COMMONWEALTH OF MASSACHUSETTS

Executive Office of Housing and Economic Development

OFFICE OF PERFORMANCE MANAGEMENT & OVERSIGHT

Massachusetts Port Authority

FISCAL YEAR 2015 ANNUAL REPORT

INTRODUCTION

The Massachusetts Port Authority Fiscal Year 2015 Annual Report complies with the requirements of the Office of Performance Management Oversight created by Chapter 240 of the Acts of 2010 – An Act Relative to Economic Development Reorganization. It includes goals set for the year and the performance measurements by which to evaluate goals, programs, and initiatives.

AGENCY OVERVIEW

The Massachusetts Port Authority (Massport) operates an integrated transportation network that delivers world-class safety, security, facilities, and customer services in an environmentally responsible manner. Massport is a key economic development engine for Massachusetts and the New England region.

The Authority was created by and exists pursuant to Chapter 465 of the Massachusetts Acts of 1956, as amended to date 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 (pending) by the Massachusetts Port Authority Community Advisory Committee to staggered terms of seven years each, and 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's facilities include airport properties, comprising Boston-Logan International Airport, Worcester Regional Airport and Laurence G. Hanscom Field; the Paul W. Conley Marine Terminal; the Black Falcon Cruise Terminal (Cruiseport Boston); and various maritime and industrial port properties, located in Charlestown, South Boston and East Boston; and various commercial and residential properties, located primarily in South Boston and East Boston.

MISSION STATEMENT

A world class organization of people moving people and goods – and connecting Massachusetts and New England to the world – safely and securely and with a commitment to our neighboring communities.

FISCAL YEAR 2015 ANNUAL REPORT

GOALS	STRATEGY	MEASUREMENTS
1. Safety and Security		
	• Receive annual Federal Aviation Administration Operating Certificate for Massport airports.	• FAA Certificates of Approval **Operating certificates received for all three airports.**
	• Enhance camera coverage on Massport owned facilities	• Increase camera coverage on Massport facilities. **Added 59 new cameras to a robust system.**
	• Increase emergency preparedness.	• Conduct exercises to address specific emergency preparedness needs. **Conducted five exercises.**
2. Customer Service		
	• Build customer amenities to improve Logan Airport and Cruiseport Boston services.	• Overhaul Massport website **Completed website usability assessment and vendor selection.** • Reach 31.0 million passengers at Logan Airport. **Logan reached a new all-time high of 32.3M passengers in FY 2014.** • Start design and construction of 2,050 new Logan Parking spaces. **Began construction of a $80 million addition to the Logan Airport Central Parking Garage slated to open in FY 2016.**

GOALS	STRATEGY	MEASUREMENTS
2. Customer Service (continued)	• Build customer amenities to improve Logan Airport and Cruiseport Boston services.	• Complete the design and start the implementation of the Terminal E Customer Service Enhancement program. **Began construction of the Terminal C to E Connector.** • Digital Signage Implementation in Terminal A, C, & E. **Digital signage installed in Terminals A and E. Terminal E signage to be included in Terminal E Renovations & Enhancement Project in FY 2016.** • Add Passport Kiosks in Terminal E for international passengers. **30 kiosks were installed in the Terminal E Immigrations Hall.**
3. Worcester Regional Airport		
	• Invest in assets to improve commercial service and general aviation activities at this Massport facility.	• CAT III/Taxiway Planning and Permitting. **MEPA process concluded January 2014, NEPA process concluded March 2015, local wetlands approval issued April 2015, and FAA approval issued June 2015. Awaiting bids to advance construction.** • Start and complete construction of a new Aircraft Rescue and Fire Fighting (ARFF) Station. **A new $5.5 million ARFF station was opened June 2015.**

GOALS	STRATEGY	MEASUREMENTS
4. Be an Economic Engine for the Commonwealth		
	• Increase the number of jobs created from construction and investment. • Increase the number of international airlines that service Logan Airport. • Promote the Boston Fish Pier.	• Job creation from construction. **Sustained an average of 614 FTE jobs a month.** • Secure new International non-stop service at Logan. **New international services from Aeromexico, Cathay Pacific, El Al and Hainan Airlines started in Q4 FY 2015.** • Host 100th Anniversary of Boston Fish Pier. **Completed.** • BCEC Headquarters Hotel Project. **Governor Baker paused the BCEC Hotel expansion. Massport is assessing alternative hotel and other uses for the site.**
5. Improve Maritime Operations		
	• Increase ship container volumes and cruise passengers at our facilities in the Port of Boston.	• Number of containers serviced at Conley Terminal. **In FY 2015, Conley serviced a record 125,809 containers, 18% more than budget.** • Number of cruise passengers serviced by Cruiseport Boston. **Cruiseport Boston serviced 315,030 passengers during Cruise Season 2014, at budget.**

GOALS	STRATEGY	MEASUREMENTS
5. Improve Maritime Operations (continued)	• Increase ship container volumes and cruise passengers at our facilities in the Port of Boston.	• Start construction of Conley Dedicated Freight Corridor. **Phase 1 construction of dedicated freight road and sound barrier on the former Coastal Oil property was completed.**
6. Community Collaboration – Be a Good Neighbor		
	• Enhance community collaboration through capital investments and other Massport services.	• Complete the rehabilitation of the spray pool areas in Bremen Street Park and East Boston Piers Park. **Completed.** • Start and complete the construction of the North Buffer. **Completed.**
7. Hanscom Field		
	• Increase private capital investment and promote stronger community dialogue	• Planning and environmental support for Jet Aviation FBO improvements. **Environmental permitting completed.** • Rectrix FBO Development. **Rectrix opened a new 80,000 sq. ft. FBO facility in November 2014.**

GOALS	STRATEGY	MEASUREMENTS
8. Financial Health and Internal Controls		
	• Develop financial plans necessary to maintain strong financial results and lower internal audit findings	• Balanced budget and Five Year financial plan. **Submitted a $667 million balanced budget that was approved by the Board in June 2015.** • Maintain AA Bond Ratings. **Moody's and S&P upgraded Massport's ratings to Aa2 and AA, respectively. Fitch affirmed its AA rating.** • Reduced number of internal audit findings. **Open internal audit issues were reduced to 39, below the goal of 50.**

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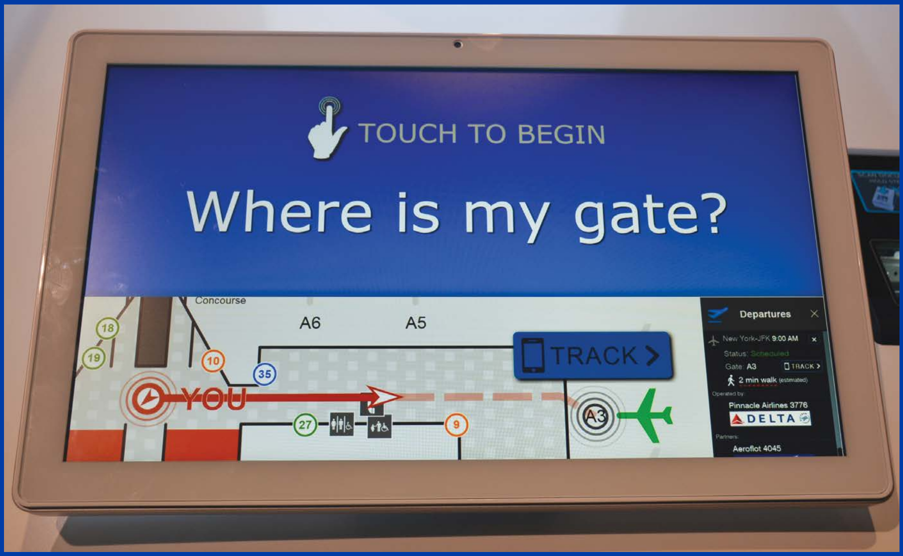
massport
Boston, Massachusetts

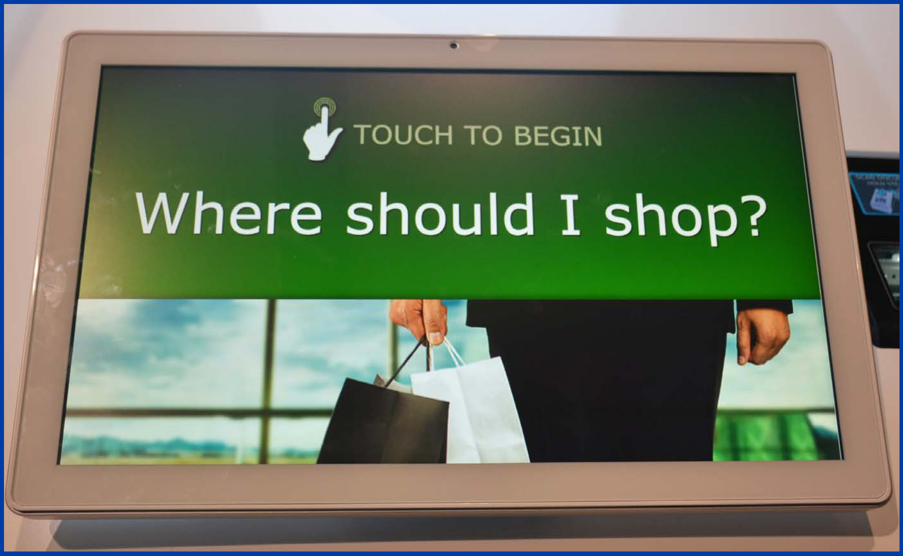
2015
COMPREHENSIVE ANNUAL FINANCIAL REPORT

MASSACHUSETTS PORT AUTHORITY • YEARS ENDED JUNE 30, 2015 & JUNE 30, 2014

INFORMATION KIOSKS AT LOGAN AIRPORT

Massport has installed "Information Kiosks" at Logan Airport in order to assist our customers. These kiosks have easy-to-use touch screens that orient travelers on a customized map, directing them to their gates, restaurants, shopping and other amenities. Digital Passenger Information Systems are Massport's latest example of harnessing technology to improve customer service.





MASSACHUSETTS PORT AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEARS ENDED JUNE 30, 2015 AND JUNE 30, 2014

Prepared by the Massachusetts Port Authority Administration and Finance Department

Located in East Boston, MA

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INTRODUCTION

RECORD SNOW REMOVAL

Boston received a record 110 inches of snow in the 2014-15 winter season, breaking snowfall records going back to 1872. All three Massport Airports -- Logan, Worcester Regional and Hanscom Field-- were awarded the Balchen/Post Awards for excellence in airport snow removal. At the Massport "All Hands Meeting" in the spring, Governor Charlie Baker commended the snow removal teams on their efforts.

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November 18, 2015*

To the Members of the Massachusetts Port Authority:

I am proud to submit the Massachusetts Port Authority's Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended June 30, 2015. This report, which was prepared by the Authority's Administration and Finance Department, presents Massport's financial results for our most recent fiscal year and highlights our major financial and business accomplishments for the Massport businesses, which include Aviation, Maritime and Real Estate.

Our record growth in airline passengers at Logan International Airport and Conley Terminal's record setting container activity through the Port of Boston were major factors contributing to Massport's positive financial performance this year. Some highlights for the year are as follows:

- Logan Airport set a record by servicing more than 32 million passengers, up nearly 5% from the prior year. This growth was driven in part by the addition of new international destinations that helped increase international passenger volume by 12%.
- Worcester Airport passenger volume increased significantly as this facility serviced close to 120,000 passengers, up 67% versus the partial prior year when JetBlue started service in November, 2013.
- Conley Terminal processed nearly 126,000 containers (221,000 Twenty-foot Equivalent Units or TEUs), a 7.7% increase over the prior year.
- The Authority opened a new $32.4 million Framingham Logan Express Parking garage that contains 1,100 parking spaces, added a full year of Back Bay Logan Express shuttle service, and continued free outbound service on the MBTA Silver Line to encourage the use of High Occupancy Vehicle travel to and from Logan International Airport.

The healthy growth across all of our business lines helped to increase the Authority's operating revenues by 6.5% for the year. This strong growth as well as the record 110 inches of snow that fell in the Boston area over a five week period required operating expenses to increase by 6%. As a result, the Authority generated operating income of $13.4 million, or 2.0% of our total revenue, which is a measure of our financial sustainability. This financial metric is up slightly from the previous fiscal year when we ended the year essentially at break even.

The fiscal year 2015 operating income, coupled with other capital funding resources, allowed us to build the new Logan Express garage in Framingham noted above, make roadway and other improvements to the Rental Car Center at Logan Airport, renovate Terminal A and expand Terminal B at Logan to better serve our growing passenger base, make technology improvements and system upgrades to portions of Logan Airport's consolidated checked baggage system, and perform major capital maintenance improvements on our existing facilities throughout the year to keep our assets in a state of good repair.

Throughout this financial report you will see examples of how Massport is investing in our businesses to support current and future customer demand. In addition to the traditional investments in our facilities, we are also deploying innovative technologies across all of our businesses and facilities to improve our customer's experiences such as:

*The information derived from the Authority's audited financial statements is as of the date of such audit, September 30, 2015.

- **Automated "Info Bar" kiosks.** These innovative kiosks enable our customers to find their gate, a restaurant, a retail shop, and other items by touching a pad and scrolling to a desired destination.
- **Large Screen Baggage Pick Up Displays.** These display screens tell our passengers where to pick up their luggage, provide the local weather forecast, show the available ground transportation options including Logan Express and free MBTA Silver Line buses, and show other items that are helpful to an arriving traveler.
- **Flight Information Display Screens.** At Boston's South Station we deployed flight information display screens so that passengers bound for Logan on the Silver Line can have up to the minute information on the status of their flight.
- **Terminal E Customs Hall Technology Corridor.** At Logan Airport's Terminal E where we welcome our international passengers, we have added new video screens that provide information in 12 different languages with the touch of a button to better assist our customers upon their arrival to Massachusetts. We also now provide information on estimated wait times so our customers in the queue will know when they can expect to reach a Customs agent, and we added new Wi-Fi service in the customs hall for customer use to enhance their arrival process.
- **Conley Terminal Container Phone App.** At our Maritime business, we now provide a new phone app that allows truck drivers waiting to pick up their containers to see exactly when their containers will be ready. This new technology alleviates unnecessary congestion at the Conley Terminal, allows for a more efficient container processing operation, and reduces truck idling time in the neighborhood adjacent to the terminal.
- **Consolidated Baggage Inspection System.** We are always investing to improve safety and security, and a good example of this is our enhanced $216 million Checked Baggage Inspection System, which will be used throughout Logan Airport and will provide state-of-the-art baggage screening technology.

These are just a few examples of how Massport is investing in technology to enhance safety and security at our facilities while also "raising the bar" in terms of customer service and convenience. Continuing to invest in our businesses going forward and delivering sustainable financial results each year are key components of our long term Strategic Plan.

