2020 MASSACHUSETTS PORT AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Years Ended June 30, 2020 & June 30, 2019

MASSACHUSETTS PORT AUTHORITY

Financial Statements, Required Supplementary Information, and Supplementary Schedules

Years Ended June 30, 2020 & June 30, 2019

Prepared by the Massachusetts Port Authority

Administration and Finance Department

Located in East Boston, Massachusetts

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For Fiscal Years Ended June 30, 2020 and June 30, 2019

MASSACHUSETTS PORT AUTHORITY

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Introduction

Bigger cranes are one of the key components for Massport to accommodate larger container ships at Conley Terminal. These cranes are currently being built and will be placed into service during 2021.

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Telephone (617) 568-5000
www.massport.com

November 24, 2020

To the Members of the Massachusetts Port Authority:

FY 2020 was unlike any other period in the Authority's history. Early in the year, our focus was on managing unprecedented passenger growth at Logan Airport and easing ground congestion by adding new and expanded High Occupancy Vehicle (HOV) services to move more passengers with fewer vehicles. Another record-breaking cruise season was on the horizon. Container volume continued to grow as investments in harbor dredging and the modernization of Conley Terminal progressed. Real estate projects were advancing and contributing to economic growth and development in the Commonwealth. We doubled down on investments to improve the quality of life in the neighboring communities that feel the impact of Massport's facilities. We also advanced our commitment to diversity, equity and inclusion through the bid process for Massport's real estate development projects. By equally weighting the diversity criteria with the other selection criteria, Massport incentivized developers to form broad and diverse development teams that enhance access, opportunity, and equity for people of color and diverse businesses. All of Massport's business lines were forging full steam ahead as we planned for record volumes of activity.

Then the unthinkable happened. On March 11, 2020, the World Health Organization (WHO), declared COVID-19, a respiratory illness that first broke out in China, to be a pandemic. In just a few short weeks, travel restrictions and business shutdowns abruptly altered the Authority's trajectory from record business growth to unprecedented contraction. Massport's capable leadership team acted quickly and decisively to pivot from managing growth initiatives to implementing consolidation strategies and cost containment measures. Our objectives were clear: **preserve health, preserve liquidity, and position Massport to grow and prosper in a post-COVID environment.**

As the nation struggled with shortages of personal protective equipment (PPE) early in the pandemic, the OneMassport team was called upon to provide logistics support for the delivery of critical PPE supplies for health care and other front line workers in Massachusetts. Management implemented new rotational schedules to reduce employee exposure, while continuing to provide essential transportation services. We mobilized a health screening process for construction workers ensuring that critical infrastructure and safety projects would continue to advance. We implemented enhanced cleaning and safety protocols, installed signage and plastic shields and made other modifications in airport terminals and work spaces to protect passengers and employees. Always on the leading edge, Logan Airport was the first North American airport to receive Airports Council International's (ACI) Health Accreditation, recognizing our commitment to prioritizing health and safety measures.

To preserve liquidity, departments reduced operating expenses by 25% and $1 billion was trimmed from the Authority's capital investment program. In addition to these measures, we were aided by $143 million of federal CARES Act grant funding, which helped to off-set the loss of air passengers. Throughout the challenges created by the pandemic, we continued to operate our facilities and provide critical transportation services. We also recognized the challenges facing our business partners, and provided them with financial relief and other assistance, as a long term strategy that will help support future growth.

Massport continued to make strategic and safety investments in facilities to position the Commonwealth for a vibrant economic recovery once the pandemic has subsided. During this time, we are also taking a critical look at our business practices and using technology and innovation to streamline processes, eliminate unnecessary paper and reduce costs. Employees who are able to work remotely are working from home, keeping them safe and allowing them to juggle work responsibilities with the realities of school and childcare during a pandemic. Frontline employees continue to work onsite with PPE and alterations to shift schedules that help to maintain physical distancing, so we can safely operate facilities, keep passengers safe, and maintain a high level of customer service where possible.

There is no playbook to guide us. Our teams are drawing upon their strengths and lessons learned from previous adverse events and continue to innovate and adapt as the pandemic evolves. Recent news of the efficacy of COVID-19 vaccines and the advancement of therapeutics offers hope that the world will eventually reopen and people will be able to freely explore the world and do business globally. When that day arrives, Massport will be prepared and ready to lead the economic recovery for Massachusetts and New England.

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Massachusetts Port Authority for the Fiscal Year ended June 30, 2020. The CAFR, which was prepared by the Administration and Finance department, provides a review of our accomplishments, illustrates Massport's approach to solving complex challenges and presents the Authority's financial results and performance during one of the most challenging times in our history.

Respectfully,

Lisa Wieland

Lisa Wieland
Chief Executive Officer

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 THE 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. 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 longest U.S. economic expansion in history at roughly a decade long continued through 2019. U.S. Bureau of Economic Analysis data shows that Real GDP for the nation grew by 2.2% in 2019. This growth came to an abrupt halt in the first quarter of 2020 when the COVID-19 pandemic hit. Real GDP declined by 5.0% for the nation in the first quarter, and this economic decline continued into the second quarter as the national economy contracted by 31.4%. By definition this two-quarter decline officially put the country into an economic recession. The third quarter saw a sizeable rebound as national Real GDP grew by 33.1% due largely to federal fiscal and monetary policy, especially from grants and loans that were part of the CARES Act. In Massachusetts, Real GDP grew slightly higher than the national average at 2.4% for 2019. In the first quarter of 2020, the economy in Massachusetts declined by 4.3% and then contracted by 31.6% in line with the national average in the second quarter. The Commonwealth's economy improved significantly in the third quarter as Real GDP grew by 37.7%, a faster pace than the national economy.

The national unemployment rate was 3.5% in December 2019 and had been at historically low levels. Once COVID-19 hit, unemployment spiked to 14.7% in April 2020. It has steadily declined since then as restrictions related to the pandemic were eased, and stood at 7.9% as of September, 2020. Unemployment in Massachusetts was as low as 2.8% in January of 2020 prior to the COVID-19 pandemic, then increased significantly to 17.4% for the month of June. As of September, the unemployment rate was 9.6%, which was above the national average and below June's high water mark.

Looking forward, the Wall Street Journal survey of economists projected fourth quarter Real GDP growth for the nation of 3.8% as of their October report. Increasing cases of COVID-19 infections nationally, and around the world, may impact economic growth and unemployment as we head into 2021.

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 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 Controls

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.

If significant changes occur in the amounts available from expected funding sources, or if the costs of certain projects increase significantly, the Authority will reduce the scope of proposed projects, the overall capital program or both. Many of the commitments within the Authority's capital plan have already been authorized by the Authority and extend over several years. Nevertheless, each project within its capital program is a separate "module" that the Authority approves individually along with a separate project budget. This permits the Authority to undertake the construction and financing of each of these additional projects independently of other capital projects. The Authority believes that the modular design of the capital program significantly increases its ability to make adjustments in capital spending when necessary.

Capital Financing and 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 of Directors in June 2018. As of June 30, 2020, outstanding debt obligations of the Authority issued pursuant to the Trust Agreements totaled approximately $2.4 billion and includes senior and subordinated revenue bonds but excludes commercial paper. Special facilities revenue bonds issued on behalf of and payable by certain borrowers are excluded because they are not obligations of the Authority. In fiscal year 2020, the total amount applied to pay debt service on obligations issued pursuant to the 1978 Trust Agreement (excluding subordinate obligations and less capitalized interest) was $119.6 million, of which $11.6 million was paid from PFC Revenues designated as Available Funds under the 1978 Trust Agreement, and the total amount applied to pay debt service on obligations issued pursuant to the CFC Trust Agreement was $12.2 million.

Although the rating agencies continue to recognize the value of the Authority's prudent financial management, revenue diversity and underlying market strengths, COVID-19 has placed significant credit pressure on the airport sector. Moody's and Fitch have rated the Authority's revenue bonds at Aa2 and AA respectively. On August 14, 2020 S&P lowered the Authority's rating by one notch to AA-. These ratings continue to give Massport one of the highest rating for all large airports in the country, and the Authority continues to diligently meet its debt service requirements, coverage ratios and other compliance issues related to the Trust Agreements.

OTHER INFORMATION

Independent Audit

The financial statements of the Authority, in all material respects, presents fairly and discloses the Authority's financial position, results of operations and cash flows as of and for the year ended June 30, 2020 in accordance with the requirements of accounting principles generally accepted in the United States of America ("GAAP"). An audit of the Authority's financial statements as of and for the fiscal year ended June 30, 2020 has been completed by the Authority's independent auditors, Ernst & Young LLP. Its 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.

Awards

The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its CAFR for the fiscal year ended June 30, 2019. This was the 19th consecutive year that the Authority has received this prestigious award. The Authority believes that the 2020 CAFR 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 2020.

Requests 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 CAFR can be found in the Retirement Information section of the website at http://www.massport.com/about-massport/working-at-massport/retirement-information/. 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 2020 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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

Authority Board Members

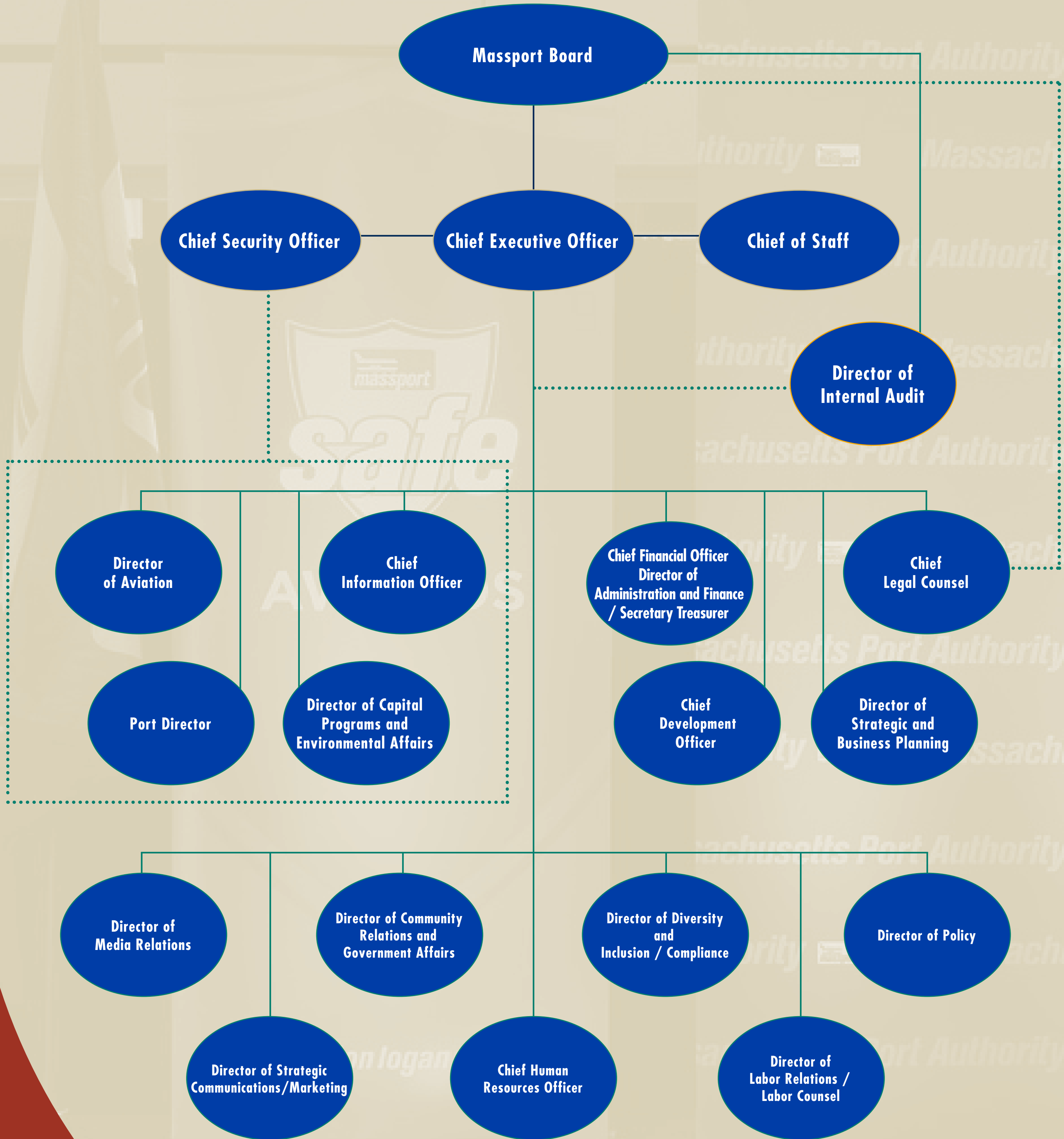
As of November 2020

The Authority consists of seven Members; five appointed by the Governor of Massachusetts and one appointed by the Massachusetts Port Authority Community Advisory Committee to staggered terms of seven years each, and the Secretary and Chief Executive Officer of MassDOT. Members serve without compensation.

Seated from left to right: Stephanie L. Pollack, Secretary and Chief Executive Officer of MassDOT, Lewis G. Evangelidis, Chairman, Patricia A. Jacobs - Vice Chairman

Standing from left to right: John A. Nucci, Laura J. Sen, Warren Fields, Sean M. O'Brien

Massport Organization Chart



Executive Staff

Lisa S. Wieland, CEO and Executive Director

Reed A. Passafaro, Chief of Staff

John P. Pranckevicius, CFO, Director of Administration and Finance/Secretary-Treasurer

Joel A. Barrera, Director of Strategic and Business Planning

Kwang Chen, Chief Information Officer

Alaina Coppola, Director of Community Relations & Government Affairs

Brian M. Day, Director of Labor Relations/Labor Counsel

Virginia Bennett Flynn, Director of Internal Audit

Edward C. Freni, Director of Aviation

David M. Gambone, Director of Human Resources

Andrew Hargens, Chief Development Officer

José C. Massó, III, Director of Policy

Catherine M. McDonald, Chief Legal Counsel

Jennifer B. Mehigan, Director of Media Relations

Michael Meyran, Port Director

John Raftery, Director of Strategic Communications and Marketing

Harold H. Shaw, Chief Security Officer

Houssam H. Sleiman, Director of Capital Programs & Environmental Affairs

Kenneth L. Turner, Director of Diversity and Inclusion/Compliance

Financial

As part of the strategic initiative to improve the roadways at Logan Airport, the old tower was demolished to allow for more efficient traffic flow at the airport.

MASSACHUSETTS PORT AUTHORITY

Financial Statements, Required Supplementary Information, and Supplementary Schedules

Years Ended June 30, 2020 and 2019

(With Report of Independent Auditors)

The National Guard helped unload the New England Patriots plane that carried essential PPE supplies to Logan Airport in early April 2020 when demand for protective masks and other items was critical.

Ernst & Young LLP
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Boston, MA 02116

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ey.com

Report of Independent Auditors

To the Members of the Massachusetts Port Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Massachusetts Port Authority (the Authority), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Massachusetts Port Authority as of June 30, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information
U.S. generally accepted accounting principles require that management's discussion and analysis, the schedule of pension contributions, schedule of changes in the net pension liability and related ratios, schedule of OPEB contributions, schedule of changes in the net OPEB liability and related ratios and schedule of investment returns, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, 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 an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Ernst + Young LLP

September 30, 2020

Management's Discussion and Analysis

The following Management's Discussion and Analysis (MD&A) section 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, 2020 and 2019. 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 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, 2020, 2019 and 2018, 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 the 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 and 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.

COVID-19 Impact Statement

During the first eight months of FY20, prior to the COVID-19 outbreak, the Authority experienced strong business activity. Logan Airport, the principal source of the Authority's revenue, served a record 42.5 million passengers in calendar 2019, up 4% from the prior year. In January 2020 and February 2020 passenger volume increased 8% and 6%, respectively.

The outbreak of COVID-19 in March and related restrictions had an adverse impact on business activity at Massport. The pandemic affected international and domestic travel at the Authority's airport properties (Boston-Logan International Airport, Worcester Regional Airport and Hanscom Field) as well as the airport concessionaires. Airlines reported a significant downturn in traffic, causing the cancellation of numerous flights. A rebound back to pre-pandemic activity did not occur in the short-term and may not occur for several years. From March-June of 2020, Logan passenger volume was down 84.1%.

In addition to a reduction in flight operations, retail concessionaires at the Authority's airport properties have either temporarily closed or have reported significant declines in sales. Reduced air travel has also had an adverse effect on parking as FY20 exits were down 31%, ride app (transportation network companies) pick-ups were down 27%, and rental car transactions were down 26% compared to FY19.

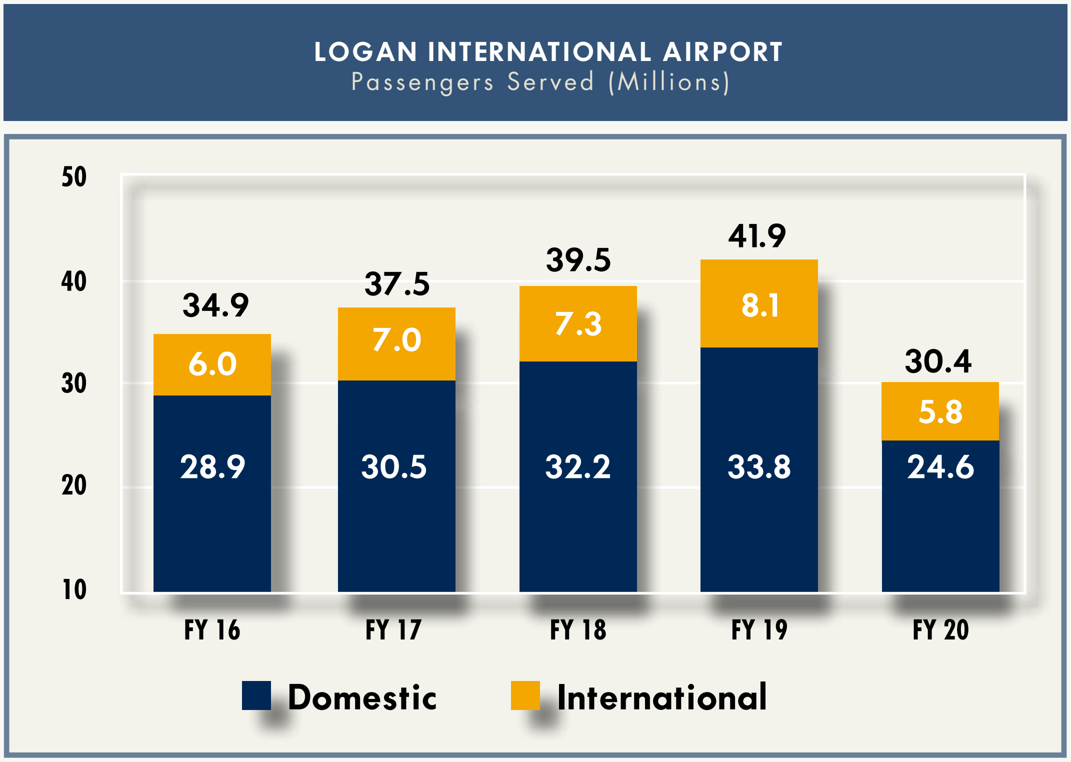
The pandemic also impacted the Authority's port properties, but to a lesser extent. COVID-19 caused declines in retail operations and consumer demand that led to lower container volumes and associated revenues. The Centers for Disease Control (CDC) issued a "No Sail Order" effective March 14, 2020 that effectively suspended the start of Cruise Season 2020 at Flynn Cruiseport Boston and eliminated cruise-related revenues.

As a result of the above, Massport's revenues for FY20 were lower than planned.

Business Activity Highlights for Fiscal Year 2020

Logan International Airport

- **30.4 million passengers used Logan Airport during FY20.**
- From July 2019 through February 2020 Logan's passenger activity was up 4%. New domestic and international travel restrictions that were placed into effect in March 2020 due to COVID-19 resulted in an 84% decline in passenger activity for the months of March through June compared to the previous year. These travel restrictions caused Logan Airport's passenger activity to be 27.5% lower than the previous year's nearly 42 million passengers.
- Logan Airport served 24.6 million domestic passengers and 5.8 million international passengers in FY20. Total domestic and international passengers were lower by 28% for the year.



- Flight operations in FY20 were down by 20% versus the prior year. Similar to passenger activity, airline flight operations were 2.1% higher from July 2019 through February 2020, and declined 62.7% from March through June.

- Logan's ground transportation programs were also impacted by fewer passengers using Logan Airport. Parking exit volume was 1.7 million, a reduction of 0.8 million exits or 30.9%, Logan Express High Occupancy Vehicle (HOV) bus ridership declined by 22%, and Ride App pick-ups and drop-offs were lower by 26.5% compared to the prior year.

Worcester Regional Airport

- During FY20, Worcester was served by three major airlines: Delta, American Airlines, and JetBlue. The revitalization plan for this important transportation asset was progressing as planned **with cumulative passengers at the Airport exceeding 850,000 passengers since 2013.**

- In the fourth quarter, many airlines petitioned the U.S. Department of Transportation (US DOT) to reduce service at airports including Worcester. The US DOT granted Worcester service exemptions to JetBlue and American. By the end of June, JetBlue suspended flights to Orlando, Ft. Lauderdale, and its New York (JFK) hub and American Airlines suspended flights to its Philadelphia hub. Delta continued to provide service to its Detroit hub through the end of the fiscal year.

- Worcester Airport submitted a $5 million Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grant application to improve the airport's runway surface condition by replacing deteriorated pavement for improved safety and to keep our airline partners operational at this facility. In addition to safety enhancements, existing runway lights will be replaced with energy efficient LED fixtures. This project leverages $5 million in FAA funding and creates the equivalent of 139 full time jobs during the construction period.

Conley Container Terminal

- Conley Container Terminal is anchored by the strength of the New England economy, easy and quick truck access in and out of the terminal with efficient access to the interstate highway system, a highly productive workforce, and a continued focus on customer service. In FY20, **282,629 TEUs (Twenty-foot Equivalent Units) went through the Port,** 24,000 fewer TEUs than the record year of FY19 due to the impact that the pandemic had on global supply chains.

- Average turn time per truck was 33 minutes in FY20, a decrease from 34 minutes in the prior year. The average number of container lifts per hour, per crane was 33, which maintained Conley's position as a highly efficient port.

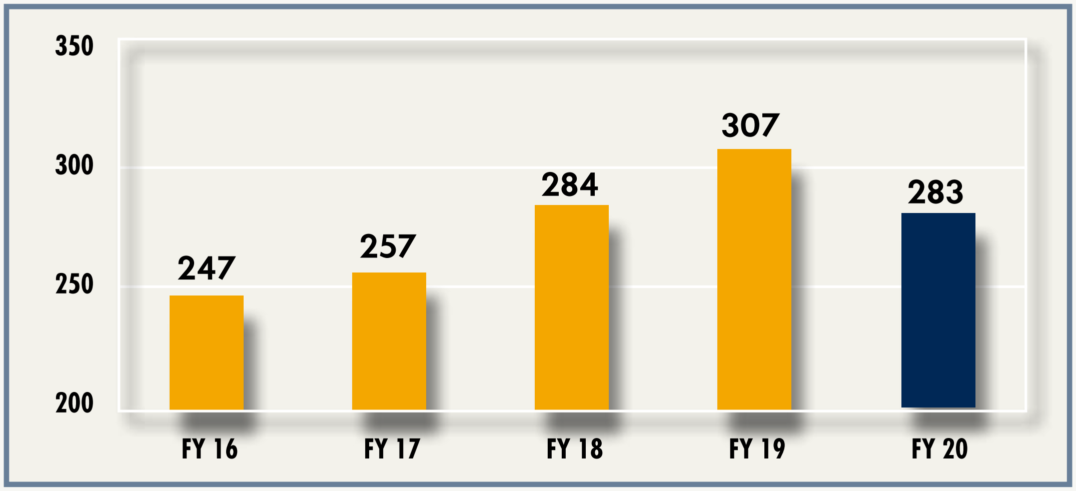
- A recent study concluded that maritime activity at Massport-owned facilities and private marine terminals/businesses within Boston Harbor generated $8.2 billion in economic output during 2018, up $3.8 billion or 78% since 2012. Total jobs at the Port increased by 16,000 or 32% to 66,000, and direct jobs grew by 27% from 7,000 to 9,000. State and local taxes paid increased by $50 million or 37% to $186 million. These significant economic impacts are largely due to growth in Massport's business activity at the Port during this period.

- The Maritime Strategic Plan calls for an $850 million investment to revitalize the Port of Boston. The Boston Harbor Dredging project continued to advance Phase I nearing completion (fall 2020) and Phase II anticipated to start in early 2021. To date, approximately 11 million cubic yards have been dredged, which is 95% of the total 11.5 million cubic yards required under the project plan. The Harbor Dredging Project is anticipated to be completed in late 2022/early 2023 and when finished, the Broad Sound North Channel depth will be increased to 51 feet, and the Main Ship Channel and Reserved Channel Turning Basin will both be deepened to 47 feet.

- The Conley Terminal modernization initiative, funded in part with a $42 million FASTLANE grant from the federal government, also advanced during FY20. At Berth 12, new fenders capable of accommodating the larger cargo vessels were installed, and the structural rehab of Berth 11 was completed. Expanded container storage, new reefer racks, upgraded Wifi broad band and new terminal yard lighting have been completed and/or installed. Five existing Rubber Tired Gantry (RTG) cranes were upgraded and 11 new tractors and four new RTG cranes have been procured and delivered to the Terminal.

- Construction of the new deep-water Berth 10 began in June 2018, and three new ship-to-shore cranes capable of servicing the next generation of container ships are being manufactured with a targeted commissioning in mid-2021. The $215 million cost of Berth 10 and the three new cranes are being jointly funded by the Authority and the Commonwealth.

CONLEY CONTAINER TERMINAL
TEUs Processed (thousands)

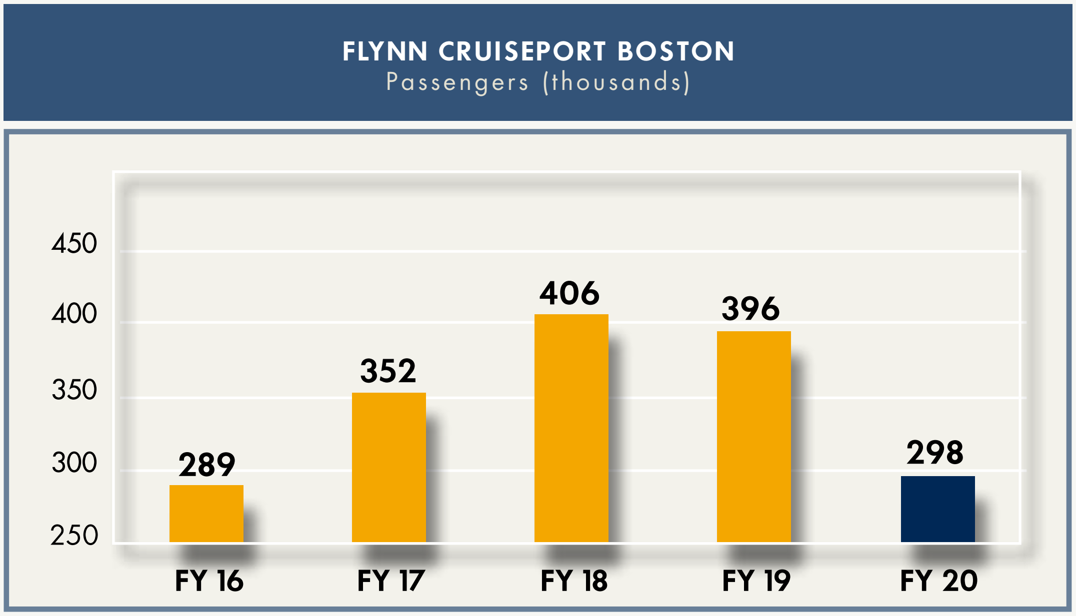


Flynn Cruiseport Boston

- **Flynn Cruise Port Boston served 298,029 Cruise passengers in FY20.**

- Flynn Cruiseport Boston had a very successful fall 2019 season that featured the following:
  - The longest cruise season ever as ship visits began in March and extended into mid-November
  - A visit from the largest ship ever to call on Flynn Cruiseport Boston, the MSC Meraviglia, which can accommodate 4,500 passengers
  - 9 maiden voyages
  - 86 ships during the peak months of September and October
  - 2% more passengers compared to the previous fall season

However, the FY20 season overall was negatively impacted by the pandemic. The CDC issued a "No Sail Order" effective March 14, 2020 as a result of COVID-19, suspending all cruises for the spring and summer of FY20.



Real Estate

- Massport's real estate portfolio generated 6.3% more revenue than the prior year despite COVID-19 impacts.

- Massport selected Boston Global Investors (BGI) to develop Parcel A-2, a 1.1 acre property on Congress Street in South Boston. BGI has steadily and significantly advanced the design and permits for an approximately 575,000-square foot office tower anticipates that all required approvals will be obtained by fall of 2020. As with the OMNI Hotel project now under construction, Massport placed a high priority on **diversity, equity and inclusion in the Parcel A-2 RFP** selection criteria. The project features more than 25 percent participation by minority-owned and women-owned businesses throughout the team, from the developer, to equity investors, to consultants and contractors. The project design features a number of **significant public realm** components, which will account for more than 100,000 square feet of combined interior and exterior programmed spaces.

- In June 2019, Massport issued a Request for Proposal (RFP) to develop Parcel H on Congress Street in South Boston. Massport offered the parcel for commercial mixed-use, with a noteworthy opportunity to **construct a new station serving the MBTA Silver Line** within the parcel footprint. Like the Omni Hotel and the Parcel A-2 developments, the offering included and advanced Massport's expectations **for strong diversity, equity and inclusion** within the responding teams and proposals, a process which has come to be known as the "Massport Model". Massport received seven proposals and is evaluating the best submissions for selection.

- In April 2020, Boston Sword and Tuna (BST) opened its new 50,000-square foot modern seafood processing plant on Parcel 6 at the Massport Marine Terminal in South Boston. The space has enabled BST to expand operations and grow its employee base, despite COVID-19 impacts.

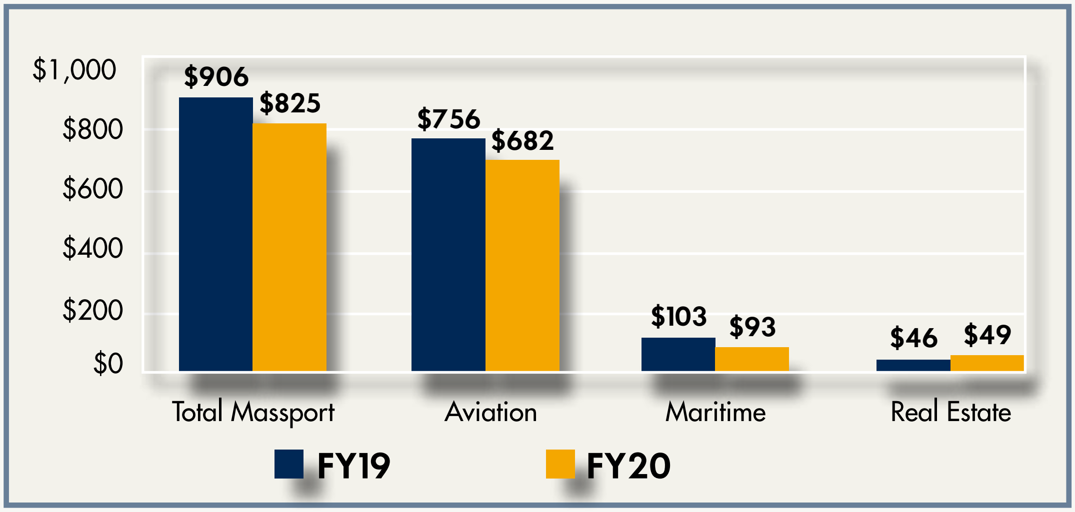
- **Total Operating Revenue was $825 million for FY20.**

- Aviation revenue of $682 million, 9.8% lower than prior year. The 27.5% decrease in Logan Airport passenger volume resulted in a decline in passenger volume related revenues, such as parking and terminal concessions. While revenue for these items was trending above prior year before COVID-19, the severity of the pandemic resulted in a decrease for the full year. Since revenue growth is used to fund Massport's strategic initiatives and its capital program, the decline in revenue necessitated reductions in expenses and capital spending.

- Maritime revenue of $93 million, down 9.5% versus prior year. Conley Terminal container revenue was also impacted by the pandemic. As a result, Conley serviced 282,629 TEUs in FY20, an 8% decline versus the prior year. Flynn Cruiseport revenues were also drastically affected after a very successful fall season that extended into November 2019. Revenue generated by Maritime is being used to fund the $850 million Maritime Strategic Plan, which is continuing despite the pandemic because making Conley "big ship ready" remains a critical strategic initiative for the Authority.

- Real Estate revenue of $49 million, up 6.3% versus prior year. Ground rents increased due to one-time transaction rent income and annual lease escalations and parking revenue was slightly higher than prior year as the real estate business experienced less significant impacts from the pandemic than the aviation and maritime businesses. Revenue generated by the real estate business is also being used to support the $850 million Maritime Strategic Plan.

OPERATING REVENUES
($ Millions)



- **Operating Expenses for FY20 were $507 million.**

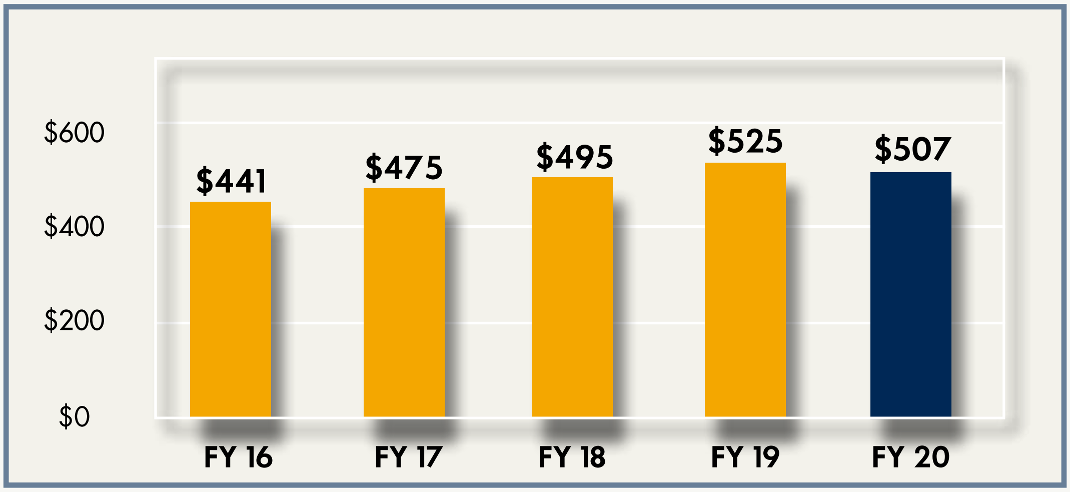
- As a result of the pandemic, Massport executed a plan in March 2020 to reduce operating expenses to mitigate the decline in business activity and associated revenues. Expenses including Shuttle Bus Services, Stevedoring, Overtime, Materials & Supplies, Repairs, Professional Fees, Students, Temps and Interns, Travel and other such costs were decreased by as much as 100%.

- Snow-related expenses were lower by $1.2 million due to a milder winter in FY20 versus FY19.

- Pension and Other Post-Employment Benefits (OPEB) expense decreased by $4.6 million or 11.3% due primarily to favorable net investment returns for the Pension fund for the calendar year ending December 31, 2019.

- Depreciation and Amortization expense increased by $11.0 million or 3.8% due to new investment in the Authority's assets and the full year impact of the refinancing of the Terminal A debt in FY19.

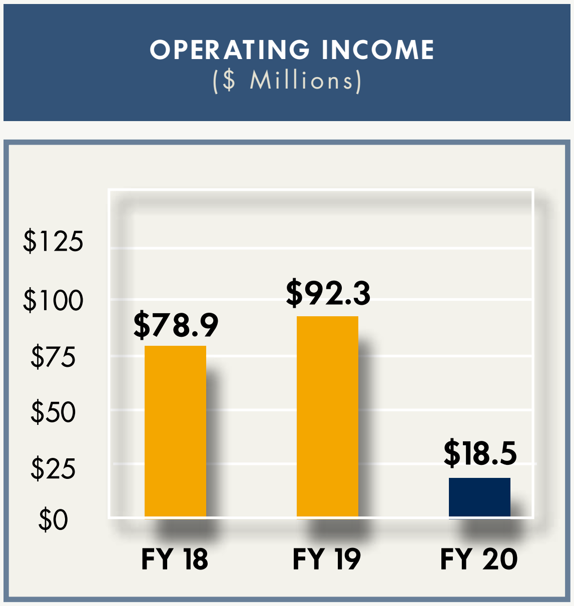
OPERATING EXPENSES excluding Depreciation
($ Millions)

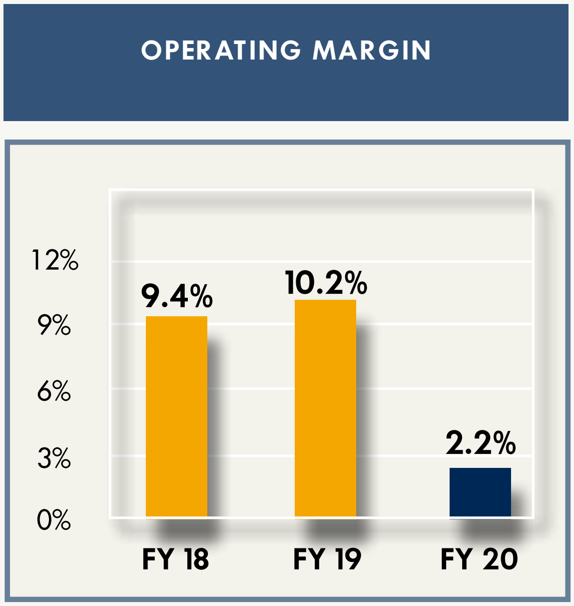


- **Operating Income for FY20 was $19 million.**

- Prior to COVID-19, management's five-year plan projected margin expansion in order to fund Massport's $2.6 billion capital program, the largest in the Authority's history. Massport was well on its way to achieving this aggressive investment target to keep pace with record business growth.

