rate Income Fund	10,318	10,318	-	-
WCM Total International Stock Index	15,302	15,302	-	-
Acadian All Country World ex-US Fund	20,945	20,945	-	-
Total investments measured by fair value level	\$ 278,098	278,098	-	-

Investments measured at the net asset value (NAV)

Alternative Investments:

Boyd Watterson GSA Fund	\$ 8,531
Equus Fund X	2,602
ATEL Private Debt Partners II	4,326
Golub Capital Partners 12 L.P.	4,255
PRISA LP	6,625
Total investments measured at the NAV	\$ 26,339
Total Investments	\$ 304,437

Comingled Mutual Funds

As of December 31, 2024 and 2023, the Trust held positions in several comingled mutual funds as noted above and the fair values were \$321.0 million and \$278.1 million, respectively. The fair values of the comingled 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:

	2024		2023		Redemption Frequency	Redemption Notice Period
	NAV	Unfunded Commitments	NAV	Unfunded Commitments		
Real Estate, Private Equity Fund and Private Debt Fund						
Boyd Watterson GSA Fund (1)	\$ 5,219	\$ —	\$ 8,531	\$ —	Quarterly	60 days
Equus Fund X (2)	2,525	461	2,602	461	—	—
PRISA LP (3)	5,526	—	6,625	—	Quarterly	90 days
ATEL Private Debt Partners II (4)	4,243	—	4,326	—	—	—
Golub Capital Partners 12 LP (4)	4,246	460	4,255	460	—	—
Hamilton Lane Secondary Fund VI A (5)	2,663	3,737	—	6,000	—	—
Total investments measured at the NAV	\$ 24,422		\$ 26,339			

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 interest 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.
5. This is a private equity secondary fund which acquires positions in a variety of private equity investments including other private equity 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. Unfunded commitments does not include recallable distributions of \$121.

D. Operating Expenses

The Trust's administrative expenses as shown on the Statements of Changes in Fiduciary Net Position are borne by the Trust and financed with investment income. These expenses include professional services and other miscellaneous administrative expenses.

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E. Net OPEB Liability

The Authority's net OPEB liability as of December 31, 2024 and 2023 was determined using an actuarial valuation as of January 1, 2025 and 2024, respectively.

	Increase (Decrease)		
	Total OPEB Liability	Trust Fiduciary NetPosition	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2022	\$ 362,819	\$ 273,036	\$ 89,783
Service cost	5,469	—	5,469
Interest	24,298	—	24,298
Difference between expected and actual experience	(5,937)	—	(5,937)
Contributions - employer	—	14,288	(14,288)
Contributions - employees	—	485	(485)
Net investment income	—	42,201	(42,201)
Benefits payments	(16,623)	(17,109)	486
Administrative expenses	—	(235)	235
Balance at December 31, 2023	\$ 370,026	\$ 312,666	\$ 57,360
Service cost	5,781	—	5,781
Interest	24,772	—	24,772
Change in benefit terms	3,651	—	3,651
Difference between expected and actual experience	(6,790)	—	(6,790)
Contributions - employer	—	11,773	(11,773)
Contributions - employees	—	536	(536)
Net investment income	—	39,568	(39,568)
Benefits payments	(17,631)	(18,167)	536
Administrative expenses	—	(275)	275
Balance at December 31, 2024	\$ 379,809	\$ 346,101	\$ 33,708

The Trust fiduciary net position as a percentage of the total OPEB liability was 91.1% and 84.5% as of December 31, 2024 and December 31, 2023, respectively.

a) Actuarial Assumptions

The total OPEB liability at December 31, 2024 and 2023 were developed by adjusting (either rolling forward or backward) the January 1, 2024 valuation results using valuation interest and actual benefit payments. The following actuarial assumptions were applied to the periods included in the measurement for December 31, 2024 and 2023:

- *Inflation – 2.50%, as of December 31, 2024 and 2023.*

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- *Salary increases* – 4.25%, as of December 31, 2024 and 2023.
- *Investment rate of return* – 6.75%, net of Trust investment expenses, as of December 31, 2024 and 2023.
- *Health care trend rates* – Initial annual health care cost trend rates range of 11.6% to 7.1%, which decreases to a long-term trend rate between 5.0% and 6.8% for all health care benefits after six years. The initial annual dental cost trend rates range from 0.0% to 6.0%, which decreases to a long-term trend rate of 5.0% for all dental benefits after two 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).
 - Actives: Employee Tables
 - Retirees: Healthy Retiree Tables
 - Disabled: Disabled Retiree Tables
 - Surviving Spouses: Contingent Survivor Tables
- Other Information
 - As of January 1, 2016, employees hired after September 30, 2009 and not eligible for post-retirement medical insurance until age 60, 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 determined 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.