Massport is more than a transportation agency, although that is our primary mission. We are also an economic development agency that creates jobs and moves people and goods throughout Massachusetts and New England. We do this with a commitment to our neighboring communities. A case in point is a recent Massachusetts Statewide Airport Economic Impact Study commissioned by the State. This study estimated that the airports in the state created $16.6 billion in total economic output. Of this amount, $15.1 billion or 91% of the total, and some 145,000 total jobs throughout the State were attributed to the private businesses that utilize Massport owned facilities. The Massachusetts Port Authority and the nearly 1,200 dedicated men and women who work each day to serve our customers are committed to executing our ten top strategic goals that allow us to be a strong economic catalyst for the Commonwealth of Massachusetts. These goals require us to adapt, innovate, and strategically invest in our existing facilities and plan for new projects to best serve our customers in the future and integrate and interconnect the world in which Massport now operates. During the past year we set several new business activity records for Logan passengers and Conley Terminal containers and as a result we achieved sustainable financial results that are discussed in more detail hereunder. On behalf of the Massachusetts Port Authority Board, I would like to take this opportunity to thank all of our Massport employees for their hard work to generate the solid financial performance we are reporting for fiscal year 2015, and would also like to thank our Administration and Finance Department for compiling this annual report.

Sincerely,

Thomas P. Glynn, Ph.D.
CEO and Executive Director

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November 18, 2015*

To the Members of the Massachusetts Port Authority:

I am pleased to submit the Comprehensive Annual Financial Report ("CAFR") of the Massachusetts Port Authority (the "Authority" or "Massport") as of and for the fiscal year ended June 30, 2015. This report was prepared by the Authority's Administration and Finance Department. Responsibility for the accuracy of the presented data and the complete and fair presentation, including all disclosures, rests with the Authority. This report, 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, 2015 in accordance with the requirements of accounting principles generally accepted in the United States of America ("GAAP").

Certain information within the CAFR has been presented based on the accounting principles prescribed under the Trust Agreement dated as of August 1, 1978, as amended (the "1978 Trust Agreement"), between the Authority and U.S. Bank National Association (successor-in-interest to State Street Bank and Trust Company), as Trustee, under the PFC Trust Agreement dated as of May 1, 1999 (the "PFC Trust Agreement"), between the Authority and The Bank of New York Mellon, as Trustee, and under the CFC Trust Agreement dated as of May 18, 2011 (the "CFC Trust Agreement"), between the Authority and U.S. Bank National Association, as Trustee. The 1978 Trust Agreement, the PFC Trust Agreement and the CFC Trust Agreement collectively are referred to as the "Trust Agreements" and the accounting thereunder is collectively referred to as "Trust Accounting." Specifically, information within the CAFR under the Annual Disclosure, PFC Disclosure and CFC Disclosure tabs are presented in accordance with the respective Trust Agreements. Please see Note 2 in the notes to the financial statements as of June 30, 2015 for the reconciliation between GAAP and Trust Accounting. In addition, tables S-4, S-5 and S-6 included in the Statistical Section of the CAFR present historical financial information based on Trust Accounting, and should be read in connection with the audited financial statements attached hereto.

Overview 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 (the "Commonwealth"). 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 to staggered terms of seven years each, and the seventh member is the Secretary of Transportation and Chief Executive Officer of the Massachusetts Department of Transportation ("MassDOT"). Members are not compensated for their service.

Thomas P. Glynn continues to serve as CEO and Executive Director of the Authority. In this position, Mr. Glynn is responsible for operations at Massport's Aviation, Maritime and Real Estate businesses as well as Massport's customer service, safety and security activities. In addition, Mr. Glynn continues to focus on positioning Massport to play a larger role in the global economy so that the Authority fulfills one of its primary missions: promoting economic growth and opportunity in New England. Mr. Glynn collaborates with federal, state and local governments and with surrounding communities impacted by Massport's facilities to build constructive partnerships that enhance both the transportation services Massport provides and the quality of life of neighboring communities. The Authority's facilities include airport properties, comprising Boston Logan International Airport ("Logan Airport" or the "Airport"), Worcester Regional Airport ("Worcester

*The information derived from the Authority's audited financial statements is as of the date of such audit, September 30, 2015.

Regional Airport") and Laurence G. Hanscom Field ("Hanscom Field") (collectively "Aviation"); the Paul W. Conley Marine Terminal ("Conley Terminal"); the Black Falcon Cruise Terminal ("Cruiseport Boston"); and various maritime and industrial port properties, located in Charlestown, South Boston and East Boston (collectively the "Port"); and various commercial and residential properties, located primarily in South Boston and East Boston (collectively the "Real Estate").

Logan Airport is the most active airport in New England and provides both international and domestic commercial services. Approximately 95% of Logan domestic passengers begin or end their travel in Boston, making it one of the highest origin-destination ("O&D") air travel markets in the U.S. This high percentage of O&D passengers in both the business and leisure markets is in contrast to many other major airports that are used in large part by the airlines as connecting hubs for passengers en route to another point as their final destination. As a result of this somewhat unique traffic base, overall activity levels at Logan are less vulnerable to fluctuations in airline network strategies and restructurings.

Logan Airport is the primary source of the Authority's revenues. Hanscom Field is the region's premier general aviation airport. Worcester Regional Airport supports the commercial service and general aviation needs of Central Massachusetts. The Port is New England's major port and provides a full range of services, from cruise ship to container ship handling. In addition to operating its facilities, the Authority is committed to providing the modern infrastructure necessary to support the transportation needs of the travelers and shippers in Boston, the Commonwealth and New England.

The Authority operates its businesses to achieve ten primary public service objectives which are to:

1. maintain and enhance safety and security at Massport-owned facilities;

2. provide high quality standards of service, superior facilities and customer convenience to more than 32 million aviation passengers at Logan Airport, 330,500 cruise passengers at Cruiseport Boston, and Massport's primary shipping partners that transport nearly 126,000 containers of product through the Port;

3. maintain high employee morale throughout our diverse workforce;

4. revitalize Worcester Regional Airport, which serviced nearly 120,000 passengers and opened a new Aircraft Rescue and Fire Fighting station;

5. operate as a strong economic engine for the Commonwealth as demonstrated by the addition of four new year-round international destinations at Logan Airport, an increase in jobs in the South Boston Innovation and Seaport District, and the advancement of the Massachusetts fishing and maritime industries in our Port;

6. evaluate the Maritime operations and the impact of larger ships docking at Conley Terminal if navigation channels are deepened;

7. be a good neighbor to the surrounding communities affected by all of our business operations;

8. operate Hanscom Airport as the premier full service general aviation facility for the region, while being diligent towards our environmental and community responsibilities entrusted by our ownership;

9. allocate sufficient resources to build and maintain Massport's transportation facilities which promote local and regional economic prosperity and development today and into the future; and

10. improve the Authority's financial health while maintaining proper internal controls through fiscal discipline, cost management principles and identifying areas of revenue growth to assist Massport's business partners to grow and create jobs.

The Authority's business consists of three distinct operating departments: Aviation, Maritime and Real Estate. During fiscal year 2015, the Authority generated approximately $662.9 million in operating revenues from these departments, which represented an increase of $40.5 million or 6.5% compared to fiscal year 2014. The increase was driven by higher parking revenues, record passenger volume at Logan Airport which boosted concession and rental car center revenues, higher landing fees and terminal space rental revenue, higher shuttle bus revenue and higher container revenue at the Conley Terminal. Operating expenses were approximately $649.5 million, an increase of $36.5 million, or 6.0% from fiscal year 2014. Depreciation and amortization expenses increased $9.4 million to $227.2 million in fiscal year 2015 mainly as a result of $225 million in new assets placed in service as well as accelerated depreciation of a baggage system that is being replaced. Net operating income was $13.4 million, which represented 2.0% of total revenue. Please see further discussion in the MD&A section.

Economic Conditions and Local Economy

The Authority and its businesses continued to benefit from moderate yet steady growth in the national and local economies. Growth in Real Gross Domestic Product ("GDP") began accelerating in mid-2013 and was strong during 2014. In the second quarter of 2015, real GDP increased by a healthy 3.9%. Along with a strengthening U.S. economy, several positive factors are expected to contribute to long-term passenger gains at Logan Airport: growth in the regional economy and its above average income base; the region's travel-intensive industries and Logan Airport's attractiveness as a business air travel market for airlines, especially low cost carriers ("LCCs") that wish to broaden their customer base; the region's rich cultural attractions that draw leisure travelers; the possibilities of additional long haul services and the strong presence and expansion plans of JetBlue. Logan Airport's status as a major international gateway is also growing, as Cathay Pacific, El Al, Aero Mexico and WOW all began service at Logan Airport during the past year. In addition, Hainan Airlines initiated service to Shanghai, which is their second destination from Logan as they began service to Beijing in the prior year.

As an O&D airport, Logan Airport has a variety of low cost and legacy carrier airlines with no one carrier dominating the market. During fiscal year 2015, the largest airline, JetBlue accounted for 19.0% of total landing fee and terminal rent revenues. Delta was the second largest carrier with 15.7% of total landing fee and terminal rental revenues. While US Airways and American Airlines operated separately during fiscal year 2015 until they retired the US Airways brand in October 2015, they accounted for 17.4% of total landing fee and terminal rent revenues on a combined basis.

Air travel demand and airport passenger traffic are strongly linked to the economic characteristics of a region. The Boston service area includes the following attributes:

- central player in the nation's finance, technology, biotechnology, healthcare and education sectors;
- mature market with a high per capita income (41% above the U.S. average in 2014);
- tenth largest metropolitan area in the nation as measured by population (at end of 2014);
- unemployment rate of 4.1%, well below the national average of 4.9% (14th lowest unemployment rate among the largest 51 metropolitan areas in the nation); and
- strong tourism demand, as millions of people visit the area every year to enjoy its rich historic and cultural heritage, attend cultural or sporting events, conduct business, visit beaches and attend conventions at one of Boston's convention centers.

Such favorable economic conditions contribute to the region's sustained demand for air travel, as demonstrated by the 32.3 million passengers who used Logan Airport in fiscal year 2015, which was a healthy 4.7% increase over the prior year. Although Massport owns and operates other facilities important to the local economy, Logan Airport provides the primary economic stability to the Authority.

Major Initiatives

Strategic Plan

In fiscal year 2015, after a two-year planning process and collaboration with hundreds of experts and stakeholders, Members of the Authority adopted the Massport Strategic Plan, a blueprint for the future that recognizes the synergistic effects of Massport's transportation and economic assets on the regional economy. With the first phase of the planning process completed, the Authority now turns its attention to implementing opportunities that support the plan's three major initiatives: (1) invest in Massport's airports, (2) revitalize the maritime mission, and (3) develop and protect Massport's real estate assets.

International Air Service

Logan Airport attracted new, long haul international services during fiscal year 2015. On May 3, 2015, Cathay Pacific launched nonstop service to Hong Kong with connecting opportunities to over 23 destinations in Mainland China and Southeast Asia. Aero Mexico began operating nonstop daily flights between Logan and Mexico City on June 1, 2015. Hainan Airlines began offering three weekly nonstop flights with the Boeing 787 Dreamliner between Logan Airport and Shanghai on June 20, 2015, complementing its existing services to Beijing which began in June 2014. On June 28, 2015, El Al Israel Airlines commenced three weekly nonstop flights to Tel Aviv. These new services and the continuation of services to Beijing, Dubai, and Istanbul, which began during the second half of fiscal year 2014, contributed to a 12% increase in Logan's international passenger traffic in fiscal year 2015.

Boston Harbor Dredging

The Army Corps of Engineer's $350 million project to deepen Boston Harbor continued to advance during fiscal year 2015. Harbor dredging to a depth of 47 feet will allow the Port of Boston to remain competitive as larger container ships begin calling on East Coast ports after the expanded Panama Canal opens in 2016. Maintenance dredging is expected to begin during federal fiscal year 2016 and improvement dredging to deepen the harbor to 47 feet will follow in federal fiscal year 2017. During fiscal year 2015, the Commonwealth of Massachusetts included $35 million of the required local match for the dredging project in its FY 2016 capital budget and Massport included $55 million for dredging in the Authority's FY16 and FY17 Capital Plans.

Good Neighbor Initiatives

In August 2014, the Authority and East Boston residents celebrated the opening of the $7 million Boston Greenway Connector, a project that transformed a congested wooded area adjacent to Logan Airport into an inviting mixed-use bicycle/pedestrian pathway for neighboring residents. During fiscal year 2015, construction work for the Thomas J. Butler Freight Corridor and Memorial Park adjacent to Conley Terminal in South Boston continued. The project will improve neighborhood traffic flows by redirecting trucks away from neighborhood streets and create green space for the community. Phase 1 of the project, which included the construction of a wall to serve as a noise and visual barrier, was completed in June 2015. Phase II construction, which includes the creation of the 4.2-acre public park began in May 2015. Also during fiscal year 2015, the Authority constructed a half-acre dog park in East Boston to give residents an area to walk and exercise their dogs. The park, which officially opened in September 2015, has agility courses, pet waste stations, benches, and separate water fountains for dogs and their owners.

Worcester Regional Airport

Nearly 120,000 passengers traveled on JetBlue's nonstop services between Worcester Regional Airport and Florida in fiscal year 2015, following the reinstatement of commercial airlines services at the airport in November 2013. The Authority continued to invest in and upgrade facilities at Worcester by opening a new $5.5 million Aircraft Rescue and Fire Fighting station in June 2015. The Authority is advancing a $30 million project to upgrade Worcester's Instrument Landing Systems ("ILS") from a Category I to a Category III system and Rectrix Aviation, a private fixed based operator, has constructed a $5.0 million, 27,000 square foot fixed base operations facility that opened in November 2015.

Ground Transportation –Increasing High Occupancy Vehicle (HOV) Usage
Logan Airport has one of the highest HOV mode shares among top U.S. airports. During fiscal year 2015, the Authority continued to take steps to strengthen its commitment to HOV modes and improve customer service. A new four-level Framingham Logan Express garage was opened in April 2015. The 1,100 space garage doubled the number of spaces available and includes spaces reserved for alternative fuel vehicles and four electric vehicle charging ports, as well as covered loading and unloading areas for the express buses. The Authority also continued the Boston Back Bay Logan Express service with stops at the Hynes Convention Center and a public transit station.

Capital Program
On February 19, 2015, the Members of the Authority approved the capital program for fiscal years 2015 through 2019 (the "FY15-FY19 Capital Program") in the amount of $1.4 billion. The FY15-FY19 Capital Program represents a comprehensive and coordinated capital improvement and financial master plan for all Authority facilities. The program was developed to be consistent with the Authority's strategic goals of meeting growing demand at Logan, protecting the future of the Maritime container and cruise businesses and defining the role of commercial real estate properties while maintaining strong financial management, competitive rate structures, being a good neighbor, prioritizing security and improving customer service levels. The FY15-FY19 Capital Program invests 70.4% in Logan Airport to fund important initiatives including existing security challenges facing the aviation industry, maintaining and enhancing the public airfield, upgrading Airport terminals and making improvements to the public parking facilities at the Airport. At the same time, the Authority continues its efforts to avoid or minimize adverse local and regional impacts associated with operations at the Airport and the Authority's other facilities. Funding for these projects will be provided from Massport-generated funds, FAA, TSA and other grant programs, bond proceeds, PFCs, CFCs and third party or other non-recourse funding sources. The FY15-FY19 Capital Program invests 18.5% towards improving Maritime facilities including a commitment to the dredging of Boston Harbor, the Conley Freight Corridor, Commonwealth Pier pilings and Apron, and improvements to the Black Falcon Cruise Terminal. The remaining 11.1% of the FY15-FY19 Capital Program is being invested in Hanscom Field, Worcester Regional Airport and other Massport-owned facilities. The Authority continues to place the highest priority on protecting its customers and making Logan Airport, Hanscom Field, Worcester Regional Airport and the Port, as safe and secure as possible.