- The decline in passenger traffic at Logan Airport in the fourth quarter of FY20 reduced activity-based revenues such as Parking, Concessions and other volume-related items. As a result, Massport's operating income and margin, while still positive, declined by nearly $74 million compared to last year.





- **Net Position of $2.5 billion was 6.9% higher.**

- Net position is a key indicator of the financial health of the Authority and is comprised primarily of capital assets owned by the Authority.

- The FY20 increase in net position of $164.1 million was due to $18.5 million of operating income, $85.8 million of non-operating income, and $59.9 million of capital grant revenue.

- The $85.8 million of non-operating income includes $57.1 million of federal CARES Act funds. This represents a portion of the $143.7 million grant awarded to Massport to help offset the financial impact of COVID-19.

- Expansion of the Authority's net position is critical to fund the capital program, which includes strategic initiatives such as the modernization of Terminal E to accommodate more international flights, redesigning the roadways at Logan Airport to make travel easier for our customers, and the dredging of Boston Harbor and modernization of Conley Terminal to support the industry trend toward larger 10,000+ TEU container ships.

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
(In Millions)

	FY 2020	FY 2019	$ Change	% Change
Operating revenues	$824.5	$905.5	($81.0)	(8.9%)
Operating expenses including depreciation and amortization	$806.0	$813.2	($7.2)	(0.9%)
Operating income	**$18.5**	**$92.3**	**($73.8)**	**(80.0%)**
Total non-operating revenues (expenses), net	$85.8	$91.4	($5.6)	(6.1%)
Capital grant revenues	$59.9	$28.2	$31.7	112.4%
Increase (decrease) in net position	**$164.2**	**$211.9**	**($47.7)**	**(22.5%)**
Net position, beginning of year	$2,376.2	$2,164.3	$211.9	9.8%
Net position, end of year	**$2,540.3**	**$2,376.2**	**$164.1**	**6.9%**

	FY 2019	FY 2018	$ Change	% Change
Operating revenues	$905.5	$836.4	$69.1	8.3%
Operating expenses including depreciation and amortization	$813.2	$757.5	$55.7	7.4%
Operating income	**$92.3**	**$78.9**	**$13.4**	**17.0%**
Total non-operating revenues (expenses), net	$91.4	$51.9	$39.5	76.1%
Capital grant revenues	$28.2	$25.4	$2.8	11.0%
Increase (decrease) in net position	**$211.9**	**$156.2**	**$55.7**	**35.7%**
Net position, beginning of year	$2,164.3	$2,008.1	$156.2	7.8%
Net position, end of year	**$2,376.2**	**$2,164.3**	**$211.9**	**9.8%**

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

Operating Revenues

The Authority's operating revenues for FY20 were $824.5 million, down $81.0 million or 8.9% from the prior year. The decline was mainly attributable to lower business activity at Logan Airport. Business activity across all of Massport's businesses was strong and surpassing the prior year for the first eight months until March when the pandemic hit. Logan was impacted the most; the Authority's real estate business produced higher revenues in FY20 and the maritime businesses were down only marginally.

OPERATING REVENUES
(In Millions)

	FY 2020	FY 2019	$ Change	% Change
Aviation rentals	$275.3	$267.1	$8.2	3.1%
Aviation parking	$137.0	$182.1	($45.1)	(24.8%)
Aviation fees	$139.2	$153.2	($14.0)	(9.1%)
Aviation concessions	$111.1	$130.8	($19.7)	(15.1%)
Shuttle bus	$17.0	$21.2	($4.2)	(19.8%)
Aviation operating grants and other	$2.8	$2.0	$0.8	40.0%
Total aviation revenues	**$682.4**	**$756.4**	**($74.0)**	**(9.8%)**
Maritime fees, rental and other	$93.0	$102.8	($9.8)	(9.5%)
Real estate fees, rental and other	$49.2	$46.3	$2.9	6.3%
Total	**$824.5**	**$905.5**	**($81.0)**	**(8.9%)**

	FY 2019	FY 2018	$ Change	% Change
Aviation rentals	$267.1	$240.8	$26.3	10.9%
Aviation parking	$182.1	$180.8	$1.3	0.7%
Aviation fees	$153.2	$153.2	$0.0	0.0%
Aviation concessions	$130.8	$114.5	$16.3	14.2%
Shuttle bus	$21.2	$20.3	$0.9	4.4%
Aviation operating grants and other	$2.0	$1.9	$0.1	5.3%
Total aviation revenues	**$756.4**	**$711.5**	**$44.9**	**6.3%**
Maritime fees, rental and other	$102.8	$94.4	$8.4	8.9%
Real estate fees, rental and other	$46.3	$30.5	$15.8	51.8%
Total	**$905.5**	**$836.4**	**$69.1**	**8.3%**

Aviation Revenues

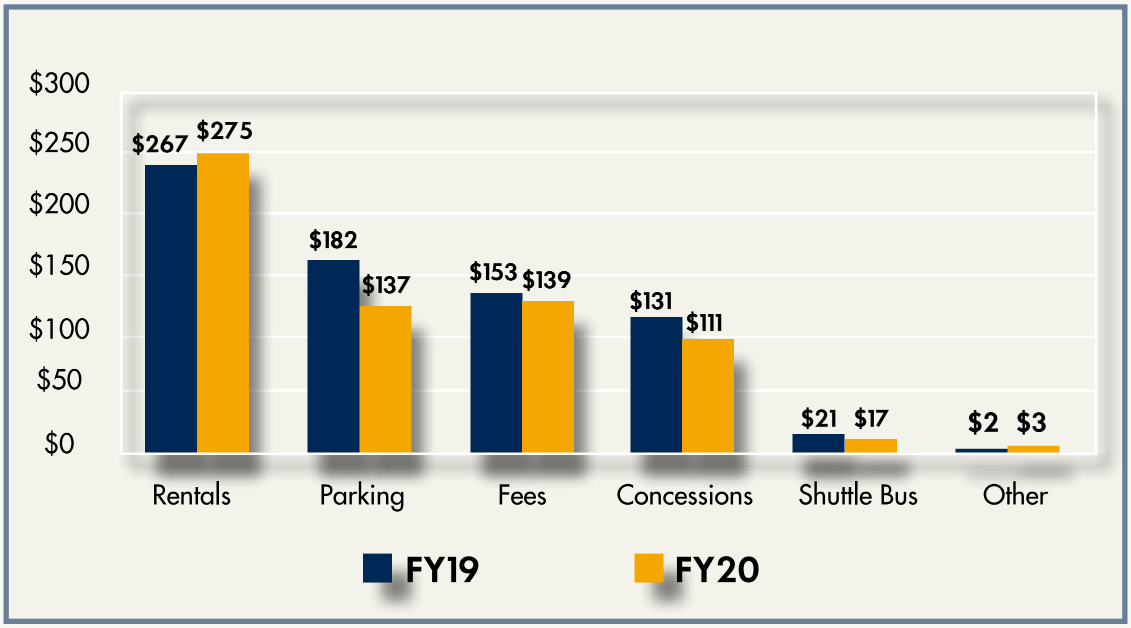
The Authority's Aviation revenues are derived from its three airport facilities: Logan Airport, Hanscom Field and Worcester Regional Airport.

The Authority's airports generated $682.4 million of Aviation revenues during FY20, which was $74.0 million or 9.8% lower than the prior year.

AVIATION REVENUES
(In Millions)

	FY 2020	FY 2019
Logan	$665.4	$738.3
Hanscom	$14.6	$14.9
Worcester	$2.3	$3.2
Total	**$682.4**	**$756.4**

AVIATION REVENUES BY CATEGORY
($ Millions)



Fiscal Year 2020 Compared to 2019

Logan Airport Revenues

Logan Airport generated $665.4 million in revenues in FY20, a $72.9 million or 9.9% decrease versus last year.

LOGAN AIRPORT REVENUES
(In Millions)

	FY 2020	FY 2019
Logan rentals	$266.9	$258.6
Logan parking	$136.4	$181.5
Logan fees	$132.2	$145.3
Logan concessions	$110.2	$129.8
Shuttle bus	$17.0	$21.2
Logan operating grants and other	$2.7	$1.8
Total	**$665.4**	**$738.3**

Logan rental revenues are earned through terminal building, non-terminal building and ground lease agreements. Revenue from Logan Airport rentals was $266.9 million, an $8.3 million or 3.2% increase versus the prior year. Terminal rent accounts for 79.1% or $211.1 million of this revenue, and increased by $7.3 million. The remaining 20.9% is comprised of non-terminal rent (11.1%) and ground rent (9.8%).

The increase in terminal rent was driven primarily by the recovery of terminal operating and capital costs from the airlines in the form of higher terminal rental rates, and also the full year impact of the refinancing of Terminal A debt, which resulted in more terminal rent recovery.

Logan parking revenues are generated from the Authority's on-airport and off-airport parking facilities. In FY20, Logan parking revenue was $136.4 million, down $45.1 million, or 24.8% versus the prior year. Revenue from on-airport facilities was down $43.6 million, or 25.0%. Parking revenue from the three off-airport Logan Express parking locations was $5.5 million, down $1.4 million or 20.3% driven by 22% fewer Logan Express passengers.

Logan fee revenues consist of revenues earned from aircraft landing fees, utility reimbursements, and aircraft parking and fueling. During FY20, Logan Airport aviation fees were $132.2 million, a $13.1 million or 9.0% decrease versus prior year. Utility reimbursements were lower in FY20 by $2.6 million, primarily as a result of lower electricity costs due to chiller upgrades at Logan's central heating plant. Logan Airport aircraft landing fees, which account for 83.6% of Logan aviation fees, were lower by $9.3 million or 7.8% versus FY19. 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 cost recovery of landing field costs necessary to operate and maintain the airfield for our airline customers.

LOGAN AIRPORT AVIATION FEES
(In Millions)

	FY 2020	FY 2019
Landing fees	$110.5	$119.8
Utilities	$11.0	$13.6
Other	$10.8	$11.8
Total	**$132.2**	**$145.3**

Logan 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 FY20, Logan Airport earned $110.2 million from concessions versus $129.8 million in FY19, a decrease of $19.6 million or 15.1% as a result of fewer passengers.

Revenues from in-terminal concessions totaled $46.6 million, a decrease of $9.4 million or 16.8% compared to the prior year. This decrease was mainly due to a $5.6 million decline in food and beverage. Revenues from ground and commercial services declined by $2.6 million while foreign exchange commissions were also down by $1.1 million.

Logan Airport earned $30.0 million from rental car companies during FY20, a decrease of $5.3 million or 15.0% compared to FY19. Rental car transactions decreased by 25.7% and sales per transaction increased slightly by 1.3%. Ground transportation and other fees of $33.6 million declined by $4.9 million or 12.7%. Ground transportation fees collected from Taxis, Limos, and Ride Apps totaled $16.3 million, a decrease of $1.0 million or 6.0%, driven by fewer pick-ups due to fewer passengers.

LOGAN AIRPORT CONCESSION FEES
(In Millions)

	FY 2020	FY 2019
In-terminal	$46.6	$56.0
Rental car	$30.0	$35.3
Ground transportation & other	$33.6	$38.5
Total	**$110.2**	**$129.8**

Shuttle bus and other revenues are primarily the result of an on-airport shuttle that links the terminal buildings, rental car center, and the MBTA Blue Line station, as well as the bus operations from four off-airport Logan Express sites in the Boston metropolitan region and Boston's Back Bay area. The Authority earned $17.0 million of revenue from the Logan Airport shuttle bus operations, a decline of $4.2 million from the prior year. Revenue from the on-airport shuttle bus was down by $1.0 million and Logan Express ticket revenue was down by $3.2 million as service was reduced or suspended to adjust to passenger demand.

During FY20, Logan Airport received $2.7 million in other revenues from federal operating grants.

LOGAN AIRPORT SHUTTLE BUS AND OTHER REVENUES
(In Millions)

	FY 2020	FY 2019
Shuttles bus	$17.0	$21.2
Other	$2.7	$1.8
Total	**$19.7**	**$23.0**

Hanscom Field and Worcester Regional Airport Revenues

Hanscom Field revenues were $14.6 million in FY20, down slightly by $0.3 million or 2.0% from the prior year. The decrease was primarily due to lower aircraft fuel flowage fees. Worcester Regional Airport generated $2.3 million in operating revenues in FY20, down $0.9 million due to reduced ground lease revenue.

HANSCOM AND WORCESTER REVENUES
(In Millions)

	FY 2020	FY 2019
Hanscom	$14.6	$14.9
Worcester	$2.3	$3.2
Total	**$16.9**	**$18.1**

Fiscal Year 2019 Compared to 2018

The Authority earned $756.4 million in revenues from its aviation operations in FY19, up $44.9 million or 6.3% compared to prior year.

Revenue from Logan Airport rentals was $258.6 million, a $25.3 million or 10.8% increase over prior year. Terminal rent accounts for 78.8% of this revenue, and increased by $23.4 million. This was driven by the recovery of terminal operating and capital costs from the airlines in the form of higher terminal rental rates and by the refinancing of the Terminal A debt, which resulted in an increase in terminal rent from the tenants in that terminal.

Aviation parking revenues are primarily generated from the Authority's on-airport and off-airport parking facilities. Logan parking revenue was $181.5 million, up $1.2 million or 0.7% versus prior year due to an increase in airport passenger volume. Parking revenue from the three off-airport Logan Express locations was $6.9 million, up $0.7 million or 11.3% due to a 8% increase in passenger use and a longer duration in the average number of days parked.

During FY19, Logan Airport aviation fees were $145.3 million, a $0.7 million or 0.5% decrease from prior year. Utility expense reimbursements were lower by $2.1 million due to lower rates. Logan Airport aircraft landing fees, which account for 82.5% of Logan aviation fees, were up by $0.6 million or 0.5% versus FY18 and reflect an increase in operating and capital cost recovery.

Logan concessions revenues earned from airport terminal food, beverage and retail operations, on-airport car rental transactions, ground transportation and other service providers including taxis, bus, limousine, Ride Apps, aircraft ground handling, advertising and in-flight catering totaled $129.8 million in FY19. This was $16.2 million or 14.3% higher than FY18 due to increased passengers and enhancements by the new concession management company.

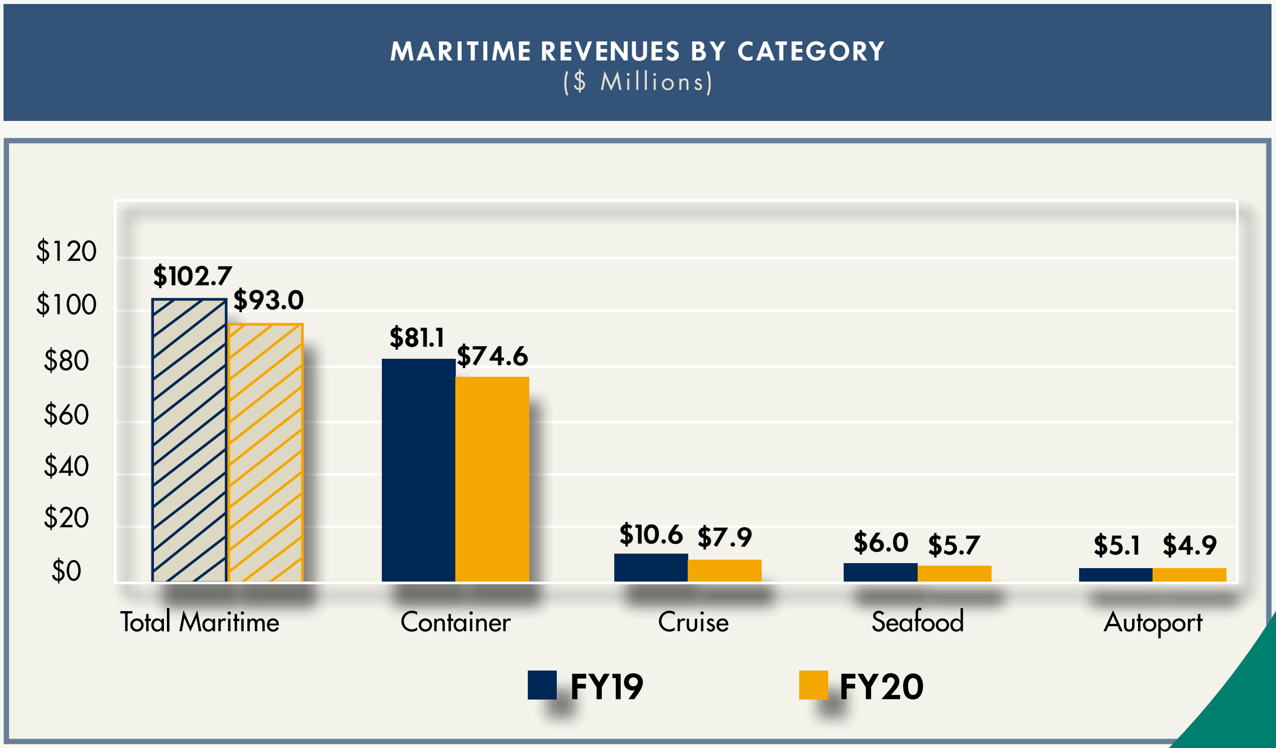
Logan Airport shuttle bus operations generated $21.2 million, a $0.9 million increase over prior year due to an increase in Logan Express ridership.

Worcester Regional Airport revenues were up by $1.4 million due primarily to higher fixed base operator ground lease revenue and higher parking revenue driven by the 34% increase in passengers. Hanscom Field revenues were up $0.6 million or 4.2% from prior year due to higher aircraft fuel flowage and aircraft parking revenues.

Maritime Revenues

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

The Authority's maritime operations at the Port of Boston generated $93.0 million of revenue during FY20, which was $9.7 million or 9.4% below the prior year.



Fiscal Year 2020 Compared to 2019

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. The Authority collected $93.0 million in fees, rentals and other income from its maritime operations in FY20, which was a solid performance given the pandemic's impact on the global economy.

Container revenue during FY20 was $74.6 million, $6.5 million or 8.0% below the prior year. Revenue is generated through the collection of fees from 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. Conley Terminal processed 282,629 TEUs, making FY20 one of Conley's strongest years.

Cruise revenue from operations at Flynn Cruiseport Boston was $7.9 million in FY20, down $2.7 million or 25.5% versus prior year. The Authority collects per passenger fees as well as dockage, water and equipment rental charges from home-port and port-of-call cruise ships that dock at the Cruiseport. Annual rate increases in these fees were offset by lower volumes. After a very strong fall season that saw new lines call on the Cruiseport and an extension of the season into November, the CDC issued a "No Sail Order" in March 2020 due to the pandemic, which effectively cancelled the spring and summer cruise season.

Seafood revenues were $5.7 million in FY20, a decline of $0.3 million or 5.0% from 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. The $0.3 million decrease in FY20 is due to less parking revenue and a decrease in utility reimbursement fees.

Autoport revenue was $4.9 million in FY20, down marginally from prior year due to a decrease in utility reimbursement fees.

Fiscal Year 2019 Compared to 2018

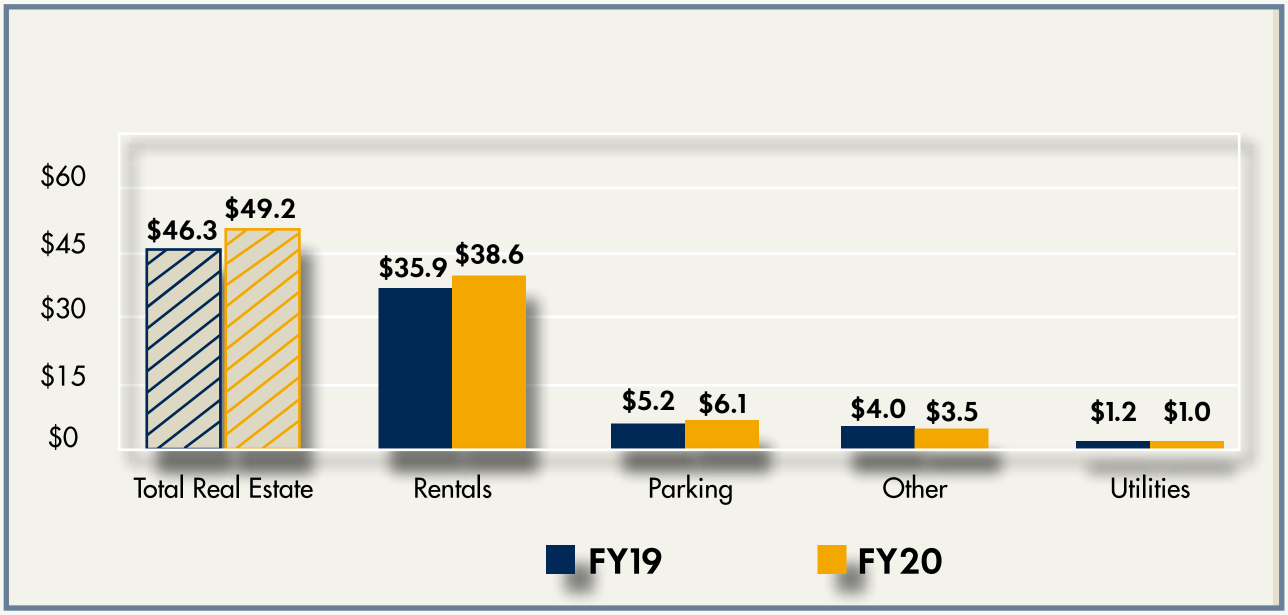
The Authority collected $102.7 million in fees, rentals and other income from its maritime operations in FY19. This was $8.4 million or 8.9% higher than the prior year.

Container revenues were higher by $8.0 million or 10.9% as Conley Terminal set a new record by processing 307,331 TEUs, an 8.3% increase over the prior year. Flynn Cruiseport Boston revenues increased by $0.7 million or 7.1% as annual fee increases slightly offset a 2.6% decline in cruise passengers. Seafood revenues declined $0.4 million due to the discontinuance of payments from a lease at the Fish Pier that was terminated in early 2019. Autoport revenue was relatively flat versus prior year.

Real Estate Revenues

- **The Authority's real estate division produced $49.2 million of revenue.**

REAL ESTATE REVENUES BY CATEGORY
($ Millions)



Fiscal Year 2020 Compared to 2019

The Authority's commercial real estate line of 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 $49.2 million in FY20, up $2.9 million or 6.3% versus prior year.

The $2.9 million increase in revenue was primarily due to one-time transaction rent fees, which were higher in FY20 than in FY19. Parking revenue increased by $0.9 million due in part to dynamic pricing at the 1,550 space South Boston Waterfront Transportation Center. Other revenue was down by $0.9 million due to lower utility fees, security detail reimbursements and other fees.

Fiscal Year 2019 Compared to 2018

Revenues from the Authority's real estate activities in FY19 totaled $46.3 million and reflected an increase of $15.8 million versus FY18. The increase was primarily due to a $13.3 million increase in ground rent income from the sale of a building on a Massport parcel in South Boston that resulted in a transaction rent payment along with annual escalations to existing leases. Parking revenue increased $1.1 million due to a full year of operation at the South Boston Waterfront Transportation Center. Other revenue increases included higher utility fee reimbursements and an increase in licensing fees for the short-term use of Massport land or facilities.

Operating Expenses

The Authority's total operating expenses in FY20 were $806.0 million, a decrease of $7.2 million or 0.9% versus the prior year. Excluding Depreciation and Amortization, operating expenses were down $18.2 million 3.5%.

Total operating expenses were lower in FY20 as the result of actions taken by Massport management to maintain a balanced budget given the decline in revenues from reduced business activity. All operating and administrative departments took immediate action to reduce costs during March through June of 2020.
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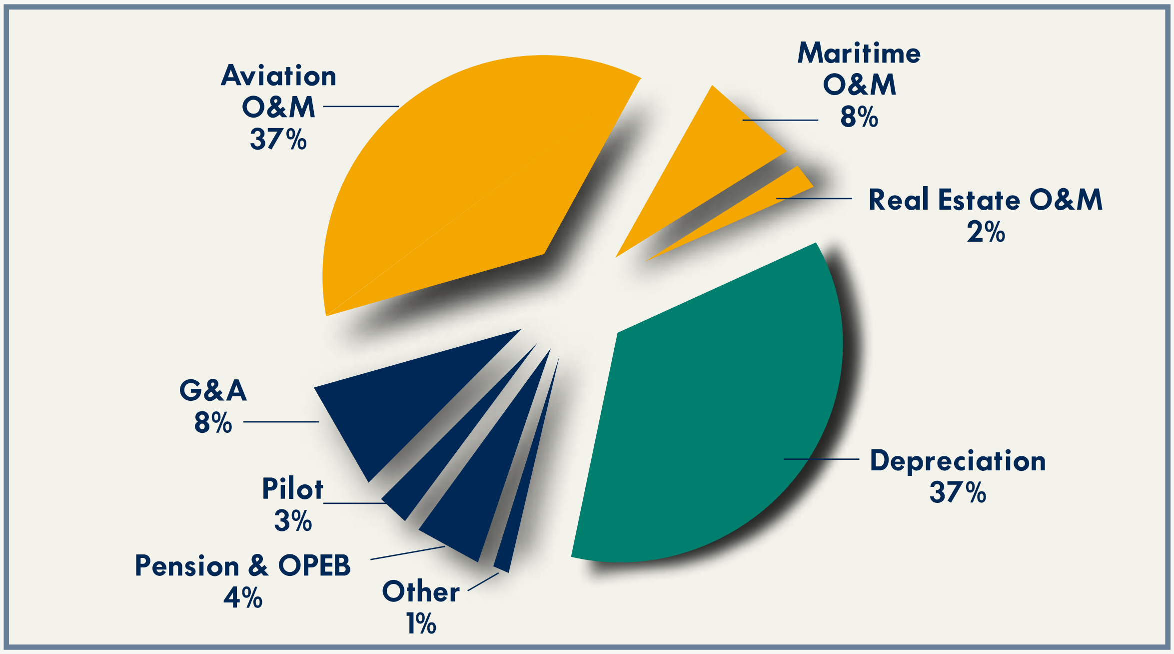
OPERATING EXPENSES
(In Millions)

	FY 2020	FY 2019	$ Change	% Change
Aviation operations and maintenance	$295.7	$305.6	($9.9)	(3.2%)
Maritime operations and maintenance	$61.1	$64.4	($3.3)	(5.1%)
Real estate operations and maintenance	$15.0	$16.9	($1.9)	(11.2%)
General and administrative	$68.1	$67.3	$0.8	1.2%
Payments in lieu of taxes	$21.0	$21.3	($0.3)	(1.4%)
Pension and other post-employment benefits	$36.1	$40.7	($4.6)	(11.3%)
Other	$9.7	$8.6	$1.1	12.8%
Depreciation and amortization	$299.3	$288.3	$11.0	3.8%
Total operating expenses	**$806.0**	**$813.2**	**($7.2)**	**(0.9%)**

	FY 2019	FY 2018	$ Change	% Change
Aviation operations and maintenance	$305.6	$296.2	$9.4	3.2%
Maritime operations and maintenance	$64.4	$64.0	$0.4	0.6%
Real estate operations and maintenance	$16.9	$14.9	$2.0	13.4%
General and administrative	$67.3	$62.5	$4.8	7.7%
Payments in lieu of taxes	$21.3	$20.4	$0.9	4.4%
Pension and other post-employment benefits	$40.7	$29.0	$11.7	40.3%
Other	$8.6	$8.4	$0.2	2.4%
Depreciation and amortization	$288.3	$262.1	$26.2	10.0%
Total operating expenses	**$813.2**	**$757.5**	**$55.7**	**7.4%**

FY20 OPERATING EXPENSES BY CATEGORY
(% of Total Expenses)



Aviation Operations and Maintenance Expenses – FY 2020

In FY20, aviation operations and maintenance expenses were $295.7 million, a decrease of $9.9 million or 3.2% from the previous year. The breakdown of aviation operations and maintenance expenses by each of Massport's aviation facilities is provided below:

AVIATION OPERATING AND MAINTENANCE EXPENSES
(In Millions)

	FY 2020	FY 2019	FY 2018
Logan	$272.6	$285.5	$277.4
Hanscom	$11.0	$10.6	$11.8
Worcester	$12.1	$9.5	$7.0
Total	**$295.7**	**$305.6**	**$296.2**

Logan Airport Operations and Maintenance Expenses – FY 2020

Operations and maintenance expenses for Logan Airport in FY20 were $272.6 million and accounted for approximately 92.2% of all aviation operations and maintenance expenses and 73.3% of the Authority's total operations and maintenance expenses. In FY20, operations and maintenance expenses for Logan Airport were lower by $12.9 million or 4.5% versus the prior year.

Actions taken to reduce expenses include the reduction and/or suspension of services including the Logan Airport Shuttle bus and Logan Express, the consolidation or closure of airport parking and some terminal spaces, and a scaling back of facility maintenance activities, supplies, services and repairs. As a result, expenses versus prior year were lower by $13.2 million. Wage and benefit expense was higher by $2.8 million or 3.0% due to merit increases and collectively bargained wage adjustments partially offset by the elimination of all temporary employees, students and interns. A mild winter allowed snow-related costs to be $0.9 million lower as the Authority required fewer services and supplies to keep the airport operational. Other expenses were lower by $1.6 million.

Logan Airport Operations and Maintenance Expenses – FY 2019

Operations and maintenance expenses for Logan Airport in FY19 were $285.5 million and accounted for approximately 93.4% of all aviation operations and maintenance expenses and 73.8% of the Authority's total operations and maintenance expenses. In FY19, operations and maintenance expenses for Logan Airport increased by $8.1 million, or 2.9% over the prior year.

Increased business activity resulted in a $1.8 million cost increase for shuttle bus operations, terminal building cleaning, and rubbish removal. Wage and benefit expenses were higher by $2.2 million due to merit increases and collectively bargained wage adjustments. State Police expenses were higher by $2.7 million due primarily to a new class of 30 troopers hired to bolster security at Logan Airport. Expenses were also higher by $3.0 million for the new Logan commissary, which is part of an enhanced security plan at the airport. Snow-related costs decreased by $2.0 million as the Authority required fewer services and supplies. Other expenses were higher by $0.4 million.

Hanscom Field and Worcester Airport Operations and Maintenance Expenses – FY 2020

In FY20, operations and maintenance expenses for Hanscom Field were $11.0 million, a $0.4 million or 3.8% increase versus the prior year. The increase was due to a $1.3 million increase in wage and benefit expenses due to the full year impact of additional ARFF (Aircraft Rescue and Firefighting) personnel hired in April 2019, which was partially offset by a decrease of $0.9 million for lower materials, supplies and services expenses.

Operations and maintenance expenses for Worcester Regional Airport were $12.1 million, a $2.6 million or 27.4% increase. The increase was due to a $2.0 million increase in wage and benefit expenses due to the full year impact of additional ARFF personnel hired in FY19 and higher State Police costs of $1.6 million that were partially offset by $0.6 million less overtime and a $0.5 million decrease in materials, services and supplies expenses.

Hanscom Field and Worcester Airport Operations and Maintenance Expenses – FY 2019

In FY19, operations and maintenance expenses for Hanscom Field were $10.6 million, a decrease of $1.2 million or 10.2% versus the prior year. The decrease was primarily attributable to a $1.1 million reduction in repairs expense and a decline in remediation and services costs by $0.9 million. These were mostly offset by an increase in expenses related to additional ARFF personnel, gear and training.

Operations and maintenance expenses for Worcester Regional Airport were $9.5 million, a $2.5 million or 35.7% increase. The increase included $1.3 million for more ARFF personnel, gear and training, $0.5 million for higher materials and supplies, and $0.7 million for an increase in services, repairs and other miscellaneous expenses.

Maritime Operations and Maintenance Expenses – FY 2020

Maritime operations and maintenance expenses were $61.1 million, a $3.3 million or 5.1% decrease from the prior year. Stevedoring costs were $1.0 million lower due to lower container volume and the new flex-time rules that lowered wage expenses. Materials, supplies, services and repairs expenses collectively were $1.0 million lower than prior year. Overtime was down $0.9 million based on a successful initiative to realign staffing needs.

Wage and benefit expenses increased by $0.7 million, and other expenses were lower by $1.1 million due in part to lower maritime property remediation expenses versus FY19.

Maritime Operations and Maintenance Expenses – FY 2019

Maritime operations and maintenance expenses were $64.4 million, $0.4 million or 0.6% higher than the prior year. Higher business activity resulted in a $1.5 million increase in stevedoring expense to handle the 8.3% increase in container volume (TEUs). Other increases included a $0.2 million increase in payroll and benefits expense.

Expenses for services decreased in FY19 by $0.5 million versus the prior year. The primary driver was a milder winter, which resulted in lower snow removal services. Materials and supplies expense declined slightly $0.2 million. Other expenses were lower by $0.6 million due to lower remediation costs, lower repair costs, and lower professional fees.

Real Estate Operations and Maintenance Expenses – FY 2020

Real Estate operations and maintenance costs in FY20 were $15.0 million, down $1.9 million or 11.2% versus the prior year. Professional fees for parcel developments were reduced by $0.9 million. Repairs and services expenses were lower by $0.5 million, and reimbursement fees for utility expenses were down by $0.3 million. Other expenses were down by $0.2 million versus prior year.

Real Estate Operations and Maintenance Expenses – FY 2019

Real Estate operations and maintenance costs in FY19 were $16.9 million, up $2.0 million or 13.4% versus the prior year. Wage and benefit expenses were higher by $1.3 million due in part to additional staffing to support an increase in properties being developed. State Police costs were higher by $0.4 million. Professional fees increased by $0.3 million. Other miscellaneous expenses were higher by $0.6 million. Repair expenses decreased by $0.6 million due to lower costs to repair damages to the pier at 88 Black Falcon.

General and Administrative Expenses – FY 2020

The Authority's general and administrative costs were $68.1 million in FY20, $0.8 million or 1.2% higher than FY19. Employee wage and benefit costs for administrative employees increased by $2.4 million for annual merit pay adjustments, and services expenses were up $1.1 million due primarily to increased cleaning costs necessitated by COVID-19 and an increase in subscription-based software platforms and computer maintenance costs.

The increases were partially offset by a $1.5 million decline in professional fees for engineering and planning resources. Media and advertising was lower by $1.5 million as this spending was reduced to meet expense reduction targets. Other expenses were higher by $0.3 million.

The following table shows the allocation of the Authority's general and administrative expenses by business line for FY20, FY19 and FY18.

GENERAL AND ADMINISTRATIVE EXPENSES (In Millions)	FY 2020	FY 2019	FY 2018
Logan	$45.6	$46.1	$43.6
Hanscom	$2.7	$3.1	$2.3
Worcester	$3.6	$3.4	$2.8
Maritime	$10.1	$9.2	$8.5
Real Estate	$6.2	$5.4	$5.3
Total	**$68.1**	**$67.3**	**$62.5**

General and Administrative Expenses – FY 2019

The Authority's general and administrative costs were $67.3 million in FY19, $4.8 million or 7.7% higher than FY18. Employee wage and benefit costs for administrative employees increased by $1.0 million for annual merit pay adjustments, and professional fees for engineering and planning resources grew by $1.2 million. Other expenses were higher by $2.5 million, primarily for items including computer maintenance costs, software licensing fees, special events including the American Association of Airport Executives (AAAE) conference hosted by the Authority, and advertising to promote new initiatives.

PILOT, Pension & OPEB and Other Expenses – FY 2020

In FY20, the Authority's PILOT (payment in lieu of tax) payments to the City of Boston and the Town of Winthrop totaled $21.0 million and reflect a $0.3 million or 1.4% decrease versus FY19. The City of Boston's PILOT payments are contractually linked to the annual rise in the Consumer Price Index (CPI), which added $0.4 million of new costs. This was more than offset by lower expenses in FY20 related to community mitigation payments made to organizations such as the East Boston Foundation as fewer milestones were achieved.

The Authority's expenses for pension and OPEB were $36.1 million, a decrease of $4.6 million or 11.3% compared to FY19. The Authority's pension expense decreased by $8.7 million, primarily due to a 19.7% favorable net return on pension plan assets versus the 7.25% rate used to project the pension liability. The Authority's OPEB expense increased by $4.1 million as the result of the Trust fiscal year end being changed from June 30th to December 31st, which resulted in recording 18 months of expense during FY20. The measurement period for both the pension and OPEB assets was calendar year ended December 31, 2019.

The following tables show the allocation of PILOT, Pension, OPEB, and other expenses by business line for FY20 and FY19:

FY20 - PILOT, Pension, OPEB, and Other Expenses
(In Millions)

	Pilot	Pension	OPEB	Other	Total
Logan	$18.2	$10.4	$17.4	$7.9	$53.9
Hanscom	$0.0	$0.5	$0.8	$0.2	$1.5
Worcester	$0.0	$0.6	$0.5	$0.4	$1.5
Maritime	$1.5	$1.3	$2.8	$0.9	$6.5
Real Estate	$1.3	$0.7	$1.1	$0.3	$3.4
Total	**$21.0**	**$13.5**	**$22.6**	**$9.7**	**$66.8**

FY19 - PILOT, Pension, OPEB, and Other Expenses
(In Millions)

	Pilot	Pension	OPEB	Other	Total
Logan	$18.8	$17.4	$14.4	$6.2	$56.8
Hanscom	$0.0	$0.7	$0.6	$0.2	$1.5
Worcester	$0.0	$0.8	$0.4	$0.4	$1.6
Maritime	$1.3	$2.3	$2.4	$1.4	$7.4
Real Estate	$1.2	$1.0	$0.7	$0.4	$3.3
Total	**$21.3**	**$22.2**	**$18.5**	**$8.6**	**$70.6**

PILOT, Pension & OPEB and Other Expenses – FY 2019

In FY19, the Authority's PILOT payments to the City of Boston and the Town of Winthrop totaled $21.3 million and reflect a $0.9 million or 4.4% increase versus FY18. The City of Boston's PILOT payments are contractually linked to the annual rise in the CPI, which added $0.4 million of new costs. The remainder of the increase is related to community mitigation milestone payments made to organizations such as the East Boston Foundation in association with new facilities being constructed at Logan Airport.