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The best estimates of arithmetic long-term expected real rates of return for each major asset class are summarized in the following table:

Asset class	Long-term expected real rate of return	Long-term expected real rate of return
	2025*	2024*
Domestic equity		
US Large Cap Equity	6.00 %	— %
US Small Cap Equity	7.22	—
US Equity	—	6.33
Fixed income		
Core Fixed	2.61	2.32
Investment Grade Corporate Debt	—	3.15
High Yield	4.05	4.69
Bank Loans	—	2.94
Emerging Markets Debt	—	3.96
International equity		
International Developed Equity	5.87	6.00
Emerging Markets Equity	6.95	6.93
Alternatives		
Private Equity	9.71	10.31
Private Real Estate	6.02	6.34
Private Debt	5.46	5.42

* amounts are net of inflation assumption of 2.5%

b) Discount Rate

The discount rate used to measure the total OPEB liability as of December 31, 2024 and 2023 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 Trust investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

c) 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, 2024 and 2023, calculated using the discount rate of 6.75%, as well as what the net OPEB liability would be if it

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were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

	1% decrease (5.75%)	Current discount rate (6.75%)	1% increase (7.75%)
2024 - Authority's net OPEB liability	\$ 80,476	\$ 33,708	\$ (5,008)
2023 - Authority's net OPEB liability	\$ 104,158	\$ 57,360	\$ 19,319

d) 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, 2024 and 2023, calculated using healthcare cost trend rates of 9.5% decreasing to 5.0% and 8.7% decreasing to 5.0%, respectively, as well as what the net OPEB liability would be if it were calculated using a health care cost trend rate that is one-percentage point lower or one-percentage point higher than the assumed rates of health care cost trend in each year:

	1% decrease (8.5% decreasing to 4.0%)	Health care Cost base trend rate (9.5% decreasing to 5.0%)	1% increase (10.5% decreasing to 6.0%)
2024 - Authority's net OPEB liability	\$ (10,916)	\$ 33,708	\$ 88,121
	(7.7% decreasing to 4.0%)	(8.7% decreasing to 5.0%)	(9.7% decreasing to 6.0%)
2023 - Authority's net OPEB liability	\$ 13,274	\$ 57,360	\$ 111,003

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Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios
December 31, 2024
(in thousands)

	December 2024	December 2023	December 2022	December 2021	December 2020	December 2019 *	June 2019	June 2018	June 2017	June 2016
Total OPEB liability:										
Service cost	\$ 5,781	\$ 5,469	\$ 6,131	\$ 5,591	\$ 6,103	\$ 2,965	\$ 6,057	\$ 6,692	\$ 6,405	\$ 5,891
Interest	24,772	24,298	24,427	23,695	24,569	12,608	24,424	23,870	22,693	20,285
Change in benefit terms	3,651	—	—	—	—	—	—	—	—	—
Differences between expected and actual experience	(6,790)	(5,937)	(19,748)	(1,058)	(16,263)	(232)	(7,736)	(17,359)	—	18,841
Change of assumptions	—	—	4,381	10,488	(11,751)	(5,031)	1,479	8,575	—	—
Benefits payments	(17,631)	(16,623)	(16,223)	(15,557)	(13,692)	(6,849)	(13,583)	(13,428)	(12,643)	(11,987)
Net change in total OPEB liability	9,783	7,207	(1,032)	23,159	(11,034)	3,461	10,641	8,350	16,455	33,030
Total OPEB liability – beginning	370,026	362,819	363,851	340,692	351,726	348,265	337,624	329,274	312,819	279,789
Total OPEB liability – ending (a)	379,809	370,026	362,819	363,851	340,692	351,726	348,265	337,624	329,274	312,819
Change in fiduciary net position:										
Contributions – employer	11,773	14,288	16,617	23,422	10,552	9,659	20,009	17,237	15,787	13,340
Contributions – employees	536	485	453	398	319	157	311	279	248	209
Net investment income	39,568	42,201	(49,785)	38,880	36,052	15,615	15,845	13,755	19,829	2,348
Benefits payments	(18,167)	(17,109)	(16,676)	(15,955)	(14,010)	(7,006)	(13,894)	(13,428)	(12,643)	(11,987)
Administrative expenses	(275)	(235)	(216)	(232)	(222)	(135)	(197)	(184)	(173)	(172)
Net change in fiduciary net position	33,435	39,630	(49,607)	46,513	32,691	18,290	22,074	17,659	23,048	3,738
Trust fiduciary net position – beginning	312,666	273,036	322,643	276,130	243,439	225,149	203,075	185,416	162,368	158,630
Trust fiduciary net position – ending (b)	346,101	312,666	273,036	322,643	276,130	243,439	225,149	203,075	185,416	162,368
Authority's net OPEB liability – end of year (a)–(b)	\$ 33,708	\$ 57,360	89,783	\$ 41,208	\$ 64,562	\$ 108,287	\$ 123,116	\$ 134,549	\$ 143,858	\$ 150,451
Trust fiduciary net position as a percentage of the total OPEB liability	91.1%	84.5%	75.3%	88.7%	81.0%	69.2%	64.6%	60.1%	56.3%	51.9%