Federal Capital Contribution
The Authority participates in the FAA's Airport Improvement Program ("AIP"), which provides Airport and Airway Trust Fund money for airport development, airport planning and noise abatement programs. The FAA offers both entitlement and discretionary grants for eligible projects. AIP capital contribution in fiscal years 2015 and 2014 totaled $12.7 million and $16.8 million, respectively. AIP capital contribution represented approximately 21.2% and 29.9% of the total Federal funding recognized during fiscal years 2015 and 2014, respectively. During fiscal years 2015 and 2014 the Authority also received Federal funding from the TSA to construct a new Checked Baggage Inspection System ("CBIS") at Logan Airport totaling $42.8 million and $37.1 million, respectively. The TSA CBIS project represented approximately 76.5% and 66.1% of the total Federal funding recognized during fiscal year 2015 and 2014, respectively. In additional to the AIP and TSA funding, the Authority also received Federal funding totaling $0.4 million and $2.2 million during fiscal year 2015 and 2014, respectively, for environmental and security enhancements.

Financial Policies and Practices
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.

Additionally, the Authority's Internal Audit function maintains oversight over the key areas of the Authority's business and financial processes and controls. The Authority's Internal Audit team evaluates the Authority's internal control structure. 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 and has regular communication with the Authority's independent auditors, Ernst & Young LLP. Internal Audit 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 and most recently amended in March 2014 by the Members of the Authority. As of June 30, 2015 outstanding debt obligations of the Authority issued pursuant to the Trust Agreements totaled approximately $1.70 billion, including subordinated revenue bonds but excluding 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 2015, the total amount applied to pay debt service on obligations issued pursuant to the 1978 Trust Agreement (not including subordinate obligations), the PFC Trust Agreement and the CFC Trust Agreement aggregated $104.9 million, $22.0 million and $15.1 million, respectively.

The rating agencies continue to recognize the value of the Authority's prudent financial management, revenue diversity and underlying market strengths. In June 30, 2015, both Moody's and S&P increased the Authority's credit rating for its revenue bonds to Aa2 and AA, respectively. Fitch affirmed its rating of the Authority of AA. The Authority continues to meet its debt service requirements, coverage ratios and other compliance issues related to the Trust Agreements.

For additional information regarding the Authority's capital financing and debt management policy please read the MD&A section and supporting notes.

OTHER INFORMATION

Independent Audit

An audit of the Authority's financial statements as of and for the fiscal year ended June 30, 2015 has been completed by the Authority's independent auditor, Ernst & Young LLP. Its report is included herein and includes an unmodified opinion on the Authority's 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, 2014. This was the 14th consecutive year that the Authority has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Authority believes that its current CAFR continues to meet the Certificate of Achievement program's requirements, and it will be submitted to the GFOA to determine its eligibility for a Certificate of Achievement for fiscal year 2015.

Acknowledgements

I would like to take this opportunity to thank the Members of the Authority and our employees for their dedication and commitment to our mission - established more than 50 years ago - to own and operate an integrated world-class transportation network that promotes economic growth and opportunity, enhances the quality of life of New England residents, and protects the freedom to travel safely, securely, efficiently and cost-effectively, while being mindful of the environmental impacts our facilities have on our surrounding communities. Our efforts each day to provide high levels of customer service, safe, sound and reliable infrastructure, a business climate that promotes and encourages investment in our properties, and our strong commitment to our communities, are the characteristics that set this Authority apart. In addition, I would like to recognize the efforts of Betsy Taylor, who recently retired after a 38- year career at the Authority. Betsy played a key role in the production of this financial report each year, and we wish her the best in her future endeavors. I would also like to thank all the employees of the airlines, shipping and cruise lines, and our tenants and business partners who are also an integral part of Massport's success. Most importantly, I would like to thank all of our loyal customers, whom we enjoy serving each and every day.

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 Investor Relations section of the website at http://www.massport.com/about-massport/investor-relations/. 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, the PFC Trust Agreement and the CFC Trust Agreement for years prior to fiscal year 2015 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.

Very truly yours,

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

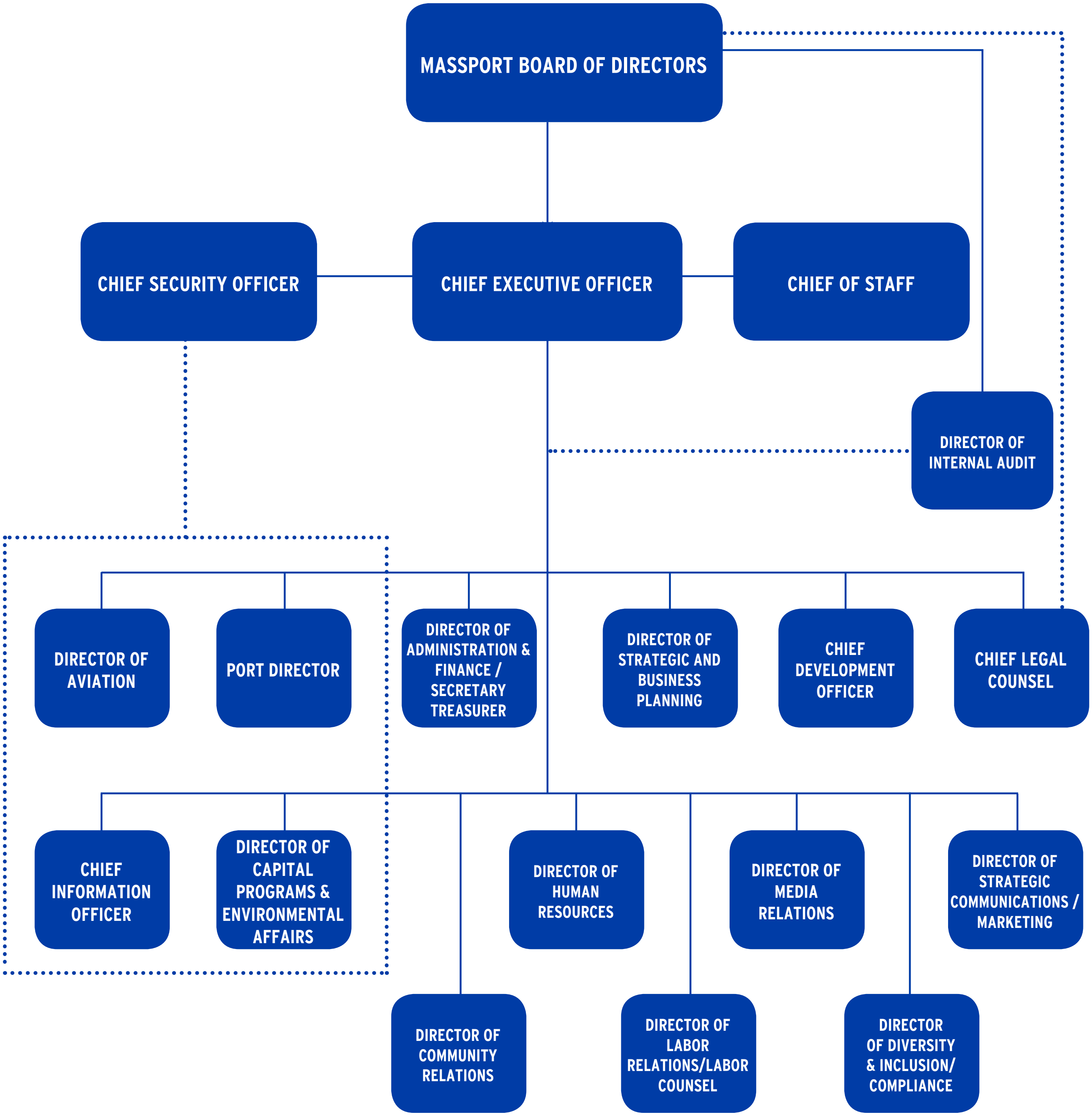
Massachusetts Port Authority

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

MASSPORT ORGANIZATION CHART



AUTHORITY BOARD MEMBERS
(AS OF NOVEMBER 2015)

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.

Michael P. Angelini, Chairman
L. Duane Jackson, Vice Chairman
Stephanie L. Pollack, Secretary and Chief Executive Officer of MassDOT
Lewis G. Evangelidis
Douglas M. Husid
Elizabeth Morningstar
Sean M. O'Brien

EXECUTIVE STAFF

Thomas P. Glynn, CEO and Executive Director
Elizabeth Morse, Chief of Staff
John P. Pranckevicius, Director of Administration and Finance/Secretary-Treasurer
Francis X. Anglin, Chief Information Officer
Matthew D. Brelis, Director of Media Relations
Betty J. Desrosiers, Director of Strategic and Business Planning
James P. Doolin, Chief Development Officer
Edward C. Freni, Director of Aviation
David M. Gambone, Director of Human Resources
Joris M. Jabouin, Director of Internal Audit
Danny T. Levy, Director of Strategic Communications and Marketing
José C. Massó, III, Director of Community Relations
Catherine M. McDonald, Acting Chief Legal Counsel
George N. Naccara, Chief Security Officer
Houssam H. Sleiman, Director of Capital Programs & Environmental Affairs
Kelly B. Strong, Director of Labor Relations/Labor Counsel
Kenneth L. Turner, Director of Diversity and Inclusion/Compliance
Lisa S. Wieland, Acting Port Director

FINANCIAL

FLIGHT INFORMATION AT SOUTH STATION

Massport has installed flight information display screens at Boston's South Station adjacent to the area where travelers board the Silver Line bus to Logan Airport. This technology enables passengers to have up to the minute information about their flights.

MASSACHUSETTS PORT AUTHORITY

FINANCIAL STATEMENTS, REQUIRED SUPPLEMENTARY INFORMATION, AND SUPPLEMENTARY SCHEDULES

YEARS ENDED JUNE 30, 2015 AND 2014

(With Report of Independent Auditors)

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Ernst & Young LLP
200 Clarendon Street
Boston, MA 02116

Tel: +1 617 266 2000
Fax: +1 617 266 5843
ey.com

Report of Independent Auditors

To the Members of the Massachusetts Port Authority:

We have audited the accompanying financial statements of the Massachusetts Port Authority (the Authority), as of and for the years ended June 30, 2015 and 2014, 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 opinions 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, 2015 and 2014, and the changes in financial position and cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Change in Method of Accounting for Pensions

As discussed in Note 2 to the financial statements, the Authority changed its method for accounting and financial reporting of pensions as a result of the adoption of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27, and Governmental Accounting Standards Board Statement No. 71, Pensions, Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68, both effective January 1, 2013. Our opinion is not modified with respect to this matter.

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis, the schedule of OPEB funding progress, the schedule of pension contributions, and the schedule of changes in the net pension liability and related ratios, 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 and Other 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.

The introductory section, statistical section, and annual disclosures, including the related appendices, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Ernst & Young LLP

September 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION AND SUMMARY

The following discussion and analysis of the activities and financial performance of the Massachusetts Port Authority (the Authority) provides an introduction to the financial statements of the Authority for the fiscal years ended June 30, 2015, 2014 and 2013. This discussion was prepared by management, and it should be read in conjunction with the audited financial statements and notes that follow this section. Management has established and maintains certain internal controls and procedures designed to ensure that the annual financial statements are free from material misstatement and that all required disclosures are made in its annual financial statements.

The Authority owns Logan International Airport (Logan Airport), Hanscom Field, Worcester Regional Airport (Worcester Airport), Conley Terminal, Black Falcon Terminal 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, the PFC Trust Agreement and the CFC Trust Agreement, 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.

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).

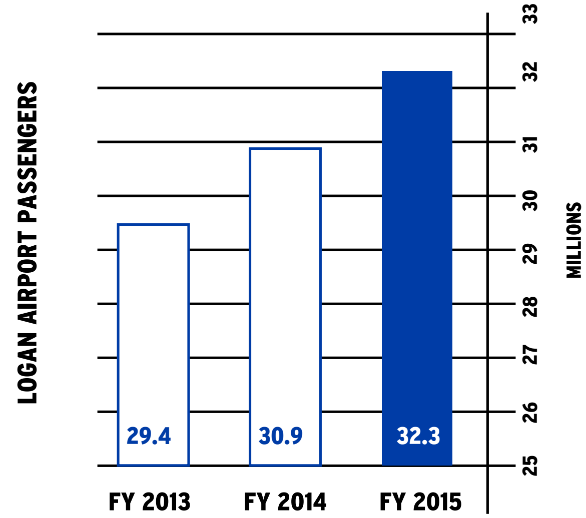
The comparative Statements of Net Position depict the Authority's financial position as of a point in time, specifically June 30, 2015, and 2014, and include all assets, deferred outflows, liabilities and deferred inflows of the Authority. Net position represents the residual interest in the Authority's assets and deferred outflows after liabilities and deferred inflows 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 hereto 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 PFCs, CFCs, investment income and capital grants are reported as non-operating revenues, and their uses are restricted and generally are not available for operating purposes.

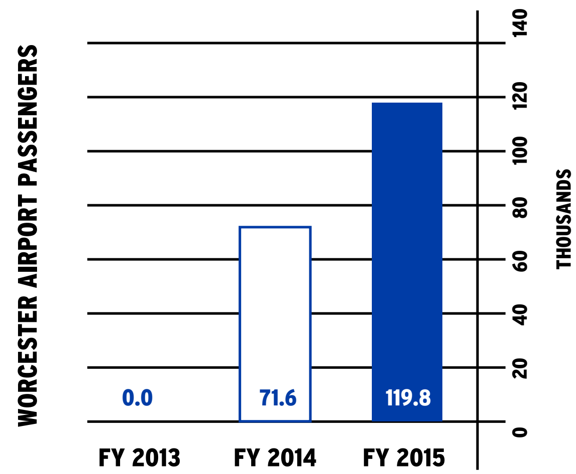
The Statements of Cash Flows present information showing how the Authority's cash and cash equivalents positions changed during the fiscal year. The Statements of Cash Flows classify cash receipts and cash payments resulting from operating activities, capital and related financing activities, and investing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

BUSINESS ACTIVITY HIGHLIGHTS

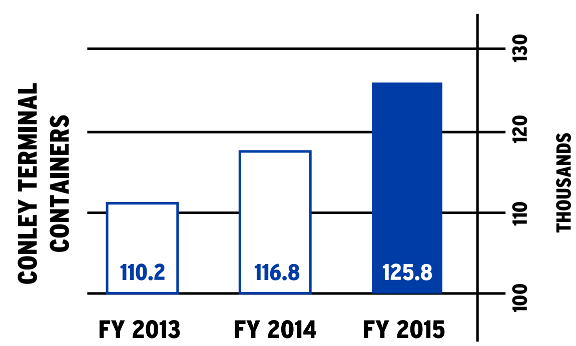
1. Logan Airport set another record passenger level in fiscal year 2015 by servicing 32.3 million passengers, an increase of 1.4 million passengers or 4.7% compared to fiscal year 2014. The airport benefitted from strong growth in domestic and international passengers with the addition of new international services by Emirates (Dubai); Turkish Airlines (Istanbul); Hainan Airlines (Beijing and Shanghai); Cathay Pacific (Hong Kong); Aero Mexico (Mexico City); and El Al (Tel Aviv). The Authority relocated five airlines (Alaska, Delta, JetBlue, Southwest and Sun Country) at Logan Airport terminals to make room for growth in international services in Terminal E.