The Authority's expenses for pension and OPEB were $40.7 million, an increase of $11.7 million or 40.4% compared to FY18. The Authority's pension expense increased by $13.4 million, primarily due to a (4.62%) unfavorable net return on pension plan assets versus the 7.25% rate used to project the pension liability. The Authority's OPEB expense decreased by $1.7 million as the net investment return on the OPEB assets of 7.59% was slightly above the 7.25% rate used to project the OPEB liability net of amortization of prior years' losses. The measurement period for the pension assets was calendar year ended December 31, 2018, while the measurement period for OPEB was fiscal year ended June 30, 2018.

Depreciation and Amortization Expenses – FY 2020

The Authority recognized $299.3 million in depreciation and amortization expenses in FY20, an increase of $11.0 million or 3.8% compared to FY19. The increase is the result of $291.2 million of new assets being placed into service. During FY20, major projects completed and placed into service included Logan Terminal C Optimization and Terminals B – C Connector ($32.0 million), Terminal B to C Roadway Improvements ($27.8 million), Terminal C Canopy and Upper Deck ($26.5 million), Terminal B Gate Reconfiguration ($15.0 million), Terminal B Sanitary Pipe Replacement ($14.2 million), Logan Airport Old Tower Relocation ($13.6 million) and the New Hanscom ARFF and CBP Facility ($11.9 million).

Depreciation and Amortization Expenses – FY 2019

The Authority recognized $288.3 million in depreciation and amortization expenses in FY19, an increase of $26.2 million or 10.0% compared to FY18. The increase reflects the Authority's acquisition of the Logan Terminal A asset as part of the refunding of the Terminal A Special Facility Bonds during FY19, which resulted in an additional $14.4 million of depreciation. The remaining increase of $11.8 million or 4.5% is the result of $370.3 million of new assets (excluding Terminal A) being placed into service, including Terminal B Optimization ($149.0 million), Conley Terminal Berths 11 and 12 Rehabilitation ($30.8 million), Logan Terminal C Optimization and Terminals B – C Connector ($18.0 million), Logan Central Heating Plant Upgrade ($12.2 million), and Phase 2 of the HVAC Replacement at Logan Terminals B, C and E ($9.2 million).

Non-Operating Revenues (Expenses) and Capital Contributions

The Authority recognized a net $85.8 million in non-operating revenues in FY20, a decrease of $5.6 million or 6.1% versus FY19. Non-operating revenues in FY19 were $91.4 million, an increase of $39.5 million or 76.1% over the $51.9 million recognized in FY18.

NON-OPERATING REVENUES AND EXPENSES AND CAPITAL CONTRIBUTIONS
(In Millions)

	FY 2020	FY 2019	$ Change	% Change
Passenger facility charges	$59.9	$84.8	($24.9)	(29.4%)
Customer facility charges	$25.9	$33.5	($7.6)	(22.7%)
Investment income	$35.9	$29.8	$6.1	20.5%
Other income (expense), net	$73.5	$26.8	$46.7	174.3%
Terminal A debt service contributions	0.0	($7.5)	$7.5	(100.0%)
Interest expense	($109.4)	($76.0)	($33.4)	43.9%
Total non-operating revenues (expenses)	**$85.8**	**$91.4**	**($5.6)**	**(6.1%)**
Capital contributions	**$59.9**	**$28.2**	**$31.7**	**112.4%**

	FY 2019	FY 2018	$ Change	% Change
Passenger facility charges	$84.8	$81.0	$3.8	4.7%
Customer facility charges	$33.5	$33.0	$0.5	1.5%
Investment income	$29.8	$18.6	$11.2	60.2%
Other income (expense), net	$26.8	($1.0)	$27.8	(2780.0%)
Terminal A debt service contributions	($7.5)	($12.2)	$4.7	(38.5%)
Interest expense	($76.0)	($67.5)	($8.5)	12.6%
Total non-operating revenues (expenses)	**$91.4**	**$51.9**	**$39.5**	**76.1%**
Capital contributions	**$28.2**	**$25.4**	**$2.8**	**11.0%**

For FY20, PFCs were $59.9 million, a $24.9 million or 29.4% decrease as a result of fewer enplaned passengers. Revenues from CFCs totaled $25.9 million, a $7.6 million or 22.7% decrease as rental car transaction days at Logan Airport's Rental Car Center were down by 22.6%. The Authority generated $35.9 million of investment income, an increase of $6.1 million due to higher interest rates on fixed income investments and an increase in the Authority's cash balance available for investment. Other income was $73.5 million, which was $46.7 million higher than prior year. Other income includes $57.1 million from the federal CARES Act grant, $7.6 million from the BOSFUEL bond refinancing transaction and $0.6 million from airlines that reimbursedthe Authority for prior expenditures and an $8.2 million increase in the fair value of investments. Interest expense was $109.4 million, up $33.4 million or 43.9% versus FY19 due to an increase in debt outstanding.

For FY19, PFCs were $84.8 million, a $3.8 million or 4.7% increase over the prior year due to increased passenger activity at Logan Airport. Revenues from CFCs totaled $33.5 million, a $0.5 million or 1.5% increase versus prior year as rental car transaction days at Logan Airport's Rental Car Center were higher by 1.6%. The Authority also generated $29.8 million of investment income, an increase of $11.2 million due to higher interest rates on fixed income investments and an increase in the Authority's cash balance available for investment. Other income was $26.8 million, which was $27.8 million higher than prior year. The FY19 amount includes a $20.2 million gain from the refinancing of debt related to Terminal A and a $7.0 million unrealized gain on the fair value of investments. The Authority made a voluntary contribution of $7.5 million in PFCs to the Terminal A debt service fund to help reduce terminal rental rates, which was only a partial year amount due to the refinancing of the debt related to Terminal A and was thus lower than the $12.2 million contribution in the prior year. Interest expense was $76.0 million, up $8.5 million or 12.6% versus FY18 due to a higher debt balance.

Capital Contributions

Capital contributions in FY20 were $59.9 million, an increase of $31.7 million versus the prior year. The Authority received capital contributions for projects from the Massachusetts Department of Transportation (MassDOT), the FAA AIP grant program and from the Maritime Administration unit of the United States Department of Transportation (MARAD) FASTLANE grant. The MassDOT funds will help pay for a portion of the new Berth 10 and three new cranes at Conley Terminal. The FAA AIP grants include reimbursements for the rehabilitation of runway 9-27 at Logan Airport, resurfacing of the north cargo apron at Logan Airport, the GSE electrification of all terminals at Logan Airport, two new jet bridges at Worcester Regional Airport, and the east ramp joint repair at Hanscom Field. The MARAD grant funds were primarily used for the rehabilitation of Conley Terminal Berths 11 and 12, paving of the reefer area at Conley Terminal, and the replacement of RTG (Rubber Tired Gantry) drives.

Capital contributions in FY19 were $28.2 million, an increase of $2.8 million versus the prior year. The major components of the FY19 revenues were from the FAA AIP grant program and from the MARAD FASTLANE grant. Major projects funded by AIP grants included the rehabilitation of taxiways east alpha and bravo at Logan Airport, a new ARFF and CBP facility at Hanscom Field, and the rehabilitation of runway 15-33 at Worcester Regional Airport. MARAD grant funds were primarily used for the rehabilitation of Conley Terminal Berths 11 and 12, paving of the reefer area at Conley Terminal, and the replacement of RTG (Rubber Tired Gantry) drives. The total capital contributions increase of $2.8 million versus last year was due to a $1.6 million increase in FAA AIP funding and a $1.2 million increase in MARAD funding.

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, 2020, 2019 and 2018 is as follows:

CONDENSED STATEMENTS OF NET POSITION FOR FY 2020 AND FY 2019
(In Millions)

	FY 2020	FY 2019	$ Change	% Change
ASSETS				
Current assets	$1,242.8	$902.1	$340.7	37.8%
Capital assets, net	$3,963.1	$3,725.3	$237.8	6.4%
Other non-current assets	$589.8	$506.4	$83.4	16.5%
Total assets	**$5,795.7**	**$5,133.8**	**$661.9**	**12.9%**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding of bonds	$13.3	$14.7	($1.4)	(9.5%)
Deferred outflows of resources related to pension plan	$9.7	$51.9	($42.2)	(81.3%)
Deferred outflows of resources related to OPEB	$17.3	$36.2	($18.9)	(52.2%)
Total deferred outflows of resources	**$40.3**	**$102.8**	**($62.5)**	**(60.8%)**
LIABILITIES				
Current liabilities	$325.7	$366.9	($41.2)	(11.2%)
Bonds payable, including current portion	$2,688.2	$2,176.2	$512.0	23.5%
Other non-current liabilities	$193.8	$293.6	($99.8)	(34.0%)
Total liabilities	**$3,207.7**	**$2,836.7**	**$371.0**	**13.1%**
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding of bonds	$9.8	$5.2	$4.6	88.5%
Deferred inflows of resources related to pension plan	$47.9	$2.6	$45.3	1742.3%
Deferred inflows of resources related to OPEB	$30.2	$16.0	$14.2	88.8%
Total deferred inflows of resources	**$87.9**	**$23.8**	**$64.1**	**269.3%**
Total net position	**$2,540.3**	**$2,376.2**	**$164.1**	**6.9%**

Column totals might not add due to rounding.

The Authority ended FY20 with total assets of $5,795.7 million, an increase of $661.9 million or 12.9% over the prior year. The increase is primarily due to additional cash from the issuance of new bonds, $237.8 million of new capital assets placed into service and construction in progress net of accumulated depreciation. Deferred outflows of resources totaled $40.3 million, a $62.5 million decrease caused by favorable investment gains and increased amortization of prior years' losses. The Authority's total assets consist primarily of capital assets, net, which represent $3,963.1 million or 67.9% of the Authority's total assets and deferred outflows of resources as of June 30, 2020.

The Authority's total liabilities as of June 30, 2020 were $3,207.7 million, an increase of $371.0 million or 13.1% as the bonds payable balance increased by $512.0 million due to new debt issued in FY20. Bonds payable (including current portion) is the largest component of total liabilities, and accounted for 81.6% of the Authority's total liabilities and deferred inflows at June 30, 2020.

The Authority's total net position for FY20 was $2,540.3 million, a $164.1 million or 6.9% increase over the prior year. This increase reflects the Authority's net operating income of $18.5 million, net non-operating income of $85.8 million and capital contributions of $59.9 million. The growth in net position will be used to fund the Authority's strategic initiatives.

CONDENSED STATEMENTS OF NET POSITION FOR FY 2019 AND FY 2018
(In Millions)

	FY 2019	FY 2018	$ Change	% Change
ASSETS				
Current assets	$902.1	$948.4	($46.3)	(4.9%)
Capital assets, net	$3,725.3	$3,216.3	$509.0	15.8%
Other non-current assets	$506.4	$402.6	$103.8	25.8%
Total assets	**$5,133.8**	**$4,567.3**	**$566.5**	**12.4%**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding of bonds	$14.7	$16.2	($1.5)	(9.3%)
Deferred outflows of resources related to pension plan	$51.9	$13.9	$38.0	273.4%
Deferred outflows of resources related to OPEB	$36.2	$29.0	$7.2	24.8%
Total deferred outflows of resources	**$102.8**	**$59.1**	**$43.7**	**73.9%**
LIABILITIES				
Current liabilities	$366.9	$360.6	$6.3	1.7%
Bonds payable, including current portion	$2,176.2	$1,835.3	$340.9	18.6%
Other non-current liabilities	$293.6	$233.8	$59.8	25.6%
Total liabilities	**$2,836.7**	**$2,429.7**	**$407.0**	**16.8%**
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding of bonds	$5.2	$6.1	($0.9)	(14.8%)
Deferred inflows of resources related to Pension plan	$2.6	$25.4	($22.8)	(89.8%)
Deferred inflows of resources related to OPEB	$16.0	$0.8	$15.2	1900.0%
Total deferred inflows of resources	**$23.8**	**$32.3**	**($8.5)**	**(26.3%)**
Total net position	**$2,376.2**	**$2,164.3**	**$211.9**	**9.8%**

The Authority ended FY19 with total assets of $5,133.8 million, an increase of $566.5 million or 12.4% over the prior year. This increase is primarily due to the growth in capital assets, net, which increased by $509.0 million due primarily to the Authority's acquisition of the Logan Terminal A asset as part of the refunding of the Terminal A Special Facility Bonds during FY19. This accounts for $344.5 million ($358.9 million asset net of $14.4 million depreciation) of the increase. The remaining $164.5 million is from new assets being placed into service. Deferred outflows of resources were $102.8 million, a $43.7 million increase from the previous year due to an increase in the deferred outflows on the OPEB and Pension Plan investments from unfavorable investment gains on plan assets and higher amortization of prior year losses. The Authority's total assets consist primarily of capital assets, net, which represent $3,725.3 million or 71.1% of the Authority's total assets and deferred outflows of resources as of June 30, 2019.

The Authority's total liabilities as of June 30, 2019 were $2,836.7 million, an increase of $407.0 million or 16.8% as the bonds payable balance increased $340.9 million due to issuances during FY19. Bonds payable (including current portion) is the largest component of total liabilities, and accounted for 76.1% of the Authority's total liabilities and deferred inflows at June 30, 2019.

The Authority's total net position for FY19 was $2,376.2 million, a $211.9 million or 9.8% increase over the prior year. This increase reflects the Authority's net operating income of $92.3 million, net non-operating income of $91.4 million and capital contributions of $28.2 million. The growth in net position will be used to fund the Authority's strategic initiatives.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2020 and 2019, the Authority had $3,963.1 million and $3,725.3 million of capital assets (net of depreciation), respectively. These include land, construction in process, buildings, runways, roadways, machinery and equipment, air rights and parking rights. The Authority's net capital assets increased by $237.8 million or 6.4% in FY20 primarily as the result of the addition of $537.1 million in capital expenditures partially offset by $299.3 million of depreciation expense.

In FY20, the Authority placed $291.2 million of new assets into service. Major projects completed and placed into service included Logan Terminal C Optimization and Terminals B – C Connector ($32.0 million), Terminal B to C Roadway Improvements ($27.8 million), Terminal C Canopy and Upper Deck ($26.5 million), Terminal B Gate Reconfiguration ($15.0 million), Terminal B Sanitary Pipe Replacement ($14.2 million), Logan Airport Old Tower Relocation ($13.6 million) and the New Hanscom ARFF and CBP Facility ($11.9 million).

In FY19, the Authority placed $729.2 million of new assets into service. The largest component was Terminal A at Logan Airport with an asset value of $358.9 million, which the Authority acquired as part of the refunding of the Terminal A Special Facility Bonds during FY19. Other significant assets completed and placed into service include $149.0 million for Terminal B Optimization, $30.8 million for Conley Terminal Berths 11 and 12 Rehabilitation, $18.0 million for Logan Terminal C Optimization and Terminals B – C Connector, $12.2 million for the Logan Central Heating Plant Upgrade, and $9.2 million for Phase 2 of the HVAC Replacement at Logan Terminals B, C and E.

Capital assets, net comprised 67.9%, 71.2% and 69.5% of the Authority's total assets and deferred outflows of resources at June 30, 2020, 2019 and 2018, respectively. During FY20, FY19 and FY18, the Authority spent approximately $492.0 million, $759.9 million (including the $358.9 million related to the refunding of debt for Logan Terminal A), and $293.2 million, respectively, constructing new assets and improving existing assets already in service.

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, 2020, 2019 and 2018.

CAPITAL ASSETS BY TYPE
(In Thousands)

	FY 2020	FY 2019	FY 2018	% Change 2020-2019	% Change 2019-2018
Land	$230,600	$230,600	$230,600	0.0%	0.0%
Construction in progress	$499,869	$260,888	$192,782	91.6%	35.3%
Buildings	$2,199,903	$2,190,942	$1,727,729	0.4%	26.8%
Runways and other pavings	$363,950	$386,629	$389,082	(5.9%)	(0.6%)
Roadways	$322,842	$316,585	$345,881	2.0%	(8.5%)
Machinery and equipment	$287,075	$275,111	$258,063	4.3%	6.6%
Air rights	$41,908	$46,015	$52,143	(8.9%)	(11.8%)
Parking rights	$16,963	$18,504	$20,047	(8.3%)	(7.7%)
Capital assets, net	**$3,963,110**	**$3,725,274**	**$3,216,327**	**6.4%**	**15.8%**

Please see Note 4, Capital Assets in the attached financial statements.

Debt Administration

The Authority's bond issuances must be approved by the Members of the Authority (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 its 1978 Trust Agreement requirement to maintain its high investment grade bond ratings and keep capital costs low. The Authority's debt service coverage has exceeded the Trust covenant by more than 200 basis points in each of the last three fiscal years.

The CFC Trust Agreement requires that the Authority maintain a debt service coverage ratio of at least 1.30. The Authority has exceeded the required debt covenant by over 110 basis points in each of the last three fiscal years.

The Authority had net bonds payable and subordinated obligations outstanding as of June 30, 2020 in the amount of $2,431.5 million, a net increase of $448.4 million compared to June 30, 2019. During FY20, the Authority issued $455.0 million of Massachusetts Port Authority Revenue Bonds in two series. The Series 2019-B Revenue Bonds were issued in the principal amount of $157.7 million with a net original issue premium of $27.6 million. The Series 2019-C Revenue Bonds were issued in the principal amount of $297.4 million with an original issue premium of $62.4 million. The proceeds from these bonds were used to finance a portion of the Authority's FY19-23 Capital Program. Due to the "private activity" nature of a portion of the construction projects, the Series 2019-C bonds were sold as AMT bonds.

On April 3, 2020, the Authority entered into a direct purchase agreement with Bank of America, NA 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 were issued in the principal amount of $95.6 million. The Series 2020-B Revenue Bonds were issued in the principal amount of $162.4 million. The Series 2020-A Bonds were issued to refund portions of the Series 2010 Bonds, the Series 2012-A Bonds and the Series 2012-B Bonds and the Series 2020-B Bonds to finance a portion of the Authority's Capital Program. Due to the "private activity" nature of a portion of the construction projects, the Series 2020-A bonds were sold as AMT bonds.

The Authority had net bonds payable and subordinated obligations outstanding as of June 30, 2019 in the amount of $1,983.1 million, a net increase of $299.1 million compared to the prior year. During FY19, the Authority issued $315.2 million of Massachusetts Port Authority Revenue Bonds Series 2019-A with an original issue premium of $49.5 million. Approximately $358.9 million of the proceeds from the Series 2019-A Bonds was used to refund the entire outstanding balance of the Authority's Special Facilities Revenue Bonds (Delta Air Lines, Inc. Project), Series 2001-A, 2001-B and 2001-C, resulting in a net present value benefit of $34.2 million. As a result of the refunding, the Authority recognizes all Terminal A rental revenue as revenue under the 1978 Trust Agreement commencing in February 2019.

In addition, on November 20, 2018, the Authority issued its Subordinated Obligations, Series 2018-A (AMT) in the aggregate principal amount of up to $107.5 million to provide bridge financing for the Commonwealth's portion of the costs of design and construction of the new Berth 10 at Conley Terminal. The Series 2018 Subordinated Obligations were sold in a private placement transaction to a bank lender, bear a variable rate of interest and mature on July 1, 2028. The Series 2018 Subordinated Obligations are subject to mandatory tender on July 1, 2023 (the "Tender Date"). If not repaid in full on the Tender Date, the remaining outstanding principal amount of the Series 2018 Subordinated Obligations must be repaid over a three year term in equal semi-annual principal installments, plus interest. Although the Authority expects to repay the principal of the Series 2018 Subordinated Obligations in full on or before July 1, 2022 from the Commonwealth's payments under the Conley Terminal MOU, the Series 2018 Subordinated Obligations are secured by the moneys on deposit in the Improvement and Extension Fund available for such purpose and by a pledge of the Authority's Revenues, subordinate to the pledge securing bonds issued under the 1978 Trust Agreement. In the event that the Commonwealth's payments under the Conley Terminal MOU are delayed or not made, and the Authority reaches agreement with the purchaser on or before the Tender Date, the Series 2018 Subordinated Obligations are also subject to sinking fund payments of the principal thereof on each July 1, commencing July 1, 2023 through July 1, 2028 As of June 30, 2020 the amount outstanding was $72.5 million.

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, Bonds and Notes Payable 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 fiscal years:

STATEMENTS OF CASH FLOWS
(In Millions)

	FY 2020	FY 2019	$ Change	% Change
Net cash provided by operating activities	$325.7	$372.9	($47.2)	(12.7%)
Net cash provided by non-capital activities (CARES Act fund)	$35.0	$0	$35.0	100.0%
Net cash provided/(used in) capital and related financing activities	$1.6	($372.1)	$373.7	(100.4%)
Net cash provided/(used in) investing activities	($151.8)	$76.9	($228.7)	(297.4%)
Net increase in cash and cash equivalents	$210.5	$77.8	$132.7	170.6%
Cash and cash equivalents, beginning of year	$290.3	$212.6	$77.7	36.5%
Cash and cash equivalents, end of year	**$500.8**	**$290.3**	**$210.5**	**72.5%**

STATEMENTS OF CASH FLOWS
(In Millions)

	FY 2019	FY 2018	$ Change	% Change
Net cash provided by operating activities	$372.9	$334.0	$38.9	11.6%
Net cash (used in) capital and related financing activities	($372.1)	($228.1)	($144.0)	63.1%
Net cash provided/ (used in) investing activities	$76.9	($166.3)	$243.2	(146.2%)
Net increase/ (decrease) in cash and cash equivalents	$77.8	($60.4)	$138.2	(228.8%)
Cash and cash equivalents, beginning of year	$212.6	$273.0	($60.4)	(22.1%)
Cash and cash equivalents, end of year	**$290.3**	**$212.6**	**$77.7**	**36.5%**

The Authority's cash and cash equivalents at June 30, 2020 was $500.8 million, an increase of $210.5 million or 72.5%. The Authority generated $325.7 million in cash during FY20 primarily from business activity at Logan Airport and the Port of Boston. In addition, the Authority received $35.0 million of federal CARES Act funds as a result of the COVID-19 Public Health Emergency. The Authority provided $1.6 million in cash for capital and related financing activities to finance the Authority's capital program and to pay debt service expenses during the year. Finally, the Authority also invested $151.8 million in cash for future operating and capital payments.

The Authority's cash and cash equivalents at June 30, 2019 was $290.3 million, an increase of $77.7 million or 36.5% from the $212.6 million in cash and cash equivalents reported in FY18. The Authority generated $372.9 million in cash from operations during FY19 compared to $334.0 million in the prior year, an increase of $38.9 million, or 11.6%, primarily from increased business activity at Logan Airport, record container volumes at Conley Terminal, and activity at its other facilities. The Authority used $372.1 million in cash for capital and related financing activities to finance the Authority's capital program and to pay debt service expenses during the year. This was a $144.0 million increase from the prior year due mainly to the use of cash for capital assets including Terminal A partially offset by an increase in proceeds from the issuance of bonds. The Authority generated $76.9 million in cash from investments, an increase of $243.2 million from the $166.3 million of cash used for investing activities in FY18.

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 "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 JUNE 30, 2020 AND 2019

(In Thousands)

	2020	2019
CURRENT ASSETS:		
Cash and cash equivalents	$82,623	$74,191
Investments	$142,427	$195,967
Restricted cash and cash equivalents	$418,182	$216,153
Restricted investments	$475,577	$310,976
Accounts receivable		
Trade, net	$74,404	$87,315
Grants receivable	$39,229	$7,123
Total receivables, net	**$113,633**	**$94,438**
Prepaid expenses and other assets	10,349	$10,411
Total current assets	**$1,242,791**	**$902,136**
NONCURRENT ASSETS:		
Investments	$254,683	$142,665
Restricted investments	$325,531	$352,684
Prepaid expenses and other assets	$6,422	$7,591
Investment in joint venture	$3,147	$3,495
Capital assets-not being depreciated	$730,469	$491,488
Capital assets-being depreciated-net	$3,232,641	$3,233,786
Total noncurrent assets	**$4,552,893**	**$4,231,709**
Total assets	**$5,795,684**	**$5,133,845**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding of bonds	$13,304	$14,674
Deferred outflows of resources related to pensions	$9,712	$51,895
Deferred outflows of resources related to OPEB	$17,254	$36,206
Total deferred outflows of resources	**$40,270**	**$102,775**
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$231,852	$196,486
Compensated absences	$1,462	$1,299
Contract retainage	$11,007	$10,021
Current portion of long-term debt	$78,178	$66,801
Commercial notes payable	$22,000	$104,000
Accrued interest on bonds payable	$53,913	$45,517
Unearned revenues	$5,462	$9,597
Total current liabilities	**$403,874**	**$433,721**
NONCURRENT LIABILITIES		
Accrued expenses	$10,025	$9,938
Compensated absences	$18,698	$16,618
Net pension liability	$18,785	$104,920
Net OPEB liability	$108,287	$134,549
Contract retainage	$10,233	$7,494
Long-term notes payable	$330,500	$40,000
Long-term debt, net	$2,279,530	$2,069,399
Unearned revenues	$27,730	$20,037
Total noncurrent liabilities	**$2,803,788**	**$2,402,955**
Total liabilities	**$3,207,662**	**$2,836,676**
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refunding of bonds	$9,847	$5,243
Deferred inflows of resources related to pensions	$47,935	$2,551
Deferred inflows of resources related to OPEB	$30,162	$15,981
Total deferred inflows of resources	**$87,944**	**$23,775**
NET POSITION		
Net investment in capital assets	$1,548,630	$1,489,809
Restricted		
Bond funds	$259,893	$242,702
Project funds	$328,897	$267,656
Passenger facility charges	$51,577	$60,999
Customer facility charges	$39,869	$87,207
Other purposes	$34,416	$31,401
Total restricted	**$714,652**	**$689,965**
Unrestricted	$277,066	$196,395
Total net position	**$2,540,348**	**$2,376,169**

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

MASSACHUSETTS PORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2020 AND 2019
(In Thousands)

	2020	2019
OPERATING REVENUES:		
Aviation rentals	$275,271	$267,055
Aviation parking	$136,951	$182,135
Aviation shuttle bus	$17,013	$21,196
Aviation fees	$139,239	$153,194
Aviation concessions	$111,130	$130,801
Aviation operating grants and other	$2,762	$2,034
Maritime fees, rentals and other	$92,952	$102,774
Real estate fees, rents and other	$49,196	$46,334
Total operating revenues	**$824,514**	**$905,523**
OPERATING EXPENSES:		
Aviation operations and maintenance	$295,748	$305,596
Maritime operations and maintenance	$61,089	$64,412
Real estate operations and maintenance	$14,971	$16,898
General and administrative	$68,083	$67,273
Payments in lieu of taxes	$21,030	$21,331
Pension and other post-employment benefits	$36,058	$40,740
Other	$9,684	$8,631
Total operating expenses before depreciation and amortization	**$506,663**	**$524,881**
Depreciation and amortization	$299,334	$288,344
Total operating expenses	**$805,997**	**$813,225**
Operating income	**$18,517**	**$92,298**
NONOPERATING REVENUES AND (EXPENSES):		
Passenger facility charges	$59,875	$84,824
Customer facility charges	$25,884	$33,517
Investment income	$35,931	$29,785
Net increase in the fair value of investments	$8,207	$6,989
Other revenues	$65,252	$21,052
Settlement of claims	($22)	$1,469
Terminal A debt service contribution	$0	($7,494)
Other expenses	($187)	($2,940)
Gain on sale of equipment / property	$264	$203
Interest expense	($109,441)	($76,010)
Total nonoperating revenues, net	**$85,763**	**$91,395**
Increase in net position before capital contributions	**$104,280**	**$183,693**
Capital contributions	$59,899	$28,143
Increase in net position	**$164,179**	**$211,836**
Net position, beginning of year	**$2,376,169**	**$2,164,333**
Net position, end of year	**$2,540,348**	**$2,376,169**

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

MASSACHUSETTS PORT AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019
(In Thousands)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and operating grants	$822,280	$886,500
Payments to vendors	($284,813)	($302,276)
Payments to employees	($176,426)	($171,521)
Payments in lieu of taxes	($22,030)	($21,356)
Other post-employment benefits	($13,341)	($18,398)
Net cash provided by operating activities	**$325,670**	**$372,949**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from CARES Act Airport Relief fund	$34,958	$0
Net cash provided by noncapital financing activities	$34,958	$0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	($491,978)	($401,012)
Acquisition of Terminal A through issuance of Series 2019 A bonds	$0	($358,863)
Proceeds from the 2001 Delta Special Facility Bonds refunding	$0	$20,186
Proceeds from Bosfuel project contribution	$7,579	$0
Proceeds from the issuance of bonds and notes	$833,347	$403,866
Principal payments on refunded debt	($239,640)	$0
Interest paid on bonds and notes	($119,503)	($84,956)
Principal payments on long-term debt	($57,525)	($56,105)
Principal payments on commercial paper	($82,000)	($38,000)
Terminal A debt service contribution	$0	($7,495)
Proceeds from passenger facility charges	$72,140	$84,254
Proceeds from customer facility charges	$28,617	$33,266
Proceeds from capital contributions	$49,653	$31,039
Settlement of claims	$648	$1,544
Proceeds from sale of equipment	$282	$203
Net cash provided by/ (used in) capital and related financing activities	**$1,620**	**($372,073)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments, net	($1,562,646)	($925,555)
Sales of investments, net	$1,373,589	$974,767
Realized gain/(loss) on sale of investments	$223	$7
Interest received on investments	$37,049	$27,665
Net cash provided by/ (used in) investing activities	**($151,785)**	**$76,884**
Net increase (decrease) in cash and cash equivalents	$210,463	$77,760
Cash and cash equivalents, beginning of year	**$290,344**	**$212,584**
Cash and cash equivalents, end of year	**$500,807**	**$290,344**
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Cash flows from operating activities:		
Operating income	$18,517	$92,298
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	$299,334	$288,344
Provision for uncollectible accounts	$1,056	$385
Changes in operating assets and liabilities:		
Trade receivables	($3,022)	($18,985)
Prepaid expenses and other assets	$3,107	($3,020)
Accounts payable and accrued expenses	($7,422)	$8,139
Net pension liability and deferred inflows/outflows	$1,433	$9,127
Net OPEB liability and deferred inflows/outflows	$6,869	($1,390)
Compensated absences	$2,243	($976)
Unearned revenue	$3,555	($973)
Net cash provided by operating activities	**$325,670**	**$372,949**
Noncash investing activities:		
Net increase in the fair value of investments	**$9,300**	**$1,316**

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

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 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 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 Board made changes to the 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 activities are accounted in a manner similar to that often utilized in the private sector. 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.

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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, which are 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 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 funds held pursuant to the 1978 Trust Agreement, the PFC Depositary Agreement, the CFC Trust Agreement and the self insurance fund.
- 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 Members of the Authority (the "Board") or may otherwise be limited by contractual agreements with outside parties. When both restricted and unrestricted 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 position that applies to a future period and will be recognized as an outflow of resources (expense) in a future period. At June 30, 2020 and 2019, the Authority recognizes 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 position that applies to a future period and will be recognized as an inflow of resources (revenue) in a future period. At June 30, 2020 and 2019, the Authority recognizes deferred inflows for debt refundings, the pension plan, and other post-employment benefits (OPEB).

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.

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 guarantees investment contracts, are carried at cost. Fair value is determined based on quoted market prices. The Authority recorded in investment income an unrealized increase in the fair value of investments of $8.0 million and a realized gain of $0.2 million at June 30, 2020 and an unrealized increase in the fair value of investments of $7.0 million and a realized gain of $0.01 million at June 30, 2019.

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

Prior to the fiscal year ended June 30, 2020, the Authority capitalized certain interest costs associated with taxable and tax-exempt borrowing, less any interest earned on the proceeds of those borrowings, during the period of construction. In fiscal year 2020 the Authority adopted GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.* This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. Interest expense of $7.0 million, reduced by interest income of $125.6 thousand, resulted in capitalized interest of $6.9 million for the year ended June 30, 2019.

g) Depreciation

The Authority provides for depreciation using the straight-line method. Depreciation is intended to distribute the cost of depreciable properties over the following estimated useful lives:

ASSET CATEGORY	YEARS
Buildings	25
Air rights	10 to15
Runways (original construction)	25
Other airfield paving	12
Roadway	25
Roadway-landscaping	10
Dredging	15
Machinery and equipment	5 to10
Land use rights	30

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 $6.9 million and $5.2 million at June 30, 2020 and 2019, respectively.

k) Passenger Facility Charges

In 1993, the Authority received initial approval from the Federal Aviation Administration ("FAA") to impose a $3.00 PFC on all outbound tickets purchased 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.

Through June 30, 2020, the Authority had cumulative PFC cash collections of $1,362.0 million, including interest thereon.

As part of the Final Agency Decision issued by the FAA in 2011, the Authority was authorized, but not required, to use up to $14.4 million per year in PFCs to pay approximately one-third of the debt service on the Terminal A Special Facility bonds. The Authority chose to make this use of PFC revenue in order to offset the increase in Terminal A rates and charges that would have resulted from the scheduled increase in Terminal A debt service associated with the beginning of principal payments on January 1, 2012 through January 1, 2019 for the Terminal A bonds. This use of PFCs maintained a consistent rate across all terminals and facilitated the Authority's ability to assign carriers to Terminal A. On February 13, 2019, the Authority issued the Series 2019 A Bonds to refund all of the outstanding Terminal A Special Facility Bonds to achieve significant interest rate savings compared to the rates on the Terminal A Special Facility Bonds. For additional information on Terminal A Special Facility bonds, see Note 5 a).

At June 30, 2020, the Authority's collection authorization and total use approval is $1.81 billion.

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 $59.9 million and $84.8 million in PFC revenue for the fiscal years ended June 30, 2020 and 2019, respectively.

l) Customer Facility Charges

Effective December 1, 2008, the Board established a CFC of $4.00 per day for rental cars which originated out of Logan Airport. Effective December 1, 2009, this charge was increased to $6.00 per day. The proceeds of the CFC are being used to finance 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"). 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 $25.9 million and $33.5 million in CFC revenue for the fiscal years ended June 30, 2020 and 2019, respectively.

As of June 30, 2020 and 2019, $124.4 million and $190.8 million of CFC bonds were outstanding, respectively.

m) 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 2020 and 2019, the Authority recognized $59.9 million and $28.1 million of capital contributions, respectively. The 2020 and the 2019 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.

n) 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 June 30, 2020 and 2019 was $1.5 million and $1.3 million, respectively. The table below presents the Authority's compensated absences activity at June 30, 2020 and 2019 and for the years then ended (in thousands):

	2020	2019
Liability balance, beginning of year	$17,917	$18,893
Vacation and sick pay earned during the year	$17,921	$16,440
Vacation and sick pay used during the year	($15,678)	($17,416)
Liability Balance, End Of Year	**$20,160**	**$17,917**

o) 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 Pension Plan, see Note 6.

p) 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 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.

q) 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.

r) Recent and Upcoming Accounting Pronouncements

GASB Statement No. 84, *Fiduciary Activities*, was issued in January 2017. The primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

The Statement, as amended by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95) is effective for fiscal years beginning after December 15, 2019. The Authority is in the process of evaluating the impact of its adoption on the financial statements.

GASB Statement No. 87, *Leases,* was issued in June 2017. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lease is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The Statement, as amended by GASB 95, is effective for fiscal years beginning after June 15, 2021. The Authority is in the process of evaluating the impact of its adoption on the financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was issued in April 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

The Statement, as amended by GASB 95, is effective for fiscal years beginning after June 15, 2020. The Authority is in the process of evaluating the impact of its adoption on the financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* was issued in June 2018. The primary objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraph 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1980 FASB and AICPA Pronouncements*, which are superseded by this Statement.

This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

The Statement was adopted during fiscal year 2020. See Note 1 (f).

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61,* was issued in August 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The Statement, as amended by GASB 95, is effective for fiscal years beginning after December 15, 2019. The Authority is in the process of evaluating the impact of its adoption on the financial statements.

GASB Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

The Statement, as amended by GASB 95, is effective for reporting periods beginning after December 15, 2021. The Authority is in the process of evaluating the impact of its adoption on the financial statements. GASB Statement No. 92, *Omnibus 2020*, was issued in January 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases,* and Implementation Guide No. 2019-3, *Leases,* for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits*
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The requirements related to all other items, as amended by GASB 95, are effective for fiscal years beginning after June 15, 2021. The Authority is in the process of evaluating the impact of its adoption on the financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates,* was issued in March 2020. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement, as amended by GASB 95, are effective for reporting periods beginning after June 15, 2021.

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 the Board defines 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.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance,* was issued in May 2020. The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in GASB Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the previous pronouncements are postponed by one year. The effective date for GASB 87 is postponed by 18 months.

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 (governments). 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.

GASB Statement No. 97, *Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32,* was issued in June 2020. This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities,* be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans,* or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, respectively.*

This Statement (1) requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

This Statement supersedes the remaining provisions of Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,* as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

2 Reconciliation between increase in 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).

	2020	2019
Increase in Net Position per GAAP	$164,179	$211,836
ADDITIONS:		
Depreciation and amortization	$299,334	$288,344
Interest expense	$109,441	$76,010
Payments in lieu of taxes	$21,030	$21,331
Other operating expenses	($3,128)	$3,076
Adjustment for uncollectible accounts	($1,122)	$0
Terminal A bonds - debt service contribution	$0	$7,494
OPEB expenses, net	$4,799	$165
Pension expense	$1,434	$9,126
LESS:		
Passenger facility charges	($59,875)	($84,824)
Customer facility charges	($25,884)	($33,517)
Self insurance expenses	($237)	($140)
Capital grant revenue	($59,899)	($28,143)
Net decrease (increase) in the fair value of investments	($8,207)	($6,989)
Loss (gain) on sale of equipment	($264)	($203)
Settlement of claims	$22	($1,469)
Other (revenues) expenses	($1,739)	($2,129)
Other non-operating revenues	($7,988)	($18,112)
Investment income	($12,537)	($8,126)
Net revenue per the 1978 Trust Agreement	**$419,359**	**$433,730**

Total net revenues, as defined by the 1978 Trust Agreement, pledged for the repayment of bonds issued under the 1978 Trust Agreement were $419.4 million and $433.7 million for the years ended June 30, 2020 and 2019, respectively.

3 Deposits and Investments

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, 2020 and 2019, 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 due to the changes in fair value of investments related to investments with maturities in excess of one year was a gain of approximately $9.3 million as of June 30, 2020 and a gain of approximately $1.3 million as of June 30, 2019.