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

Notes to Schedule

Benefit changes - Basic Life Insurance increased from \$5,000 to \$10,000

Changes in assumptions :

The discount rate was changed from 7.00% as of 01/01/2021 to 6.75% through fiscal year ended 12/31/24.

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".

* Data represents six months. 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.

MASSACHUSETTS PORT AUTHORITY
RETIREE BENEFITS TRUST
 Required Supplementary Information (Unaudited)
 Schedule of Investment Returns

	<u>December 2024</u>	<u>December 2023</u>	<u>December 2022</u>	<u>December 2021</u>	<u>December 2020</u>	<u>December 2019</u>	<u>June 2019</u>	<u>June 2018</u>	<u>June 2017</u>	<u>June 2016</u>
Annual money-weighted rate of return, net of investment expense	12.38%	15.09%	(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.

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.

**MASSACHUSETTS PORT AUTHORITY
RETIREE BENEFITS TRUST**
Required Supplementary Information (Unaudited)
Schedule of Authority Contributions

	June 2025	June 2024	June 2023	June 2022	June 2021
Actuarially determined contribution (ADC)	\$ 11,763	\$ 14,233	\$ 10,857	\$ 13,014	\$ 20,294
Contributions in relation to the ADC:					
Premium implicit subsidy contribution	2,481	2,157	2,021	2,068	1,807
Authority contribution	9,292	12,131	9,100	10,946	20,447
Contribution deficiency (excess)	\$ (10)	\$ (55)	\$ (264)	\$ —	\$ (1,960)

	June 2020	June 2019	June 2018	June 2017	June 2016
Actuarially determined contribution	\$ 19,482	\$ 15,725	\$ 15,177	\$ 18,084	\$ 14,390
Contributions in relation to the ADC:					
Premium implicit subsidy contribution	1,532	1,611	1,555	1,487	1,260
Authority contribution	13,341	18,398	15,682	14,300	12,000
Contribution deficiency (excess)	\$ 4,609	\$ (4,284)	\$ (2,060)	\$ 2,297	\$ 1,130

Methods and assumptions used to determine contribution rates:

Valuation date:	January 1, 2024
Actuarial cost method:	Entry Age Normal
Amortization method:	20 years from FY 2018, 13 years remaining as of December 31, 2024 increasing from 0-3% annually
Asset valuation method:	10 years smoothing of market value gains/ losses; prior to 2023, 5 years; 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, 2024, 2023, 2022 and 2021, respectively 7.00%, net of plan investment expenses prior to January 01, 2021 7.25% per year prior to July 1, 2019
Health care trend rates	Initial annual health care cost trend rate range of 11.6% to 9.5% which decreases to a long-term trend rate of 5.0% for all health care benefits after ten years. The initial annual dental cost trend rates range from 0.0% to 6.0% 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 - Basic Life Insurance increased from \$5,000 to \$10,000

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.