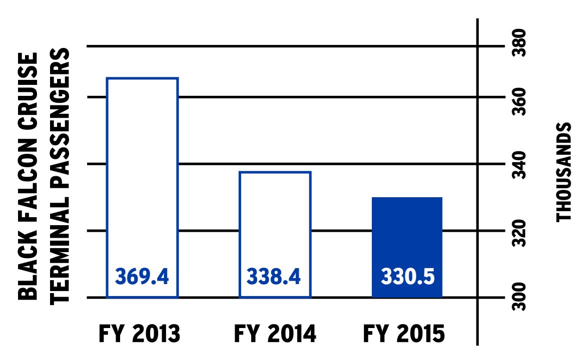
2. Worcester Airport serviced nearly 120,000 passengers in fiscal year 2015, a 67% increase over fiscal year 2014 due to the start of JetBlue commercial services in November 2013 to Orlando and Fort Lauderdale. Furthermore, in June 2015, the Airport opened a new $5.5 million Aircraft Rescue and Fire Fighting station at Worcester Airport.



3. Conley Terminal set a container record with 125,800 containers in fiscal year 2015, a 7.7% increase. Container activity at Conley Terminal benefitted from a work slow-down at West Coast ports, growing congestion at the Port of New York and other East Coast ports, the addition of three new shipping lines calling on the Port of Boston (Hanjin, Evergreen and Maersk), and productivity gains from new agreements with the International Longshoremen Association.



4. The Authority's Black Falcon Terminal at Cruiseport Boston finished fiscal year 2015 with 330,500 cruise passengers and 117 cruise ships, a strong performance despite the loss of five home port calls by the cruise ship Carnival Glory.



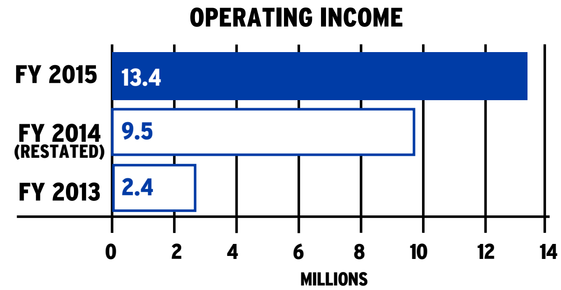
5. To provide a higher level of customer service and alleviate a shortage of parking spaces at Logan Airport and at the Authority-owned Framingham Logan Express site, the Authority began construction of a 2,050-space addition to the Central Parking garage, which is expected to be substantially complete by the end of calendar year 2015. The Authority also opened a new 1,100 space parking garage and bus passenger building in April 2015 in Framingham to enhance High Occupancy Vehicle options for its passengers.

Framingham Parking Garage

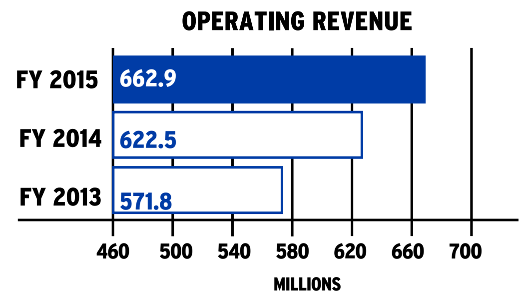
6. In fiscal year 2015, the Authority continued construction of an enhanced Checked Baggage Inspection System (CBIS) that will improve the checked baggage handling process through screening area renovations and implementation of the latest screening technology. This $216 million airport wide system is anticipated to be completed in fiscal year 2017.

FINANCIAL HIGHLIGHTS

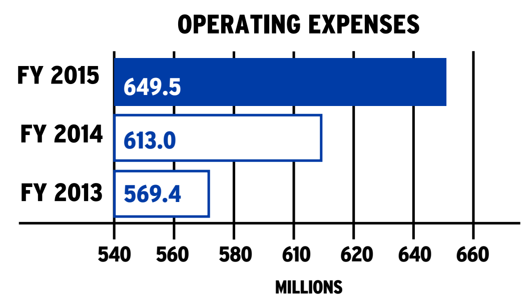
1. The Authority's operating income increased by nearly $3.9 million to $13.4 million in fiscal year 2015, a 41.0% increase over fiscal year 2014 as total revenues exceeded total operating expenses resulting in an overall operating income margin percentage of 2.0% for the year.



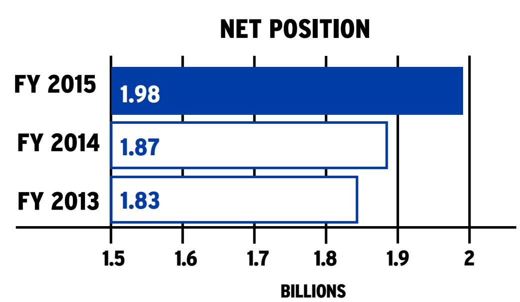
2. The Authority earned $662.9 million in operating revenues in fiscal year 2015, an increase of $40.5 million or 6.5% over fiscal year 2014 due to record passengers at Logan Airport, and a record number of containers serviced at Conley Terminal.



3. Total operating expenses were $649.5 million in fiscal year 2015, an increase of $36.5 million, or 6.0% over the prior year. Operating expenses before depreciation and amortization were $422.4 million, an increase of $27.2 million or 6.9% compared to fiscal year 2014 due to increases in business activity, particularly at Conley Terminal, and higher snow removal expenses stemming from an unusually severe winter with record snow accumulation of 110 inches over a five-week period. Depreciation and amortization expenses increased $9.4 million to $227.2 million in fiscal year 2015, primarily as a result of $225.1 million of new assets placed into service.



4. The Authority's net position grew to $1.98 billion in fiscal year 2015, an increase of $107.4 million or 5.7% over the prior year. The increase in net position during fiscal year 2015 is due to operating revenues exceeding operating expenses by $13.4 million, income from non-operating activities of $38.1 million and $56.0 million in capital grant revenues that were used for facility improvements.



5. In June 2015, the Authority issued $170.7 million of Revenue Refunding Bonds Series 2015-C. The Series C will refund all of the Series 2005-C and is expected to achieve a net present value savings of $27.5 million or 16% of the outstanding par amount of the refunded bonds through a direct placement with two highly rated financial institutions.

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

	FY 2015	FY 2014 *(RESTATED)*	$ CHANGE	% CHANGE
OPERATING REVENUES	$ 662.9	$ 622.5	$ 40.5	6.5%
OPERATING EXPENSES INCLUDING DEPRECIATION AND AMORTIZATION	649.5	613.0	36.6	6.0%
OPERATING INCOME	**13.4**	**9.5**	**3.9**	**41.0%**
TOTAL NON-OPERATING REVENUES (EXPENSES), NET	38.1	35.5	2.6	7.3%
CAPITAL GRANT REVENUES	56.0	56.1	(0.2)	-0.3%
INCREASE (DECREASE) IN NET POSITION	**107.4**	**101.1**	**6.3**	**6.3%**
NET POSITION, BEGINNING OF YEAR	1,871.2	1,770.1	101.1	5.7%
NET POSITION, END OF YEAR	**$ 1,978.6**	**$ 1,871.2**	**$ 107.4**	**5.7%**

Note: Fiscal year 2014 results were restated to conform to GASB No. 68 standards for reporting pension costs.

	FY 2014 *(RESTATED)*	FY 2013	$ CHANGE	% CHANGE
OPERATING REVENUES	$ 622.5	$ 571.8	$ 50.6	8.9%
OPERATING EXPENSES INCLUDING DEPRECIATION AND AMORTIZATION	613.0	569.4	43.5	7.6%
OPERATING INCOME	**9.5**	**2.4**	**7.1**	**296.6%**
TOTAL NON-OPERATING REVENUES (EXPENSES), NET	35.5	21.2	14.3	67.3%
CAPITAL GRANT REVENUES	56.1	20.2	35.9	177.4%
INCREASE (DECREASE) IN NET POSITION	**101.1**	**43.8**	**57.3**	**130.7%**
NET POSITION, BEGINNING OF YEAR AS PREVIOUSLY STATED	1,828.6	1,784.7	43.8	2.5%
CUMULATIVE EFFECT OF IMPLEMENTING GASB NO. 68	(58.5)	-	-	-
NET POSITION, BEGINNING OF YEAR AS RESTATED	1,770.1	-	-	-
NET POSITION, END OF YEAR	**$ 1,871.2**	**$ 1,828.6**	**$ 42.6**	**2.3%**

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

OPERATING REVENUES

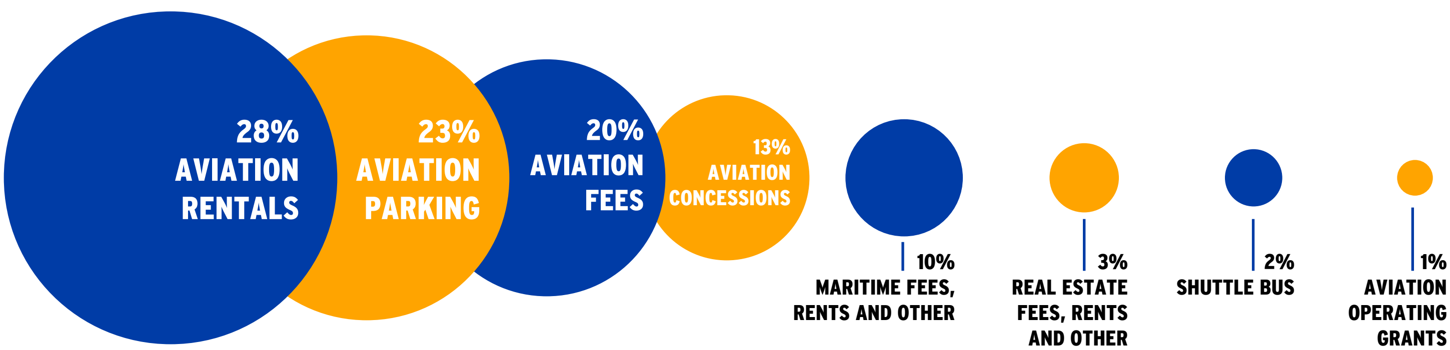
The Authority's operating revenues for fiscal year 2015 were $662.9 million, an increase of $40.5 million or 6.5% over fiscal year 2014. Aviation operations accounted for $572.4 million or 86.3% of the Authority's total operating revenues. Maritime generated $68.4 million in revenues representing 10.3% of operating revenues and Real Estate produced $22.1 million in ground fees and rentals accounting for 3.3% of total revenues.

The Authority derives operating revenues from rentals, fees, concessions and operating grants. Aviation rental revenues are earned through terminal building, non-terminal building and ground lease agreements at the Authority's aviation facilities: Logan Airport, Hanscom Field, and Worcester Airport. Parking revenues from aviation operations are primarily generated from the Authority's on-airport and off-airport parking facilities at three Logan Express sites. Aviation fee revenues consist of revenues earned from aircraft landing fees, utility reimbursements, and other aviation related fees including aircraft parking fees. Aviation concession 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, aircraft ground handling, and in-flight catering. Shuttle Bus revenues consist of fees earned from the Authority's Logan Express, Back Bay and on-airport bus operations. Maritime fees, rentals and other revenues are collected primarily from container shipping lines, cruise ship lines and other customers that use the Authority's Port facilities. Real estate fees, rentals and other revenues are derived from real-estate development fees, building and ground leases, and parking revenue from the Authority's properties in South Boston and East Boston.

OPERATING REVENUES
(IN MILLIONS)

	FY 2015	FY 2014	$ CHANGE	% CHANGE
AVIATION RENTALS	$ 186.0	$ 181.0	$ 4.9	2.7%
AVIATION PARKING	149.2	136.7	12.4	9.1%
AVIATION FEES	135.0	124.7	10.3	8.3%
AVIATION CONCESSIONS	82.7	77.8	4.8	6.2%
SHUTTLE BUS	15.7	12.3	3.4	28.0%
AVIATION OPERATING GRANTS AND OTHER	3.9	3.8	0.1	3.5%
TOTAL AVIATION REVENUES	**$ 572.4**	**$ 536.3**	**$ 36.1**	**6.7%**
MARITIME FEES, RENTALS AND OTHER	68.4	62.2	6.2	10.0%
REAL ESTATE FEES, RENTALS AND OTHER	22.1	24.0	(1.9)	-7.7%
TOTAL	**$ 662.9**	**$ 622.5**	**$ 40.5**	**6.5%**

2015 OPERATING REVENUES



	FY 2014	FY 2013	$ CHANGE	% CHANGE
AVIATION RENTALS	$ 181.0	$ 165.1	$ 15.9	9.6%
AVIATION PARKING	136.7	132.2	4.6	3.5%
AVIATION FEES	124.7	114.4	10.4	9.1%
AVIATION CONCESSIONS	77.8	72.5	5.3	7.4%
SHUTTLE BUS	12.3	8.4	3.8	46.4%
AVIATION OPERATING GRANTS AND OTHER	3.8	2.5	1.2	52.0%
TOTAL AVIATION REVENUES	**$ 536.3**	**$ 495.1**	**$ 41.2**	**8.3%**
MARITIME FEES, RENTALS AND OTHER	62.2	56.4	5.8	10.2%
REAL ESTATE FEES, RENTALS AND OTHER	24.0	20.3	3.7	18.1%
TOTAL	**$ 622.5**	**$ 571.8**	**$ 50.6**	**8.9%**

FISCAL YEAR 2015 COMPARED TO 2014

The Authority earned $572.4 million in revenues from its aviation operations in fiscal year 2015. Aviation revenues grew by $36.1 million, or 6.7%, compared to the prior year. Revenues from aviation rentals were $4.9 million or 2.7% higher due to increases in airline terminal rents at Logan Airport for the recovery of operating expenses and capital improvements, an expansion of Terminal B, and growth in international passengers arriving in Terminal E. Aviation parking revenues grew by $12.4 million, or 9.1%, primarily from a $2 increase in parking rates at Logan Airport that went into effect July 1, 2014. Revenue from aviation fees increased by $10.3 million and reflects an $8.2 million increase in landing fee revenues at Logan Airport, a $1.5 million increase in utility reimbursement fees at all the aviation facilities, and a $0.3 million increase in fuel flowage fees at Hanscom Field. Aviation concession revenues grew by $4.8 million, or 6.2%, mainly as a result of increased passenger activity and airline services at Logan Airport which contributed to higher revenues from on-airport rental cars, in-terminal concessions and ground transportation and other commercial service providers. Revenue from the Authority's Shuttle Bus operations increased by $3.4 million compared to fiscal year 2014 from a full-year of on-airport shuttle bus operations which began servicing the Rental Car Center and terminals at Logan Airport in September 2013, a full-year of the Back Bay Shuttle Bus operation which began in April 2014, and a 2.4% increase in passengers using shuttle bus services from three off-airport Logan Express sites. Aviation operating grants and other revenue was $0.1 million higher than the prior fiscal year mainly due to Federal Emergency Management Agency grant reimbursements for prior year storm events.

The Authority collected $68.4 million in fees, rentals and other income from its maritime operations in fiscal year 2015. Maritime revenues were $6.2 million or 10.0% higher than the prior year primarily due to a 7.7% increase in container volume at Conley Terminal.

Revenues from the Authority's real estate activities totaled $22.1 million and reflect a decrease of $1.9 million primarily because fiscal year 2014 revenue included a one-time $2.9 million property re-financing fee earned by the Authority.