The following summarizes the Authority's cash and cash equivalents and investments by type held at June 30, 2020 and 2019 (in thousands):

2020	CREDIT RATING (1)	COST	FAIR VALUE	EFFECTIVE DURATION
Massachusetts Municipal Depository Trust (6)	Unrated	$415,161	$415,161	0.003
Federal Home Loan Bank	AA+ / Aaa	$16,096	$16,125	1.512
Federally Deposit Insurance Corporation	Unrated (2)	$1,000	$1,000	0.003
Federal Home Loan Mortgage Corp.	AA+ / Aaa	$151,266	$151,341	1.353
Federal National Mortgage Association	AA+ / Aaa	$16,710	$16,736	1.224
Federal Farm Credit	AA+ / Aaa	$22,554	$22,619	1.411
Guaranteed Investment Contracts (GIC) (6)	AA+ / A1 (4)	$48,536	$48,536	8.260
Cash Deposit	Unrated	$2,815	$2,815	0.003
Certificates of Deposit	AAA / Aaa (3)	$108,215	$108,215	0.720
Commercial Paper	A-1/ P-1 (5)	$231,472	$231,472	0.279
Supranational	AAA / Aaa (5)	$107,715	$108,166	3.492
Government Fund-Morgan Stanley / Wells Fargo	AAA / Aaa (5)	$43,279	$43,279	0.003
Municipal Bond	AAA/ Aa1	$186,506	$189,795	1.950
Money Market Funds	Unrated	$7,254	$7,254	0.004
Insured Cash Sweep	Unrated (2)	$31,295	$31,295	0.003
Corporate Bonds	AA- / Aa2 (7)	$299,848	$305,214	1.346
		$1,689,722	**$1,699,023**	

2019	CREDIT RATING (1)	COST	FAIR VALUE	EFFECTIVE DURATION
Massachusetts Municipal Depository Trust (6)	Unrated	$163,716	$163,716	0.003
Federal Home Loan Bank	AA+ / Aaa	$55,458	$55,490	0.696
Federally Deposit Insurance Corporation	Unrated (2)	$1,002	$1,002	0.003
Federal Home Loan Mortgage Corp.	AA+ / Aaa	$93,503	$93,512	1.240
Federal National Mortgage Association	AA+ / Aaa	$46,352	$46,255	0.458
Federal Farm Credit	AA+ / Aaa	$7,014	$7,036	0.680
Guaranteed Investment Contracts (GIC) (6)	AA+ / A1 (4)	$46,652	$46,652	9.039
Cash Deposit	Unrated	$1,729	$1,729	0.003
Certificates of Deposit	AAA / Aaa (3)	$27,215	$27,215	0.603
Commercial Paper	A-1/ P-1 (5)	$296,585	$296,585	0.283
NOW Account Deposit	Unrated	$55,311	$55,311	0.003
Supranational	AAA / Aaa (5)	$35,225	$35,504	2.700
Government Fund-Morgan Stanley / Wells Fargo	AAA / Aaa (5)	$23,211	$23,211	0.003
Municipal Bond	AAA/ Aa1	$126,793	$127,346	1.437
Money Market Funds	Unrated	$3,339	$3,339	0.004
Insured Cash Sweep	Unrated (2)	$43,036	$43,036	0.003
Treasury Notes	AA+ / Aaa	$2,608	$2,603	0.167
Corporate Bonds	AA- / Aa2 (7)	$262,571	$263,094	1.178
		$1,291,320	**$1,292,636**	

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 holdings.
6. MMDT and GIC are carried at cost, which approximates fair value in the tables.
7. The Authority owns a diverse portfolio of corporate bonds with S&P credit ratings ranging from A to AAA and Moody's credit ratings ranging from A1 to Aaa. These corporate bonds have an average credit rating of AA- / Aa2.

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

	2020		2019	
	COST	FAIR VALUE	COST	FAIR VALUE
Securities maturing in 1 year or more	$573,323	$580,214	$493,558	$495,349
Securities maturing in less than 1 year	$615,594	$618,004	$507,418	$506,943
Cash and cash equivalents	$500,805	$500,805	$290,344	$290,344
TOTAL	**$1,689,722**	**$1,699,023**	**$1,291,320**	**$1,292,636**

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 the two highest rating categories without regard to gradations within rating categories, by both Moody's (AAA, Aa1, Aa2 and Aa3) and S&P (AAA, AA+, AA, and AA-); 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 both Moody's and S&P; and investment contracts with banks whose long-term unsecured debt rating is in one of the two highest rating categories by both Moody's and S&P. 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 Moody's and S&P.

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 PFC Custodian. 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 deposits in the banks noted above at June 30, 2020 and 2019 was $2.8 million and $1.7 million, respectively, and of these amounts, $250.0 thousand and $250.0 thousand was insured in each year, and no amount was collateralized at June 30, 2020 or 2019.

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 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 Authority can purchase and sell its investments at any time without penalty.

The following guaranteed investment contracts were in force as of June 30, 2020 and 2019, respectively; they are uncollateralized and recorded at cost:

INVESTMENT AGREEMENT PROVIDER	RATE	MATURITY	2020	2019
Trinity Plus Funding Company	4.36%	1/2/2031	$21,613	$20,717
GE Funding Capital Markets	3.81%	12/31/2030	$26,923	$25,935
		TOTAL	**$48,536**	**$46,652**

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. The Authority consults with its Investment Advisor to select Commercial Paper Issuers with strong credit ratings. The book values of portions of the Authority-wide portfolio, excluding investments issued by MMDT, the FDIC, or U.S. Government guaranteed obligations, that exceed 5% of the portfolio are as follows (in thousands):

ISSUER	2020 % of Portfolio	2019 % of Portfolio
Corporate Bonds	17.75%	20.33%
Commercial Paper	13.70%	22.97%
Municipal Bond	11.04%	9.82%
Federal Home Loan Mortgage Corp.	8.95%	7.24%
Certificates of Deposit	6.40%	2.11%
Supranational	6.37%	2.73%

COMMERCIAL PAPER ISSUER	2020	2019
Bank of Tokyo	$76,809	$64,369
BNP Paribas	$0	$9,886
Natixis	$19,976	$59,318
Canadian Imperial Holdings Inc.	$29,949	$0
JP Morgan Chase	$0	$60,643
Credit Agricole	$74,850	$46,682
Rabobank	$0	$14,987
Toyota Motor Corporation	$29,888	$24,710
ING Funding	$0	$15,990
Total	**$231,472**	**$296,585**

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 the rating categories by both Moody's (Aaa, Aa1, Aa2, and Aa3) and S&P (AAA, AA+, AA, and AA-) and in corporate bonds rated in one of the three highest rating categories without regard to gradations within such categories by Moody's and S&P.

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

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):

	2020		2019	
	COST	FAIR VALUE	COST	FAIR VALUE
1978 Trust				
Improvement and Extension Fund	$393,850	$395,950	$336,235	$336,218
Capital Budget Account	$220,058	$220,056	$123,243	$123,242
Debt Service Reserve Funds	$148,414	$150,851	$138,421	$138,883
Debt Service Funds	$101,190	$101,190	$89,781	$89,781
Maintenance Reserve Fund	$196,256	$198,828	$224,431	$225,021
Operating/Revenue Fund	$83,783	$83,783	$76,605	$76,605
Subordinated Debt Funds	$50,933	$50,933	$49,053	$49,053
Self-Insurance Account	$34,418	$35,281	$33,262	$33,283
2017 A Project Fund	$0	$0	$9,079	$9,079
2018 A Project Fund	$43,000	$43,000	$4,675	$4,675
2019 B Project Fund	$92,780	$93,234	$0	$0
2019 C Project Fund	$73,054	$73,667	$0	$0
2020 B Project Fund	$86,166	$86,167	$0	$0
Other Funds	$52,271	$52,271	$45,997	$45,997
PFC Depositary Agreement				
Other PFC Funds	$50,545	$50,575	$47,816	$47,865
2011 CFC Trust				
Debt Service Reserve Funds	$21,834	$21,943	$28,074	$28,087
CFC Maintenance Reserve Fund	$4,577	$4,600	$3,553	$3,568
Debt Service Funds	$9,721	$9,721	$9,619	$9,619
CFC Stabilization andOther CFC Funds	$26,872	$26,973	$ 71,476	$71,660
TOTAL	**$1,689,722**	**$1,699,023**	**$1,291,320**	**$1,292,636**

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.

The following tables show the fair value and the fair value measurements for our investments:

Investments Measured at Fair Value (in thousands)

AS OF JUNE 30, 2020	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
Federal Home Loan Bank	$16,125	$0	$16,125	$0
Federal Home Loan Mortgage Corp.	$151,341	$0	$151,341	$0
Federal National Mortgage Association	$16,736	$0	$16,736	$0
Federal Farm Credit	$22,619	$0	$22,619	$0
Certificates of Deposit	$108,215	$108,215	$0	$0
Supranational	$108,166	$0	$108,166	$0
Commercial Paper	$231,472	$0	$231,472	$0
Government Fund-Morgan Stanley / Wells Fargo	$43,279	$43,279	$0	$0
Municipal Bond	$189,795	$0	$189,795	$0
Money Market Funds	$7,254	$7.254	$0	$0
Treasury Notes	$0	$0	$0	$0
Corporate Bonds	$305,214	$0	$305,214	$0
Total Investments Measured at Fair Value	**$1,200,216**	**$158,748**	**$1,041,468**	**$0**

Investments Measured at Fair Value (in thousands)

AS OF JUNE 30, 2019	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
Federal Home Loan Bank	$55,490	$0	$55,490	$0
Federal Home Loan Mortgage Corp.	$93,512	$0	$93,512	$0
Federal National Mortgage Association	$46,255	$0	$46,255	$0
Federal Farm Credit	$7,036	$0	$7,036	$0
Certificates of Deposit	$27,215	$27,215	$0	$0
Supranational	$35,504	$0	$35,504	$0
Commercial Paper	$296,585	$0	$296,585	$0
Government Fund-Morgan Stanley / Wells Fargo	$23,211	$23,211	$0	$0
Municipal Bond	$127,346	$0	$127,346	$0
Money Market Funds	$3,339	$3,339	$0	$0
Treasury Notes	$2,603	$0	$2,603	$0
Corporate Bonds	$263,094	$0	$263,094	$0
Total Investments Measured at Fair Value	**$981,190**	**$53,765**	**$927,425**	**$0**

Money Market Funds

As of June 30, 2020 and 2019, the Authority held positions in various money market funds and the fair values of those funds were $158.7 million and $53.8 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 Notes

As of June 30, 2020 and 2019, the Authority held positions in federal agency notes and the fair values were $206.8 million and $202.3 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, 2020 and 2019, the Authority held positions in commercial paper notes and the fair values were $231.5 million and $296.6 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, 2020 and 2019, the Authority held positions in municipal bonds and the fair values were $189.8 million and $127.3 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).

Treasury Notes

As of June 30, 2020 and 2019, the Authority held positions in Treasury Notes and the fair values were $0.0 million and $2.6 million, respectively. The fair values of the Treasury 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).

Corporate Bonds

As of June 30, 2020 and 2019, the Authority held positions in corporate bonds and the fair values were $305.2 million and $263.1 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, 2020 and 2019, the Authority held positions in Supranational bonds and the fair values were $108.2 million and $35.5 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).

4 Capital Assets

Capital assets consisted of the following at June 30, 2020 and 2019 (in thousands):

	JUNE 30, 2019	ADDITIONS AND TRANSFERS IN	DELETIONS AND TRANSFERS OUT	JUNE 30, 2020
CAPITAL ASSETS NOT BEING DEPRECIATED:				
Land	$230,600	$0	$0	$230,600
Construction In Progress	$260,888	$537,187	$298,206	$499,869
Total Capital Assets Not Being Depreciated	**$491,488**	**$537,187**	**$298,206**	**$730,469**
CAPITAL ASSETS BEING DEPRECIATED:				
Buildings	$4,176,228	$162,270	$0	$4,338,498
Runway And Other Paving	$990,046	$20,163	$0	$1,010,209
Roadway	$767,973	$37,808	$0	$805,781
Machinery And Equipment	$749,744	$76,075	$2,023	$823,796
Air Rights	$185,258	$1,890	$0	$187,148
Parking Rights	$46,261	$0	$0	$46,261
Total Capital Assets Being Depreciated	**$6,915,510**	**$298,206**	**$2,023**	**$7,211,693**
LESS ACCUMULATED DEPRECIATION:				
Buildings	$1,985,286	$153,309	$0	$2,138,595
Runway And Other Paving	$603,417	$42,842	$0	$646,259
Roadway	$451,388	$31,551	$0	$482,939
Machinery And Equipment	$474,634	$64,092	$2,005	$536,721
Air Rights	$139,243	$5,997	$0	$145,240
Parking Rights	$27,756	$1,542	$0	$29,298
Total Accumulated Depreciation	**$3,681,724**	**$299,333**	**$2,005**	**$3,979,052**
Total Capital Assets Being Depreciated, Net	**$3,233,786**	**($1,127)**	**$18**	**$3,232,641**
Capital Assets, Net	**$3,725,274**	**$536,060**	**$298,224**	**$3,963,110**

Depreciation and amortization for fiscal year 2020 and 2019 was $299.3 million and $288.3 million, respectively.

	JUNE 30, 2018	ADDITIONS AND TRANSFERS IN	DELETIONS AND TRANSFERS OUT	JUNE 30, 2019
CAPITAL ASSETS NOT BEING DEPRECIATED				
Land	$230,600	$0	$0	$230,600
Construction In Progress	$192,782	$797,292	$729,186	$260,888
Total Capital Assets Not Being Depreciated	**$423,382**	**$797,292**	**$729,186**	**$491,488**
CAPITAL ASSETS BEING DEPRECIATED:				
Buildings	$3,564,259	$611,969	$0	$4,176,228
Runway And Other Paving	$948,048	$41,998	$0	$990,046
Roadway	$767,054	$919	$0	$767,973
Machinery And Equipment	$676,895	$74,173	$1,324	$749,744
Air Rights	$185,131	$127	$0	$185,258
Parking Rights	$46,261	$0	$0	$46,261
Total Capital Assets Being Depreciated	**$6,187,648**	**$729,186**	**$1,324**	**$6,915,510**
LESS ACCUMULATED DEPRECIATION:				
Buildings	$1,836,530	$148,756	$0	$1,985,286
Runway And Other Paving	$558,966	$44,451	$0	$603,417
Roadway	$421,173	$30,215	$0	$451,388
Machinery And Equipment	$418,832	$57,126	$1,324	$474,634
Air Rights	$132,988	$6,255	$0	$139,243
Parking Rights	$26,214	$1,542	$0	$27,756
Total Accumulated Depreciation	**$3,394,703**	**$288,345**	**$1,324**	**$3,681,724**
Total Capital Assets Being Depreciated, net	**$2,792,945**	**$440,841**	**$0**	**$3,233,786**
Capital Assets, Net	**$3,216,327**	**$1,238,133**	**$729,186**	**$3,725,274**

5 Bonds and Notes Payable

Long-term debt at June 30, 2020 consisted of the following and represents maturities on the Authority's fiscal year basis (in thousands):

	JUNE 30, 2019	ADDITIONS	REDUCTIONS	JUNE 30, 2020	DUE WITHIN ONE YEAR
Revenue Bonds:					
SENIOR DEBT-1978 TRUST AGREEMENT:					
2008, Series C, 4.60% to 4.70%, issued July 9, 2008 due 2021	$2,555	$0	$1,250	$1,305	$1,305
2010, Series A, 4.00% to 5.00%, issued August 5, 2010 due 2021 to 2041	$85,805	$0	$41,370	$44,435	$2,400
2010, Series B, 3.00% to 5.00%, issued August 5, 2010 due 2034 to 2041	$124,390	$0	$78,110	$46,280	$9,180
2012, Series A, 3.50% to 5.00%, issued July 11, 2012 due 2021 to 2043	$88,770	$0	$13,810	$74,960	$1,705
2012, Series B, 3.00% to 5.00%, issued July 11, 2012 due 2021 to 2034	$149,255	$0	$63,700	$85,555	$7,375
2014, Series A, 3.00% to 5.00%, issued July 17, 2014 due 2021 to 2045	$43,785	$0	$875	$42,910	$900
2014, Series B, 4.00% to 5.00%, issued July 17, 2014 due 2021 to 2045	$46,485	$0	$925	$45,560	$965
2014, Series C, 3.00% to 5.00%, issued July 17, 2014 due 2021 to 2036	$129,440	$0	$5,010	$124,430	$5,210
2015, Series A, 5.00%, issued July 15, 2015 due 2021 to 2046	$104,480	$0	$1,910	$102,570	$2,005
2015, Series B, 5.00%, issued July 15, 2015 due 2021 to 2046	$67,005	$0	$1,225	$65,780	$1,290
2015, Series C, 2.12% to 2.83%, issued June 30, 2015 due 2026 to 2030	$128,525	$0	$11,900	$116,625	$12,160
2016, Series A, 4.00% to 5.00%, issued July 20, 2016 due 2021 to 2039	$48,360	$0	$1,300	$47,060	$1,460
2016, Series B, 4.00% to 5.00%, issued July 20, 2016 due 2041 to 2047	$180,285	$0	$0	$180,285	$0
2017, Series A, 3.25% to 5.00%, issued July 19, 2017 due 2021 to 2048	$163,935	$0	$6,095	$157,840	$6,880
2019, Series A, 3.00% to 5.00%, issued February 13, 2019 due 2021 to 2041	$315,240	$0	$3,310	$311,930	$8,735
2019, Series B, 3.00% to 5.00%, issued July 17, 2019 due 2022 to 2050	$0	$157,680	$0	$157,680	$0
2019, Series C, 3.00% to 5.00%, issued July 17, 2019 due 2021 to 2050	$0	$297,365	$0	$297,365	$1,110
Subtotal Senior Debt	**$1,678,315**	**$455,045**	**$230,790**	**$1,902,570**	**$62,680**

	JUNE 30, 2019	ADDITIONS	REDUCTIONS	JUNE 30, 2020	DUE WITHIN ONE YEAR
SUBORDINATED DEBT- 1978 TRUST AGREEMENT:					
2000, Series A,B & C, 6.45%, issued December 29, 2000 due 2031	$40,000	$0	$0	$40,000	$0
2001, Series A,B & C, 6.45%, issued January 2, 2001 due 2031	$34,000	$0	$0	$34,000	$0
Subtotal Subordinate Debt	**$74,000**	**$0**	**$0**	**$74,000**	**$0**
SENIOR DEBT - CFC TRUST AGREEMENT:					
2011, Series A, 5.125%, issued June 15, 2011 due 2038 to 2042	$58,030	$0	$58,030	$0	$0
2011, Series B, 4.85% to 6.352%, issued June 15, 2011 due 2021 to 2038	$132,765	$0	$8,345	$124,420	$4,165
Subtotal CFC Senior Debt	**$190,795**	**$0**	**$66,375**	**$124,420**	**$4,165**
Total Bonds Payable	**$1,943,110**	**$455,045**	**$297,165**	**$2,100,990**	**$66,845**
LESS UNAMORTIZED AMOUNTS:					
Bond premium (discount), net	$193,090	$89,137	$25,509	$256,718	$11,333
Total Bonds Payable, net	**$2,136,200**	**$544,182**	**$322,674**	**$2,357,708**	**$78,178**

The following summarizes the Authority's revenue bonds activity at June 30 (in thousands):

	JUNE 30, 2019	ADDITIONS	REDUCTIONS	JUNE 30, 2020	DUE WITHIN ONE YEAR
Senior Debt-1978 Trust Agreement:	$1,678,315	$455,045	$230,790	$1,902,570	$62,680
Subordinated Debt- 1978 Trust Agreement:	$74,000	$0	$0	$74,000	$0
Senior Debt - CFC Trust Agreement:	$190,795	$0	$66,375	$124,420	$4,165
	$1,943,110	**$455,045**	**$297,165**	**$2,100,990**	**$66,845**

	JUNE 30, 2018	ADDITIONS	REDUCTIONS	JUNE 30, 2019	DUE WITHIN ONE YEAR
Senior Debt-1978 Trust Agreement:	$1,415,400	$315,240	$52,325	$1,678,315	$53,565
Subordinated Debt- 1978 Trust Agreement:	$74,000	$0	$0	$74,000	$0
Senior Debt - CFC Trust Agreement:	$194,575	$0	$3,780	$190,795	$3,960
	$1,683,975	**$315,240**	**$56,105**	**$1,943,110**	**$57,525**

Debt service requirements on revenue bonds (1978 Trust and CFC Trust) outstanding at June 30, 2020 are as follows (in thousands):

Year ending June 30:	PRINCIPAL	INTEREST	TOTAL
2021	$66,845	$105,903	$172,748
2022	$44,405	$99,521	$143,926
2023	$63,415	$97,682	$161,097
2024	$68,390	$94,966	$163,356
2025	$71,500	$91,904	$163,404
2026 – 2030	$372,300	$406,930	$779,230
2031 – 2035	$419,645	$306,445	$726,090
2036 – 2040	$389,775	$199,890	$589,665
2041 – 2045	$354,145	$106,454	$460,599
2046 – 2050	$250,570	$28,010	$278,580
TOTAL	**$2,100,990**	**$1,537,705**	**$3,638,695**

a) Senior Debt – 1978 Trust Agreement

On July 17, 2019, the Authority issued $455.0 million of Massachusetts Port Authority Revenue Bonds in two series. The Series 2019 B Revenue Bonds were issued in the principal amount of $157.7 million with a net original issue premium of approximately $26.8 million and interest rates ranging from 3.0% to 5.0%. The Series 2019 C Revenue Bonds were issued in the principal amount of $297.4 million with an original issue premium of approximately $62.4 million and interest rates ranging from 3.0% to 5.0%. The 2019 B and C Bonds were issued to finance a portion of the Authority's FY19-23 Capital Program. Due to the "private activity" nature of a portion of the construction projects, the Series 2019 C bonds were sold as AMT bonds.

On February 13, 2019, the Authority issued $315.2 million of Massachusetts Port Authority Revenue Bonds in one series. The Series 2019 A Bonds were issued in the principal amount of $315.2 million with an original issue premium of approximately $49.5 million and interest rates ranging from 3.0% to 5.0%. The 2019 A Bonds were issued to currently refund all of the Terminal A outstanding Special Facilities Revenue Bonds (Delta Air Lines, Inc. Project), Series 2001 A (AMT), Special Facilities Revenue Bonds (Delta Air Lines, Inc. Project), Series 2001 B (Auction Rate Securities) and Special Facilities Revenue Bonds (Delta Air Lines, Inc. Project), Series 2001 C (Auction Rate Securities) (collectively, the "Terminal A Special Facility Bonds"), previously disclosed as conduit debt. The Authority achieved significant interest rate savings compared to rates on the Terminal A Special Facility Bonds.

The Authority, through 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 Trust Agreement requirement to maintain its investment grade bond ratings. As of June 30, 2020 and 2019, the Authority's debt service coverage under the 1978 Trust Agreement was 3.52 and 3.66, 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 which at maturity will provide for the $74.0 million principal payments of the subordinate debt at their respective maturities on December 29, 2030 and January 2, 2031. As of June 30, 2020, the value of the two GICs was approximately $48.5 million as compared to $46.7 million as of June 30, 2019.

c) Senior Debt – CFC Trust Agreement

The Authority's outstanding CFC debt continues to be backed by a pledge of the $6.00 CFC collections. The Authority earned CFC Revenues, as defined in the CFC Trust Agreement, of approximately $25.8 million and $33.5 million during fiscal years 2020 and 2019, respectively. The CFC Trust Agreement requires that the Authority maintain a debt service coverage ratio of at least 1.30. As of June 30, 2020 and 2019, the CFC debt service coverage ratio was 2.42 and 2.86, respectively. On June 24, 2020, the Authority deposited $65.6 million into an irrevocable trust with the CFC trustee to provide for all future debt service payments in an in-substance defeasance of all of the outstanding CFC Revenue Bonds, Series 2011 A ($58.0 million) and the 2021 maturity ($4.4 million) of its CFC Revenue Bonds, Series 2011 B (collectively the "Defeased CFC Bonds") plus interest thereon of $3.2 million. This transaction satisfies the criteria for an in-substance defeasance and allows for future debt service savings. Accordingly, the trust fund assets and the liability for the Defeased CFC Bonds are not included in the Authority's financial statements at June 30, 2020.

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 and an interest rate of 2.08%. The 2020 A and 2020 B Bonds were issued to refund portions of the Series 2010 Bonds, the Series 2012A Bonds and the Series 2012B Bonds and to finance a portion of the Authority's Capital Program. Due to the "private activity" nature of a portion of the construction projects, the 2020 A Bonds were sold as AMT 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.

e) Subordinate Debt – Direct Placement

On November 20, 2018, the Authority entered into a direct purchase agreement with Bank of America, NA ("BAML") for sale of up to $107.5 million in aggregate principal amount of the Subordinated Obligations, Series 2018 A (AMT), (the "2018 Subordinated Obligations"). The 2018 Subordinated Obligations are issued as a "draw-down loan" to provide financing for capital projects at the Authority's Port properties. The principal of the 2018 Subordinated Obligations is expected to be paid from funds provided pursuant to a Memorandum of Understanding (the "MOU") between the Authority and the Commonwealth to provide grant funds in the amount of $107.5 million, which equals 50% of the expected construction costs of the new Berth 10 and the purchase of three new ship to shore cranes at Conley Terminal. The 2018 Subordinated Obligations will bear interest at variable rates with a final maturity on July 1, 2028. The 2018 Subordinated Obligations are subject to mandatory tender on July 1, 2023 (the "Tender Date"). If not repaid in full on the Tender Date, the remaining outstanding principal amount of the 2018 Subordinated Obligations must be repaid over a three-year term in equal semi-annual principal installments, plus interest. Although the Authority expects to repay the principal of the 2018 Subordinated Obligations in full on or before July 1, 2022 from the Commonwealth's payments under the MOU, the 2018 Subordinated Obligations are secured by the moneys on deposit in the Improvement and Extension Fund available for such purpose and by a pledge of the Authority's Revenues, subordinate to the pledge securing bonds issued under the 1978 Trust Agreement. As of June 30, 2020 and 2019, the outstanding principal balance of the 2018 Subordinated Obligations was $72.5 million and $40.0 million, respectively.

Direct Placement Long-term debt at June 30, 2020 consisted of the following and represents maturities on the Authority's fiscal year basis (in thousands):

	JUNE 30, 2019	ADDITIONS	REDUCTIONS	JUNE 30, 2020	DUE WITHIN ONE YEAR
Revenue Bonds Direct Placement:					
Senior Debt-1978 Trust Agreement:					
2020, Series A, 1.57%, issued April 3, 2020 due 2023 to 2032	$0	$95,620	$0	$95,620	$0
2020, Series B, 2.08%, issued April 3, 2020 due 2024 to 2033	$0	$162,380	$0	$162,380	$0
Subtotal Senior Debt	**$0**	**$258,000**	**$0**	**$258,000**	**$0**

	JUNE 30, 2019	ADDITIONS	REDUCTIONS	JUNE 30, 2020	DUE WITHIN ONE YEAR
Subordinated debt- 1978 Trust Agreement:					
2018, Series A, variable rate, issued November 20, 2018 due 2024	$40,000	$67,500	$35,000	$72,500	$0
Subtotal Subordinate Debt	$40,000	$67,500	$35,000	$72,500	$0
Total Direct Placement Bonds Payable	**$40,000**	**$325,500**	**$35,000**	**$330,500**	**$0**

The following summarizes the Authority's direct placement bond activity at June 30 (in thousands):

	JUNE 30, 2019	ADDITIONS	REDUCTIONS	JUNE 30, 2020	DUE WITHIN ONE YEAR
Revenue Bonds Direct Placement:					
Senior Debt-1978 Trust Agreement:	$0	$258,000	$0	$258,000	$0
Subordinated debt- 1978 Trust Agreement:	$40,000	$67,500	$35,000	$72,500	$0
Total Direct Placement Bonds Payable	**$40,000**	**$325,500**	**$35,000**	**$330,500**	**$0**

	JUNE 30, 2018	ADDITIONS	REDUCTIONS	JUNE 30, 2019	DUE WITHIN ONE YEAR
Senior Debt-1978 Trust Agreement:	$0	$0	$0	$0	$0
Subordinated debt- 1978 Trust Agreement:	$0	$40,000	$0	$40,000	$0
Total Direct Placement Bonds Payable	**$0**	**$40,00**	**$0**	**$40,00**	**$0**

Debt service requirements on direct placement bonds outstanding at June 30, 2020 are as follows (in thousands):

Year ending June 30:	PRINCIPAL	INTEREST	TOTAL
2021	$0	$1,307	$1,307
2022	$0	$7,378	$7,378
2023	$6,425	$6,186	$12,611
2024	$22,465	$6,085	$28,550
2025	$19,450	$5,689	$25,139
2026 - 2030	$184,445	$17,849	$202,294
2031 - 2033	$97,715	$4,016	$101,731
Total	**$330,500**	**$48,510**	**$379,010**

f) Special Facility Bonds

To provide for the construction and improvement of various facilities at Logan Airport, the Authority has one outstanding series of special facilities revenue bonds as of June 30, 2020 and 2019. 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 of 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.

On September 26, 2019, the Authority issued $143.7 million of Massachusetts Port Authority Special Facilities Revenue Bonds (BOSFUEL Project) in two series. The tax-exempt Series 2019A BOSFUEL Bonds were issued in the principal amount of $135.9 million with a net original issue premium of approximately $24.1 million and interest rates ranging from 4.0% to 5.0%. The taxable Series 2019B BOSFUEL Bonds were issued in the principal amount of $7.9 million at par with interest rates ranging from 2.7% to 3.7%. A portion of the proceeds of the Series 2019A BOSFUEL Bonds was used to refund the entire $81.1 million principal amount outstanding of the Series 2007 BOSFUEL Bonds and the remaining proceeds, along with the proceeds of the Series 2019B BOSFUEL Bonds, will be used to enhance the Fuel Facilities at Logan Airport to ensure the ability to meet current and future demands. Due to the "private activity" nature of a portion of the construction projects, the Series 2019A BOSFUEL Bonds were sold as AMT bonds.

As of June 30, 2020 and 2019, the aggregate principal amount of the Authority's special facilities revenue bonds outstanding were related to BOSFUEL Projects and were approximately $143.7 million and $83.8 million, respectively. The Authority has no obligation for the $143.7 million of Special Facility Bonds 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.

g) Commercial Notes Payable

The Authority's commercial notes payable as of June 30, 2020 and 2019 were as follows (in thousands):

	2020	2019
Commercial paper notes	$104,000	$142,000
Commercial paper notes issued	$0	$0
Principal paid on commercial paper notes	($82,000)	($38,000)
Commercial paper notes	**$22,000**	**$104,000**

Commercial notes payable have been issued under the terms of the 1978 Trust Agreement and are backed by the proceeds of the Improvement and Extension Fund or anticipated bond funds. The allowable maximum principal amount outstanding at any time, in the aggregate principal amount, cannot exceed the lesser of 10% of the Authority's outstanding long-term debt or $150.0 million, and is backed by a Letter of Credit Agreement with the TD Bank N.A. expiring in June 2022.

The $22.0 million and $104.0 million of the commercial notes payable as of June 30, 2020 and 2019, respectively, have been used to fund PFC eligible projects; therefore, the Authority anticipates that PFC revenues will be the source to pay such redemptions. The blended interest rate on the Series 2012 A Notes was 1.659% and 2.170% during fiscal years 2020 and 2019, respectively. The blended interest rate on the Series 2012 B Notes was 1.846% and 2.179% during fiscal years 2020 and 2019, respectively. The Authority's commercial notes payable mature in July, August and September of the respective years.

During fiscal year 2020 and fiscal year 2019, 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, 2020 and 2019, 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 (an amendment to Chapter 32) of the General Laws of The Commonwealth of Massachusetts 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 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 Board).

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 Chapter 32, Section 3(8) (c), of the General Laws of The Commonwealth of Massachusetts (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, 2019 and 2018, the Plan's membership consisted of:

	2019	2018
Retirees and beneficiaries receiving benefits	858	826
Terminated employees entitled to benefits but not yet receiving them	68	66
Current members:		
Active	1,304	1,288
Inactive	146	142
Total Membership	**2,376**	**2,322**

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, 2020 and 2019, the Authority was required and did contribute to the Plan $12.0 million and $13.0 million, respectively. The Authority's annual contribution is made in July of each fiscal year; therefore, eliminating any deferred outflows related to the timing of contributions. 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 of the General Laws of The Commonwealth of Massachusetts.

Contributions totaling $24.6 million ($12.0 million employer and $12.6 million employee) and $24.6 million ($13.0 million employer and $11.6 million employee) were recognized by the Plan for plan years 2019 and 2018, respectively.

d) Net Pension Liability

The Authority's net pension liability at June 30, 2020 and 2019 was measured as of December 31, 2019 and 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019 and 2018 and update procedures were used to roll forward the total pension liability to December 31, 2019 and 2018, respectively.

	INCREASE (DECREASE)		
	TOTAL PENSION LIABILITY (A)	PLAN FIDUCIARY NET POSITION (B)	NET PENSION LIABILITY (A)-(B)
Balance at December 31, 2017	**$683,483**	**$648,556**	**$34,927**
Service cost	$16,774	$0	$16,774
Interest	$49,569	$0	$49,569
Changes between expected and actual experience	$749	$0	$749
Changes in benefit terms	($4,891)	$0	($4,891)
Contributions – employer	$0	$13,043	($13,043)
Contributions – employees	$0	$11,559	($11,559)
Net investment (loss)	$0	($31,212)	$31,212
Benefits payments	($33,087)	($33,087)	$0
Administrative expenses	$0	($1,182)	$1,182
Balance at December 31, 2018	**$712,597**	**$607,677**	**$104,920**
Service cost	$17,529	$0	$17,529
Interest	$51,734	$0	$51,734
Changes between expected and actual experience	$15	$0	$15
Changes in assumptions	($13,789)	$0	($13,789)
Contributions – employer	$0	$12,029	($12,029)
Contributions – employees	$0	$12,576	($12,576)
Net investment income	$0	$118,235	($118,235)
Benefits payments	($33,101)	($33,101)	$0
Administrative expenses	$0	($1,216)	$1,216
Balance at December 31, 2019	**$734,985**	**$716,200**	**$18,785**

e) Actuarial Assumptions

The total pension liability in the January 1, 2019 and 2018 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation – 3.0%

- Salary increases – 4.5%

- Investment rate of return – 7.25%, net of plan investment expense

- Cost–of–living increases – 3.0% on a maximum base of $14,000

- Mortality:
  2019:
  - Healthy – RP 2014 at Table Healthy Employees (sex distinct) projected with MP 2018 Generational Mortality. Post retirement the RP 2014 healthy annuitant Table (sex distinct) projected with MP 2018 Generational Mortality.
  - Disabled RP 2014 at 2006 healthy annuitant Table (sex distinct) projected with MP 2018 Generational Mortality set forward 2 years. Mortality for accidental disability is assumed to be 50% from the same cause as the disability.

  2018:
  - Healthy – RP 2000 Table (sex distinct) projected with Scale BB and Generational Mortality. Post retirement the RP 2000 healthy annuitant Table (sex distinct) projected with Scale BB Generational Mortality.
  - Disabled RP 2000 healthy annuitant Table (sex distinct) projected with Scale BB, a base year of 2000 and 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:

	LONG-TERM EXPECTED REAL RATE OF RETURN	
Asset Class	**2019***	**2018***
Domestic equity	4.92%	5.35%
International equity	5.30%	5.72%
Fixed income	2.18%	2.53%
Real estate	5.17%	5.20%
Private equity	7.49%	8.20%

*amounts are net of inflation assumption of 2.36% and 2.23% in fiscal years 2019 and 2018, respectively

f) Investment Policy

The provisions of Massachusetts General Laws (M.G.L.) Chapter 32, Section 23(2) and the 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 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:

Asset Class	Target Allocation
Domestic equity	27.50%
International equity	27.50%
Fixed income	30.00%
Real estate	7.50%
Private equity	7.50%
Total	100.00%

g) Changes in Benefit Terms

In 2019, there were three changes to plan provisions resulting in a $13.8 million reduction of the net pension liability.

The assumed rate of retirement, withdrawal, and disability was revised based on the results of an experience study, the mortality tables being used were updated as noted in the actuarial assumptions and an additional $500,000 was added to the vacation buyback liability representing interest.

In 2018, there were two changes to plan provisions resulting in a $4.9 million reduction of the net pension liability.

In 2018, due to a decision by the Contributory Retirement Appeal Board, vacation buybacks are currently not included in pensionable earnings when estimating the projected benefits payments, resulting in a reduction of the net pension liability totaling $7.9 million.

h) Discount Rate

The discount rate used to measure the total pension liability was 7.25% as of both December 31, 2019 and 2018. 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 further 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 liability to changes in the discount rate

The following presents the net pension liability of the Plan as of December 31, 2019 and 2018, calculated using the discount rate of 7.25% as well as what the net pension 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):

FISCAL YEAR	1% DECREASE (6.250%)	CURRENT DISCOUNT RATE (7.250%)	1% INCREASE (8.250%)
2020	$102,414	$18,785	$51,964
2019	$188,970	$104,920	$35,765

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

For the years ended June 30, 2020 and 2019, the Authority recognized pension expense of $13.5 million and $22.2 million, respectively.

At June 30, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	2020		2019	
	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual experience	$2,120	$1,263	$2,843	$1,672
Differences arising from the recognition of changes in assumptions	$7,592	$12,208	$10,894	$879
Net difference between projected and actual earnings on pension Plan investments	$0	$34,464	$38,158	$0
Total	**$9,712**	**$47,935**	**$51,895**	**$2,551**

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

Year ended June 30:	
2021	($9,400)
2022	($8,649)
2023	($611)
2024	($17,167)
2025	($2,170)
Thereafter	($226)

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 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.c. 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.

During fiscal year 2020, the Board voted to change the fiscal year end of the Trust from June 30 to December 31.

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 U.S generally accepted accounting principles. 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, 2019 or June 30, 2019.