FISCAL YEAR 2014 COMPARED TO 2013

The Authority's operating revenues for fiscal year 2014 were $622.5 million, an increase of $50.6 million, or 8.9%. Aviation operations accounted for $536.3 million or 86.2% of the Authority's total operating revenues. Maritime generated $62.2 million in revenues representing 10.0% of operating revenues and real estate produced $24.0 million in ground fees and rentals accounting for 3.9% of total revenues.

Aviation revenues increased by $41.2 million, or 8.3%, to $536.3 million in fiscal year 2014. Revenues from aviation rentals were $15.9 million or 9.6% higher due to increases in airline terminal rents at Logan Airport for the recovery of operating expenses and capital improvements, increased terminal space usage, and international passenger growth in Terminal E. Revenue from aviation parking increased by $4.6 million, or 3.5%, as a result of passenger growth and an increase in parking demand. Aviation fees grew by $10.4 million, or 9.1%, over the prior year and reflect a $6.4 million increase in Logan Airport landing fees that resulted from higher landed weights. Revenues from aviation fees also reflects an increase in utility fees collected from airport tenants to recover costs, higher fees from aircraft parking due to new international airline services, an insurance claim recovery in connection with the BOSFUEL fuel farm fire at Logan Airport, and higher aviation fee revenues at Hanscom Field due to growth in business aircraft operations.

The Authority's maritime operations generated $62.2 million in revenues in fiscal year 2014. Maritime revenues increased by $5.8 million or 10.2% over the prior year primarily due to the 116,800 containers serviced at Conley Terminal, a 6.0% increase over the prior fiscal year.

In fiscal year 2014, the Authority earned $24.0 million in revenues from its real estate activities, an increase of $3.7 million or 18.1% over the prior year. The increase was due to higher rents from South Boston properties including the property re-financing fee earned by the Authority. Revenue from parking was higher by $0.5 million due to increased commercial activity in the South Boston Seaport District and market rate.

The following sections provide additional discussion of the Authority's fiscal operating revenues by business line for fiscal years 2015 and 2014.

AVIATION REVENUES

The Authority's aviation revenues are derived from its three airport facilities: Logan Airport, Hanscom Field and Worcester Airport. Total aviation revenues were $572.4 million, an increase of $36.1 million or 6.7% over fiscal year 2014.

AVIATION REVENUES
(IN MILLIONS)

	FY 2015	FY 2014
LOGAN	$ 558.8	$ 524.0
HANSCOM	12.1	10.7
WORCESTER	1.6	1.6
TOTAL	**$ 572.4**	**$ 536.3**

jetBlue serves both Logan and Worcester Airports

LOGAN AIRPORT REVENUES

Logan Airport generated $558.8 million in revenues in fiscal year 2015, a $34.8 million, or 6.6% increase over last year due to a record-breaking 32.3 million passengers at Logan Airport. Revenue from Logan Airport rentals was $179.7 million and grew by $4.0 million mainly due to a $4.4 million increase in terminal rents which account for nearly three-quarters of rental income. An expansion of Terminal B, which opened in spring 2014, and the growth in international passengers in Terminal E contributed to the increase in terminal rents in fiscal year 2015.

LOGAN AIRPORT REVENUES
(IN MILLIONS)

	FY 2015	FY 2014
AVIATION RENTALS	$ 179.7	$ 175.7
AVIATION PARKING	148.7	136.3
AVIATION FEES	129.1	119.2
AVIATION CONCESSIONS	81.8	77.1
SHUTTLE BUS	15.7	12.3
AVIATION OPERATING GRANTS AND OTHER	3.8	3.4
TOTAL	**$ 558.8**	**$ 524.0**

Berkshire Farms Market concession at Logan Airport

During fiscal year 2015, aviation collected $148.7 million in revenues from parking operations at Logan Airport. Parking revenues increased by $12.4 million or 9.1% primarily due to rate increases of 7.4% to 11.1% for on-airport parking that went into effect July 1, 2014. Parking exits at Logan Airport parking facilities also increased by 0.7% to 2.62 million compared to the prior year.

Logan Airport generated $129.1 million from aviation fees an increase of $9.8 million or 8.3% compared to fiscal year 2014. Aviation fees at Logan Airport primarily consist of aircraft landing fees and utility fees, in addition to other miscellaneous fees. In fiscal year 2015, the Authority collected $101.1 million in landing fees 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 to maintain the airfield at Logan Airport. An $8.2 million increase in landing fee revenues resulted from an increase in the landing fee from $4.55 to $4.80 to recover airfield costs, as well as a 2.5% increase in landed weight. A 1.9% increase in aircraft operations, a general shift to larger aircraft types as airlines upgraded their fleets, and Logan Airport gained several new long-haul international services which collectively contributed to the increase in landed weights. Revenues from utility fees increased by $1.5 million or 8.8% due to higher energy costs and increased usage during the unusually cold winter months. Other fee revenue increased by $0.1 million as increases in aircraft operations boosted revenues from aircraft parking and fuel flowage.

LOGAN AIRPORT AVIATION FEES
(IN MILLIONS)

	FY 2015	FY 2014
LANDING FEES	$ 101.1	$ 92.9
UTILITIES	18.3	16.8
OTHER	9.7	9.5
TOTAL	**$ 129.1**	**$ 119.2**

The Authority earned $81.8 million from concessions at Logan Airport compared to $77.1 million in fiscal 2014, an increase of $4.7 million or 6.1%. At Logan Airport, concession revenue is earned from on-airport rental car operations, retail operations in the terminal buildings, ground transportation and other services provided to passengers and airlines at the airport. During fiscal year 2015, the Authority earned $30.3 million from rental car companies, an increase of $1.9 million or 6.6%. Strong passenger growth contributed to the increase in rental car revenues as the number of transactions grew by 2.2% and the average rental car sale increased by 2.5% in fiscal year 2015. Revenues from in-terminal concessions totaled $32.6 million, an increase of $1.0 million or 3.2% compared to the prior year. This increase was mainly due to a 9.0% increase in revenues from food/beverage and retail concessions resulting from the increase in passengers and an expanded Terminal B, as well as an 18.6% increase in revenues from duty free concessions resulting from a growing base of international passengers. Ground transportation and other concession revenues also benefited from higher levels of passenger and aircraft operations and increased by $1.8 million, or 10.7%.

LOGAN AIRPORT CONCESSION FEES
(IN MILLIONS)

	FY 2015	FY 2014
RENTAL CAR	$ 30.3	$ 28.4
IN-TERMINAL	32.6	31.6
GROUND TRANSPORTATION & OTHER	19.0	17.2
TOTAL	**$ 81.8**	**$ 77.1**

The Authority also derives revenue from Logan Airport shuttle bus operations which include an on-airport shuttle that links the terminal buildings, rental car center, and public transit station, as well as shuttle buses from four off-airport Logan Express sites in the great metropolitan area. Shuttle bus revenues increased from $12.3 million in fiscal 2014 to $15.7 million in fiscal 2015. Revenues from the on-airport shuttle bus, which began operating in September 2013, increased by $2.8 million benefitting from passenger growth and a full 12 months of service. Revenues from a shuttle bus operating between Logan Airport and Boston's Back Bay neighborhood, which began operating in April 2014, increased by $0.4 million reflecting 12 months of service. Revenues from the Logan Express off-airport shuttle bus operations increased by $0.2 million due to a 2.4% increase in passenger ridership.

During fiscal year 2015, Logan Airport received $3.8 million in revenues from operating grants compared to $3.4 million in the prior year. The increase in operating grant revenues is mainly attributable to the receipt of a $0.2 million federal government reimbursement for expenses related to Hurricane Sandy which impacted airport operations in October 2012.

HANSCOM FIELD AND WORCESTER AIRPORT REVENUES

During fiscal year 2015, Hanscom Field generated $12.1 million in revenues, an increase of $1.4 million or 13.0% compared to the prior year. Hanscom Field rental revenues increased $1.0 million mainly due to the opening of a new fixed base operator development by Rectrix Aviation. Also, revenue from fuel flowage fees at Hanscom Field increased by $0.3 million as a result of growth in business aircraft activity at the airport.

Worcester Airport had $1.6 million in operating revenues in fiscal year 2015, a slight decline of $67,600 compared to the prior year. Growth in passengers and airline operations contributed to growth in parking fees, landing fees, and concession revenues, but these gains were off-set by a reduction in operating grant revenues compared to fiscal year 2014, which reflected a $350,000 Small Community Air Service Development operating grant from the U.S. Department of Transportation.

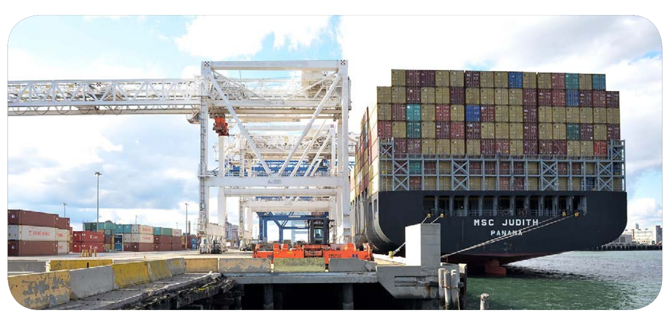
MARITIME OPERATIONS

The Authority's maritime lines of business include cargo container ship operations at Conley Terminal, Cruiseport Boston at the Black Falcon Terminal, rental facilities for seafood processors and commercial parking at the Boston Fish Pier in South Boston, and the Moran Terminal and other port properties in Charlestown which house an automobile import/export and processing facility. In fiscal year 2015, the Authority earned $68.4 million in revenues from its maritime operations.

The container business at Conley Terminal generated $52.9 million in revenues and accounts for 77% of total maritime revenues. The Authority collects 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. In fiscal year 2015, revenue from container operations increased by $5.4 million or 11.3% as Conley Terminal processed a record 125,809 containers.

MARITIME REVENUES
(IN MILLIONS)

	FY 2015	FY 2014
CONTAINERS	$ 52.9	$ 47.5
CRUISE	6.2	6.3
SEAFOOD	4.7	4.2
AUTOPORT	4.7	4.2
TOTAL	**$ 68.4**	**$ 62.1**



MSC Judith container ship calling at Conley Terminal in Boston

Revenues from Cruiseport Boston operations were $6.2 million in fiscal year 2015. 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 Black Falcon Terminal. Fiscal year 2015 cruise revenues declined by $0.1 million, or 1.6%, from the prior year. The decline in cruise revenues reflects a 2.3% decrease in cruise passengers primarily from the redeployment of Carnival Cruise Lines' Carnival Glory from the Canada-New England market to South Florida that was partially offset by a $0.50 per passenger rate increase that took effect during the cruise season.

Seafood revenues increased from $4.2 million in fiscal year 2014 to $4.7 million in fiscal year 2015. Seafood revenues are earned through space and ground rents from seafood processing and office tenants, commissions, utility charges, fees and public service parking lots at the Fish Pier. The $0.5 million increase in seafood revenues in fiscal year 2015 is mainly due to a $0.4 million increase in rental income from higher occupancy rates and a $0.1 million increase in parking revenue from higher parking demand and a market based adjustment to parking rates that took effect last year in the growing Seaport district.

The Autoport earned $4.7 million in fiscal year 2015, an increase of $0.5 million over the prior year. Autoport revenues are earned from ground leases, subtenant percentage rents, commissions on fuel sales and utility reimbursement fees. In fiscal year 2015, revenues from rents increased by $0.1 million and utility fee revenues increased by $0.4 million due to the recovery of higher utility costs from its tenants.

REAL ESTATE

The Authority's commercial real estate line of business earns revenues from ground leases, district service fees and parking on Authority-owned properties in South Boston, East Boston and Charlestown. Real estate generated $22.1 million in revenues in fiscal year 2015, a decrease of $1.9 million compared to fiscal year 2014. A one-time property refinancing fee of $2.9 million earned in fiscal year 2014 offset the $0.6 million in additional ground rent earned from commercial properties and the $0.4 million in additional parking revenue collected from increased parking demand and market-based rate increases in the South Boston Seaport District during fiscal year 2015.

REAL ESTATE REVENUES
(IN MILLIONS)

	FY 2015	FY 2014
REAL ESTATE	**$ 22.1**	**$ 24.0**

Portside at East Pier Residential and Retail complex in East Boston

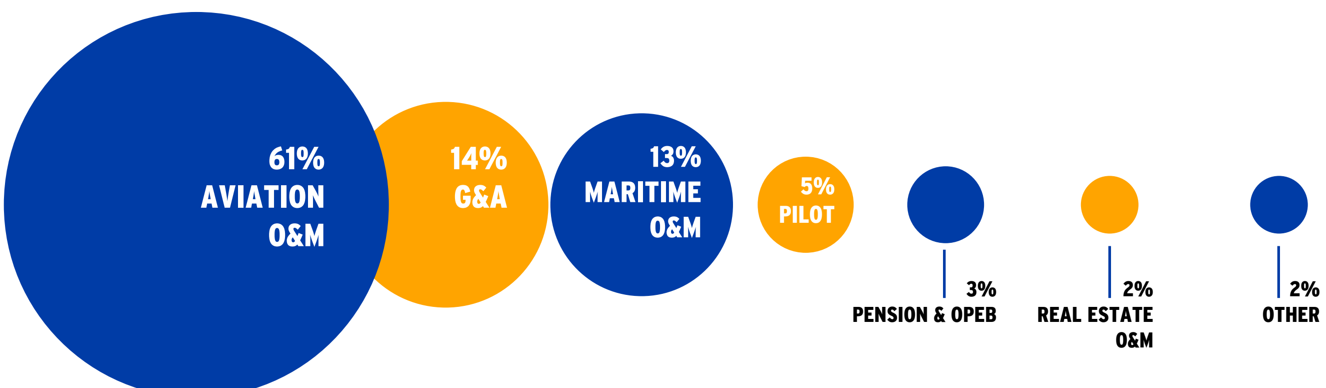
OPERATING EXPENSES

The Authority's total operating expenses were $649.5 million, an increase of $36.5 million, or 6.0% during fiscal year 2015. Total operating expenses for fiscal year 2015 before depreciation and amortization were $422.4 million. More than three-quarters of operating expenses, or $321.1 million, were for the operation and maintenance of the Authority's facilities. General and administrative expenses were $59.1 million or 14% of operating expenses before depreciation and amortization. The Authority also had operating expenses of $19.3 million for payments in lieu of taxes (PILOT), $14.8 million for pension and other post-employment benefits (OPEB), and $8.0 million of other expenses consisting mainly of insurance costs and provision for uncollectible accounts. The Authority also recognized $227.2 million of depreciation and amortization expenses for nearly $3 billion of capital assets.