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, 2019 and June 30, 2019, the Trust's membership consisted of:

	December 31, 2019	June 30, 2019
Active Employees		
Pre-Medicare (hired prior to 3/31/1986)	42	47
Post-Medicare (hired after 3/31/1986)	1,306	1,283
Total	1,348	1,330
Inactive Participants (Vested)	74	65
Retired, Disabled, Survivors and Beneficiaries	868	966
Total Membership	**2,290**	**2,361**

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, 2020 and 2019, the Authority contributed to the Trust $13.3 million and $18.4 million, respectively, and $4.4 million and $18.4 million are recorded in the Statement of Net Position as a deferred outflow of resources as of June 30, 2020 and July 1, 2019, respectively. The Authority's annual contribution is made monthly throughout the fiscal year. 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.

d) Net OPEB liability

The Authority's net OPEB liability at June 30, 2020 and 2019 was measured as of December 31, 2019 and June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined using an actuarial valuation as of January 1, 2019 and 2018 and update procedures were used to roll forward the total OPEB liability to December 31, 2019 and June 30, 2018, respectively.

	TOTAL OPEB LIABILITY (A)	TRUST FIDUCIARY NET POSITION (B)	NET OPEB LIABILITY (A)-(B)
Balance at June 30, 2018	**$329,274**	**$185,416**	**$143,858**
Service cost	$6,692	$0	$6,692
Interest	$23,870	$0	$23,870
Difference between expected and actual experience	($17,359)	$0	($17,359)
Change in assumption	$8,575	$0	$8,575
Contributions – employer	$0	$17,237	($17,237)
Contributions – employees	$0	$279	($279)
Net investment income	$0	$13,755	($13,755)
Benefits payments	($13,428)	($13,428)	$0
Administrative expenses	$0	($184)	$184
Balance at June 30, 2019	**$337,624**	**$203,075**	**$134,549**
Service cost	$9,022	$0	$9,022
Interest	$37,032	$0	$37,032
Difference between expected and actual experience	($7,968)	$0	($7,968)
Change in assumption	($3,552)	$0	($3,552)
Contributions – employer	$0	$29,669	($29,669)
Contributions – employees	$0	$469	($469)
Net investment income	$0	$31,460	($31,460)
Benefits payments	($20,432)	($20,901)	$469
Administrative expenses	$0	($333)	$333
Balance at December 31, 2019	**$351,726**	**$243,439**	**$108,287**

e) Actuarial Assumptions

The following actuarial assumptions were applied to the periods included in the measurement for as of December 31, 2019 and June 30, 2018:

- **Inflation** – 3.0%
- **Salary increases** – 4.5%
- **Investment rate of return** – 7.00%, net of Trust investment expenses, as of December 31, 2019, and 7.25%, net of Trust investment expenses, as of July 1, 2019.
- **Health care trend rates** – Initial annual health care cost trend rates range from 2.7% to 9.0% which decreases to a long-term trend rate between 5.0% and 6.0% for all health care benefits after six 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 two years.

- **Mortality**:
  - Actives – RP-2014 Table adjusted to 2006, (sex distinct) for employees projected using Generational Mortality and scale MP-2018.
  - Retirees – RP 2014 Table 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.

- **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.

  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 12/31/2019*	6/30/2018*
Domestic equity		
Vanguard Total Stock Market Index	6.18 %	6.48%
Fixed income		
Baird Core Plus	2.53%	0%
VOYA Intermediate Bond	2.53%	0%
Vanguard Total Bond Market Fund	2.53%	3.13%
Vanguard Short Term Bond Index Fund	2.53%	3.13%
Vanguard Intermediate Term Investment Grade	3.55%	4.00%
Alliance Bernstein High Income	4.31%	4.75%
PL Floating Rate Income Fund	2.98%	2.89%
TCW Emerging Markets Income	4.50%	5.25%
International equity		
WCM Focused International Growth Fund	6.25%	0%
Acadian All Country World ex-US Fund	6.25%	0%
Vanguard Total International Stock Index	6.25%	6.65%
Vanguard Developed Market Stock Index	6.25%	6.65%
Aberdeen Emerging Markets Fund	6.90%	7.20%
Cash and cash equivalents	0.81%	0.76%
Alternatives		
REIT index fund	0%	4.72%
Real estate private equity	6.13%	6.43%

* amounts are net of inflation assumption of 2.5 %

f) Discount Rate

The discount rate used to measure the total OPEB liability as of December 31, 2019 was 7.00% and as of June 30, 2019 was 7.25%. 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 June 30, 2020 and 2019, calculated using the discount rate of 7.00% for 2020 and 7.25% for 2019, 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 (6.00% in 2020 and 6.25% for 2019) or one percentage point higher (8.00% in 2020 and 8.25% for 2019) than the current rate (in thousands):

FISCAL YEAR END	1% DECREASE (6.00%)	CURRENT DISCOUNT RATE (7.00%)	1% INCREASE (8.00%)
2020	$155,806	$108,287	$69,385

FISCAL YEAR END	1% DECREASE (6.25%)	CURRENT DISCOUNT RATE (7.25%)	1% INCREASE (8.25%)
2019	$180,667	$134,549	$96,719

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 June 30, 2020 and 2019, calculated using healthcare cost trend rates of 9.0% decreasing to 5.0% as well as what the net OPEB liability (asset) 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 current rate:

FISCAL YEAR END	1% DECREASE (8.0% DECREASNG TO 4.0%)	HEALTHCARE COST TREND RATE (9.0% DECREASING TO 5.0%)	1% INCREASE (10.0% DECREASING TO 6.0%)
2020	$63,266	$108,287	$163,650
2019	$93,499	$134,549	$186,885

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

For the years ended June 30, 2020 and 2019, the Authority recognized OPEB expense of $22.6 million and $18.6 million, respectively.

At June 30, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	2020		2019	
	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences between expected and actual experience	$6,354	$16,764	$10,517	$14,761
Changes in assumptions	$6,453	$4,587	$7,291	$0
Net difference between projected and actual earnings on OPEB investments	$0	$8,811	$0	$1,220
OPEB contribution subsequent to measurement date	$4,447	$0	$18,398	$0
Total	**$17,254**	**$30,162**	**$36,206**	**$15,981**

In accordance with GASB Statement No. 75, the Authority reported $4.4 million and $18.4 million as deferred outflows of resources related to the Authority's OPEB contribution subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the years ended June 30, 2020 and 2019, respectively.

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

Year ended June 30:	
2021	($2,928)
2022	($3,054)
2023	($4,213)
2024	($4,911)
2025	($2,090)
Thereafter	($159)

j) OPEB Trust deposits and investments

i) OPEB Trust Investment Policy

The Trust's investments are made in accordance with the provisions of the Trust Investment Policy (the "Investment Policy") which was adopted on May 8, 2009 and amended on December 8, 2014 by the Retiree Benefits Trust Committee (the "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 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 7.00%, reduced from 7.25% effective December 31, 2019.

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 three private equity real estate funds.

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

ASSET WEIGHTINGS (AS OF DECEMBER 8, 2014)

ASSET CLASS	DECEMBER 31 2019 EXPOSURE	JUNE 30 2018 EXPOSURE	MINIMUM EXPOSURE	MAXIMUM EXPOSURE	TARGET ALLOCATION
Domestic equity	40.5%	41.6%	28%	48%	38.0%
Fixed income	29.3%	27.6%	17%	47%	32.0%
International equity	19.7%	19.5%	10%	30%	20.0%
Cash and cash equivalents	2.0%	1.1%	0%	20%	0.0%
Alternatives:			0%	15%	10.0%
REIT index fund	0.0%	2.6%			
Real estate private equity	8.5%	7.6%			
Total Alternatives	**8.5%**	**10.2%**			

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.

The following summarizes the Trust's cash, cash equivalents and investments by type held at December 31, 2019 and June 30, 2018 (in thousands):

	CREDIT RATINGS	DECEMBER 31, 2019 FAIR VALUE	CREDIT RATING	JUNE 30, 2018 FAIR VALUE
Cash and Cash Equivalents				
MMDT	Unrated	$4,906	Unrated	$1,967
First American Government Fund	Unrated	$112	Unrated	$252
Total Cash and Cash Equivalents		$5,018		$2,219
Investments				
Vanguard Index Funds	Unrated	$117,735	Unrated	$121,606
Acadian All Country World ex US Fund	Unrated	$13,289	n/a	$0
WCM Focused International Growth Fund	Unrated	$10,850	n/a	$0
Vanguard Intermediate Term Investment Grade Fund	A	$9,191	A	$8,176
Aberdeen Emerging Markets Fund	Unrated	$5,937	Unrated	$8,203
Alliance Bernstein High Income	BB	$7,171	BBB	$6,476
TCW Emerging Markets Income	BB	$5,824	BB	$4,331
PL Floating Rate Income Fund	B	$8,214	B	$5,704
Baird Core Plus Fund	A	$20,867	A	$15,769
Voya Intermediate Bond Fund	A	$20,878	A	$15,750
Real Estate Private Equity Funds	Unrated	$20,775	Unrated	$15,550
Total Investments		**$240,731**		**$201,565**

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, 2019 and June 30, 2018.

ii) 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.

Additionally, the Trust 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 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.

iii) 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 six months ended December 31, 2019 and the year ended June 30, 2018, the Trust's fixed income investments totaled $72.1 million and $56.2 million, respectively. At December 31, 2019 and June 30, 2018, 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 at December 31, 2019 and June 30, 2018 was 28.45% and 26.14%, respectively.

iv) 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 2% of the outstanding shares of an individual stock, and holding no more than 25% of the portfolio in any one industry. Trust assets were in compliance with the Investment Policy at December 31, 2019 and June 30, 2018, respectively.

v) 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, 2019 and June 30, 2018 was 5.06 and 5.11 years, respectively.

The individual fund durations are as follows at December 31, 2019 and June 30, 2018, respectively:

	DECEMBER 31 2019 FAIR VALUE	EFFECTIVE DURATION	JUNE 30 2018 FAIR VALUE	EFFECTIVE DURATION
Fixed Income Investments				
Vanguard Intermediate Term Investment Grade Fund	$9,191	5.40	$8,176	5.50
Alliance Bernstein High Income	$7,171	3.68	$6,476	4.77
TCW Emerging Markets Income	$5,824	7.60	$4,331	6.01
PL Floating Rate Income Fund	$8,214	0.28	$5,704	0.30
Baird Core Plus	$20,867	5.68	$15,769	5.79
Voya Intermediate Bond	$20,878	5.94	$15,750	5.85
Total Fixed Income Investments	**$72,145**		**$56,206**	

vi) 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.

vii) Rate of Return

As required per GASB Statement 74, the annual money weighted rate of return on trust investments, net of trust expenses was 14.12% and 7.32% for the six months December 31, 2019 and the year ended June 30, 2018, respectively. The money weighted rate of return expresses investment performance net of investment expenses adjusted for the changing amounts actually invested. The Trust's annual rate of return, measured for financial performance purposes, gross of fees, was 6.9% for the six months ended December 31, 2019 and 7.8% for fiscal year ended June 30, 2018, respectively.

viii) 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.

The Trust has the following fair value measurements for investments at December 31, 2019 and June 30, 2018:

INVESTMENTS MEASURED BY FAIR VALUE LEVEL ($ 000)				
As of December 31, 2019	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
Investments				
Vanguard Index Funds	$117,735	$117,735	$0	$0
Baird Core Plus	$20,867	$20,867	$0	$0
Vanguard Intermediate Term Investment Grade Fund	$9,191	$9,191	$0	$0
Voya Internediate Bond	$20,878	$20,878	$0	$0
Aberdeen Emerging Markets Fund	$5,937	$5,937	$0	$0
AllianceBernstein High Income	$7,171	$7,171	$0	$0
TCW Emerging Markets Income	$5,824	$5,824	$0	$0
PL Floating Rate Income Fund	$8,214	$8,214	$0	$0
WCM Total International Stock Index	$10,850	$10,850	$0	$0
Acadian All Country World ex-USFund	$13,289	$13,289	$0	$0
Total investments measured by fair value level	$219,956	$219,956	$0	$0
Investments measured at the net asset value (NAV)				
Real Estate Private Equity Funds:				
Boyd Watterson GSA Fund	$7,356			
Equus Fund X	$7,661			
PRISA LP	$5,758			
Total investments measured at the NAV	**$20,775**			
Total Investments	**$240,731**	**$219,956**	**$0**	**$0**

INVESTMENTS MEASURED BY FAIR VALUE LEVEL ($ 000)

As of June 30, 2018	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
Investments				
Vanguard Index Funds	$121,606	$ 121,606	$0	$0
Baird Core Plus	$15,769	$15,769	$0	$0
Vanguard Intermediate Term Investment Grade Fund	$8,176	$8,176	$0	$0
Voya Internediate Bond	$15,750	$15,750	$0	$0
Aberdeen Emerging Markets Fund	$8,203	$8,203	$0	$0
AllianceBernstein High Income	$6,476	$6,476	$0	$0
TCW Emerging Markets Income	$4,331	$4,331	$0	$0
PL Floating Rate Income Fund	$5,704	$5,704	$0	$0
Total investments measured by fair value level	**$186,015**	**$186,015**	**$0**	**$0**
Investments measured at the net asset value (NAV)				
Real Estate Private Equity Funds:				
Boyd Watterson GSA Fund	$6,062			
Equus Fund X	$9,488			
Total investments measured at the NAV	**$15,550**			
Total Investments	**$201,565**	**$186,015**	**$0**	**$0**

Commingled Mutual Funds

As of December 31, 2019 and June 30, 2018, the Authority held positions in several commingled mutual funds as noted above and the fair values were $220.0 million and $186.0 million, respectively. The fair values of the commingled mutual funds were valued using quoted market prices (Level 1).

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

INVESTMENTS MEASURED AT NAV ($000)

	DECEMBER 31, 2019	JUNE 30, 2018	UNFUNDED COMMITMENTS	REDEMPTION FREQUENCY	REDEMPTIN NOTICE PERIOD
Real Estate Private Equity Funds					
Boyd Watterson GSA Fund (1)	$7,356	$6,062	—	Quarterly	60 days
Equus Fund X(2)	$7,661	$9,488	—	—	—
PRISA LP (3)	$5,758	$0	—	Quarterly	60 days
Total investments measured at the NAV	**$20,775**	**$15,550**			

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 commerial 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.

8 Leases

a) Commitments

The Authority has commitments under various operating leases, which contain escalation clauses, as lessee.The following is a schedule by years of minimum rental payments under noncancelable operating leases as of June 30, 2020 (in thousands):

YEARS	AMOUNT	YEARS	AMOUNT
2021	$8,472	2041 – 2045	$5,129
2022	$8,358	2046 – 2050	$5,129
2023	$8,331	2051 – 2055	$4,923
2024	$3,036	2056 – 2060	$4,880
2025	$2,500	2061 – 2065	$4,880
2026 – 2030	$7,158	2066 – 2070	$4,880
2031 – 2035	$5,076	2071 – 2075	$651
2036 – 2040	$5,088		
		Total	**$78,491**

Rent expense and other operating lease related payments were $10.1 million and $7.9 million for fiscal years 2020 and 2019, respectively.

b) Rental Income

The Authority leases a major portion of its Aviation and Port properties to various tenants. Many of these operating leases provide for periodic adjustments to rental rates, including certain provisions for contingent payments based on specified percentages of the tenant's gross revenue.

The following is a schedule by years of minimum future rental income on noncancelable operating leases as of June 30, 2020 (in thousands):

YEARS	AMOUNT	YEARS	AMOUNT
2021	$95,284	2056 – 2060	$64,075
2022	$86,877	2061 – 2065	$68,016
2023	$76,073	2066 – 2070	$69,735
2024	$51,948	2071 – 2075	$74,459
2025	$42,458	2076 – 2080	$76,545
2026 – 2030	$154,595	2081 – 2085	$78,509
2031 – 2035	$108,648	2086 – 2090	$68,842
2036 – 2040	$102,763	2091 – 2095	$74,916
2041 – 2045	$89,669	2096 – 2100	$42,326
2046 – 2050	$71,099	2101 – 2105	$2,619
2051 – 2055	$62,768	2106 – 2108	$771
		Total	**$1,562,997**

Rental income and concession income, including contingent payments received under these provisions, were approximately $443.1 million and $441.7 million for the fiscal years 2020 and 2019, respectively.

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 $9.3 million and $8.9 million as of June 30, 2020 and 2019, respectively, and is included as a component of accrued expenses in the accompanying financial statements. This liability is fully funded as of June 30, 2020 and 2019.

Changes in the accrued liability accounts, related to self-insurance, in fiscal year 2020, 2019 and 2018 were as follows (in thousands):

	2020	2019	2018
Liability balance, beginning of year	$8,890	$8,075	$8,053
Provision to record estimated losses	$3,594	$3,972	$3,538
Payments	($3,216)	($3,157)	($3,516)
Liability balance, end of year	**$9,268**	**$8,890**	**$8,075**

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.

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 Massport 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 $0.25 million 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. Further, insurance maintained in fiscal years 2020 and 2019 has not changed significantly from prior periods.

10 Payments in Lieu of Taxes

The Authority's Enabling Act and the 1978 Trust Agreement authorize and directs 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"), the Boston PILOT Agreement terminates on June 30, 2022; provided, however, that absent an annual election by either party to terminate the Boston PILOT Agreement, the term is subject to automatic one-year extensions of the term on each July 1. In November 2016, the City of Boston notified the Authority of its election to terminate the Boston PILOT Agreement on June 30, 2022, and the parties expect to commence negotiations on a successor agreement or an amendment to the existing agreement. The Boston PILOT Agreement provides for the Authority to pay an annual base amount (the "Base Amount") of $14.0 million, which, commencing in fiscal year 2007, increases 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 2020 and 2019 were $19.7 million and $20.0 million, respectively. PILOT expenses to the Town of Winthrop for fiscal years 2020 and 2019 were $1.4 million for each year.

11 Commitments

a) Contractual Obligations for Construction

The Authority enters into construction contracts with various construction and engineering companies. Construction contracts outstanding were approximately $330.7 million and $600.9 million as of June 30, 2020 and 2019, 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 permitting 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 project is expected to be completed in fiscal year 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 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 2020, the Authority was awarded $143.7 million of federal CARES Act funding to help offset the financial impact of the COVID-19 pandemic. The Authority recognized $57.1 million at June 30, 2020 and it is reported as a component of other non-operating revenue.

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, 2020 and 2019 is $1.3 million and $3.2 million, respectively, which represents the approximate amounts the Authority expects to pay for future remediation activities. The Authority paid approximately $1.4 million and $1.9 million in fiscal years 2020 and 2019, 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 Massachusetts Bay Transportation Authority ("MBTA") for the construction of a Regional Transportation Center ("RTC") in Woburn, Massachusetts ("Interagency Agreement"). Under the terms of the Interagency Agreement, the Authority has paid one third of the costs of acquiring the site and constructing the RTC and will share in a like proportion in the profits and losses of the RTC. During fiscal years 2020 and 2019, the Authority recognized income of approximately $0.2 million and $0.4 million, respectively, representing its share of the 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. The Authority is responsible for paying the FAA approved rate of 76.06% of the costs to operate and maintain the Silver Line buses and 76.06% of the costs of the future rebuild of the Silver Line buses. During fiscal years 2020 and 2019, the estimated costs to operate and maintain the Silver Line buses was $2.82 million and $2.88 million, respectively. This agreement is scheduled to expire in August 2020.

16 Subsequent Events

An outbreak of COVID-19, a new coronavirus first detected in China in December 2019, spread internationally in the first quarter of 2020 causing widespread disruption of the global economy and a rise in market volatility. Health officials have declared this to be a pandemic. The course of the pandemic and its ultimate effect on the United States, the global economy and markets are not fully known at this time. Management's evaluation is ongoing and it is not possible to predict the extent of the effect that the pandemic may have on the Authority's financial position as the financial environment continues to change.

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF PENSION CONTRIBUTIONS
JUNE 30, 2020
(In Thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	$12,029	$13,043	$13,362	$13,552	$10,845	$11,146	$11,960	$9,594	$5,710	$4,924
Actual contribution in relation to the actuarially determined contribution	$12,029	$13,043	$13,362	$13,552	$10,845	$11,146	$ 11,960	$9,594	$5,710	$4,924
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Covered employee payroll	$119,262	$114,541	$110,173	$106,444	$99,190	$94,340	$90,042	$87,476	$85,941	$89,950
Contributions as a percentage of covered employee payroll	10.1%	11.4%	12.1%	12.7%	10.9%	11.8%	13.3%	11.0%	6.6%	5.5%

Notes to Schedule

Valuation date: Actuarially determined contribution rates are calculated annually as of January 1, 18 months prior to the end of the fiscal year in which the contributions are reported. Contributions are made on July 1, of each year.

Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Frozen entry age
Amortization method	20 Level dollar, closed
Remaining amortization period	Multiple bases with remaining periods from 4 to 20 years
Asset valuation method	Beginning in 2008, fair value of assets using a five year smoothing period. Prior to 2008, used four year asset smoothing period.
Inflation rate	3.0%
Salary increases	2013 valuation: 4.5%; 2009 valuation: 4.75%; prior to 2009: 5.00%
Investment rate of return	2016 valuation 7.25%; 2015 valuation: 7.5%; 2012 valuation: 7.625%; 2010 valuation: 7.75%; 2009 valuation: 8.0%; prior to 2009: 7.75%
Retirement age	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 mortality	Changed in the 2019 valuation to; Healthy – RP 2014 at Table Healthy Employees (sex distinct) projected with MP 2018 Generational Mortality. Post-retirement the RP 2014 healthy annuitant Table (sex distinct) projected with MP 2018 Generational Mortality. Disabled-RP 2014 at 2006 healthy annuitant Table (sex-distinct) projected with MP 2018 Generational Mortality set forward 2 years. Mortality for accidental disability is assumed to be 50% from the same cause as the disability. Changed in the 2018 valuation to; Healthy – RP 2000 Table (sex-distinct) projected with Scale BB and Generational Mortality. Post retirement the RP 2000 healthy annuitant Table (sex distinct) projected with Scale BB Generational Mortality. Disabled-RP 2000 healthy annuitant Table (sex-distinct) projected with Scale BB, a base year of 2000 and Generational Mortality for accidental disability is assumed to be 50% from the same cause as the disability.
Other information	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. 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 Tableand 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%. As of January 1, 2011, the mortality assumption was changed to the RP2000 Table projected forward 11 years with Scale AA.

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
JUNE 30, 2020
(In Thousands)

	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY							
Service cost	$17,529	$16,774	$16,419	$15,920	$14,875	$13,056	$12,516
Interest	$51,734	$49,569	$47,341	$44,962	$41,160	$40,956	$38,660
Change in benefit terms	$0	($4,891)	$0	$0	$0	$0	$0
Differences between expected and actual experience	$15	$749	($1,474)	$2,592	($1,395)	$1,929	$0
Change of assumptions	($13,789)	$0	$0	($1,479)	$24,098	$0	$0
Benefit payments, including refunds of employee contributions	($33,101)	($33,087)	($30,731)	($28,604)	($26,106)	($24,357)	($22,708)
Net change in total pension liability	**$22,388**	**$29,114**	**$31,555**	**$33,391**	**$52,632**	**$31,584**	**$28,468**
Total pension liability – beginning	**$712,597**	**$683,483**	**$651,928**	**$618,537**	**$565,905**	**$534,321**	**$505,853**
Total pension liability – ending	**$734,985**	**$712,597**	**$683,483**	**$651,928**	**$618,537**	**$565,905**	**$534,321**
PLAN FIDUCIARY NET POSITION							
Contributions - employer	$12,029	$13,043	$13,362	$13,552	$10,845	$11,146	$11,960
Contributions - employee	$12,576	$11,559	$11,242	$10,660	$9,948	$9,628	$9,112
Net Investment Income	$118,235	($31,212)	$92,226	$42,565	($4,572)	$32,062	$65,818
Benefit payments, including refunds of employee contributions	($33,101)	($33,087)	($30,731)	($28,604)	($26,106)	($24,357)	($22,707)
Administrative expense	($1,216)	($1,182)	($1,149)	($1,189)	($1,189)	($1,417)	($957)
Net change in plan fiduciary net position	**$108,523**	**($40,879)**	**$84,950**	**$36,984**	**($11,074)**	**$27,062**	**$63,226**
Plan fiduciary net position – beginning	**$607,677**	**$648,556**	**$563,606**	**$526,622**	**$537,696**	**$510,634**	**$447,408**
Plan fiduciary net position – ending	**$716,200**	**$607,677**	**$648,556**	**$563,606**	**$526,622**	**$537,696**	**$510,634**
Massport net pension liability – ending	**$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	**97.4%**	**85.3%**	**94.9%**	**86.5%**	**85.1%**	**95.0%**	**95.6%**
Covered payroll	**$119,262**	**$114,541**	**$114,385**	**$112,167**	**$99,190**	**$99,113**	**$90,042**
Massport's net pension liability as a percentage of covered payroll	**15.8%**	**91.6%**	**30.5%**	**78.7%**	**92.7%**	**28.5%**	**26.3%**

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

Note to Schedule

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

Benefit changes - none

Changes in assumptions - Mortality Tables

Changed in the 2019 valuation to; Healthy – RP 2014 at Table Healthy Employees (sex distinct) projected with MP 2018 Generational Mortality. Post-retirement the RP 2014 healthy annuitant Table (sex distinct) projected with MP 2018 Generational Mortality. Disabled-RP 2014 at 2006 healthy annuitant Table (sex-distinct) projected with MP 2018 Generational Mortality set forward 2 years. Mortality for accidental disability is assumed to be 50% from the same cause as the disability.

Changed in the 2018 valuation to; Healthy – RP 2000 Table (sex-distinct) projected with Scale BB and Generational Mortality. Post retirement the RP 2000 healthy annuitant Table (sex distinct) projected with Scale BB Generational Mortality. Disabled-RP 2000 healthy annuitant Table (sex-distinct) projected with Scale BB, a base year of 2000 and Generational Mortality for accidental disability is assumed to be 50% from the same cause as the disability.

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

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)
Schedule of OPEB Contributions

	2020	2019	2018	2017	2016
Actuarially determined contribution	$9,741	$15,725	$15,177	$18,084	$14,390
Authority contribution	$8,894	$18,398	$15,682	$14,300	$12,000
Contribution deficiency (excess)	**$847**	**($2,673)**	**($505)**	**$3,784**	**$2,390**
Covered - employee payroll	$125,822	$140,995	$135,585	$131,477	$119,153
Contributions as a % of covered employee payroll	7.1%	13.0%	11.6%	10.9%	10.1%

	2015	2014	2013	2012	2011
Actuarially determined contribution	$13,187	$14,738	$14,006	$18,444	$17,229
Authority contribution	$12,000	$14,000	$20,851	$13,807	$17,100
Contribution deficiency (excess)	**$1,187**	**$738**	**($ 6,845)**	**$4,637**	**$129**
Covered - employee payroll	$117,277	$110,167	$102,487	$98,201	$99,457
Contributions as a % of covered employee payroll	10.2%	12.7%	20.3%	14.1%	17.2%

Methods and assumptions used to determine contribution rates.

Valuation date:	During FY 2020 the Trust changed its fiscal year end to December 31.Actuarially determined contribution rates are calculated as of January 1, six months prior to the beginning of the fiscal year in which contributions are reported. The January 1, 2017 valuation established the rate for the fiscal year 2018 contribution and the January 1, 2018 valuation established the fiscal year 2019 contribution. The following assumptions were used for the periods included in the funding for 2020 and 2019:
Actuarial cost method:	Contribution: Projected Unit Credit Net OPEB Liability: Entry Age Normal
Amortization method:	30 year level, closed, 18 years remaining
Asset valuation method:	Fair value
Inflation:	3.0%
Salary increases:	4.5%, including inflation 2013 forward 4.75%, including inflation 2009 to 2012
Investment rate of return:	7.00% annually, net of plan investment expenses for funded program 2016 forward 7.25% annually, net of plan investment expenses for funded program 2016 forward 7.50% annually, net of plan investment expenses for funded program 2015 7.75% annually, net of plan investment expenses for funded program pre 2013 4.00% annually, net of plan investment expenses for unfunded program 2013 on 4.25% annually, net of plan investment expenses for unfunded program pre 2013
Health care trend rates	Initial annual health care cost trend rate range of 2.7% to 9.0% 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:	Actives - RP 2014 Table adjusted to 2006, (sex distinct), for Employees projected using Generational Mortality and scale MP - 2018. Retirees - RP 2014 Table 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.
Notes to Schedule	
Benefit changes	None
Changes in assumptions	Mortality table changes from RP2000 with Scale BB to RP 2014.Prior valuation mortality was as follows: 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.
Other Information	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. As of January 1, 2017, the mortality assumption was changed to the RP 2000 Table with Scale AA to Scale BB. 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 RP 2000 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 RP 2000 Table projected forward 22 years with Scale AA. As of January 1, 2011, the mortality assumption was changed to the RP 2000 Table projected forward 11 years with Scale AA.

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
JUNE 30, 2020
(In Thousands)

	2020	2019	2018	2017
TOTAL OPEB LIABILITY				
Service cost	$9,022	$6,692	$6,405	$5,891
Interest	$37,032	$23,870	$22,693	$20,285
Differences between expected and actual experience	($7,968)	($17,359)	$0	$18,841
Change of assumptions	($3,552)	$8,575	$0	$0
Benefit payments	($20,432)	($13,428)	($12,643)	($11,987)
Net change in total OPEB liability	**$14,102**	**$8,350**	**$16,455**	**$33,030**
Total OPEB liability – beginning	**$337,624**	**$329,274**	**$312,819**	**$279,789**
Total OPEB liability – ending (a)	**$351,726**	**$337,624**	**$329,274**	**$312,819**
TRUST FIDUCIARY NET POSITION:				
Contributions - employer	$29,668	$17,237	$15,787	$13,340
Contributions - employees	$468	$279	$248	$209
Net Investment Income	$31,460	$13,755	$19,829	$2,348
Benefit payments	($20,900)	($13,428)	($12,643)	($11,987)
Administrative expenses	($332)	($184)	($173)	($172)
Net change in plan fiduciary net position	**$40,364**	**$17,659**	**$23,048**	**$3,738**
Trust fiduciary net position – beginning	**$203,075**	**$185,416**	**$162,368**	**$158,630**
Trust fiduciary net position – ending (b)	**$243,439**	**$203,075**	**$185,416**	**$162,368**
Authority's net OPEB liability – end of year (a-b)	**$108,287**	**$134,549**	**$143,858**	**$150,451**
Trust fiduciary net position as a percentage of the total OPEB liability	69.2%	60.1%	56.3%	51.9%
Covered payroll	$125,822	$140,995	$135,585	$131,477
Net OPEB liability as a percentage of covered payroll	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
During FY 2020 the Trust changed its fiscal year end to December 31.
The measurement date for 2020 is 6 months in arrears and previous periods are 1 year in arrears.
Benefit changes - none

Changes in assumptions :

As of January 1, 2019, the mortality assumptions for Actives and Retirees were changed to the RP-2014 Table adjusted to 2006, sex distinct, using generational mortality and scale MP-2018 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.

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
Schedule of OPEB Investment Returns

	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	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.

Schedule I

COMBINING SCHEDULE OF NET POSITION
YEAR ENDED JUNE 30, 2020
(In Thousands)

	AUTHORITY OPERATIONS	PFC PROGRAM	CFC PROGRAM	COMBINED TOTALS
CURRENT ASSETS:				
Cash and cash equivalents	$82,623	$0	$0	$82,623
Investments	$142,427	$0	$0	$142,427
Restricted cash and cash equivalents	$368,560	$37,648	$11,974	$418,182
Restricted investments	$411,386	$12,928	$51,263	$475,577
Accounts receivable				
Trade, net	$72,426	$1,401	$577	$74,404
Grants	$39,229	$0	$0	$39,229
Total receivables, net	$111,655	$1,401	$577	$113,633
Prepaid expenses and other assets	$10,306	$0	$43	$10,349
Total current assets	**$1,126,957**	**$51,977**	**$63,857**	**$1,242,791**
NONCURRENT ASSETS:				
Investments	$254,683	$0	$0	$254,683
Restricted investments	$325,531	$0	$0	$325,531
Prepaid expenses and other assets, long-term	$5,802	$0	$620	$6,422
Investment in joint venture	$3,147	$0	$0	$3,147
Capital assets-not being depreciated	$730,375	$0	$94	$730,469
Capital assets-being depreciated-net	$2,592,589	$416,629	$223,423	$3,232,641
Total noncurrent assets	**$3,912,127**	**$416,629**	**$224,137**	**$4,552,893**
Total assets	**$5,039,084**	**$468,606**	**$287,994**	**$5,795,684**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding of bonds	$13,304	$0	$0	$13,304
Deferred outflows of resources related to pensions	$9,712	$0	$0	$9,712
Deferred outflows of resources related to OPEB	$17,254	$0	$0	$17,254
Total deferred outflows of resources	**$40,270**	**$0**	**$0**	**$40,270**
CURRENT LIABILITIES:				
Accounts payable and accrued expenses	$231,403	$400	$49	$231,852
Compensated absences	$1,462	$0	$0	$1,462
Contract retainage	$11,007	$0	$0	$11,007
Current portion of long-term debt	$74,013	$0	$4,165	$78,178
Commercial notes payable	$22,000	$0	$0	$22,000
Accrued interest payable	$48,437	$0	$5,476	$53,913
Unearned revenues	$5,462	$0	$0	$5,462
Total current liabilities	**$393,784**	**$400**	**$9,690**	**$403,874**
NONCURRENT LIABILITIES:				
Accrued expenses	$9,669	$0	$356	$10,025
Compensated absences	$18,698	$0	$0	$18,698
Net pension liability	$18,785	$0	$0	$18,785
Net OPEB liability	$108,287	$0	$0	$108,287
Contract retainage	$10,233	$0	$0	$10,233
Long-term notes payable,	$330,500	$0	$0	$330,500
Long-term debt, net	$2,159,275	$0	$120,255	$2,279,530
Unearned revenues	$27,730	$0	$0	$27,730
Total noncurrent liabilities	**$2,683,177**	**$0**	**$120,611**	**$2,803,788**
Total liabilities	**$3,076,961**	**$400**	**$130,301**	**$3,207,662**
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding of bonds	$9,847	$0	$0	$9,847
Deferred inflows of resources related to pensions	$47,935	$0	$0	$47,935
Deferred inflows of resources related to OPEB	$30,162	$0	$0	$30,162
Total deferred inflows of resources	**$87,944**	**$0**	**$0**	**$87,944**
Net investment in capital assets	$1,014,177	$416,629	$117,824	$1,548,630
Restricted for other purposes				
Bond funds	$259,893	$0	$0	$259,893
Project funds	$328,897	$0	$0	$328,897
Passenger facility charges	$0	$51,577	$0	$51,577
Customer facility charges	$0	$0	$39,869	$39,869
Other purposes	$34,416	$0	$0	$34,416
Total restricted	**$623,206**	**$51,577**	**$39,869**	**$714,652**
Unrestricted	$277,066	$0	$0	$277,066
Total net position	**$1,914,449**	**$468,206**	**$157,693**	**$2,540,348**

See accompanying independent auditors' report.

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION YEAR ENDED JUNE 30, 2020

(In Thousands)

	AUTHORITY OPERATIONS	PFC PROGRAM	CFC PROGRAM	COMBINED TOTALS
OPERATING REVENUES:				
Aviation rentals	$275,271	$0	$0	$275,271
Aviation parking	$136,951	$0	$0	$136,951
Aviation shuttle bus	$17,013	$0	$0	$17,013
Aviation fees	$139,239	$0	$0	$139,239
Aviation concessions	$111,130	$0	$0	$111,130
Aviation operating grants and other	$2,762	$0	$0	$2,762
Maritime fees, rentals and other	$92,952	$0	$0	$92,952
Real estate fees, rents and other	$49,196	$0	$0	$49,196
Total operating revenues	**$824,514**	**$0**	**$0**	**$824,514**
OPERATING EXPENSES:				
Aviation operations and maintenance	$295,748	$0	$0	$295,748
Maritime operations and maintenance	$61,089	$0	$0	$61,089
Real estate operations and maintenance	$14,971	$0	$0	$14,971
General and administrative	$68,083	$0	$0	$68,083
Payments in lieu of taxes	$21,030	$0	$0	$21,030
Pension and other post-employment benefits	$36,058	$0	$0	$36,058
Other	$9,684	$0	$0	$9,684
Total operating expenses before depreciation and amortization	**$506,663**	**$0**	**$0**	**$506,663**
Depreciation and amortization	$233,992	$51,013	$14,329	$299,334
Total operating expenses	**$740,655**	**$51,013**	**$14,329**	**$805,997**
Operating income (loss)	**$83,859**	**($51,013)**	**($14,329)**	**$18,517**
NONOPERATING REVENUES AND (EXPENSES):				
Passenger facility charges	$0	$59,875	$0	$59,875
Customer facility charges	$0	$0	$25,884	$25,884
Investment income	$32,375	$1,101	$2,455	$35,931
Net increase in the fair value of investments	$8,076	$14	$117	$8,207
Other revenues	$65,203	$0	$49	$65,252
Settlement of claims	($22)	$0	$0	($22)
Terminal A debt service contribution	$11,572	($11,572)	$0	$0
Other expenses	$0	$0	($187)	($187)
Gain on sale of equipment	$264	$0	$0	$264
Interest expense	($92,361)	($1,451)	($15,629)	($109,441)
Total nonoperating revenue, net	**$25,107**	**$47,967**	**$12,689**	**$85,763**
Increase in net position before capital contributions	$108,966	($3,046)	($1,640)	$104,280
Capital contributions	$59,899	$0	$0	$59,899
Increase in net position	$168,865	($3,046)	(1,640)	$164,179
Net position, beginning of year	**$1,745,584**	**$471,252**	**$159,333**	**$2,376,169**
Net position, end of year	**$1,914,449**	**$468,206**	**$157,693**	**$2,540,348**

See accompanying independent auditors' report.

COMBINING SCHEDULE OF NET POSITION
YEAR ENDED JUNE 30, 2019
(In Thousands)

	AUTHORITY OPERATIONS	PFC PROGRAM	CFC PROGRAM	COMBINED TOTALS
CURRENT ASSETS:				
Cash and cash equivalents	$74,191	$0	$0	$74,191
Investments	$195,967	$0	$0	$195,967
Restricted cash and cash equivalents	$164,149	$20,482	$31,522	$216,153
Restricted investments	$262,304	$12,716	$35,956	$310,976
Accounts receivable				
Trade, net	$70,460	$13,358	$3,497	$87,315
Grants	$7,123	$0	$0	$7,123
Total receivables, net	$77,583	$13,358	$3,497	$94,438
Prepaid expenses and other assets	$10,354	$0	$57	$10,411
Total current assets	**$784,548**	**$46,556**	**$71,032**	**$902,136**
NONCURRENT ASSETS:				
Investments	$142,665	$0	$0	$142,665
Restricted investments	$292,560	$14,668	$45,456	$352,684
Prepaid expenses and other assets, long-term	$6,619	$0	$972	$7,591
Investment in joint venture	$3,495	$0	$0	$3,495
Capital assets-not being depreciated	$491,488	$0	$0	$491,488
Capital assets-being depreciated-net	$2,585,781	$410,253	$237,752	$3,233,786
Total noncurrent assets	**$3,522,608**	**$424,921**	**$284,180**	**$4,231,709**
Total assets	**$4,307,156**	**$471,477**	**$355,212**	**$5,133,845**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding of bonds	$14,674	$0	$0	$14,674
Deferred outflows of resources related to pensions	$51,895	$0	$0	$51,895
Deferred outflows of resources related to OPEB	$36,206	$0	$0	$36,206
Total deferred outflows of resources	**$102,775**	**$0**	**$0**	**$102,775**
CURRENT LIABILITIES:				
Accounts payable and accrued expenses	$196,041	$225	$220	$196,486
Compensated absences	$1,299	$0	$0	$1,299
Contract retainage	$10,021	$0	$0	$10,021
Current portion of long term debt	$62,892	$0	$3,909	$66,801
Commercial notes payable	$104,000	$0	$0	$104,000
Accrued interest payable	$39,945	$0	$5,572	$45,517
Unearned revenues	$9,597	$0	$0	$9,597
Total current liabilities	**$423,795**	**$225**	**$9,701**	**$433,721**
NONCURRENT LIABILITIES:				
Accrued expenses	$9,533	$0	$405	$9,938
Compensated absences	$16,618	$0	$0	$16,618
Net pension liability	$104,920	$0	$0	$104,920
Net OPEB liability	$134,549	$0	$0	$134,549
Contract retainage	$7,494	$0	$0	$7,494
Long-term notes payable,	$40,000	$0	$0	$40,000
Long-term debt, net	$1,883,626	$0	$185,773	$2,069,399
Unearned revenues	$20,037	$0	$0	$20,037
Total noncurrent liabilities	**$2,216,777**	**$0**	**$186,178**	**$2,402,955**
Total liabilities	**$2,640,572**	**$225**	**$195,879**	**$2,836,676**
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding of bonds	$5,243	$0	$0	$5,243
Deferred inflows of resources related to pensions	$2,551	$0	$0	$2,551
Deferred inflows of resources related to OPEB	$15,981	$0	$0	$15,981
Total deferred inflows of resources	**$23,775**	**$0**	**$0**	**$23,775**
Net investment in capital assets	$1,007,430	$410,253	$72,126	$1,489,809
Restricted for other purposes				
Bond funds	$242,702	$0	$0	$242,702
Project funds	$267,656	$0	$0	$267,656
Passenger facility charges	$0	$60,999	$0	$60,999
Customer facility charges	$0	$0	$87,207	$87,207
Other purposes	$31,401	$0	$0	$31,401
Total restricted	**$541,759**	**$60,999**	**$87,207**	**$689,965**
Unrestricted	$196,395	$0	$0	$196,395
Total net position	**$1,745,584**	**$471,252**	**$159,333**	**$2,376,169**

See accompanying independent auditors' report.

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2019
(In Thousands)

	AUTHORITY OPERATIONS	PFC PROGRAM	CFC PROGRAM	COMBINED TOTALS
OPERATING REVENUES:				
Aviation rentals	$267,055	$0	$0	$267,055
Aviation parking	$182,135	$0	$0	$182,135
Aviation shuttle bus	$21,196	$0	$0	$21,196
Aviation fees	$153,194	$0	$0	$153,194
Aviation concessions	$130,801	$0	$0	$130,801
Aviation operating grants and other	$2,034	$0	$0	$2,034
Maritime fees, rentals and other	$102,774	$0	$0	$102,774
Real estate fees, rents and other	$46,334	$0	$0	$46,334
Total operating revenues	**$905,523**	**$0**	**$0**	$905,523
OPERATING EXPENSES:				
Aviation operations and maintenance	$305,596	$0	$0	$305,596
Maritime operations and maintenance	$64,412	$0	$0	$64,412
Real estate operations and maintenance	$16,898	$0	$0	$16,898
General and administrative	$67,273	$0	$0	$67,273
Payments in lieu of taxes	$21,331	$0	$0	$21,331
Pension and other post-employment benefits	$40,740	$0	$0	$40,740
Other	$8,631	$0	$0	$8,631
Total operating expenses before depreciation and amortization	**$524,881**	**$0**	**$0**	**$524,881**
Depreciation and amortization	$225,056	$48,959	$14,329	$288,344
Total operating expenses	**$749,937**	**$48,959**	**$14,329**	**$813,225**
Operating income (loss)	**$155,586**	**($48,959)**	**($14,329)**	**$92,298**
NONOPERATING REVENUES AND (EXPENSES):				
Passenger facility charges	$0	$84,824	$0	$84,824
Customer facility charges	$0	$0	$33,517	$33,517
Investment income	$26,235	$1,246	$2,304	$29,785
Net increase in the fair value of investments	$5,977	$196	$816	$6,989
Other revenues	$21,003	$0	$49	$21,052
Settlement of claims	$1,469	$0	$0	$1,469
Terminal A debt service contribution	$3,358	($10,852)	$0	($7,494)
Other expenses	($2,749)	$0	($191)	($2,940)
Gain on sale of equipment	$203	$0	$0	$203
Interest expense	($62,263)	($2,496)	($11,251)	($76,010)
Total nonoperating (expense) revenue, net	**($6,767)**	**$72,918**	**$25,244**	**$91,395**
Increase in net position before capital contributions	$148,819	$23,959	$10,915	$183,693
Capital contributions	$28,143	$0	$0	$28,143
Increase in net position	**$176,962**	**$23,959**	**$10,915**	**$211,836**
Net position, beginning of year	**$1,568,622**	**$447,293**	**$148,418**	**$2,164,333**
Net position, end of year	**$1,745,584**	**$471,252**	**$159,333**	**$2,376,169**

See accompanying independent auditors' report.

Statistical

Massport supports the local communities in many ways,including a winter coat drive for young children at the Crossroads Family Center in East Boston and the East Boston Social Centers.

Statistical Section

This part of the Massachusetts Port Authority's Comprehensive Annual 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 Changes in Net Position, and Net Position by Component
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 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 Own-Source 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 Calculation of 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 Market
S-15 Port of Boston Cargo and Passenger Activity
S-16 Port of Boston Principal Customers

Revenues, Expenses and Changes in Net Position

Fiscal Years Ended June 30, 2011 through June 30, 2020 (In Thousands)

S-1 Changes in Net Position

	2020	2019	2018	2017	2016
OPERATING REVENUES					
Aviation rentals	$275,271	$267,055	$240,798	$217,906	$198,103
Aviation parking	$136,951	$182,135	$180,803	$169,354	$154,568
Aviation shuttle bus	$17,013	$21,196	$20,303	$19,278	$18,009
Aviation fees	$139,239	$153,194	$153,236	$145,418	$139,425
Aviation concessions	$111,130	$130,801	$114,492	$98,913	$87,401
Aviation operating grants and other	$2,762	$2,034	$1,911	$2,909	$2,781
Maritime fees, rentals and other	$92,952	$102,774	$94,351	$82,088	$74,654
Real estate fees, rents and other	$49,196	$46,334	$30,497	$25,037	$24,537
Total operating revenues	**$824,514**	**$905,523**	**$836,391**	**$760,903**	**$699,478**
OPERATING EXPENSES					
Aviation operations and maintenance	$295,748	$305,596	$296,186	$274,506	$261,115
Maritime operations and maintenance	$61,089	$64,412	$63,976	$59,629	$53,359
Real estate operations and maintenance	$14,971	$16,898	$14,852	$13,215	$11,887
General and administrative	$68,083	$67,273	$62,470	$59,342(5)	$58,232
Payments in lieu of taxes	$21,030	$21,331	$20,408	$19,276	$19,375
Pension and other post-employment benefits	$36,058	$40,740	$28,952	$38,903(5)	$29,654
Other	$9,684	$8,631	$8,449	$9,631	$7,595
Total operating expenses before depreciation and amortization	**$506,663**	**$524,881**	**$495,293**	**$474,502**	**$441,217**
Depreciation and amortization	$299,334	$288,344	$262,162	$252,846	$247,502
Total operating expenses	**$805,997**	**$813,225**	**$757,455**	**$727,348**	**$688,719**
Operating income	**$18,517**	**$92,298**	**$78,936**	**$33,555**	**$10,759**
NONOPERATING REVENUES AND (EXPENSES)					
Passenger facility charges (1)	$59,875	$84,824	$81,016	$76,296	$70,718
Customer facility charges (2)	$25,884	$33,517	$33,003	$33,055	$32,335
Investment income	$35,931	$29,785	$18,577	$13,093	$9,453
Net increase / (decrease) in the fair value of investments	$8,207	$6,989	($4,373)	($4,501)	$2,116
Other revenues	$65,252(6)	$21,052	$1,364	$4,062	$49
Gain / (loss) on sales of assets	$264	$203	$182	$125	($595)
Settlement of claims	($22)	$1,469	$2,019	$248	$70
Terminal A debt service contributions (PFC)	$0	($7,494)	($12,232)	($11,941)	($11,903)
Other expense	($187)	($2,940)	($195)	($198)	($116)
Interest expense	($109,441)	($76,010)	($67,490)	($67,157)	($63,613)
Total nonoperating (expense) revenue, net	**$85,763**	**$91,395**	**$51,871**	**$43,082**	**$38,514**
Increase in net position before capital contributions	**$104,280**	**$183,693**	**$130,807**	**$76,637**	**$49,273**
Capital contributions	$59,899	$28,143	$25,384	$12,635	$56,033
Increase in net position	**$164,179**	**$211,836**	**$156,191**	**$89,272**	**$105,306**
Net position, beginning of year	**$2,376,169**	**$2,164,333**	**$2,008,142**	**$1,918,870**(5)	**$1,978,636**
Net position, end of year	**$2,540,348**	**$2,376,169**	**$2,164,333**	**$2,008,142**	**$2,083,942**
TOTAL NET POSITION COMPOSED OF:					
Invested in capital assets, net of debt	$1,548,630	$1,489,809	$1,379,079	$1,290,338	$1,310,922
Restricted	$714,652	$689,965	$633,268	$585,636	$529,616
Unrestricted	$277,066	$196,395	$151,986	$132,168(5)	$243,404
Total Net Position	**$2,540,348**	**$2,376,169**	**$2,164,333**	**$2,008,142**	**$2,083,942**

(1) PFC accrued revenue exclusive of PFC interest earnings.

(2) CFC accrued revenue exclusive of CFC interest earnings.

(3) In accordance with the requirements of GASB No.65, the Authority's Net position was restated as for fiscal year 2011 and forward to reflect the required adjustments.

(4) 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.

(5) 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.

(6) Includes $57.1 million of grant funding received by the Authority pursuant to the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which was enacted on March 27, 2020 as Public Law 116-136, and provided federal airport relief stimulus grants to each airport according to CARES Act formulas to help offset a decline in revenues arising from diminished airport operations and activities as a result of the COVID-19 pandemic.

Source: Authority's audited financial statements.

Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2011 through June 30, 2020 (In Thousands)

S-1 Changes in Net Position (Continued)

	2015	2014	2013	2012	2011
OPERATING REVENUES					
Aviation rentals	$185,953	$181,007	$165,107	$160,433	$154,401
Aviation parking	$149,155	$136,733	$132,170	$126,177	$116,465
Aviation shuttle bus	$15,717	$12,283	$ 8,443	$9,790	$9,572
Aviation fees	$135,044	$124,718	$114,360	$117,541	$119,765
Aviation concessions	$82,662	$77,838	$72,504	$68,205	$63,971
Aviation operating grants and other	$3,894	$3,763	$ 2,547	$2,332	$2,448
Maritime fees, rentals and other	$68,435	$62,148	$56,393	$55,168	$53,913
Real estate fees, rents and other	$22,069	$23,981	$20,299	$18,808	$17,107
Total operating revenues	**$662,929**	**$622,471**	**$571,823**	**$558,454**	**$537,642**
OPERATING EXPENSES					
Aviation operations and maintenance	$256,519	$237,235	$217,792	$211,018	$210,087
Maritime operations and maintenance	$54,231	$49,974	$46,433	$44,781	$44,372
Real estate operations and maintenance	$10,428	$9,477	$8,825	$9,808	$7,952
General and administrative	$59,064	$53,809	$48,511	$43,987	$45,988
Payments in lieu of taxes	$19,282	$18,444	$18,090	$17,642	$17,327
Pension and other post-employment benefits	$14,844(4)	$16,814(4)	$23,064	$23,560	$21,451
Other	$8,005	$9,454	$7,667	$9,144	$ 7,738
Total operating expenses before depreciation and amortization	**$422,373**	**$395,207**	**$370,382**	**$359,940**	**$354,915**
Depreciation and amortization	$227,158	$217,767	$199,046	$181,166	$169,365
Total operating expenses	**$649,531**	**$612,974**	**$569,428**	**$541,106**	**$524,280**
Operating income	**$13,398**	**$9,497**	**$2,395**	**$17,348**	**$13,362**
NONOPERATING REVENUES AND (EXPENSES)					
Passenger facility charges (1)	$65,807	$62,682	$60,105	$59,212	$58,531
Customer facility charges (2)	$30,768	$29,963	$29,354	$28,749	$26,203
Investment income	$7,405	$6,642	$8,336	$10,176	$11,676
Net increase / (decrease) in the fair value of investments	$527	$1,976	($2,821)	$255	($3,503)
Other revenues	$10,091	$10,547	$187	$618	$1,725
Gain / (loss) on sales of assets	$180	$90	($64)	$354	$88
Settlement of claims	$0	$1,792	$567	$640	$1
Terminal A debt service contributions (PFC)	($10,918)	($11,839)	($12,114)	($9,105)	$0
Other expense	($956)	($1,407)	($1,279)	($398)	($6,070)
Interest expense	($64,829)	($64,973)	($61,071)	($59,307)(3)	($60,649)(3)
Total nonoperating (expense) revenue, net	**$38,075**	**$35,473**	**$21,200**	**$31,194**	**$28,002**
Increase in net position before capital contributions	**$51,473**	**$44,970**	**$23,595**	**$48,542**	**$41,364**
Capital contributions	$55,953	$56,124	$20,234	$40,750	$22,484
Increase in net position	**$107,426**	**$101,094**	**$43,829**	**$89,292**	**$63,848**
Net position, beginning of year	**$1,871,210**(4)	**$1,770,116**(4)	**$1,784,732**	**$1,695,440**	**$1,631,592**
Net position, end of year	**$1,978,636**	**$1,871,210**	**$1,828,561**	**$1,784,732**	**$1,695,440**
TOTAL NET POSITION COMPOSED OF:					
Invested in capital assets, net of debt	$1,272,271	$1,227,358	$1,131,577	$1,059,110	$1,055,161
Restricted	$516,906	$509,520	$515,458	$583,272(3)	$486,041(3)
Unrestricted	$189,459(4)	$134,332(4)	$181,526	$142,350	$154,238
Total Net Position	**$1,978,636**	**$1,871,210**	**$1,828,561**	**$1,784,732**	**$1,695,440**

(1) PFC accrued revenue exclusive of PFC interest earnings.
(2) CFC accrued revenue exclusive of CFC interest earnings.
(3) In accordance with the requirements of GASB No.65, the Authority's Net position was restated as for fiscal year 2011 and forward to reflect the required adjustments.
(4) 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.
(5) 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.
(6) Includes $57.1 million of grant funding received by the Authority pursuant to the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which was enacted on March 27, 2020 as Public Law 116-136, and provided federal airport relief stimulus grants to each airport according to CARES Act formulas to help offset a decline in revenues arising from diminished airport operations and activities as a result of the COVID-19 pandemic.

Source: Authority's audited financial statements.

Most Significant Revenues and Related Rates and Charges

Fiscal Years Ended June 30, 2011 through June 30, 2020

S-2 Principal Revenues and Rates as of June 30

	2020	2019	2018	2017	2016
Logan Airport Revenues					
(In Thousands)					
Landing Fees	$110,490	$119,847	$119,190	$113,162	$104,489
Terminal Rentals and Fees	$211,136	$203,861	$180,331	$161,816	$142,176
Parking Fees	$136,436	$181,478	$180,349	$168,919	$154,068
Logan Airport Rates and Charges (1)					
Landing Fee (per 1,000 lbs)	$4.37	$4.43	$4.49	$4.78	$4.84
Terminal Rental Rates (per square foot - annual rate)					
Terminal A (2)	$178.66	$132.09	$126.98	$117.29	$101.38
Terminal B	$154.80	$161.31	$130.74	$122.10	$110.99
Terminal C - Main Terminal	$206.22	$194.35	$189.91	$178.30	$134.05
Terminal E - Type 3 Space	$140.17	$134.91	$128.27	$118.51	$105.46
Baggage Fee (per checked bag)	$1.66	$1.61	$1.66	$1.31	$1.35
Terminal E Passenger Fees (Per Passenger)					
Inbound International	$11.36	$11.89	$12.70	$12.82	$11.98
Outbound	$3.38	$3.45	$4.00	$3.19	$2.66
Inbound Domestic	$11.36	$11.89	$12.70	$12.82	$11.98
Common Use Check-in Fee	$6.19	$6.44	$6.65	$7.34	$7.05
Central Parking Garage (maximum 24 hours)	$38.00	$35.00	$35.00	$32.00	$29.00

(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.

Source: Authority reports.

Most Significant Revenues and Related Rates and Charges

Fiscal Years Ended June 30, 2011 through June 30, 2020

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

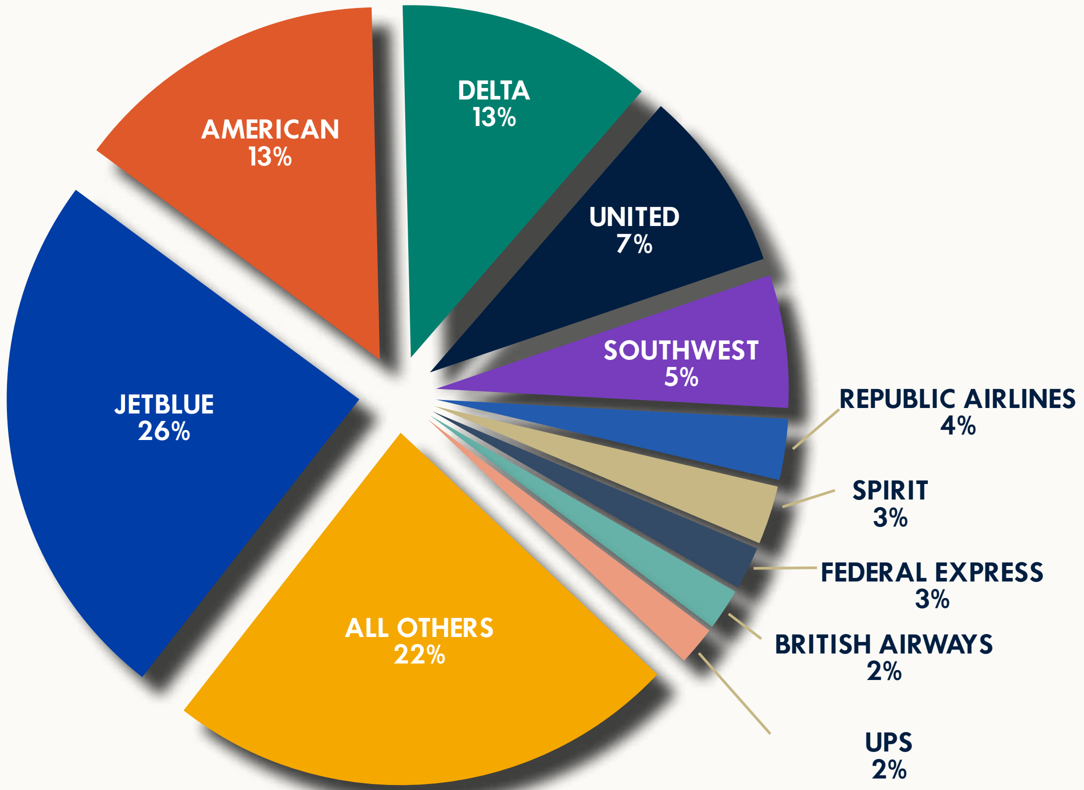
	2015	2014	2013	2012	2011
Logan Airport Revenues					
(In Thousands)					
Landing Fees	$101,123	$92,896	$86,533	$88,287	$91,515
Terminal Rentals and Fees	$133,897	$129,487	$117,891	$115,567	$110,267
Parking Fees	$148,653	$136,307	$131,873	$125,771	$116,059
Logan Airport Rates and Charges (1)					
Landing Fee (per 1,000 lbs)	$4.64	$4.57	$4.34	$4.36	$4.61
Terminal Rental Rates (per square foot - annual rate)					
Terminal A (2)	$93.99	$93.94	$93.68	$89.90	$84.62
Terminal B	$110.63	$106.55	$106.23	$98.14	$95.89
Terminal C - Main Terminal	$132.79	$118.31	$109.71	$112.90	$101.47
Terminal E - Type 3 Space	$111.40	$112.66	$116.96	$117.16	$109.48
Baggage Fee (per checked bag)	$1.34	$1.34	$1.45	$1.27	$1.23
Terminal E Passenger Fees (Per Passenger)					
Inbound International	$10.36	$10.17	$10.92	$11.40	$12.17
Outbound	$2.52	$2.74	$3.12	$3.36	$3.26
Inbound Domestic	$10.36	$10.17	$10.92	$11.40	$10.84
Common Use Check-in Fee	$6.67	$7.00	$7.93	$8.31	$8.06
Central Parking Garage (maximum 24 hours)	$29.00	$27.00	$27.00	$27.00	$24.00

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

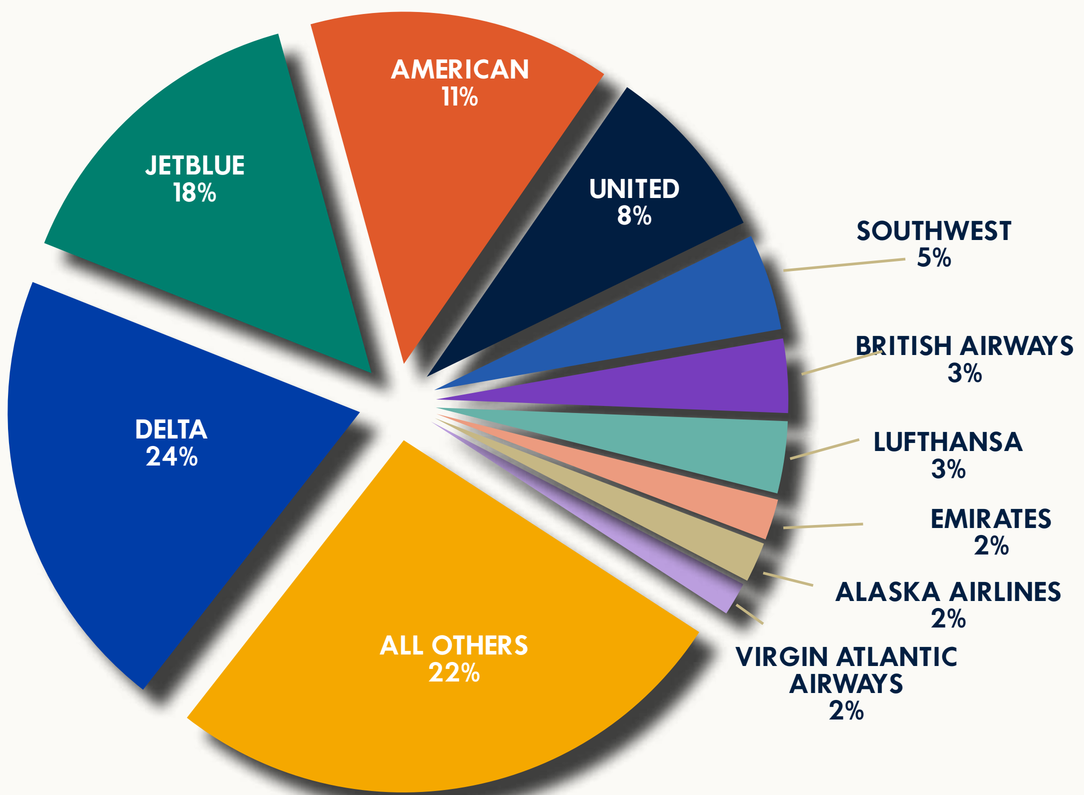
(2) Prior to February 13, 2019, excludes the portion of Terminal A rental revenue that was pledged to pay debt service on the Terminal A Bonds. On February 13, 2019, the Terminal A Bonds were retired, and accordingly, after such date, all Terminal A rental revenue is included in Logan rental revenues.

Source: Authority reports.

Logan International Airport
Percentage of Landing Fee Revenues in FY2020



Logan International Airport
Percentage of Terminal Rent and Fee Revenues in FY2020



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, 2020			FOR THE FISCAL YEAR ENDED JUNE 30, 2011		
Customer	**Landing Fee Revenue**	**Rank**	**Ratio: Top Customers to Total Landing Fees**	**Landing Fee Revenue**	**Rank**	**Ratio: Top Customers to Total Landing Fees**
Jetblue Airways	$28,827	1	26.09%	$16,095	1	17.59%
American Airlines (3)	$14,512	2	13.13%	$8,864	4	9.69%
Delta Airlines	$14,276	3	12.92%	$10,717	2	11.71%
United Airlines, Inc. (1)	$8,217	4	7.44%	$6,342	5	6.93%
Southwest Airlines Co (2)	$5,390	5	4.88%	$4,963	6	5.42%
Republic Airways, Inc (5)	$4,857	6	4.40%	$960	19	1.05%
Spirit Airlines	$2,803	7	2.54%	$1,085	16	1.19%
Federal Express Corp.	$2,748	8	2.49%	$2,260	10	2.47%
British Airways, Plc	$2,702	9	2.45%	$2,666	9	2.91%
United Parcel Service	$1,782	10	1.61%	$965	20	1.05%
Us Airways, Inc. (3)	-	-	-	$10,061	3	10.99%
Airtran Airlines (2)	-	-	-	$3,331	7	3.64%
Continental Airlines (1)	-	-	-	$2,948	8	3.22%
Shuttle America Corp. (5)	-	-	-	$576	28	0.63%
All Other Payers	$24,376		22.06%	$19,682		21.51%
Total Landing Fees	**$110,490**		**100.00%**	**$91,515**		**100.00%**

TERMINAL RENTS AND FEES	FOR THE FISCAL YEAR ENDED JUNE 30, 2020			FOR THE FISCAL YEAR ENDED JUNE 30, 2011		
Customer	**Terminal Rents and Fee**	**Rank**	**Ratio: Top Customers to Total Terminal Rents and Fees**	**Terminal Rents and Fee**	**Rank**	**Ratio: Top Customers to Total Terminal Rents and Fees**
Delta Airlines	$51,866	1	24.57%	$18,485	1	16.76%
Jetblue Airways	$38,954	2	18.45%	$11,949	3	10.84%
American Airlines (3)	$23,610	3	11.18%	$14,541	2	13.19%
United Airlines, Inc. (1)	$17,739	4	8.40%	$5,484	6	4.97%
Southwest Airlines Co (2)	$9,659	5	4.57%	$3,401	10	3.08%
British Airways, Plc	$7,234	6	3.43%	$6,790	5	6.16%
Lufthansa German Airlines	$5,438	7	2.58%	$5,404	7	4.90%
Emirates (4)	$3,782	8	1.79%	-	-	0.00%
Alaska Airlines	$3,516	9	1.67%	$92	33	0.08%
Virgin Atlantic Airways	$3,442	10	1.63%	$2,545	12	2.31%
Us Airways, Inc. (3)	-	-	-	$10,065	4	9.13%
Air France	-	-	-	$4,509	8	4.09%
Continental Airlines (1)	-	-	-	$3,763	9	3.41%
Airtran Airlines (2)	-	-	-	$2,485	13	2.25%
All Other Payers	$45,896		21.74%	$20,754		18.82%
Total Terminal Rental and Fees	**$211,136**		**100.00%**	**$110,267**		**100.00%**

PARKING REVENUE	FOR THE FISCAL YEAR ENDED JUNE 30, 2020			FOR THE FISCAL YEAR ENDED JUNE 30, 2011		
Customer	**Logan Parking**	**Rank**	**Ratio: Top Customers to Total Parking Revenue**	**Logan Parking**	**Rank**	**Ratio: Top Customers to Total Parking Revenue**
Public Parking at Airport	$121,425	1	89.00%	$107,457	1	92.59%
Tenant Employee Parking	$9,534	2	6.99%	$5,271	2	4.54%
Public Off-Airport Parking	$5,477	3	4.01%	$3,331	3	2.87%
Total Parking Revenue	**$136,436**		**100.00%**	**$116,059**		**100.00%**

(1) United and Continental Airlines closed their merger during October 2010 and continued to operate under their separate names until November 2011.
(2) Southwest Airlines and AirTran Airways closed their merger during May 2011 and continued to operate under their separate names until January 2015.
(3) American Airlines and US Airways closed their merger during December 2013 and continued to operate under their separate names until October 2015.
(4) Emirates commenced service at Logan Airport in March 2014.
(5) On January 31, 2017, Shuttle America merged with Republic Airline. In December 2018, the operating division was renamed to Republic Airways.

Conversions of GAAP Revenues and Expenses to the 1978 Trust Agreement Revenues and Expenses

Fiscal Years Ended June 30, 2011 through June 30, 2020 (In Thousands)

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

	2020	2019	2018	2017	2016
Operating Revenue: Per Financial Statements	**$824,514**	**$905,523**	**$836,391**	**$760,903**	**$699,478**
Adjustments:					
Provision / recovery for uncollectible accounts	($2,179)	($385)	($439)	($1,642)	($186)
Other	$525	($639)	($629)	$5,189	$69
Operating Revenue: Per the 1978 Trust Agreement	$822,860	$904,499	$835,323	$764,450	$699,361
Income on Investments: Per Financial Statements	**$35,931**	**$29,785**	**$18,577**	**$13,093**	**$9,453**
Adjustments:					
PFC	($1,101)	($1,246)	($764)	($1,226)	($965)
CFC	($2,455)	($2,304)	($1,301)	($774)	($478)
Self Insurance and Other Accounts	($8,981)	($4,576)	($4,247)	($3,191)	($2,321)
Income on Investments: Per the 1978 Trust Agreement	$23,394	$21,659	$12,265	$7,902	$5,689
Total Revenues Per the 1978 Trust Agreement	**$846,254**	**$926,158**	**$847,588**	**$772,352**	**$705,050**
Operating Expenses: Per Financial Statements	**$805,997**	**$813,225**	**$757,455**	**$727,348** (1)	**$688,719**
Adjustments:					
Insurance	$237	$140	$61	$245	$821
Payments in Lieu of Taxes	($21,030)	($21,331)	($20,408)	($19,276)	($19,375)
Provision for uncollectible accounts	($1,057)	($385)	($439)	($1,642)	($186)
Depreciation and Amortization	($299,334)	($288,344)	($262,162)	($252,846)	($247,502)
Other post-employment benefits	($4,799)	($165)	($4,480)	($4,903)(1)	($2,093)
Other Expenses	$3,128	($3,076)	($10,398)	($3,789)	($5,025)
Pension	($1,434)	($9,126)	$4,576	($6,141)	($4,711)
Administration Expenses	$2,267	$1,490	$1,025	$1,245(1)	$1,338
Total Expenses Per The 1978 Trust Agreement	**$483,975**	**$492,428**	**$465,230**	**$440,241**	**$411,986**
Net Revenue Before Other Available Funds: Per The 1978 Trust Agreement	**$362,279**	**$433,730**	**$382,358**	**$332,111**	**$293,064**
Other Available Funds	$57,080(2)	$0	$0	$0	$0
Net Revenue: Per the 1978 Trust Agreement	**$419,359**	**$433,730**	**$382,358**	**$332,111**	**$293,064**

(1) 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.

(2) The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which was enacted on March 27, 2020 as Public Law 116-136, provided federal airportrelief stimulus grants to each airport according to CARES Act formulas to help offset a decline in revenues arising from diminished airport operations and activitiesas a result of the COVID-19 pandemic The Authority used $57.1 million of CARES Act grant funding received in fiscal year 2020 for operating expenses and designated such grant funds as Available Funds.

Source: Authority's audited financial statements.

Conversions of GAAP Revenues and Expenses to the 1978 Trust Agreement Revenues and Expenses

Fiscal Years Ended June 30, 2011 through June 30, 2020 (In Thousands)

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

	2015	2014	2013	2012	2011
Operating Revenue: Per Financial Statements	**$662,929**	**$622,471**	**$571,823**	**$558,454**	**$537,642**
Adjustments:					
Provision / recovery for uncollectible accounts	($32)	($465)	$353	($1,061)	($419)
Other	($170)	($1,546)	($1,902)	$3,979	($533)
Operating Revenue: Per the 1978 Trust Agreement	$662,727	$620,460	$570,274	$561,372	$536,690
Income on Investments: Per Financial Statements	**$7,405**	**$6,642**	**$8,336**	**$10,176**	**$11,676**
Adjustments:					
PFC	($1,068)	($1,098)	($1,118)	($1,141)	($1,344)
CFC	($384)	($417)	($771)	($802)	($159)
Self Insurance and Other Accounts	($2,123)	($1,919)	($2,279)	($1,538)	($1,833)
Income on Investments: Per the 1978 Trust Agreement	$3,830	$3,208	$4,168	$6,695	$8,340
Total Revenues Per the 1978 Trust Agreement	**$666,557**	**$623,668**	**$574,442**	**$568,067**	**$545,030**
Operating Expenses: Per Financial Statements	**$649,531**	**$612,974**	**$569,428**	**$541,106**	**$524,280**
Adjustments:					
Insurance	$612	($95)	$678	$266	$1,514
Payments in Lieu of Taxes	($19,282)	($18,444)	($18,090)	($17,642)	($17,327)
Provision for uncollectible accounts	($31)	($453)	$353	($1,085)	($412)
Depreciation and Amortization	($227,158)	($217,767)	($199,046)	($181,166)	($169,365)
Other post-employment benefits	($654)	($140)	($450)	($5,859)	($4,505)
Other Expenses	($5,409)	($4,201)	($3,129)	($4,300)	($287)
Pension	$8,956	$9,316	$0	$0	$0
Administration Expenses	$1,905	$2,370	$2,254	$2,648	$1,631
Total Expenses Per The 1978 Trust Agreement	**$408,470**	**$383,560**	**$351,998**	**$333,968**	**$335,529**
Net Revenue Before Other Available Funds: Per The 1978 Trust Agreement	**$258,087**	**$240,108**	**$222,444**	**$234,099**	**$209,501**
Other Available Funds	$0	$0	$0	$0	$0
Net Revenue: Per the 1978 Trust Agreement	**$258,087**	**$240,108**	**$222,444**	**$234,099**	**$209,501**

(1) 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.

(2) The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which was enacted on March 27, 2020 as Public Law 116-136, provided federal airportrelief stimulus grants to each airport according to CARES Act formulas to help offset a decline in revenues arising from diminished airport operations and activitiesas a result of the COVID-19 pandemic The Authority used $57.1 million of CARES Act grant funding received in fiscal year 2020 for operating expenses and designated such grant funds as Available Funds.

Source: Authority's audited financial statements.

Calculation of Net Revenues Pledged Under the 1978 Trust Agreement

Fiscal Years Ended June 30, 2011 through June 30, 2020 (In Thousands)

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

	2020	2019	2018	2017	2016
1978 Trust Agreement					
REVENUES:					
Airport Properties - Logan					
Landing Fees	$110,490	$119,847	$119,190	$113,162	$104,489
Parking Fees	$136,436	$181,478	$180,349	$168,919	$154,068
Utility Fees	$11,126	$13,541	$15,349	$15,284	$17,960
Terminal Rentals (1)	$211,136	$203,861	$180,331	$161,816	$142,176
Non-Terminal Building and Ground Rents	$55,725	$54,788	$52,856	$49,641	$49,317
Concessions	$110,669	$129,356	$113,588	$98,093	$86,645
Other (2)	$29,001	$34,596	$33,321	$31,303	$32,061
Airport Properties - Logan Total	$664,583	$737,467	$694,984	$638,218	$586,716
Airport Properties - Hanscom	$14,587	$14,924	$14,262	$12,839	$12,195
Airport Properties - Worcester	$1,959	$3,007	$1,800	$1,634	$1,572
Total Airport Properties	**$681,129**	**$755,398**	**$711,046**	**$652,691**	**$600,483**
PORT PROPERTIES					
Maritime Operations (3)	$92,619	$102,883	$93,831	$81,738	$74,259
Maritime Business Development/Real Estate	49,112	$46,218	$30,446	$30,021	$24,619
	$141,731	**$149,101**	**$124,277**	**$111,759**	**$98,878**
Total Operating Revenue	**$822,860**	**$904,499**	**$835,323**	**$764,450**	**$699,361**
Investment Income (4)	$23,394	$21,659	$12,265	$7,902	$5,689
Total Revenues	**$846,254**	**$926,158**	**$847,588**	**$772,352**	**$705,050**
Operating Expenses (5):					
AIRPORT PROPERTIES					
Logan	$352,390	$361,177	$342,973	$328,869	$ 307,394
Hanscom	$15,132	$14,866	$14,498	$12,530	$ 12,152
Worcester	$16,723	$13,949	$10,680	$9,672	$9,408
	$384,245	**$389,992**	**$368,151**	**$351,071**	**$328,954**
PORT PROPERTIES					
Maritime Operations (3)	$76,704	$78,432	$75,695	$70,088	$66,307
Maritime Business Development/Real Estate	$23,026	$24,004	$21,384	$19,082	$16,725
	$99,730	**$102,436**	**$97,079**	**$89,170**	**$83,032**
Total Operating Expenses	**$483,975**	**$492,428**	**$465,230**	**$440,241**	**$411,986**
Net Revenue Before Other Available Funds	**$362,279**	**$433,730**	**$382,358**	**$332,111**	**$293,064**
Other Available Funds	$57,080 (6)	$0	$0	$0	$0
Net Revenue	**$419,359**	**$433,730**	**$382,358**	**$332,111**	**$293,064**

(1) 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.
(2) Logan Airport uncollectible accounts have been included in Logan Other Revenue.
(3) Maritime Operations include Auto, Container, Cruise and Seafood Business lines.
(4) Excludes investment income earned by and deposited into Construction, PFC and CFC Funds and other funds not held under the 1978 Trust Agreement.
(5) Includes allocation of all operating expenses related to Authority General Administration.
(6) The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which was enacted on March 27, 2020 as Public Law 116-136, provided federal airport relief stimulus grants to each airport according to CARES Act formulas to help offset a decline in revenues arising from diminished airport operations and activities as a result of the COVID-19 pandemic. The Authority used $57.1 million of CARES Act grant funding received in fiscal year 2020 for operating expenses and designated such grant funds as Available Funds.