OPERATING EXPENSES
(IN MILLIONS)

	FY 2015	FY 2014 *(RESTATED)*	$ CHANGE	% CHANGE
AVIATION OPERATIONS AND MAINTENANCE	$ 256.5	$ 237.2	$ 19.3	8.1%
MARITIME OPERATIONS AND MAINTENANCE	54.2	50.0	4.2	8.4%
REAL ESTATE OPERATIONS AND MAINTENANCE	10.4	9.5	0.9	9.5%
GENERAL AND ADMINISTRATIVE	59.1	53.8	5.3	9.9%
PAYMENTS IN LIEU OF TAXES (PILOT)	19.3	18.4	0.9	4.9%
PENSION AND OTHER POST-EMPLOYMENT BENEFITS	14.8	16.8	(2.0)	-11.9%
OTHER	8.0	9.5	(1.5)	-15.8%
DEPRECATION AND AMORTIZATION	227.2	217.8	9.4	4.3%
TOTAL OPERATING EXPENSES	**$ 649.5**	**$ 613.0**	**$ 36.5**	**6.0%**

2015 OPERATING EXPENSES
EXCLUDES DEPRECIATION AND AMORTIZATION EXPENSE



	FY 2014 *(RESTATED)*	FY 2013	$ CHANGE	% CHANGE
AVIATION OPERATIONS AND MAINTENANCE	$ 237.2	$ 217.8	$ 19.4	8.9%
MARITIME OPERATIONS AND MAINTENANCE	50.0	46.4	3.6	7.8%
REAL ESTATE OPERATIONS AND MAINTENANCE	9.5	8.8	0.7	8.0%
GENERAL AND ADMINISTRATIVE	53.8	48.5	5.3	10.9%
PAYMENTS IN LIEU OF TAXES (PILOT)	18.4	18.1	0.3	1.7%
PENSION AND OTHER POST-EMPLOYMENT BENEFITS	16.8	23.1	(6.3)	-27.3%
OTHER	9.5	7.7	1.8	23.4%
DEPRECATION AND AMORTIZATION	217.8	199.0	18.8	9.4%
TOTAL OPERATING EXPENSES	**$ 613.0**	**$ 569.4**	**$ 43.6**	**7.7%**

Note: Fiscal Year 2013 Pension and Other Post-employment Benefits expense does not reflect the changes in accounting for pension costs proscribed by GASB No. 68.

FISCAL YEAR 2015 COMPARED TO 2014

AVIATION OPERATIONS AND MAINTENANCE

In fiscal year 2015 aviation operations and maintenance expenses were $256.5 million, an increase of $19.3 million or 8.1% more than the previous year. The breakdown of aviation operations and maintenance expenses are best described by discussing the expenses of Logan Airport, Hanscom Field, and Worcester Airport separately as provided below.

AVIATION OPERATING AND MAINTENANCE EXPENSES
(IN MILLIONS)

	FY 2015	FY 2014	FY 2013
LOGAN	$ 242.6	$ 225.2	$ 208.5
HANSCOM	7.4	7.2	6.4
WORCESTER	6.5	4.9	2.9
TOTAL	**$ 256.5**	**$ 237.2**	**$ 217.8**

LOGAN AIRPORT OPERATIONS AND MAINTENANCE EXPENSES

Operations and maintenance expenses for Logan Airport were $242.6 million and accounted for approximately 76% of the Authority's total operations and maintenance expenses. In fiscal year 2015, operations and maintenance expenses for Logan Airport increased by $17.4 million, or 7.7% over the prior year. The increase in Logan Airport's operations and maintenance expenses is mainly related to new assets and services, air passenger growth, and four consecutive winter storms that resulted in a record snowfall for the region. A full year of operating the expanded Terminal B, the new Rental Car Center, the new on-airport shuttle bus service, and the Back Bay Logan Express Shuttle Bus added $4.3 million of expenses in fiscal year 2015. The Authority spent $3.6 million to relocate airlines, including Southwest Airlines which moved from Terminal E to Terminal A, in order to accommodate the new international services in Terminal E. The Authority incurred $0.5 million in expenses for overflow parking operations to manage high parking demand during peak travel periods requiring staff to move cars to overflow lots and other locations. Contractual snow removal expenses and additional overtime increased operations and maintenance expenses by $5.1 million compared to the prior year. The Authority also spent $1.9 million on information technology to update security software, passenger information displays and other technology systems at Logan Airport. Fees for professional services were $1.1 million higher mainly due to general marketing and destination marketing for new international cities served, environmental consulting and other advisory services. Payroll and benefits expenses increased by $5.2 million as a result of merit and collectively bargained wage increases, and health insurance premiums for the Authority's non-union and union employees.

These increases were offset by a $2.3 million reduction in environmental remediation expenses, a $1.9 million reduction in rent expense due to the Authority's acquisition of the Braintree Logan Express site in fiscal year 2014, and $0.1 million of savings in other miscellaneous areas.

HANSCOM AND WORCESTER OPERATIONS AND MAINTENANCE EXPENSES

In fiscal year 2015, operations and maintenance expenses for Hanscom Field were $7.4 million, an increase of $0.2 million or 2.9% over the prior year. This increase was due to an increase in professional fees for engineering and environmental consulting services to fulfill the Authority's regulatory reporting requirements.

Operations and maintenance expenses for Worcester Airport increased $1.7 million or 34% to $6.5 million in fiscal year 2015. This increase reflects the 67% increase in passengers for a full year of the new JetBlue services and the severe winter storms. The increased passenger activity required additional security personnel which contributed to a $0.3 million increase in law enforcement costs. Greater usage of the facility contributed to higher spending for utilities, landscaping, information technology services and other items, adding approximately $0.3 million of costs. Expenses for snow removal including contract plowing services, supplies, overtime, and additional rental equipment to remove the snow added $0.6 million in expenses. In addition to snow removal, the winter weather caused damage to roadways and equipment that required $0.2 million of repairs. Payroll and benefits expenses increased by $0.3 million due to a combination of merit and collectively bargained wage adjustments and additional personnel to service the increase in commercial airline passengers and aircraft operations.

MARITIME OPERATIONS AND MAINTENANCE EXPENSES

Maritime operations and maintenance expenses were $54.2 million, $4.2 million or 8.0% higher than the prior year. The 7.7% increase in container volume at Conley Terminal resulted in stevedoring container handling costs to increase $1.3 million over last year. Significant snow clearing, hauling, and melting services to respond to the 110 inches of snow this past winter season resulted in additional costs of $2.3 million to keep Maritime facilities and public streets open. Expenses for professional services increased by $0.7 million to provide electrical safety and preventative maintenance services, structural steel inspections at six steel framed container cranes located at Conley Terminal, and environmental work for the former Coastal Oil property in the Port. Utility costs for maritime increased by $0.5 million due to increased usage and higher utility rates. Payroll and benefits expenses increased by $0.6 million due to merit and collectively bargained wage adjustments and higher health insurance premiums. These increases were offset by a $1.2 million decrease in environmental remediation expenses.

REAL ESTATE OPERATIONS AND MAINTENANCE EXPENSES

Real Estate operations and maintenance costs were $10.4 million, $1.0 million or 10% higher than fiscal year 2014. This increase is mainly due to $0.4 million in additional expenses for professional and consulting fees in connection with development projects in the South Boston Seaport District. Increased commercial activity in the Seaport District added $0.3 million in expenses for additional public safety patrols. The Authority also incurred $0.2 million in additional costs to clear snow from its properties and an additional $0.1 million in utility costs.

GENERAL AND ADMINISTRATIVE EXPENSES

The Authority's general and administrative costs were $59.1 million, $5.3 million or 9.8% higher than fiscal year 2014. The increase in general and administrative costs consists of $1.6 million in payroll and benefit costs for administrative employees; $1.5 million for the Airline Business Incentive program; $1.3 million for destination marketing to support new international services at Logan Airport and JetBlue services at Worcester Airport; and $0.3 million of professional fees for services related to disaster and infrastructure resiliency planning, a review of the Authority's website to ensure it meets standards and best practices, and energy efficiency initiatives. The Authority also contributed $0.6 million to the Massachusetts League of Community Health and East Boston Neighborhood Health Centers in East Boston and Winthrop to help fund respiratory health programs in the surrounding communities.

The following table shows the allocation of the Authority's general and administrative expenses by business line for fiscal years 2015, 2014 and 2013.

GENERAL AND ADMINISTRATIVE EXPENSES
(IN MILLIONS)

	FY 2015	FY 2014	FY 2013
LOGAN	$ 43.7	$ 39.0	$ 35.4
HANSCOM	1.9	2.4	2.0
WORCESTER	1.8	1.8	1.5
MARITIME	7.1	7.5	6.9
REAL ESTATE	4.6	3.1	2.8
TOTAL	**$ 59.1**	**$ 53.8**	**$ 48.5**

PILOT, PENSION & OPEB AND OTHER EXPENSES

In fiscal year 2015, the Authority's PILOT payments to the city of Boston and the town of Winthrop totaled $19.3 million and reflect a 4.5%, or $0.8 million increase over fiscal year 2014 PILOT payments. The City of Boston's PILOT payments are contractually linked to the annual rise in the Consumer Price Index (CPI) and also reflect the renewal of a new five year extension of mitigation payments to the East Boston Foundation for new facilities being built at Logan Airport.

The Authority's expenses for pension and OPEB were $14.8 million, a reduction of $2.0 million or 11.9% compared to fiscal year 2014. Pension expenses were $0.5 million lower and OPEB expenses were $1.5 million lower because high stock market returns on plan assets exceeded the plan's actuarial benchmarks lowering the Authority's contributions in fiscal year 2015.

Other operating expenses totaled $8.0 million and were $1.4 million lower than the prior year due to $1.0 million of savings on property and casualty insurance premiums and a $0.4 million recovery in bad debt expense.

The following table shows the allocation of PILOT, pension, OPEB, and other expenses by business line for fiscal years 2015, 2014 and 2013.

PILOT, PENSION, OPEB, AND OTHER EXPENSES
(IN MILLIONS)

	FY 2015	FY 2014	FY 2013
LOGAN	$ 35.3	$ 37.3	$ 40.2
HANSCOM	0.6	0.7	0.7
WORCESTER	0.5	0.5	0.7
MARITIME	4.2	4.9	5.3
REAL ESTATE	1.5	1.3	2.0
TOTAL	**$ 42.1**	**$ 44.7**	**$ 48.8**

DEPRECIATION AND AMORTIZATION EXPENSES

The Authority recognized $227.2 million in depreciation and amortization expenses in fiscal year 2015, an increase of $9.4 million or 4.3% compared to fiscal year 2014. This increase is the result of $225.1 million in new assets being placed into service, which added $13.2 million in new current year depreciation expense. During fiscal year 2015, the Authority completed and placed into service portions of the new CBIS at a cost of $34.0 million. This project will be fully completed and placed into service between fiscal years 2015 and 2017. Other major projects placed into service in fiscal year 2015 include the Quick Turn Around areas and roadways related to the Rental Car Center, at a cost of $31.2 million; the Framingham Logan Express Parking Garage, at a cost of $32.4 million; and the renovation and improvement of Terminals A and B to serve Logan Airport's growing passenger volume, at a cost of $29.9 million. The Authority also recognized a $6.4 million charge to current period depreciation expense on retired assets taken out of service and not fully depreciated in fiscal year 2015 in connection with the CBIS replacement program. The Authority also fully depreciated $83.9 million in total assets, which lowered depreciation expense by $10.0 million in fiscal year 2015.

FISCAL YEAR 2014 COMPARED TO 2013

The Authority's total operating expenses were $613.0 million, an increase of $43.5 million, or 7.6% compared to fiscal year 2013. In fiscal year 2014, total operating expenses before depreciation and amortization were $395.2 million, an increase of $24.8 million, or 6.7%, compared to fiscal year 2013. Depreciation and amortization expenses for fiscal year 2014 were $217.8 million.

AVIATION OPERATIONS AND MAINTENANCE EXPENSES

In fiscal year 2014 aviation operations and maintenance was $237.2 million, an increase of $19.4 million, or 8.9%, more than the previous year. The breakdown of aviation operations and maintenance expenses are best described by discussing the expenses of Logan Airport, Hanscom Field, and Worcester Airport separately, as provided below.

LOGAN AIRPORT OPERATIONS AND MAINTENANCE EXPENSES

Operations and maintenance expenses for Logan Airport were $225.2 million, an increase of $16.7 million or 8.0% over fiscal year 2013. Approximately $6.4 million of the increase was related to the opening of the Rental Car Center, the start of the new consolidated on-airport shuttle bus in September 2013, the new Back Bay Shuttle Bus service, the expansion and rehabilitation of Terminal B at Logan Airport, snow removal supplies and higher overtime expenses to accommodate parking demand at Logan Airport and the response to the BOSFUEL jet fuel fire at the airport. The Authority also recognized a $3.5 million increase in non-capitalized environmental cleanup costs for the demolition of hangar building 16 at Logan Airport. Employee collectively bargained wage adjustments and increases in health insurance premiums accounted for $3.7 million in additional expenses. Utility expenses for Logan Airport increased $3.1 million due to higher usage and increases in transmission costs.

HANSCOM AND WORCESTER OPERATIONS AND MAINTENANCE EXPENSES

In fiscal year 2014, operations and maintenance expenses for Hanscom Field totaled $7.2 million, an increase of $0.7 million, or 11.6%, compared to fiscal year 2013. Approximately $0.4 million of this increase was related to emergency response and facility repairs associated with the May 31, 2014 business jet aircraft accident at Hanscom Field. Expenditures for snow removal supplies increased by $0.1 million and expenditures in other areas including computer services and maintenance, customs service and landscaping was higher by $0.2 million compared to the prior year.

Worcester Airport had operations and maintenance expenses of $4.9 million, an increase of $2.0 million or 67.6% over fiscal year 2013. This increase is mainly due to the re-introduction of commercial airlines services at the airport in November 2013. Professional fees increased by $0.7 million to help establish the new JetBlue services. Expenditures for repairs, snow removal supplies and other supplies were $0.4 million higher than the prior year. Expenses for snow removal services increased by $0.1 million and utility costs grew by $0.1 million as a result of higher rates and increased usage. Payroll, benefits and overtime expenses were $0.7 million higher as a result of merit and collectively bargained wage adjustments and additional safety protocols required to service the new commercial jet services at the airport.

MARITIME OPERATIONS AND MAINTENANCE EXPENSES

Maritime operations and maintenance expenses were $50.0 million, which was $3.5 million, or 7.6%, higher than fiscal year 2013. The increase in maritime operations and maintenance expenses is primarily due to the 6.0% increase in container volume at Conley Terminal, which resulted in $1.6 million in additional stevedoring costs and contributed to $0.5 million in additional expense for the maintenance and repair of facilities, cranes and yard equipment to keep pace with increased demand. Professional fees were $0.3 million higher than previous year primarily due to increased expenses related to strategic planning and marketing. The Authority also recognized $1.1 million in non-capitalized environmental remediation expenses for the Conley Dedicated Freight Road.

REAL ESTATE OPERATIONS AND MAINTENANCE EXPENSES

Real Estate operations and maintenance costs were $9.5 million, an increase of $0.7 million or 8.0% higher than fiscal year 2013. This increase is mainly due to a $0.4 million increase in professional fees for development projects and strategic planning, a $0.2 million increase for salary and benefits increases and $0.1 million in higher utility expenses related to increased usage and higher utility rates.

GENERAL AND ADMINISTRATIVE EXPENSES

During fiscal year 2014, the Authority incurred $53.8 million in general and administrative expenses, an increase of $5.3 million or 10.9% compared to fiscal year 2013. The Authority invested $1.3 million in strategic planning consulting work that will be used to help guide the Authority's future Aviation, Maritime, and Real Estate business needs, community outreach efforts, and workforce preparedness in the coming decade and beyond. The Authority's investment in technology added $1.2 million in one-time costs for badge credentialing, network connectivity, uninterrupted power source upgrade, as well as new software programming for life cycle management systems and new website development. Marketing expenses increased by $0.5 million to support new international service at Logan Airport and the addition of JetBlue service out of Worcester Airport. Employee wages and benefits for general and administrative employees increased $2.3 million due to merit increases for non-represented personnel, and an increase in healthcare insurance premium rates.