Source: Authority's accounting reports.

Calculation of Net Revenues Pledged Under the 1978 Trust Agreement

Fiscal Years Ended June 30, 2011 through June 30, 2020 (In Thousands)

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

	2015	2014	2013	2012	2011
1978 Trust Agreement					
REVENUES:					
Airport Properties - Logan					
Landing Fees	$101,123	$92,896	$86,533	$88,287	$91,515
Parking Fees	$148,653	$136,307	$131,873	$125,771	$116,059
Utility Fees	$18,274	$16,798	$14,867	$15,275	$16,144
Terminal Rentals (1)	$133,897	$129,487	$117,891	$115,567	$110,267
Non-Terminal Building and Ground Rents	$45,756	$46,175	$42,086	$40,107	$39,547
Concessions	$81,270	$76,003	$70,082	$71,342	$62,750
Other (2)	$29,452	$24,895	$19,162	$20,467	$19,417
Airport Properties - Logan Total	$558,425	$522,561	$482,494	$476,816	$455,699
Airport Properties - Hanscom	$12,066	$10,640	$10,377	$9,984	$ 9,371
Airport Properties - Worcester	$1,624	$1,538	$ 774	$1,238	$ 911
Total Airport Properties	**$572,115**	**$534,739**	**$493,645**	**$488,038**	**$465,981**
PORT PROPERTIES					
Maritime Operations (3)	$68,316	$62,068	$56,334	$54,556	$ 53,589
Maritime Business Development/Real Estate	$22,295	$23,653	$20,295	$18,778	$17,120
	$90,611	**$85,721**	**$76,629**	**$73,334**	**$70,709**
Total Operating Revenue	**$662,726**	**$620,460**	**$570,274**	**$561,372**	**$536,690**
Investment Income (4)	$3,830	$3,208	$4,168	$6,695	$8,340
Total Revenues	**$666,556**	**$623,668**	**$574,442**	**$568,067**	**$545,030**
Operating Expenses (5):					
AIRPORT PROPERTIES					
Logan	$307,368	$290,641	$267,157	$ 251,718	$253,062
Hanscom	$10,043	$10,396	$9,235	$8,162	$8,726
Worcester	$9,026	$7,497	$5,012	$5,048	$ 5,122
	$326,437	**$308,534**	**$281,404**	**$264,928**	**$266,910**
PORT PROPERTIES					
Maritime Operations (3)	$62,020	$59,860	$56,740	$55,798	$56,687
Maritime Business Development/Real Estate	$20,012	$15,166	$13,854	$13,242	$11,932
	$82,032	**$75,026**	**$70,594**	**$69,040**	**$68,619**
Total Operating Expenses	**$408,469**	**$383,560**	**$351,998**	**$333,968**	**$335,529**
Net Revenue Before Other Available Funds	**$258,087**	**$240,108**	**$222,444**	**$234,099**	**$209,501**
Other Available Funds	$0	$0	$0	$0	$0
Net Revenue	**$258,087**	**$240,108**	**$222,444**	**$234,099**	**$209,501**

(1) 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.
(2) Logan Airport uncollectible accounts have been included in Logan Other Revenue.
(3) Maritime Operations include Auto, Container, Cruise and Seafood Business lines.
(4) Excludes investment income earned by and deposited into Construction, PFC and CFC Funds and other funds not held under the 1978 Trust Agreement.
(5) Includes allocation of all operating expenses related to Authority General Administration.
(6) The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which was enacted on March 27, 2020 as Public Law 116-136, provided federal airport relief stimulus grants to each airport according to CARES Act formulas to help offset a decline in revenues arising from diminished airport operations and activities as a result of the COVID-19 pandemic. The Authority used $57.1 million of CARES Act grant funding received in fiscal year 2020 for operating expenses and designated such grant funds as Available Funds.

Source: Authority's accounting reports.

Calculation of Total PFC Pledged Under the PFC Trust Agreement/PFC Depostitory Agreement and Calculation of Total CFC Revenue Pledged Under the CFC Trust Agreement

Fiscal Years Ended June 30, 2011 through June 30, 2020 (In Thousands)

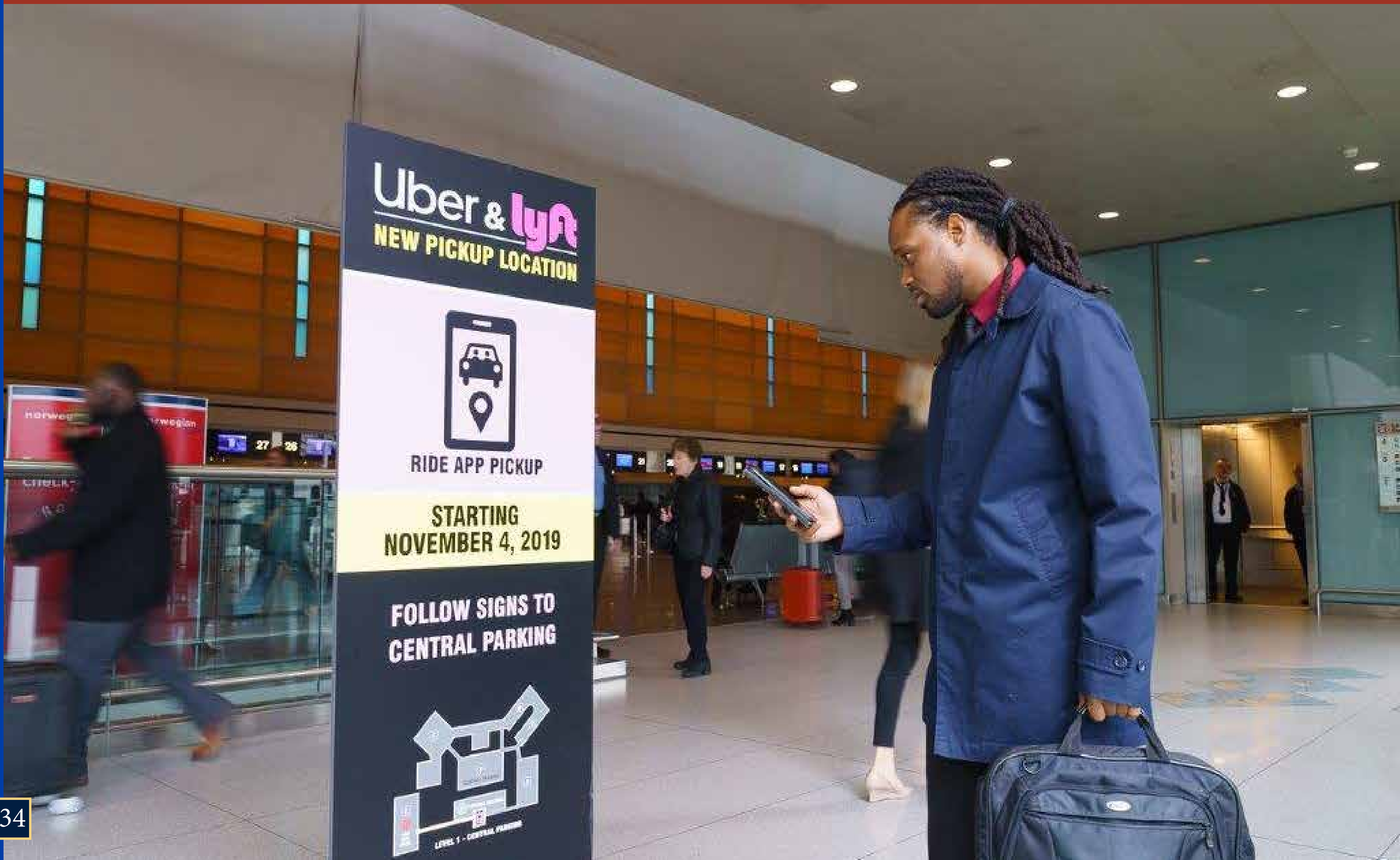
S-6 Breakdown of Revenues by Governing Trust Agreement

	2020	2019	2018	2017	2016
PFC Trust Agreement Revenues:					
Logan Airport Net PFC Collections (1)	$59,875	$84,824	$81,016	$76,296	$70,718
PFC Investment Income (2)	$1,101	$1,246	$764	$537	$277
PFC Revenue (3)	**$60,976**	**$86,070**	**$81,780**	**$76,833**	**$70,995**
CFC Trust Agreement Revenues:					
CFC Collections (4)	$25,884	$33,517	$33,003	$33,055	$32,335
CFC Investment Income	$2,455	$2,304	$1,301	$774	$478
CFC Revenue	**$28,339**	**$35,821**	**$34,304**	**$33,829**	**$32,813**

(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 Depository 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.
(4) CFC revenue collection began at Logan Airport on December 1, 2008. The CFC Trust Agreement became effective May 18, 2011.

Source: Authority's accounting reports.

DURING FY20, MASSPORT IMPLEMENTED A STRATEGY TO MOVE MORE PASSENGERS WITH FEWER VEHICLES BY ADDING CENTRALIZED RIDE APP PICK UP/DROP OFF AREAS AT LOGAN AIRPORT WHICH SIGNIFICANTLY REDUCED CONGESTION AT THE TERMINAL CURBS.



Calculation of Total PFC Pledged Under the PFC Trust Agreement/PFC Depostitory Agreement and Calculation of Total CFC Revenue Pledged Under the CFC Trust Agreement

Fiscal Years Ended June 30, 2011 through June 30, 2020 (In Thousands)

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

	2015	2014	2013	2012	2011
PFC Trust Agreement Revenues:					
Logan Airport Net PFC Collections (1)	$65,807	$62,682	$60,105	$59,258	$58,485
PFC Investment Income (2)	$82	$69	$62	$81	$177
PFC Revenue (3)	**$65,889**	**$62,751**	**$60,167**	**$59,339**	**$58,662**
CFC Trust Agreement Revenues:					
CFC Collections (4)	$30,768	$29,963	$29,354	$28,749	$26,203
CFC Investment Income	$384	$417	$771	$802	$159
CFC Revenue	**$31,152**	**$30,380**	**$30,125**	**$29,551**	**$26,362**

(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 Depository 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.

(4) CFC revenue collection began at Logan Airport on December 1, 2008. The CFC Trust Agreement became effective May 18, 2011.

Source: Authority's accounting reports.

MASSACHUSETTS IS A GLOBAL DESTINATION AND INTERNATIONAL TRAVEL IS IMPORTANT TO OUR AIRLINE PARTNERS AND TO THE STATEWIDE ECONOMY.

Calculation of Debt Service Coverage Under the 1978 Trust Agreement, the PFC Trust Agreement and the CFC Trust Agreement

Fiscal Years Ended June 30, 2011 through June 30, 2020 (In Thousands - Except Coverage Calculations)

S-7 Debt Service Coverage

	2020	2019	2018	2017	2016
1978 Trust Agreement					
Net Revenue	$419,359 (8)	$433,730	$382,358	$332,111	$293,064
Debt Service - Principal	$62,680	$53,565	$52,325	$52,895	$49,430
Debt Service - Interest	$93,153	$69,100	$64,706	$59,636	$52,429
PFC Revenues designated as Available Funds (9)	($11,571)	N/A	N/A	N/A	N/A
Credits to Debt Service (1)	($24,958)	($4,115)	($5,709)	($11,075)	($3,639)
Annual Debt Service	$119,304	$118,550	$111,322	$101,456	$98,220
Debt Service Coverage	3.52	3.66	3.43	3.27	2.98 (6)
PFC Trust Agreement (7)					
Net PFC Revenue	N/A	N/A	N/A	$76,833	$70,995
Debt Service - Principal	N/A	N/A	N/A	$52,910	$22,325
Debt Service - Interest	N/A	N/A	N/A	$2,579	$3,731
Credits to Debt Service (2)	N/A	N/A	N/A	($20,245)	($312)
Annual Debt Service	N/A	N/A	N/A	$35,244	$25,744
Debt Service Coverage (3)	N/A	N/A	N/A	2.18	2.76
First Lien Sufficiency Covenant	N/A	N/A	N/A	63.44	10.68 (6)
CFC Trust Agreement					
CFC Revenue (4)	$25,884	$33,517	$33,003	$33,055	$32,335
Debt Service - Principal	$4,165	$3,960	$3,780	$3,620	$3,485
Debt Service - Interest	$10,951	$11,144	$11,311	$11,461	$11,584
Credits to Debt Service	($2,930)	($1,994)	($1,050)	($729)	($397)
Annual Debt Service	$12,186	$13,110	$14,041	$14,352	$14,672
Debt Service Coverage before the benefit of Rolling Cov. Fund and Sup. Reserve Fund balances	2.12	2.56	2.35	2.30	2.20
Debt Service Coverage after the benefit of Rolling Cov. Fund and Sup. Reserve Fund balances	2.42	2.86	2.65	2.60	2.50

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

(2) 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.

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

(4) CFC revenue collection began at Logan Airport on December 1, 2008. The CFC Trust Agreement became effective May 18, 2011. The CFC Bonds were issued June 15, 2011. Due to the timing of the issuance, no debt service was due or paid in fiscal year 2011 and, accordingly, coverage cannot be calculated for fiscal year 2011.

(5) 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.

(6) 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, respectively. The PFC First Lien Sufficiency covenant calculation has been updated from 11.03 to 10.68 for fiscal year 2016.

(7) 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.

(8) Fiscal year 2020 Net Revenues include $57.1 million of CARES Act grant funds used to reimburse operating expenses and designated as Available Funds under the 1978 Trust Agreement.

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

Source: Authority's accounting reports.

Calculation of Debt Service Coverage Under the 1978 Trust Agreement the PFC Trust Agreement and the CFC Trust Agreement

Fiscal Years Ended June 30, 2011 through June 30, 2020 (In Thousands - Except Coverage Calculations)

S-7 Debt Service Coverage (Continued)

	2015	2014	2013	2012	2011
1978 Trust Agreement					
Net Revenue	$258,087	$240,108	$222,444	$234,099	$209,501
Debt Service - Principal	$50,480	$46,910	$44,325	$57,010	$54,100
Debt Service - Interest	$50,211	$48,882	$51,089	$50,024	$50,913
PFC Revenues designated as Available Funds (9)	N/A	N/A	N/A	N/A	N/A
Credits to Debt Service (1)	($2,191)	($5,229)	($5,330)	($1,198)	($3,994)
Annual Debt Service	$98,500	$90,563	$90,084	$105,836	$101,019
Debt Service Coverage)	2.62 (6)	2.65	2.47	2.21	2.07
PFC Trust Agreement (7)					
Net PFC Revenue	$65,889	$62,751	$60,167	$59,339	$58,662
Debt Service - Principal	$17,475	$17,720	$16,925	$16,160	$15,735
Debt Service - Interest	$4,563	$5,435	$6,236	$6,999	$7,214
Credits to Debt Service (2)	($841)	($1,311)	($1,417)	($924)	($1,618)
Annual Debt Service	$21,197	$21,844	$21,744	$22,235	$21,331
Debt Service Coverage (3)	3.11	2.87	2.77	2.67	2.75
First Lien Sufficiency Covenant	5.64	4.75	4.37	3.73	4.09
CFC Trust Agreement					
CFC Revenue (4)	$30,768	$29,963	$29,354	$28,749	$26,203
Debt Service - Principal	$3,360	$3,260	$3,185	$2,575	$0
Debt Service - Interest	$11,693	$11,755	$11,796	$11,814	$0
Credits to Debt Service	($366)	($2,220)	($3,564)	($2,796)	$0
Annual Debt Service	$14,687	$12,795	$11,417	$11,593	$0
Debt Service Coverage before the benefit of Rolling Cov. Fund and Sup. Reserve Fund balances	2.09	2.34	2.57	2.48	N/A
Debt Service Coverage after the benefit of Rolling Cov. Fund and Sup. Reserve Fund balances	2.39 (5)	2.64 (5)	2.87	2.78	N/A

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

(2) 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.

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

(4) CFC revenue collection began at Logan Airport on December 1, 2008. The CFC Trust Agreement became effective May 18, 2011. The CFC Bonds were issued June 15, 2011. Due to the timing of the issuance, no debt service was due or paid in fiscal year 2011 and, accordingly, coverage cannot be calculated for fiscal year 2011.

(5) 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.

(6) 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, respectively. The PFC First Lien Sufficiency covenant calculation has been updated from 11.03 to 10.68 for fiscal year 2016.

(7) 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.

(8) Fiscal year 2020 Net Revenues include $57.1 million of CARES Act grant funds used to reimburse operating expenses and designated as Available Funds under the 1978 Trust Agreement.

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

Source: Authority's accounting reports.

Debt Metrics Under the 1978 Trust Agreement, the PFC Trust Agreement and the CFC Trust Agreement

Fiscal Years Ended June 30, 2011 through June 30, 2020 (In Thousands - Except Per Passenger Calculations)

S-8 Debt Metrics (1)

	2020	2019	2018	2017	2016
1978 Trust Agreement-Annual Debt Service per enplaned passenger (3)	$7.90	$5.69	$5.67	$5.45	$5.67
1978 Trust Agreement Bonds Outstanding (GAAP)	$2,234,570	$1,752,315	$1,489,400	$1,467,650	$1,348,590
Less Annual Debt Service - Principal (4)	$62,680	$53,565	$52,325	$52,895	$49,430
1978 Trust Agreement Bonds Outstanding (4)	$2,171,890	$1,698,750	$1,437,075	$1,414,755	$1,299,160
1978 Trust Agreement Bonds per enplaned passenger	$143.87	$81.54	$73.18	$75.93	$74.94
PFC Trust Agreement Annual Debt Service per enplaned passenger	N/A	N/A	N/A	$1.89	$1.49
PFC Trust Agreement Bonds Outstanding (GAAP)	N/A	N/A	N/A	$52,910	$75,235
Less Annual PFC Debt Service - Principal	N/A	N/A	N/A	$52,910	$22,325
PFC Trust Agreement Bonds Outstanding (2)	N/A	N/A	N/A	$0	$52,910
PFC Trust Agreement Bonds per enplaned passenger	N/A	N/A	N/A	$0	$3.05
CFC Trust Agreement Bonds Outstanding (GAAP)	$124,420	$190,795	$194,575	$198,195	$201,680
Less Annual CFC Debt Service - Principal	$4,165	$3,960	$3,780	$3,620	$3,485
CFC Trust Agreement Bonds Outstanding	$120,255	$186,835	$190,795	$194,575	$198,195
CFC Trust Agreement Bonds per enplaned passenger	$7.97	$8.97	$9.72	$10.44	$11.43
Subordinated Obligations Debt - Direct Placement (GAAP)	$72,500	$40,000	$0	$0	$0
1978 Trust Agreement Subordinated Obligations Debt Outstanding - Direct Placement (5)	$72,500	$40,000	$0	$0	$0
Total Outstanding Bonds at June 30 (GAAP)	**$2,431,490**	**$1,983,110**	**$1,683,975**	**$1,718,755**	**$1,625,505**

(1) Excluding accrued maturities and commercial paper. See Exhibit S-12 for enplaned passenger statistics.
(2) 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.
(3) Commencing in fiscal year 2020, excludes debt service paid from PFC Revenues designated by the Authority as Available Funds.
(4) Includes principal paid from all sources, including PFC Revenues designated by the Authority as Available Funds.
(5) 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.

Source: Authority's accounting reports.

Debt Metrics Under the 1978 Trust Agreement, the PFC Trust Agreement and the CFC Trust Agreement

Fiscal Years Ended June 30, 2011 through June 30, 2020 (In Thousands - Except Per Passenger Calculations)

S-8 Debt Metrics (1) (Continued)

	2015	2014	2013	2012	2011
1978 Trust Agreement-Annual Debt Service per enplaned passenger (3)	$6.13	$5.90	$6.16	$7.27	$7.15
1978 Trust Agreement Bonds Outstanding (GAAP)	$1,398,070	$1,194,540	$1,238,865	$1,200,360	$1,254,460
Less Annual Debt Service - Principal (4)	$50,480	$46,910	$44,325	$57,010	$54,100
1978 Trust Agreement Bonds Outstanding (4)	$1,347,590	$1,147,630	$1,194,540	$1,143,350	$1,200,360
1978 Trust Agreement Bonds per enplaned passenger	$83.87	$74.82	$81.70	$78.54	$84.91
PFC Trust Agreement Annual Debt Service per enplaned passenger	$1.32	$1.42	$1.49	$1.53	$1.51
PFC Trust Agreement Bonds Outstanding (GAAP)	$92,710	$110,430	$127,355	$143,515	$159,250
Less Annual PFC Debt Service - Principal	$17,475	$17,720	$16,925	$16,160	$15,735
PFC Trust Agreement Bonds Outstanding (2)	$75,235	$92,710	$110,430	$127,355	$143,515
PFC Trust Agreement Bonds per enplaned passenger	$4.68	$6.04	$7.55	$8.75	$10.15
CFC Trust Agreement Bonds Outstanding (GAAP)	$205,040	$208,300	$211,485	$214,060	$214,060
Less Annual CFC Debt Service - Principal	$3,360	$3,260	$3,185	$2,575	$0
CFC Trust Agreement Bonds Outstanding	$201,680	$205,040	$208,300	$211,485	$214,060
CFC Trust Agreement Bonds per enplaned passenger	$12.55	$13.37	$14.25	$14.53	$15.14
Subordinated Obligations Debt - Direct Placement (GAAP)	$0	$0	$0	$0	$0
1978 Trust Agreement Subordinated Obligations Debt Outstanding - Direct Placement (5)	$0	$0	$0	$0	$0
Total Outstanding Bonds at June 30 (GAAP)	**$1,695,820**	**$1,513,270**	**$1,577,705**	**$1,557,935**	**$1,627,770**

(1) Excluding accrued maturities and commercial paper. See Exhibit S-12 for enplaned passenger statistics.
(2) 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.
(3) Commencing in fiscal year 2020, excludes debt service paid from PFC Revenues designated by the Authority as Available Funds.
(4) Includes principal paid from all sources, including PFC Revenues designated by the Authority as Available Funds.
(5) 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.

Source: Authority's accounting reports.

OVER 70,000 FACE SHIELDS CAME TO MASSACHUSETTS THROUGH HANSCOM FIELD AS PART OF THE COMMONWEALTH'S EFFORTS TO PROCURE PPE.

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 2020 (2)

EMPLOYER	HEADQUARTERS	PRODUCT OR SERVICE
Bj's Wholesale Club Inc	Westborough	Wholesale Clubs
Boston Scientific Corp	Marlborough	Physicians & Surgeons Equip & Supls-Whls
Bright Horizons Family Sltns	Watertown	Child Care Service
Five Star Senior Living Inc	Newton	Health Care Management
FMR LLC	Boston	Financial Advisory Services
Fresenius Medical Care North	Waltham	Dialysis
General Electric Co	Boston	Electronic Equipment & Supplies-Mfrs
Iron Mountain Inc	Boston	Business Records & Documents-Storage
John Hancock	Boston	Insurance
Keolis North America	Boston	Local Passenger Transportation Nec
Keurig Dr Pepper Inc	Burlington	Beverages (Whls)
Liberty Mutual Holding Co Inc	Boston	Insurance-Holding Companies
National Amusements Inc	Norwood	Theatres-Movie
National MENTOR Holdings Inc	Boston	Human Services Organizations
Partners Health Care System	Boston	Health Care Management
Philips Electronics N America	Andover	Health Equipment & Supls-Manufacturers
Raytheon Co	Waltham	Aerospace Industries (Mfrs)
State Street Corp	Boston	Holding Companies (Bank)
Thermo Fisher Scientific Inc	Waltham	Laboratory Equipment & Supplies (Whls)
Virtusa Corp	Southborough	Computer Programming Services

Calendar Year 2011

EMPLOYER	HEADQUARTERS	PRODUCT OR SERVICE
Boston Scientific Corp	Natick	Surgical Instruments-Manufacturers
Care Group Inc	Boston	Clinics
De Moulas Super Markets Inc	Tewksbury	Grocers-Retail
EMC Corp	Hopkinton	Information Technology Services
Five Star Quality Care Inc	Newton	Residential Care Homes
FMR LLC	Boston	Financial Advisory Services
Fresenius Medical Care N Amer	Waltham	Kidney Dialysis Centers
Iron Mountain Inc	Boston	Business Records & Documents-Storage
John Hancock	Boston	Insurance
Massachusetts Mutual Life Ins	Springfield	Insurance
National Amusements Inc	Dedham	Theatres-Movie
National Mentor Holdings Inc	Boston	Educational Programs
Partners Health Care	Boston	Health Maintenance Organizations
Philips Electronics N America	Andover	Health Equipment & Supls-Manufacturers
Raytheon Co	Waltham	Aerospace Industries (Mfrs)
Staples Inc	Framingham	Office Supplies
State Street Corp	Boston	Holding Companies (Bank)
Stream Global Svc Inc	Wellesley	Business Support Service
Thermo Fisher Scientific Inc	Waltham	Measuring/Controlling Devices Nec (Mfrs)
University of MA System	Shrewsbury	Schools-Universities & Colleges Academic

(1) Largest employers headquartered in MA only, excludes subsidiaries that are headquartered outside of MA.
(2) Updated data as of November 2020.

Sources: InfoUSA, Inc. (2020).

Demographics and Employment Data
Calendar Years Ended 2010 through 2019

S-10 Demographics and Employment Data

BOSTON METROPOLITAN STATISTICAL AREA (1)	2019	2018	2017	2016	2015
Population (5)	4,873,019	4,859,536	4,844,597	4,805,942	4,766,755
Total personal income (in millions)	N/A (2)	$383,665	$358,021	$336,363	$326,046
Per capita personal income	N/A (2)	$78,694	$74,024	$70,157	$68,292
Unemployment rate (annual average) (4)	2.6%	3.1%	3.4%	3.5%	4.4%
Employment By Industry Industry Type (In thousands) (3, 4)					
Educational and Health Services	599.6	593.0	585.9	582.4	570.6
Trade, Transportation and Utilities	436.3	440.1	440.9	437.8	434.6
Professional and Business Services	518.0	513.6	494.3	477.2	464.9
Government	321.2	320.2	317.8	319.6	318.4
Manufacturing	187.8	188.5	188.5	187.6	189.5
Leisure and Hospitality	271.8	271.4	270.9	263.6	257.1
Financial Activities	186.6	185.3	185.3	185.4	184.8
Construction	120.3	119.2	113.8	110.0	107.8
Other Services	102.9	103.2	102.0	101.1	100.1
Information	82.5	80.1	80.4	79.3	77.7
Total	2,827.0	2,814.6	2,779.8	2,744.0	2,705.5

(1) The Metropolitan Statistical Area as defined by the Office of Management and Budget for Federal statistical purposes.
(2) 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.
(3) 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.
(4) Employment data for calendar year 2018 has been revised from what was reflected in Table S-10 of the Authority's fiscal year 2019 CAFR, reflecting updated data released by the Bureau of Labor Statistics.
(5) Population data for calendar year 2018 has been revised from what was reflected in Table S-10 of the Authority's fiscal year 2019 CAFR, reflecting updated data released by the U.S. Census Bureau. Population estimate as of July 1.

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

WORCESTER REGIONAL AIRPORT CELEBRATED ALL OUR VETERANS AS WELL AS REACHING THE 750,000 PASSENGER MILESTONE IN EARLY FY20

Demographics and Employment Data
Calendar Years Ended 2010 through 2019

S-10 Demographics and Employment Data (Continued)

BOSTON METROPOLITAN STATISTICAL AREA (1)	2014	2013	2012	2011	2010
Population (5)	4,739,385	4,698,356	4,642,095	4,591,112	4,559,372
Total personal income (in millions)	$304,329	$289,275	$280,244	$265,794	$252,729
Per capita personal income	$64,311	$61,754	$60,387	$57,893	$55,431
Unemployment rate (annual average) (4)	5.2%	6.1%	6.1%	6.6%	7.6%
Employment By Industry Industry Type (In thousands) (3, 4)					
Educational and Health Services	558.6	539.9	532.8	521.9	512.5
Trade, Transportation and Utilities	432.4	423.8	419.6	417.3	412.8
Professional and Business Services	449.2	439.0	425.8	412.3	399.9
Government	320.1	313.5	309.7	308.1	309.9
Manufacturing	193.1	193.3	193.6	192.9	196.2
Leisure and Hospitality	250.0	242.4	233.6	225.8	219.8
Financial Activities	180.4	178.9	178.7	177.9	179.6
Construction	97.9	90.5	86.3	80.9	77.9
Other Services	99.8	98.3	97.6	95.8	93.2
Information	76.3	75.1	74.6	74.8	72.0
Total	2,657.8	2,594.7	2,552.3	2,507.7	2,473.8

(1) The Metropolitan Statistical Area as defined by the Office of Management and Budget for Federal statistical purposes.
(2) 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.
(3) 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.
(4) Employment data for calendar year 2018 has been revised from what was reflected in Table S-10 of the Authority's fiscal year 2019 CAFR, reflecting updated data released by the Bureau of Labor Statistics.
(5) Population data for calendar year 2018 has been revised from what was reflected in Table S-10 of the Authority's fiscal year 2019 CAFR, reflecting updated data released by the U.S. Census Bureau. Population estimate as of July 1.

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

MASSPORT SPONSORED A DONATION DRIVE FOR PERSONAL CARE ITEMS FOR LOCAL VETERANS

Number of Employees by Facility

Fiscal Years Ended June 30, 2011 through June 30, 2020

S-11 Number of Employees by Facility (1)

FACILITY	2020	2019	2018	2017	2016
Logan Airport	829.0	819.0	777.0	780.0	750.5
Hanscom Field	19.0	19.0	19.0	18.0	19.0
Worcester Regional Airport	25.0	24.0	33.0	32.0	31.0
Maritime	121.0	122.0	119.0	121.0	120.5
General Administration	349.0	346.0	336.0	322.0	318.0
Total Employees	**1,343.0**	**1,330.0**	**1,284.0**	**1,273.0**	**1,239.0**

(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 2020, there were 159 State Police positions assigned to the Authority.

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

SAFETY AND SECURITY IS MASSPORT'S NUMBER ONE PRIORITY. BOSTON POLICE COMMISSIONER WILLIAM GROSS WAS THE KEYNOTE SPEAKER DURING LOGAN'S SAFE (SECURITY AWARENESS FOR EVERYONE) PROGRAM HONORING LOGAN EMPLOYEES FOR KEEPING OUR ASSETS SAFE AND SECURE.

Number of Employees by Facility
Fiscal Years Ended June 30, 2011 through June 30, 2020

S–11 Number of Employees by Facility (1) (Continued)

FACILITY	2015	2014	2013	2012	2011
Logan Airport	725.0	707.0	678.5	696.5	686.5
Hanscom Field	19.0	18.0	19.0	19.0	18.0
Worcester Regional Airport	32.0	26.5	21.0	24.0	5.0
Maritime	115.5	121.0	118.0	114.0	113.0
General Administration	311.5	300.5	287.5	255.0	258.0
Total Employees	**1,203.0**	**1,173.0**	**1,124.0**	**1,108.5**	**1,080.5**

(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 2020, there were 159 State Police positions assigned to the Authority.

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

Logan International Airport
Traffic Metrics
Fiscal Years Ended June 30, 2011 through June 30, 2020

S-12 Logan International Airport Activity

	2020	2019	2018	2017	2016
Aircraft Operations (1)					
Domestic (2)	208,986	263,545	257,296	244,857	237,479
International (3)	39,318	54,736	52,483	51,500	46,687
Regional	71,285	77,809	71,198	68,223	72,416
General Aviation	21,534	30,420	31,186	31,300	30,026
Total Operations	341,123	426,510	412,163	395,880	386,608
Aircraft Landed Weights (1,000 pounds) (4)	21,462,516	26,547,968	25,249,192	24,040,957	22,652,895
Passengers Traffic					
Domestic (2)					
Enplaned	11,281,039	15,620,740	14,995,819	14,257,124	13,368,762
Deplaned	11,285,569	15,696,004	15,079,032	14,348,544	13,466,887
International (3)					
Enplaned	2,820,055	4,011,290	3,609,751	3,493,005	3,004,322
Deplaned	2,926,919	4,018,879	3,649,730	3,506,567	3,034,210
Regional					
Enplaned	995,484	1,200,779	1,030,643	881,940	962,163
Deplaned	980,667	1,204,503	1,028,876	871,399	952,308
Subtotal	30,289,733	41,752,195	39,393,851	37,358,579	34,788,652
General Aviation ("GA")					
Enplaned	39,038	55,608	56,329	55,886	54,883
Deplaned	39,038	55,608	56,329	55,886	54,883
Total Passengers	**30,367,809**	**41,863,411**	**39,506,509**	**37,470,351**	**34,898,418**
Total Enplaned Passengers (excluding GA)	**15,096,578**	**20,832,809**	**19,636,213**	**18,632,069**	**17,335,247** (7)
Average Passengers Per Flight					
Domestic (2)	108.0	118.8	116.9	116.8	113.0
International (3)	146.2	146.7	138.3	135.9	129.3
Regional	27.7	30.9	28.9	25.7	26.4
Air Carrier and Passenger Metrics					
Primary carrier (5)	JetBlue	JetBlue	JetBlue	JetBlue	JetBlue
Primary carrier market share (5)	29.3%	28.5%	27.9%	27.2%	26.5%
Two top carriers market share (5)	43.9%	43.9%	44.1%	44.3%	40.7%
Origination & destination share (6)	94.4% (7)	94.5%	94.2%	94.4%	94.8%
Compensatory airline payments to Massport per enplaned passenger (8)	$20.21	$14.63	$14.37	$13.98	$13.45
Logan Airport revenue per enplaned passenger (9)	$44.02	$35.40	$35.39	$34.25	$33.85
Total Cargo & Mail (1,000 pounds)	657,848	733,465	727,175	672,402	606,101

(1) Includes all-cargo flights.
(2) Includes domestic flights on jets and charters.
(3) Includes international flights on jet, charter and commuter carriers.
(4) Excludes general aviation and non-tenant.
(5) Data consists of mainline activity only.
(6) 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 CAFR; this statistic is calculated based on outbound passengers only as of fiscal year end.
(7) Fiscal year 2020 data is preliminary.
(8) Consists of landing fees, terminal rents, certain non-PFC passenger fees and aircraft parking fees.
(9) Consists of landing fees, terminal rents, parking, utilities, non-terminal and ground rent, concessions and baggage fees.

Source: Authority reports.

Logan International Airport
Traffic Metrics
Fiscal Years Ended June 30, 2011 through June 30, 2020

S-12 Logan International Airport Activity (Continued)

	2015	2014	2013	2012	2011
Aircraft Operations (1)					
Domestic (2)	224,928	219,534	206,566	210,309	216,249
International (3)	41,084	38,059	38,400	37,956	33,961
Regional	71,233	79,983	79,608	87,895	91,307
General Aviation	26,114	26,286	26,924	29,062	20,740
Total Operations	363,359	363,862	351,498	365,222	362,257
Aircraft Landed Weights (1,000 pounds) (4)	20,784,046	20,297,245	19,494,836	19,858,768	19,712,898
Passengers Traffic					
Domestic (2)					
Enplaned	12,551,985	11,990,184	11,374,807	11,296,136	11,110,527
Deplaned	12,591,542	12,045,512	11,409,669	11,308,598	11,152,038
International (3)					
Enplaned	2,611,642	2,337,269	2,216,937	2,146,491	1,874,108
Deplaned	2,634,590	2,348,399	2,255,775	2,182,472	1,896,528
Regional					
Enplaned	903,180	1,011,299	1,029,877	1,114,704	1,152,967
Deplaned	910,348	1,021,968	1,024,898	1,117,810	1,152,971
Subtotal	32,203,287	30,754,631	29,311,963	29,166,211	28,339,139
General Aviation ("GA")					
Enplaned	47,967	47,816	48,471	58,899	42,048
Deplaned	47,967	47,816	48,471	58,899	42,048
Total Passengers	**32,299,221**	**30,850,263**	**29,408,905**	**29,284,009**	**28,423,235**
Total Enplaned Passengers (excluding GA)	**16,066,807**	**15,338,752**	**14,621,621**	**14,557,331**	**14,137,602**
Average Passengers Per Flight					
Domestic (2)	111.8	109.5	110.3	107.5	102.9
International (3)	127.7	123.1	116.5	114.1	111.0
Regional	25.5	25.4	25.8	25.4	25.3
Air Carrier and Passenger Metrics					
Primary carrier (5)	JetBlue	JetBlue	JetBlue	JetBlue	JetBlue
Primary carrier market share (5)	26.9%	26.5%	26.2%	23.8%	21.2%
Two top carriers market share (5)	39.2%	37.7%	37.6%	35.0%	32.9%
Origination & destination share (6)	94.5%	94.5%	95.0%	95.5%	95.6%
Compensatory airline payments to Massport per enplaned passenger (8)	$13.78	$13.55	$13.16	$13.20	$13.65
Logan Airport revenue per enplaned passenger (9)	$34.76	$34.07	$33.00	$32.75	$32.23
Total Cargo & Mail (1,000 pounds)	625,749	572,226	552,378	546,243	568,806

(1) Includes all-cargo flights.
(2) Includes domestic flights on jets and charters.
(3) Includes international flights on jet, charter and commuter carriers.
(4) Excludes general aviation and non-tenant.
(5) Data consists of mainline activity only.
(6) 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 CAFR; this statistic is calculated based on outbound passengers only as of fiscal year end.
(7) Fiscal year 2020 data is preliminary.
(8) Consists of landing fees, terminal rents, certain non-PFC passenger fees and aircraft parking fees.
(9) Consists of landing fees, terminal rents, parking, utilities, non-terminal and ground rent, concessions and baggage fees.