PILOT, PENSION & OPEB AND OTHER EXPENSES

In fiscal year 2014, the Authority's PILOT payments to the city of Boston and the town of Winthrop totaled $18.4 million, a 1.7% or $0.3 million increase over fiscal year 2013 PILOT payments. The City of Boston's Pilot payments are contractually linked to the rise in the CPI.

Pension and OPEB payments were $16.8 million, a decrease of $6.3 million or 27.3% compared to fiscal year 2013. The decrease is due to the change in method of accounting for pension plan contributions.

Other expenses in fiscal year 2014 included $9.0 million for insurance, which was a $1.0 million or 12.2% increase over fiscal year 2013 as a result of higher property insurance premiums stemming from industry effects of Hurricane Sandy. The provision for uncollectible accounts was $0.5 million; a $0.8 million increase over the $0.4 million recovery recognized in fiscal year 2013 and was consistent with prior years.

DEPRECIATION AND AMORTIZATION EXPENSES

The Authority recognized $217.8 million in depreciation and amortization expense for fiscal year 2014, an increase of $18.8 million or 9.4% compared to fiscal year 2013. The large increase reflects the addition of new assets placed into service totaling $536.1 million. Major projects that became operational include the new Rental Car Center, the renovation and improvement of Terminal B to serve United Airlines, the rehabilitation of taxiways North Alpha and Bravo, and Logan Airport terminal curb enhancements.

NON-OPERATING REVENUES (EXPENSES) AND CAPITAL CONTRIBUTIONS

The Authority recognized a net $38.1 million in non-operating revenues in fiscal year 2015, an increase of $2.6 million, or 7.3%, over fiscal year 2014. Non-operating revenues in fiscal year 2014 were $35.5 million, an increase of $14.3 million or 67.5% over the $21.2 million recognized in fiscal year 2013.

NON-OPERATING REVENUES AND EXPENSES AND CAPITAL CONTRIBUTIONS

(IN MILLIONS)

	FY 2015	FY 2014	$ CHANGE	% CHANGE
PASSENGER FACILITY CHARGES	$ 65.8	$ 62.7	$ 3.1	4.9%
CUSTOMER FACILITY CHARGES	30.8	30.0	0.8	2.7%
INVESTMENT INCOME	7.4	6.6	0.8	12.1%
OTHER INCOME *(EXPENSES), NET*	9.8	13.0	(3.2)	-24.6%
TERMINAL A DEBT SERVICE CONTRIBUTIONS	(10.9)	(11.8)	0.9	-7.6%
INTEREST EXPENSE	(64.8)	(65.0)	0.2	-0.3%
TOTAL NON-OPERATING REVENUES (EXPENSES)	**$ 38.1**	**$ 35.5**	**$ 2.6**	**7.3%**
CAPITAL CONTRIBUTIONS	**$ 56.0**	**$ 56.1**	**$ (0.1)**	**-0.2%**

	FY 2014	FY 2013	$ CHANGE	% CHANGE
PASSENGER FACILITY CHARGES	$ 62.7	$ 60.1	$ 2.6	4.3%
CUSTOMER FACILITY CHARGES	30.0	29.4	0.6	2.0%
INVESTMENT INCOME	6.6	8.3	(1.7)	-20.5%
OTHER INCOME *(EXPENSES), NET*	13.0	(3.4)	16.4	-482.4%
TERMINAL A DEBT SERVICE CONTRIBUTIONS	(11.8)	(12.1)	0.3	-2.5%
INTEREST EXPENSE	(65.0)	(61.1)	(3.9)	6.4%
TOTAL NON-OPERATING REVENUES (EXPENSES)	**$ 35.5**	**$ 21.2**	**$ 14.3**	**67.5%**
CAPITAL CONTRIBUTIONS	**$ 56.1**	**$ 20.2**	**$ 35.9**	**177.7%**

For fiscal year 2015, PFCs were $65.8 million, a $3.1 million or 4.9% increase over last year due to increased passenger activity at Logan Airport. Revenues from CFCs totaled $30.8 million, $0.8 million higher than the prior year due to a 2.5% increase in rental car transaction days at Logan Airport's Rental Car Center. The Authority also generated $7.4 million of investment income, an increase of $0.8 million from higher interest rates on fixed income investments and an increase in the Authority's cash balance available for investment. Other income (expense), which is comprised of settlement claims, gains or losses on short term investments, any gains or losses on the sale of equipment, and any other Authority income, was $9.8 million, a decrease of $3.2 million. Included in this is a $10.0 million capital contribution from the Terminal A Maintenance

Reserve Fund to cover the costs associated with Terminal A improvements. These funds were part of the lease agreement with the tenant to cover such costs. Additionally, the Authority recorded a holding gain of $0.5 million at June 30, 2015 related to the fair value of its investments compared to a $1.5 million holding gain at June 30, 2014. Also, during fiscal year 2015, the Authority continued to make a voluntary contribution of $10.9 million in PFCs to the Terminal A debt service fund to help reduce terminal rental rates. Interest expense on long term debt was $64.8 million, a decrease of $0.2 million or 0.3% from fiscal year 2014.

For fiscal year 2014, non-operating revenues (expenses) net were $35.5 million, a $14.3 million increase over the previous year. PFC revenues were $62.7 million, an increase of $2.6 million or 4.3% over the previous year due to increased passenger activity. CFC revenues were $30.0 million, a $0.6 million increase over the previous year due to increased rental car transactions at Logan Airport's Rental Car Center. Investment income of $6.6 million declined by $1.7 million due to low interest rates and a reduction in the Authority's cash balance available for investment due to funding capital projects during the year. Other income (expense) was $13 million, a $16.4 million increase over the previous year. During fiscal year 2014, the Authority finalized an arbitrage agreement with the Internal Revenue Service (IRS) on income received on certain terminated guaranteed investment contracts previously held by the Authority. The settlement substantially lowered the amount owed to the IRS and resulted in a $10.4 million gain from the reversal of an accrued liability previously recorded by the Authority. Additionally, the Authority recorded an unrealized holding gain of $1.5 million at June 30, 2014, which was related to the fair value of its investments compared to a $2.8 million holding loss at June 30, 2013. During fiscal year 2014, the Authority continued to make a voluntary contribution of $11.8 million from PFC revenues to the Terminal A debt service fund to help reduce terminal rental rates. Interest expense on long term debt was $65.0 million, an increase of $3.9 million, or 6.4%, from fiscal year 2013. The increase in interest expense is attributed to the issuance of $116.8 million in new revenue bonds in July 2012.

CAPITAL CONTRIBUTIONS

The majority of the Authority's capital contributions are grants awarded by the Federal Aviation Administration (FAA) for the Airport Improvement Program (AIP) to construct runways, taxiways, apron lighting, residential sound proofing projects, and other capital related projects, primarily at Logan Airport. The Authority also receives capital contributions from the Department of Homeland Security, as well as grants from the Federal Emergency Management Administration, the U.S. Department of Transportation, the Environmental Protection Agency and the Massachusetts Executive Office of Public Safety and Security related to the Port Security Grant Program which safeguards the Port of Boston.

Capital contributions recognized in fiscal year 2015 were $56.0 million, a decrease of $0.1 million from the amount received in fiscal year 2014. These revenues were primarily generated from Transportation Security Administration (TSA) reimbursements for the construction of the new CBIS at Logan Airport and the FAA AIP grant program. The remaining projects eligible to be reimbursed by capital grants or contributions are ongoing and are expected to be reimbursed in future years.

In fiscal year 2014, the Authority recognized capital contributions of $56.1 million, an increase of $35.9 million from the amount received in fiscal year 2013. This increase was the result of the Other Transaction Agreement with TSA for capital contributions related to the construction of the new CBIS at Logan Airport.

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, liabilities and deferred inflows of the Authority. Net Position is the difference between total assets plus deferred outflows less total liabilities and deferred inflows and is an indicator of the current fiscal health of the Authority. A summarized comparison of the Authority's assets, deferred outflows, liabilities, deferred inflows and net position at June 30, 2015, 2014 and 2013 is as follows:

CONDENSED STATEMENTS OF NET POSITION FOR FY 2015 AND FY 2014

(IN MILLIONS)

	FY 2015	FY 2014 *(RESTATED)*	$ CHANGE	% CHANGE
ASSETS				
CURRENT ASSETS	$ 794.2	$ 522.9	$ 271.3	51.9%
CAPITAL ASSETS, NET	2,960.3	2,900.6	59.7	2.1%
OTHER NON-CURRENT ASSETS	394.9	418.1	(23.2)	-5.5%
TOTAL ASSETS	**4,149.4**	**3,841.6**	**307.8**	**8.0%**
DEFERRED OUTFLOWS OF RESOURCES				
DEFERRED LOSS ON REFUNDING OF BONDS	17.8	20.0	(2.2)	-11.0%
DEFERRED LOSS ON EXPECTED VERSUS ACTUAL PENSION PLAN EXPERIENCE	1.8	0.0	1.8	100.0%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**19.6**	**20.0**	**(0.4)**	**-2.0%**
LIABILITIES				
CURRENT LIABILITIES	$ 325.0	$ 307.2	$ 17.8	5.8%
BONDS PAYABLE, INCLUDING CURRENT PORTION	1,785.2	1,586.5	198.7	12.5%
OTHER NON-CURRENT LIABILITIES	66.5	71.3	(4.8)	-6.7%
TOTAL LIABILITIES	**2,176.7**	**1,965.0**	**211.7**	**10.8%**
DEFERRED INFLOWS OF RESOURCES				
DEFERRED GAIN ON PENSION PLAN INVESTMENTS	13.7	25.4	(11.7)	-46.1%
TOTAL DEFERRED INFLOWS OF RESOURCES	**13.7**	**25.4**	**(11.7)**	**-46.1%**
TOTAL NET POSITION	**$ 1,978.6**	**$ 1,871.2**	**$ 107.4**	**5.7%**

The Authority ended fiscal year 2015 with total assets of $4,149.4 million an increase of $307.8 million or 8.0%. This increase reflects investments in restricted assets from the Authority's bond sale. Deferred outflows of resources for fiscal year 2015 were $19.6 million, a $0.4 million decline from the previous year due to the amortization of deferred loss on the refunding of bonds. The Authority's total assets consist primarily of capital assets, which represent approximately $2,960.3 million or 71.0% of the Authority's total assets and deferred outflows of resources as of June 30, 2015.

The Authority's total liabilities as of June 30, 2015 were $2,176.7 million, an increase of $211.7 million or 10.8% due to the $249.8 million bond sale the Authority executed in July 2014. The Authority's $13.7 million deferred inflows of resources were lower by $11.7 million reflecting the reduction in the difference between market value and actuarial value of pension plan assets. The Authority's liabilities consist primarily of bonds payable (including current portion), which accounted for 81.5% of the Authority's total liabilities and deferred inflows at June 30, 2015.

The Authority total net position for fiscal year 2015 was $1,978.6 million, a $107.4 million or 5.7% increase over the prior year. This increase reflects the Authority's net operating income of $13.4 million, net non-operating income of $38.1 million and capital contributions of $56.0 million.

CONDENSED STATEMENTS OF NET POSITION FOR FY 2014 AND FY 2013
(IN MILLIONS)

	FY 2014 *(RESTATED)*	FY 2013	$ CHANGE	% CHANGE
ASSETS				
CURRENT ASSETS	$ 522.9	$ 503.6	$ 19.3	3.8%
CAPITAL ASSETS, NET	2,900.6	2,769.6	131.0	4.7%
OTHER NON-CURRENT ASSETS	418.1	499.5	(81.4)	-16.3%
TOTAL ASSETS	**3,841.6**	**3,772.7**	**68.9**	**1.8%**
DEFERRED OUTFLOWS OF RESOURCES				
DEFERRED LOSS ON REFUNDING OF BONDS	20.0	21.8	(1.8)	-8.3%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**20.0**	**21.8**	**(1.8)**	**-8.3%**
LIABILITIES				
CURRENT LIABILITIES	$ 307.2	$ 255.0	$ 52.2	20.5%
BONDS PAYABLE, INCLUDING CURRENT PORTION	1,586.5	1,656.6	(70.1)	-4.2%
OTHER NON-CURRENT LIABILITIES	47.6	54.3	(6.7)	-12.3%
CUMULATIVE EFFECT OF GASB NO. 68	23.7	-	23.7	-
TOTAL LIABILITIES	**1,965.0**	**1,965.9**	**(0.9)**	**0.0%**
DEFERRED INFLOWS OF RESOURCES				
DEFERRED GAIN ON PENSION PLAN INVESTMENTS	25.4	0.0	25.4	100.0%
TOTAL DEFERRED INFLOWS OF RESOURCES	**25.4**	**0.0**	**25.4**	**100.0%**
TOTAL NET POSITION	**$ 1,871.2**	**$ 1,828.6**	**$ 42.6**	**2.3%**

The Authority ended fiscal year 2014 with total assets of $3,841.6 million, an increase of $68.9 million or 1.8%. The increase in total assets reflects an overall increase in capital assets placed into service and an increase in capital contribution receivables from the TSA for the CBIS project. Deferred outflows of resources for fiscal year 2014 totaled $20 million, a $1.8 million decline from the previous year due to the amortization of deferred loss on the refunding of bonds. The Authority's total assets consist primarily of capital assets, which represent approximately $2,900.6 million or 75.1% of the Authority's total assets and deferred outflows of resources as of June 30, 2014.

The Authority's total liabilities were $1,965.0 million, a decrease of $0.9 million due to the payment of principal on bonds outstanding. Deferred inflows of resources totaled $25.4 million, which was a $25.4 million increase over the previous year and reflects the difference between market value and actuarial value of pension plan assets. The Authority's liabilities consist primarily of bonds payable (including current portion), which accounted for 79.7% of the Authority's total liabilities and deferred inflows at June 30, 2014.

The Authority's total net position for fiscal year 2014 was $1,871.2 million, a $42.6 million or 2.3% increase over the prior year. This increase reflects the Authority's net operating income of $9.5 million, net non-operating income of $35.5 million and capital contributions of $56.1 million. The Authority's net position decreased by $58.5 million from the prior year, which represents the cumulative effect of implementing GASB No. 68.

NET POSITION

The Authority's net position, which represents the residual interest in the Authority's assets and deferred outflows less the Authority's liabilities and deferred inflows, is $1,978.6 million as of June 30, 2015, an increase of $107.4 million, or 5.7% from fiscal year 2014. Of this amount, $1,272.3 million is net investment in capital assets, an increase of $44.9 million compared to the fiscal year 2014 amount of $1,227.4 million. The Authority's restricted net position of $516.9 million as of June 30, 2015 is subject to the pledge of the 1978 Trust Agreement, the PFC Trust Agreement, the CFC Trust Agreement or custodial agreements in the Authority's name. The Authority's restricted net position increased by $7.4 million as of June 30, 2015. This increase is primarily attributable to the CFC Trust Agreement as the liabilities related to the construction of the Rental Car Center have been paid. The Authority's unrestricted net position for fiscal year ending June 30, 2015 was $189.5 million, an increase of $55.1 million when compared to the $134.3 million of unrestricted net position reported in fiscal year 2014. This increase is due to the change in method of accounting for pension contributions and additional cash generated from fiscal year 2015 operating income.