Source: Authority reports.

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

S-13 Passenger Traffic Market Shares

AIR CARRIER (1)	FISCAL YEAR 2020 PASSENGERS	%	FISCAL YEAR 2011 PASSENGERS	%
JetBlue Airways Corp.	8,889,649	29.3%	6,012,754	21.2%
American Airlines, Inc. (2)	4,430,956	14.6%	6,351,803	22.3%
Delta Air Lines, Inc.	4,372,605	14.4%	3,338,551	11.7%
Foreign Flag	4,248,129	14.0%	2,682,165	9.4%
United Air Lines, Inc. (3)	2,655,205	8.7%	3,318,331	11.7%
Southwest Airlines Co. (4)	1,747,658	5.8%	2,888,646	10.2%
Others (6)	2,047,322	6.7%	1,467,257	5.2%
Regional Carriers (5)	1,976,285	6.5%	2,363,728	8.3%
Total	**30,367,809**	**100.0%**	**28,423,235**	**100.0%**

AIR CARRIER (1)	2020	2019	2018	2017	2016
American (2)	**14.6%**	**15.4%**	**16.2%**	**17.1%**	**19.4%**
American	-	-	-	-	14.2
US Airways	-	-	-	-	5.2
Delta Air Lines	**14.4%**	**13.5%**	**12.6%**	**12.0%**	**11.5%**
JetBlue Airways	**29.3%**	**28.5%**	**27.9%**	**27.2%**	**26.5%**
Southwest (4)	**5.8%**	**6.6%**	**7.6%**	**8.2%**	**8.1%**
AirTran Airways	-	-	-	-	-
Southwest	-	-	-	-	-
United Airlines (3)	**8.7%**	**9.5%**	**9.8%**	**10.1%**	**10.3%**
Continental Airlines	-	-	-	-	-
United	-	-	-	-	-
Foreign Flag	**14.0%**	**14.6%**	**14.2%**	**14.4%**	**13.0%**
Regional U.S. Carriers (5)	**6.5%**	**5.7%**	**5.2%**	**4.7%**	**5.5%**
Other U.S. Carriers (6)	**6.7%**	**6.2%**	**6.5%**	**6.3%**	**5.7%**
Total (7)	**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) In March 2012, Continental merged into United and discontinued service as an independent entity.

(4) In May 2011, Southwest merged with Air Tran Airways, and effective January 1, 2015, the two airlines were fully integrated under the Southwest name. Southwest Airlines commenced service at Logan Airport in August 2009.

(5) Includes PenAir, 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.

(6) Includes Alaska Airlines, Spirit Airlines, Sun Country, Virgin America (merged with Alaska effective January 11, 2018) and chartered/non-scheduled domestic service.

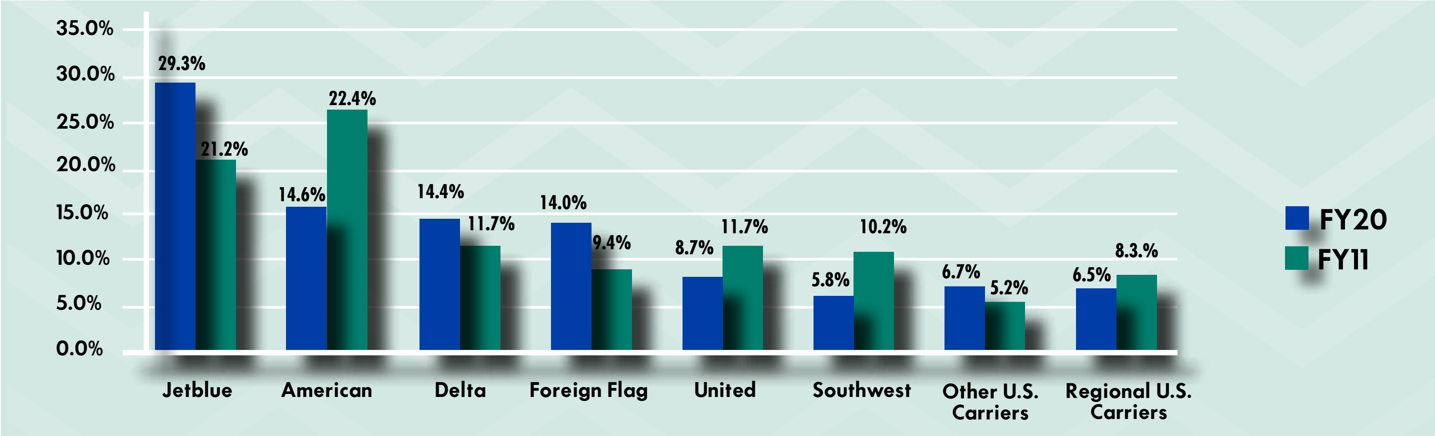
(7) Includes General Aviation figures.

Source: Authority reports.

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

S-13 Passenger Traffic Market Shares (Continued)

LOGAN INTERNATIONAL AIRPORT MARKET SHARE (1)
TOTAL PASSENGER TRAFFIC: FY20 VS FY11



AIR CARRIER (1)	2015	2014	2013	2012	2011
American (2)	**20.3%**	**21.0%**	**21.7%**	**21.9%**	**22.4%**
American	9.4	10.0	10.8	10.7	11.3
US Airways	10.9	11.0	10.9	11.2	11.1
Delta Air Lines	**12.3%**	**10.8%**	**10.7%**	**11.1%**	**11.7%**
JetBlue Airways	**26.9%**	**26.5%**	**26.2%**	**23.8%**	**21.2%**
Southwest (4)	**7.6%**	**8.2%**	**8.1%**	**9.4%**	**10.2%**
AirTran Airways	0.3	1.9	2.9	3.9	4.4
Southwest	7.3	6.3	5.2	5.5	5.8
United Airlines (3)	**10.2%**	**11.2%**	**11.3%**	**11.6%**	**11.7%**
Continental Airlines	-	-	-	2.6	3.8
United	-	-	-	9.0	7.9
Foreign Flag	**12.0%**	**10.9%**	**10.3%**	**9.6%**	**9.4%**
Regional U.S. Carriers (5)	**5.6%**	**6.6%**	**7.1%**	**7.3%**	**8.3%**
Other U.S. Carriers (6)	**5.1%**	**4.7%**	**4.5%**	**5.3%**	**5.2%**
Total (7)	**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) In March 2012, Continental merged into United and discontinued service as an independent entity.
(4) In May 2011, Southwest merged with Air Tran Airways, and effective January 1, 2015, the two airlines were fully integrated under the Southwest name. Southwest Airlines commenced service at Logan Airport in August 2009.
(5) Includes PenAir, 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.
(6) Includes Alaska Airlines, Spirit Airlines, Sun Country, Virgin America (merged with Alaska effective January 11, 2018) and chartered/non-scheduled domestic service.
(7) Includes General Aviation figures.

Source: Authority reports.

LOGAN AIRPORT TOOK IMMEDIATE ACTION TO RECONFIGURE TERMINALS TO SUPPORT SOCIAL DISTANCING TO PROACTIVELY KEEP OUR PASSENGERS, CUSTOMERS AND EMPLOYEES AS SAFE AS POSSIBLE.

Logan International Airport
Passenger Markets
Calendar Year 2019 and Nine Years Ago

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 2019, 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 2010.

S-14 Logan International Airport – Passenger Markets

MARKET	CALENDAR 2019 PERCENTAGE	CALENDAR 2019 RANK	CALENDAR 2010 RANK
New York Area (JFK, LGA, EWR) (1)	5.5%	1	1
Chicago, IL (ORD, MDW) (2)	5.4	2	4
Washington DC (IAD, DCA) (3)	5.1	3	2
San Francisco Area : (SFO and SJC)	4.9	4	3
Los Angeles Area : (LAX and LGB)	4.8	5	5
MCO : Orlando, FL	4.4	6	7
ATL : Atlanta, GA	3.9	7	8
PHL : Philadelphia, PA	2.9	8	13
FLL : Fort Lauderdale, FL	2.9	9	9
DEN : Denver, CO	2.7	10	10
BWI : Baltimore, MD	2.7	11	6
Dallas/Fort Worth, TX (DFW & DAL) (4)	2.7	12	11
TPA : Tampa, FL	2.5	13	14
RDU : Raleigh/Durham, NC	2.2	14	19
RSW : Fort Myers, FL	2.1	15	12
MSP: Minneapolis, MN	2.0	16	18
SEA : Seattle, WA	2.0	17	20
LAS : Las Vegas, NV	1.9	18	16
PBI: West Palm Beach, FL	1.8	19	17
DTW: Detroit, MI	1.8	20	27
Total for Cities Listed	**64.3%**		

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

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

Port of Boston
Cargo and Passenger Activity
Fiscal Years Ended June 30, 2011 through June 30, 2020

S-15 Port of Boston Cargo and Passenger Activity

PORT ACTIVITY	2020	2019	2018	2017	2016
Containers (1)	161,171	174,849	161,130	145,540	140,967
Cruise Passengers	298,029	395,971	406,369	351,914	289,076
Automobiles (2)	50,499	49,613	52,736	48,983	59,740
Bulk Tonnage	111,875	83,844	82,868	110,480	110,673

(1) Does not include over-the-road volumes.
(2) Does not include vehicles entered by over-the-road means.

Source: Authority reports.

THE CRUISE INDUSTRY IS AN IMPORTANT ECONOMIC DRIVER FOR THE MASSACHUSETTS ECONOMY. HERE, THREE CRUISE SHIPS, INCLUDING THE MSC MERAVIGLIA, THE LARGEST SHIP EVER TO VISIT BOSTON, ARE DOCKED AT FLYNN CRUISEPORT BOSTON.

Port of Boston
Cargo and Passenger Activity
Fiscal Years Ended June 30, 2011 through June 30, 2020

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

PORT ACTIVITY	2015	2014	2013	2012	2011
Containers (1)	125,809	116,800	110,163	107,477	106,856
Cruise Passengers	330,535	338,442	369,428	380,151	307,224
Automobiles (2)	57,522	57,662	46,116	37,215	42,256
Bulk Tonnage	155,415	182,714	121,890	144,430	112,667

(1) Does not include over-the-road volumes.
(2) Does not include vehicles entered by over-the-road means.

Source: Authority reports.

CONLEY CONTAINER TERMINAL IN SOUTH BOSTON IS BEING MODERNIZED IN PREPARATION FOR LARGER SHIP CALLS AT THE PORT OF BOSTON. PICTURED BELOW IS THE NEW CONTAINER STORAGE AREA RECENTLY CONSTRUCTED TO ACCOMMODATE AN INCREASE IN CONTAINER VOLUME.

Port of Boston Principal Customers

Current Year and Nine Years Ago

S-16 Port of Boston Principal Customers

Fiscal Year 2020

DIRECT SERVICE	SHIPPING LINES	CRUISE LINES	LARGE CUSTOMS HOUSE BROKERS
APL China Ocean Shipping Co. CMA CGM Columbia Coastal Evergreen America Mediterranean Shipping Corp. OOCL	APL China Ocean Shipping Co. CMA CGM Columbia Coastal Evergreen America Mediterranean Shipping Corp. OOCL	Aida Carnival Celebrity Cunard Holland American MSC Cruises Norwegian Cruise Line Oceania P&O Phoenix Reisen Ponant Princess Regent Royal Caribbean Scenic Seabourn Silversea TUI Viking Windstar	A.N. Deringer Agility Logistics Albatrans, Inc. BDP International, Inc. BOC International Bollore Logistics (acquired SDV) C.H. Powell Company C.H. Robinson Carotrans Int'l Ceva Logistics (acquired Eagle Global Logistics) DB Schenker DHL Forwarding DHL Supply Chain: North America (acquired Exel Global Logistics) Dolliff & Company, Inc. DSV Air & Sea Expeditors Int'l Fedex Trade Networks Hellmann Worldwide Logistics, Inc. J.F. Moran Co., Inc. Janel (formerly Liberty Intl) Kuehne & Nagel, Inc. Magic Customs Brokers, Inc. OceanAir, Inc OEC Panalpina, Inc. Savino Del Bene, Inc. Shipco Unique Logistics (formerly Dynasty Intl) UPS Supply Chain Solutions Vandegrift Intl.

Fiscal Year 2011

DIRECT SERVICE	SHIPPING LINES	CRUISE LINES	LARGE CUSTOMS HOUSE BROKERS
China Ocean Shipping Co. Columbia Coastal Transport Hanjin Shipping Hyundai Merchant Marine K-Line Mediterranean Shipping Corp. Yang Ming Line	China Ocean Shipping Co CMA-CGM Evergreen Hanjin Hyundai Merchant Marine K Line Meditteranean Shipping Co. Yang Ming Zim Line	Aida CruiseSeeTours Carnival Cruise Celebrity Cruises Classic Intl Cruises Costa Cruises Crystal Cruises Cunard Holland America Mitsui OSK Lines MSC Cruisetech Norwegian Cruise Line P&O Cruises Princess Cruises Residensea Royal Caribbean Silversea Cruises V Ships Leisure	A.N. Deringer Albatrans, Inc. BDP International, Inc. C.H. Powell Company DB Schenker DHL Danzas Dolliff & Company, Inc. Dynasty International, Inc. EGL Eagle Global Logistics Exel Global Logistics Expeditors Int'l Fedex Trade Networks Hellmann Worldwide Logistics, Inc. J.F. Moran Co., Inc. Kuehne & Nagel, Inc. 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.

Insurance Coverage
Fiscal Year Ended June 30, 2020

S-17 Insurance Coverage

POLICY 7/01/19 - 6/30/2020	BROKER / UNDERWRITER	LIMITS	RETENTION / UNDERLYING
PROPERTY INSURANCE			
All Risk Property Insurance including Boiler & Mach., Contractor's Equip. & Bus. Int. & Terrorism	Lockton/AIG	$1,000,000,000	$250,000
Hull Insurance - Including Terrorism	HUB International/CNA	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	Marsh/Berkley	$100,000,000	$25,000
Automobile Liability Primary & Excess Comprehensive & Collision Deductible	Knapp, Schenck/Arbella	$5,000,000	$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.

Physical Asset Data
Fiscal Year Ended June 30, 2020

S-18 List of Certain Physical Asset Characteristics

	2020
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)	39
Terminal C (number of jet contact gates)	28
Terminal E (number of jet contact gates)	12
Parking	
Number of commercial and employee parking spaces	19,260
Cargo Facilities (square feet)	273,556
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 11 (length in feet)	1,000
Berth 12 (length in feet)	1,000
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
Black Falcon Terminal	
10 berths (length in feet (each))	500
Commercial Real Estate (approximate acres)	91.7

Source: Authority reports.

Annual Disclosure

Massport is using technology to improve the customer experience.

STATEMENT OF THE 1978 TRUST AGREEMENT

ANNUAL FINANCIAL INFORMATION AND OPERATING DATA

Of The Massachusetts Port Authority For Fiscal Year 2020

INTRODUCTION

This Statement of Annual Financial Information and Operating Data dated as of November 24, 2020 (the "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, 2020 ("fiscal year 2020"), which updates financial information and operating data presented in the Authority's Statement of Annual Financial Information and Operating Data dated as of November 22, 2019 (the "2019 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 10, 2019 (the "2019 Official Statement"). This Annual Disclosure Statement is part of the Authority's Comprehensive Annual Financial Report dated November 24, 2020 (the "CAFR") for fiscal year 2020 and the remaining sections of the CAFR are incorporated herein by reference. The Authority's audited financial statements for fiscal year 2020 and comparative information for fiscal year 2019, 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 CAFR. The 2019 Official Statement and the 2020 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 2019 Official Statement.

This Annual Disclosure Statement applies to the following Series of Bonds issued by the Authority and outstanding at June 30, 2020 (collectively, the "Bonds"):

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)
Massachusetts Port Authority Revenue Bonds, Series 2012-A (AMT)
Massachusetts Port Authority Revenue Refunding Bonds, Series 2012-B (Non-AMT)
Massachusetts Port Authority Revenue Bonds, Series 2010-A (Non-AMT)
Massachusetts Port Authority Revenue Refunding Bonds, Series 2010-B (Non-AMT)
Massachusetts Port Authority Revenue Refunding Bonds, Series 2008-C (Non-AMT)

As of June 30, 2020, the Authority had issued and outstanding 19 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 the Trustee. Please see Note 5 of the Authority's Financial Statements as of June 30, 2020 for more detailed information.

As of June 30, 2020, 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"). On November 20, 2018, the Authority issued one series of Subordinated Obligations (Series 2018-A), in the aggregate principal amount of up to $107.5 million (the "Series 2018 Subordinated Obligations," and, together with the Series 2000 Subordinated Obligations and the Series 2001 Subordinated Obligations, the "Subordinated Indebtedness"). As of June 30, 2020, all of the available amount of the Series 2018 Subordinated Obligations had been drawn down by the Authority. As of June 30, 2020, the outstanding principal balance of the Series 2018 Subordinated Obligations was $72.5 million, reflecting the receipt of a $35.0 million payment from the Commonwealth during fiscal year 2020. 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.

As of June 30, 2020, the Authority had one outstanding series of CFC Revenue Bonds with a balance of $124.4 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 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, 2020 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 CAFR its Statement of Annual Financial Information and Operating Data for fiscal year 2020 (the "2020 CFC Disclosure Statement") with respect to the CFC Bonds.

As of June 30, 2020, 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, 2020 for more detailed information.

Commercial Paper

On May 15, 2012, the Authority renewed its commercial paper program in an aggregate principal amount not to exceed $100.0 million and entered into a three-year Letter of Credit and Reimbursement Agreement with TD Bank, N.A. ("TDBank"), to provide security for the commercial paper program. On March 4, 2014, the Authority amended the commercial paper program increasing the aggregate principal amount to up to $150.0 million and extending the expiration of the Letter of Credit and Reimbursement Agreement with TD Bank to June 1, 2017. On June 1, 2017, the expiration date of the Letter of Credit and Reimbursement Agreement with TD Bank was extended to June 1, 2022. As of June 30, 2020, the Authority had outstanding $22.0 million of commercial paper notes. The obligations of the Authority with respect to its commercial paper notes are secured by the Improvement and Extension Fund and the proceeds of Bonds subsequently issued for that purpose. The Authority currently expects to repay a significant portion of the outstanding notes from the PFC Capital Fund.

Impact of COVID-19 Pandemic

The information provided by the Authority in this Annual Disclosure Statement includes fiscal year 2020 results, which reflects approximately three and a half months of impact from the COVID-19 pandemic. Accordingly, the information in this Annual Disclosure Statement may not be indicative of future results or performance due to the continued and evolving nature of the COVID-19 pandemic. For additional information regarding the impact of the COVID-19 pandemic on the Authority's financial condition and operations, please see the "COVID-19 Impact Statement" which is set forth in the MD&A section of the CAFR. Reference is also made to the Authority's voluntary filings regarding the impact of the COVID-19 pandemic on the Authority's financial and operating condition and the Authority's responses thereto, which were filed on May 6, 2020, July 17, 2020 and on or about the date of filing of the CAFR with the MSRB.

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 Table S-4 (Conversion of GAAP Revenues and Expenses to 1978 Trust Agreement Revenues and Expenses) set forth in the statistical section of the CAFR 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 2020, Logan Airport accounted for 78.5% of the Authority's Revenues and 74.4% 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 2020, please refer to Exhibits S-5, S-12, S-13 and S-14 presented in the statistical section of the CAFR. Exhibit 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 17th most active airport in North America in reporting year 2019, based upon total passenger volume. In reporting year 2019, Logan Airport was the 53rd most active in the world according to data from ACI. Enplaned plus deplaned passengers (excluding the General Aviation passengers) at Logan Airport for fiscal year 2020 totaled approximately 30.3 million passengers. This is a 27.5% decrease from the 41.8 million passengers that used Logan Airport in fiscal year 2019. The decrease in the passenger volume and business activities are primarily the result of domestic and international travel restrictions that were placed into effect in March 2020 due to the COVID-19 pandemic. For additional information regarding the impact of the COVID-19 pandemic on the Authority's financial condition and operations, please see the "COVID-19 Impact Statement" which is set forth in the MD&A section of the CAFR.

The primary destinations of passengers using Logan Airport for calendar year 2019 were: 16.9% to Florida, 5.5% to the New York market, which includes traffic to LaGuardia, JFK and Newark, 5.4% to Chicago and 5.1% to Washington, D.C. The proportion of domestic passengers traveling to the West Coast cities of Los Angeles and San Francisco, California, was 9.7%.

In fiscal year 2020, international passengers (including those traveling on foreign flag and regional carriers) accounted for 18.9% of passenger traffic, or approximately 5.7 million passengers. This is a decrease of 28.4% or 2.3 million international passengers compared to the prior year. Of the 18.9% of passengers traveling internationally in fiscal year 2020, 50.6% traveled to or from Europe, 16.2% to or from Bermuda and the Caribbean, 11.5% to or from Canada, 9.2% to or from Middle East, 7.0% to or from the Trans-Pacific, 4.9% to or from Central and South America and 0.5% to or from Africa.

In fiscal year 2020, passengers traveling domestically on regional airlines accounted for approximately 6.5% of total passenger traffic at Logan Airport, or approximately 2.0 million passengers. The number of regional passengers (excluding passengers traveling internationally) decreased by 17.8% in fiscal year 2020. As of June 30, 2020, the top five regional airlines were Republic Airlines with 63.3% of domestic regional passengers, followed by Endeavor Air with 17.3%, Cape Air with 6.7%, SkyWest with 5.9%, and Piedmont with 4.4% of domestic regional passengers.

During fiscal year 2020, five domestic low-cost carriers ("LCCs") and ultra-low cost carriers ("ULCCs") handled 39.2% of Logan Airport's passengers – JetBlue Airways, Southwest Airlines, Spirit Airlines, Sun Country (MN Airlines) and Frontier. In addition to these domestic LCCs and ULCCs, during fiscal year 2020, four foreign flag LCCs Level, Norwegian (includes Air Shuttle and UK), Porter and Westjet provided international service to seven international destinations and handled 1.7% of Logan Airport's passengers.

In fiscal year 2020, total combined cargo and mail volume was approximately 657.8 million pounds. The total volume of air cargo and mail handled at Logan Airport decreased in fiscal year 2020 by 10.3% compared to fiscal year 2019. 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 Wiggins), United Parcel Service, DHL (with Atlas Air, ABX Air, Inc.). Integrated carriers accounted for 61.7% of total domestic and international cargo (including mail) volume in fiscal years 2020.

Selected Financial Data

Table S-5 set forth in the statistical section of the CAFR 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 2020 and comparative data for fiscal year 2019, together with the report thereon of Ernst & Young LLP, independent auditors, are included in the CAFR.

Tables S-7 and S-8 of the CAFR 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. In addition, all Terminal A Rental Revenues received on or after February 13, 2019 are included as Revenues, reflecting the impact of the refunding and defeasance of the Terminal A Bonds with proceeds of the 2019-A Bonds. Please see Note 5, section (a) of the Authority's Financial Statements for additional information. As used in the tables, "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.

Prepared in Accordance with the 1978 Trust Agreement

Total Operating Revenues in fiscal year 2020 were $822.9 million compared to $904.5 million in fiscal year 2019, while Operating Expenses were $484.0 million in fiscal year 2020 compared to $492.4 million in fiscal year 2019, resulting in Net Revenues, prior to the application of other Available Funds, of $362.3 million and $433.7 million in fiscal year 2020 and fiscal year 2019, respectively. During fiscal year 2020, the Authority used $57.1 million of grants funds received pursuant to the federal Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") for operating expenses and designated such grant funds as Available Funds under the 1978 Trust Agreement. Taking into account these Available Funds, fiscal year 2020 Net Revenues were $419.4 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, 2020 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. Commencing February 13, 2019, all Terminal A Rental Revenues are included in Revenues and Net Revenues of the Authority, reflecting the impact of the refunding and defeasance of the Terminal A Bonds with proceeds of the 2019-A Bonds. Please see Note 5, section (a) of the Authority's Financial Statements for additional information.

Airport Properties

Airport Properties Net Revenues (Airport Properties Revenues less Airport Properties Operating Expenses) prior to the application of other Available Funds, decreased by $68.5 million or 18.8% from fiscal year 2019. The number of passengers using Logan Airport (excluding general aviation) in fiscal year 2020 was 27.5% lower than in fiscal year 2019. Landed weights were 19.2% lower than the prior fiscal year. Logan Airport Parking revenues were 24.8% lower than such revenues in fiscal year 2019. Logan Airport generated approximately $664.6 million of Operating Revenues and incurred $352.4 million of Operating Expenses in fiscal year 2020 compared to $737.5 million of Operating Revenues and $361.2 million of Operating Expenses in fiscal year 2019. 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 October, 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 $110.5 million in landing fee revenue in fiscal year 2020. This was a $9.4 million or 7.8% decrease from the $119.8 million generated in fiscal year 2019. Logan Airport's 2020 landing fee adjusted rate of $5.46 per thousand pounds was higher than the $4.37 per thousand pounds approved in 2019. Total landed weights in fiscal year 2020 was 21,462,516 pounds, a decrease of 5,085,452 pounds compared to fiscal year 2019.

Parking Fees. Logan Airport parking revenues (including Logan Express) decreased from $181.5 million in fiscal year 2019 to $136.4 million in fiscal year 2020. 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, 2020. In addition to those listed below, as of June 30, 2020 three gates were closed for renovations in Terminal C. As of June 30, 2020, all of the gates in Terminal E are common use facilities; however, there are five domestic carriers (Frontier, Hawaiian, JetBlue, Silver and Sun Country) which serve U.S. destinations that leased gates on a preferential hourly basis during off-peak hours.

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	25†	1 YEAR	****
	TOTAL:	85		

* 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 the term was amended to extend the Term of the 0 Lease for 5 years beginning September 1, 2019 through August 31, 2024 and Delta will have the option to extend the term an additional 5 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. Lease is effective, but not yet fully executed.

*** 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 25 year lease expiring September 30, 2023. Eight gates were subject to an original 20 year lease, expiring June 13, 2021; this term was extended to September 30, 2023.

† JetBlue subleases one gate to Cape Air. It also allows Aer Lingus to operate out of three 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.

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 Southwest, 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 (previously US Airways). Delta's lease agreement was amended on September 1, 2019 to extend the term for five years through August 31, 2024 and Delta will have the option to extend the term for an additional five years. American's lease arrangement was entered into in connection with the significant capital investments the carrier made in the Authority's Terminal B facilities. Such terminal improvements were largely financed with special facilities revenue bonds issued by the Authority for the benefit of US Airways (now American) on a non-recourse basis. American has fully repaid its special facilities revenue bonds.

As reflected above, as of June 30, 2020, the Authority leased 85 of its 100 contact gates to various carriers serving the Airport. Rental revenue from Terminals totaled $211.1 million in fiscal year 2020 and rental income from non-terminal buildings and ground rents other than Terminals totaled $55.7 million in fiscal year 2020.

Concessions. Revenues from concessions decreased from $129.4 million in fiscal year 2019 to $110.7 million in fiscal year 2020, primarily due to decreased passenger volume as a result of the COVID-19 pandemic. 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, TNCs and buses and limousines. Revenues from ground transportation services decreased from $17.3 million in fiscal year 2019 to $12.5 million in fiscal year 2020 (excluding Ride App Drop Off Fees). In fiscal year 2020, the Authority implemented a new Ride App Drop Off Fee of $3.25 per drop off, which generated $3.8 million of additional ground transportation services revenue in fiscal year 2020.

Hanscom Field. During fiscal year 2020, Revenues from operations at Hanscom Field represented approximately 1.7% of the total Revenues of the Authority prior to the application of other Available Funds, and Hanscom Field's Operating Expenses constituted approximately 3.1% of the Authority's Operating Expenses. In fiscal year 2020, Hanscom Field contributed $14.6 million of Revenue, with Operating Expenses of $15.1 million, yielding an operating deficit before debt service or other capital expenses of approximately $545,000. 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 2020, Revenues from operations at Worcester Airport represented less than 1% of the total Revenues of the Authority prior to the application of other Available Funds, and Worcester's Operating Expenses constituted approximately 3.5% of the Authority's Operating Expenses and represented an operating loss of approximately $14.8 million before debt service and other capital expenses. In fiscal year 2019, Worcester Regional Airport generated an operating loss of approximately $10.9 million before debt service and other capital expenses. Worcester Airport had $2.0 million in operating revenues in fiscal year 2020, a decrease of $1.0 million compared to the prior year.

Port Properties

In fiscal year 2020, the Revenue attributable to the Port Properties totaled approximately $141.7 million, or approximately 16.7% of the Revenues of the Authority, and the Port Properties accounted for approximately $99.7 million of Operating Expenses according to the 1978 Trust Agreement, or approximately 20.6% of the Authority's Operating Expenses. The Port Properties realized a surplus of approximately $42.0 million and $46.7 million in Net Revenues in fiscal years 2020 and 2019, respectively.

The Net Revenue from Maritime Operations, which includes the auto, container, cruise and seafood business lines, was a surplus of $15.9 million and $24.5 million in fiscal year 2020 and 2019, respectively. The Net Revenue from Maritime Real Estate was a surplus of $26.1 million and $22.2 million in fiscal year 2020 and 2019, respectively 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 2020 was $23.4 million, an increase of $1.7 million from fiscal year 2019, as the Authority had more cash available to invest and was able to take advantage of a higher interest rate environment for a portion of the fiscal year.

MASSPORT PROUDLY SPONSORED EASTIE PRIDE DAY IN EAST BOSTON. HERE THE COMMUNITY HELPED PAINT A LOCAL MURAL THAT WAS DISPLAYED FOR PUBLIC VIEWING IN ONE OF THE GARAGES AT LOGAN AIRPORT.

Reconciliation of Revenue and Opening 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 under accounting principles generally accepted in the United States of America ("GAAP") for the period presented.

Exhibit – 1 **Unaudited** (IN THOUSANDS)	AIRPORT PROPERTIES	PORT PROPERTIES	INVESTMENT INCOME	NET CHANGE IN THE FAIR VALUE OF INVESTMENTS	6/30/20 FISCAL YEAR 2020 TOTAL	6/30/19 FISCAL YEAR 2019 TOTAL
Trust revenues:						
Pledged revenues	$680,279	$141,496	$0	$0	$821,775	$902,892
Operating grants	$2,726	$538	$0	$0	$3,264	$1,992
Subtotal	$683,005	$142,034	$0	$0	$825,039	$904,884
Operating interest income	$0	$0	$23,394	$0	$23,394	$21,659
Adjustment for uncollectible accounts	($1,876)	($303)	$0	$0	($2,179)	($385)
Total Trust Revenues	**$681,129**	**$141,731**	**$23,394**	$0	**$846,254**	**$926,158**
Trust operating expenses:						
Operations and maintenance	$298,812	$76,124	$0	$0	$374,936	$383,830
Administration	$53,698	$16,652	$0	$0	$70,350	$68,763
Insurance	$7,004	$1,860	$0	$0	$8,864	$8,386
Pension	$10,179	$1,859	$0	$0	$12,038	$13,051
Other Postemployment Benefits (1978 Trust)	$14,552	$3,235	$0	$0	$17,787	$18,398
Total Trust Expenses	**$384,245**	**$99,730**	$0	$0	**$483,975**	**$492,428**
Excess Of Revenues Over Operating Expenses As Prescribed By The 1978 Trust Agreement Before Other Available Funds	**$296,884**	**$42,001**	**$23,394**	$0 $0 $0	**$362,279**	**$433,730**
Other Available Funds:						
Cares Act Airport Grant-Other Federal-Assistance Programs (1)	$57,080	$0	$0	$0	$57,080	$0
Excess of revenues over operating expenses as prescribed by the 1978 Trust Agreement	**$353,964**	**$42,001**	**$23,394**	$0	**$419,359**	**$433,730**
ADD: Revenues recognized under GAAP which are excluded under 1978 Trust Agreement:						
Investment income self insurance / others	$0	$0	$8,981	$0	$8,981	$4,576
Passenger facility charge (PFC)-Logan	$59,875	$0	$0	$0	$59,875	$84,824
Investment income PFC-FAA	$0	$0	$1,101	$0	$1,101	$1,246
Customer facility charge (CFC)	$25,884	$0	$0	$0	$25,884	$33,517
Investment income CFC	$0	$0	$2,455	$0	$2,455	$2,304
Capital grant revenue	$23,760	$36,139	$0	$0	$59,899	$28,143
Gain/Loss on sale of equipment	$255	$9	$0	$0	$264	$203
Realized net increase in the fair value of investments	$0	$0	$223	$0	$233	$7
Unrealized net increase in the fair value of investments	$0	$0	$0	$7,984	$7,984	$6,982
Administration Expenses	$1,863	$404	$0	$0	$2,267	$1,489
Operating revenues	($642)	$114	$0	$0	($528)	$639
Adjust for Operating Grant	$3	$0	$0	$0	$3	$0
Settlement of claims	$0	($22)	$0	$0	($22)	$1,470
Nonoperating other revenues	$8,172	$0	$0	$0	$8,172	$21,052
LESS: Expenses recognized under GAAP which are excluded under 1978 Trust Agreement:						
PILOT	($18,191)	($2,839)	$0	$0	($21,030)	($21,331)
Other Postemployment Benefits	($3,958)	($841)	$0	$0	($4,799)	($165)
Self insurance cost	$72	$165	$0	$0	$237	$140
Pension	($1,223)	($211)	$0	$0	($1,434)	($9,126)
Interest expense	($102,636)	($6,805)	$0	$0	($109,411)	($76,010)
Depreciation and amortization (2)	($273,862)	($25,472)	$0	$0	($299,334)	($288,344)
Operating expenses	$2,799	$329	$0	$0	$3,128	($3,076)
Adjustment for uncollectible accounts-non Trust fund	$377	$785	$0	$0	$1,122	$0
Terminal A debt service contributions by PFC	$0	$0	$0	$0	$0	($7,494)
Nonoperating other expenses	($187)	$0	$0	$0	($187)	($2,940)
Increase / (decrease) in net assets	**$76,285**	**$43,756**	**$36,154**	**$7,984**	**$164,179**	**$211,836**

(1) Coronavirus Aid, Relief, and Economic Security Act (CARES Act) grants funding to help offset a decline in revenues arising from diminished airport operations and activities as a result of COVID-19 Public Health Emergency.
(2) Capital Assets are depreciated under GAAP but not under 1978 Trust Agreement.

CFC Disclosure

Contributing to the Community

STATEMENT OF

CFC ANNUAL FINANCIAL INFORMATION AND OPERATING DATA

Of The Massachusetts Port Authority For Fiscal Year 2020

Introduction

This Statement of CFC Annual Financial Information and Operating Data dated as of November 24, 2020 (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. (defined below). Set forth below is certain financial information and operating data relating to the Authority for the fiscal year ended June 30, 2020 ("fiscal year 2020") 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 Comprehensive Annual Financial Report dated November 24, 2020 (the "2020 CAFR") for fiscal year 2020. The Authority's audited financial statements for fiscal year 2020 and comparative information for fiscal year 2019, 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 2020 CAFR. 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, 2020 (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 National Association, as trustee (the "CFC Trustee").

Impact of COVID-19 Pandemic

The information provided by the Authority in this CFC Annual Disclosure Statement includes fiscal year 2020 results, which reflects approximately three and a half months of impact from the COVID-19 pandemic. Accordingly, the information in this CFC Annual Disclosure Statement may not be indicative of future results or performance due to the continued and evolving nature of the COVID-19 pandemic. For additional information regarding the impact of the COVID-19 pandemic on the Authority's financial condition and operations, please see the "COVID-19 Impact Statement" which is set forth in the MD&A section of the CAFR. Reference is also made to the Authority's voluntary filings regarding the impact of the COVID-19 pandemic on the Authority's financial and operating condition and the Authority's responses thereto, which were filed on May 6, 2020, July 17, 2020 and on or about the date of filing of the CAFR with the MSRB.

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 2020 CAFR on-line, please visit:
http://www.massport.com/massport/finance/financial-publications/comprehensive-annual-financial-report-cafr/

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, 2020 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, 2020 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, 2020, which are part of the 2020 CAFR.

This CFC Annual Disclosure Statement has been executed and delivered on behalf of the Authority pursuant to the CFC Disclosure Certificate.

Appendix CFC-1 TOTAL ENPLANED PASSENGERS, BY TYPE OF PASSENGER

Boston-Logan International Airport
Fiscal Years 2016 through 2019; and Fiscal Year 2020
(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**
2016	8,523	51.7%	7,955	48.3%	16,478	912	17,390
2017	8,947	50.7%	8,698	49.3%	17,645	1,043	18,688
2018	9,403	50.7%	9,151	49.3%	18,554	1,139	19,693
2019	9,977	50.5%	9,760	49.5%	19,737	1,151	20,888
2020*	7,240	50.7%	7,046	49.3%	14,286	850	15,136

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 2020 is preliminary.*

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 2020
Rental car transaction days	4,313,933
Percentage change from prior year	-22.77%
CFC Revenues	$25,883,598
Plus: Portion of Rolling Coverage Fund balance (a)	$3,046,561
Plus: Portion of Supplemental Reserve Fund balance (b)	$609,312
Total	**$29,539,471**
Aggregate Debt Service	$12,186,243
Debt service coverage	2.42
Debt service coverage (without Rolling Coverage Fund and Supplemental Reserve Fund balances)	2.12

(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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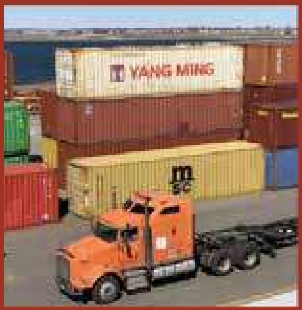

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