The Authority's net position at June 30, 2014 was $1,871.2 million, an increase of $42.6 million as compared to the $1,828.6 million reported in fiscal year 2013. The net position invested in net investment in capital assets was $1,227.4 million for fiscal year 2014, an increase of $95.8 million compared to the fiscal year 2013 amount of $1,131.6 million. The Authority's restricted net position totaled $509.5 million as of June 30, 2014 and was subject to the pledge of the 1978 Trust Agreement, the PFC Trust Agreement, the CFC Trust Agreement or custodial agreements in the Authority's name. The Authority's restricted net position as of June 30, 2014 decreased by $5.9 million compared to the $515.4 million reported in fiscal year 2013. The decrease is primarily attributable to the use of PFCs to reimburse the Authority for projects previously funded by the Authority, CFC cash balances used to complete the construction of the Authority's new Rental Car Center that opened in the fall of 2013, offset by a settlement with the IRS related to arbitrage that generated $10.4 million in non-operating revenue. The Authority's unrestricted net position for fiscal year 2014 was $134.3 million, a decrease of $47.2 million when compared to the $181.5 million of unrestricted net position reported in fiscal year 2013. This decrease resulted from the implementation of GASB No. 68.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of June 30, 2015 and 2014, the Authority had approximately $2,960.3 million and $2,900.6 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 approximately $59.7 million, or 2.1% in fiscal year 2015 primarily as a result of the Authority incurring approximately $287.7 million in capital expenditures that were offset by approximately $227.2 million in depreciation expenses and the write-off of costs associated with projects that were cancelled totaling $0.8 million.

The Authority placed into service over $225.1 million in completed capital projects during fiscal year 2015. The Authority completed and placed into service portions of the new CBIS at a cost of $34.0 million. This project will be completed and placed into service between fiscal years 2015 through fiscal year 2017. The write off of the old baggage handling and inspection equipment generated a current period expense of $6.4 million in fiscal year 2015, which is included in depreciation expense. Major projects placed into service in fiscal year 2015 include the completion of the Quick Turn Around areas and roadways related to the Rental Car Center at a cost of $31.2 million, the building of the Framingham Logan Express Parking Garage at a cost of $32.4 million, and the renovation and improvement of Terminal A and B to serve the increase in passenger volumes at a cost of $29.9 million. These projects were placed into service and contributed to the increase in the Authority's capital assets. Projects under construction during fiscal year 2015 included the CBIS, the Conley Dedicated Freight Corridor to reduce truck traffic on neighborhood streets, the West Garage at Logan Airport, Terminal E upgrades and electrical substation upgrades.

Capital assets comprised approximately 71.0%, 75.1% and 73.0% of the Authority's total assets and deferred outflows of resources at June 30, 2015, 2014 and 2013, respectively. During fiscal years 2015, 2014 and, 2013, the Authority spent approximately $294.2 million, $329.3 million, and $308.7 million, respectively, constructing new assets and improving existing assets already in service, inclusive of construction in process.

During fiscal year 2014, the Authority placed into service $536.1 million in major construction projects, including the Logan Airport Rental Car Center which opened in September 2013, the renovation and improvement of Terminal B to serve United Airlines, the acquisition of the Braintree Logan Express facility, the rehabilitation of the Taxiway North Alpha and Bravo, and Curb Enhancement upgrades to better serve High Occupancy Vehicle and the Silver Line. These projects were placed into service and contributed to the increase in the Authority's capital assets. Projects under construction during fiscal year 2014 included the optimization of the CBIS, Conley Haul Road to reduce truck traffic on neighborhood streets, construction of the Logan Express Framingham Garage and electrical substation upgrades.

During fiscal year 2013, the Authority placed into service $234.1 million in major construction projects completed during fiscal year 2013 at Logan Airport including Runway 33L safety end improvements which installed a larger safety area and utilizes a larger Emergency Material Arrest Systems (EMAS), the rehabilitation of Runway 15R/33L, and the Chelsea Airport By-pass Road, a dedicated truck and bus traffic route to and from the Airport to Chelsea. These projects were placed into service and contributed to the increase in the Authority's capital assets. Projects under construction during fiscal year 2013 were the Rental Car Center, the renovation and improvement of Terminal B to serve United Airlines and the optimization of the CBIS.

The Authority's capital assets are principally funded by the proceeds of revenue bonds; Authority generated revenues; PFCs; CFCs; and federal and state grants.

The Authority's aviation facilities account for 90% of all capital assets. The following chart provides a breakdown of total capital assets at June 30 2015, 2014 and 2013.

CAPITAL ASSETS BY TYPE
(IN THOUSANDS)

	FY 2015	FY 2014	FY 2013	% CHANGE 2015-2014	% CHANGE 2014-2013
LAND	$ 211,444	$ 202,699	$ 174,754	4.3%	16.0%
CONSTRUCTION IN PROGRESS	217,689	155,071	341,977	40.4%	-54.7%
BUILDINGS	1,533,131	1,517,800	1,240,570	1.0%	22.3%
RUNWAYS AND OTHER PAVINGS	372,970	393,339	426,889	-5.2%	-7.9%
ROADWAYS	375,002	386,666	362,085	-3.0%	6.8%
MACHINERY AND EQUIPMENT	154,183	143,249	113,078	7.6%	26.7%
AIR RIGHTS	71,265	75,605	82,555	-5.7%	-8.4%
PARKING RIGHTS	24,673	26,215	27,757	-5.9%	-5.6%
CAPITAL ASSETS, NET	**$ 2,960,357**	**$ 2,900,644**	**$ 2,769,665**	**2.1%**	**4.7%**

DEBT ADMINISTRATION

The Authority's bond sales must be approved by its Members and must comply with the rules and regulations of the United States Treasury Department. 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 1978 Trust Agreement requirement to maintain its high investment grade bond ratings. As of June 30, 2015, 2014, and 2013, the Authority's debt service coverage under the 1978 Trust Agreement was 2.49, 2.65, and 2.47, respectively.

The 1999 PFC Trust Agreement requires a First Lien Sufficiency covenant ratio in excess of 1.05. As of June 30, 2015, 2014, and 2013, the Authority's PFC First Lien Sufficiency covenant under the PFC Trust Agreement was 5.64, 4.75, and 4.37, respectively.

The CFC Trust Agreement requires that the Authority maintain a debt service coverage ratio of at least 1.3. As of June 30, 2015, 2014, and 2013, the CFC debt service coverage ratio was 2.42, 2.69, and 2.87, respectively.

The Authority had net bonds payable outstanding as of June 30, 2015 in the amount of approximately $1,695.8 million, a net increase of approximately $182.5 million compared to fiscal year 2014. The increase was the result of new and refunding bonds issued during fiscal year 2015, reduced by principal payments. On July 17, 2014, the Authority issued $249.8 million of Massachusetts Port Authority Revenue Bonds in three series. The Series 2014-A Revenue Bonds were issued in the principal amount of $45.5 million with an original issue premium of approximately $5.6 million and coupon rates ranging from 2.0% to 5.0%. The Series 2014 B Revenue Bonds were issued in the principal amount of $48.2 million with an original issue premium of approximately $4.8 million and coupon rates ranging from 4.0% to 5.0%. Series 2014-C Revenue Refunding Bonds were issued in the principal amount of $156.1 million with an original issue premium of approximately $21.7 million and coupons ranging from 2.0% to 5.0%. The aggregate difference in debt services between the refunded Series 2003-A, 2003-C and the 2005-A bonds and the Series 2014-C refunding bonds was $23.6 million. This refunding had an economic gain and achieved a net present value savings of $17.1 million or 10.04%. The average annual savings for fiscal year 2015 through fiscal year 2035 was approximately $1.126 million.

On June 30, 2015, the Authority issued $170.7 million of Massachusetts Port Authority Revenue Refunding Bonds Series 2015-C. The Series 2015-C Revenue Refunding Bonds were issued as two fixed rate direct placement bonds due to mature in 2025 and 2029, respectively. This competitive bank bid process resulted in a net present value savings of nearly $27.5 million and the proceeds were used to refund the entire outstanding balance of the Authority's 2005 Series-C Revenue Bonds on July 1, 2015.

The Authority had net bonds payable outstanding as of June 30, 2014 in the amount of approximately $1,510 million, a net decrease of approximately $64.4 million compared to fiscal year 2013. The decrease was the result of principal paid during fiscal year 2014.

The Authority had net bonds payable outstanding as of June 30, 2013 in the amount of approximately $1,580 million, a net increase of approximately $19.8 million compared to fiscal year 2012. During fiscal year 2013, the Authority issued $275.6 million of the Massachusetts Port Authority Revenue Bonds in two series. The Series 2012 A Revenue Bonds, in the principal amount of $116.8 million were issued to finance capital improvements to Terminals B and C, hangar upgrades, and replace substations from Terminals B and E. Due to the "private activity" nature of the construction projects, they were sold as AMT bonds. The Series 2012 B Bonds were refunding bonds issued in the amount of $158.8 million and were used to refund a portion of the 2003 A and 2003 C Bonds. Additionally, during fiscal year 2013, the Authority made principal payments of $75.7 million.

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

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 2015	FY 2014 *(RESTATED)*	$ CHANGE	% CHANGE
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 255.7	$ 205.1	$ 50.6	24.7%
NET CASH USED IN FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(42.8)	(301.0)	258.2	-85.8%
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(21.4)	74.3	(95.7)	-128.8%
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	191.5	(21.6)	213.1	-986.6%
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	221.7	243.3	(21.6)	-8.9%
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 413.2**	**$ 221.7**	**$ 191.5**	**86.4%**

	FY 2014 *(RESTATED)*	FY 2013	$ CHANGE	% CHANGE
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 205.1	$ 189.4	$ 15.7	8.3%
NET CASH USED IN FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(301.0)	(238.0)	(63.0)	26.5%
NET CASH PROVIDED BY INVESTING ACTIVITIES	74.3	101.4	(27.1)	-26.7%
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(21.6)	52.8	(74.4)	-140.9%
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	243.3	190.5	52.8	27.7%
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 221.7**	**$ 243.3**	**$ (21.6)**	**-8.9%**

The Authority's cash and cash equivalents at June 30, 2015 was $413.2 million, an increase of $191.5 million, or 86.4% from the $221.7 million in cash and cash equivalents reported in fiscal year 2014. The Authority generated $255.7 million in cash from operations during fiscal year 2015 compared to $205.1 million in the prior year, an increase of $50.6 million, or 24.7%, primarily from increased business activity at Logan Airport and the Port. The Authority used $42.8 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 is a $258.2 million decrease in the use of cash from the $301.0 million in cash used for capital and related financing activities in fiscal year 2014. The Authority used $21.4 million in cash from investments towards its capital and operating needs, a decrease of $95.7 million from the amount of cash used for investing activities in fiscal year 2014.

The Authority's cash and cash equivalents at June 30, 2014 was $221.7 million. This is a decrease of $21.6 million, or 8.9% from the $243.3 million in cash and cash equivalents reported in fiscal year 2013. The Authority generated $205.1 million in cash from operations during fiscal year 2014. This was $15.7 million or 8.3% higher than the previous fiscal year's cash provided by operating activities totaling $189.4 million. The Authority used $301.0 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 is a $63.0 million increase in the use of cash over the $238.0 million in cash used for capital and related financing activities in fiscal year 2013. The Authority utilized $74.3 million in cash from investments towards its capital and operating needs, an increase of $27.1 million over the amount of cash used for investing activities in fiscal year 2013.

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 "About Massport", and then clicking on "Investor Relations" and "Working at Massport". 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, 2015 and 2014
(IN THOUSANDS)

	2015	2014 (RESTATED)
CURRENT ASSETS:		
CASH AND CASH EQUIVALENTS	$ 54,568	$ 41,696
INVESTMENTS	80,224	35,020
RESTRICTED CASH AND CASH EQUIVALENTS	358,614	180,043
RESTRICTED INVESTMENTS	177,357	169,594
ACCOUNTS RECEIVABLE		
TRADE, NET	57,921	59,836
GRANTS RECEIVABLE	55,807	29,573
TOTAL RECEIVABLES (NET)	**113,728**	**89,409**
PREPAID EXPENSES AND OTHER ASSETS	9,761	7,150
TOTAL CURRENT ASSETS	**794,252**	**522,912**
NONCURRENT ASSETS:		
INVESTMENTS	73,475	66,587
RESTRICTED INVESTMENTS	256,025	286,489
PREPAID EXPENSES AND OTHER ASSETS	6,320	7,318
INVESTMENT IN JOINT VENTURE	2,395	2,263
NET OPEB ASSET	56,669	55,418
CAPITAL ASSETS-NOT BEING DEPRECIATED	429,133	357,770
CAPITAL ASSETS-BEING DEPRECIATED-NET	2,531,224	2,542,874
TOTAL NONCURRENT ASSETS	**3,355,241**	**3,318,719**
TOTAL ASSETS	**4,149,493**	**3,841,631**
DEFERRED OUTFLOWS OF RESOURCES		
DEFERRED LOSS ON REFUNDING OF BONDS	17,821	20,017
DEFERRED LOSS ON EXPECTED VS ACTUAL PENSION PLAN EXPERIENCE	1,771	–
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**19,592**	**20,017**
CURRENT LIABILITIES:		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	117,806	102,714
COMPENSATED ABSENCES	1,415	1,483
CONTRACT RETAINAGE	10,165	12,561
CURRENT PORTION OF LONG TERM DEBT	257,621	84,665
COMMERCIAL NOTES PAYABLE	150,000	150,000
ACCRUED INTEREST ON BONDS PAYABLE	35,555	35,304
UNEARNED REVENUES	10,017	5,219
TOTAL CURRENT LIABILITIES	**582,579**	**391,946**
NONCURRENT LIABILITIES:		
ACCRUED EXPENSES	10,242	19,604
COMPENSATED ABSENCES	18,105	18,974
NET PENSION LIABILTY	28,209	23,687
LONG-TERM DEBT, NET	1,527,614	1,501,803
UNEARNED REVENUES	9,965	8,982
TOTAL NONCURRENT LIABILITIES	**1,594,135**	**1,573,050**
TOTAL LIABILITIES	**2,176,714**	**1,964,996**
DEFERRED INFLOWS OF RESOURCES		
DEFERRED GAIN ON PENSION PLAN INVESTMENTS	13,735	25,442
TOTAL DEFERRED INFLOWS OF RESOURCES	**13,735**	**25,442**
NET POSITION		
NET INVESTMENT IN CAPITAL ASSETS	1,272,271	1,227,358
RESTRICTED		
BOND FUNDS	193,825	201,754
PROJECT FUNDS	219,221	214,772
PASSENGER FACILITY CHARGES	68,016	65,951
CUSTOMER FACILITY CHARGES	12,009	1,571
OTHER PURPOSES	23,835	25,472
TOTAL RESTRICTED	**516,906**	**509,520**
UNRESTRICTED	189,459	134,332
TOTAL NET POSITION	**$ 1,978,636**	**$ 1,871,210**

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, 2015 and 2014
(IN THOUSANDS)

	2015	2014 (RESTATED)
OPERATING REVENUES:		
AVIATION RENTALS	$ 185,953	$ 181,007
AVIATION PARKING	149,155	136,733
AVIATION SHUTTLE BUS	15,717	12,283
AVIATION FEES	135,044	124,718
AVIATION CONCESSIONS	82,662	77,838
AVIATION OPERATING GRANTS AND OTHER	3,894	3,763
MARITIME FEES, RENTALS AND OTHER	68,435	62,148
REAL ESTATE FEES, RENTS AND OTHER	22,069	23,981
TOTAL OPERATING REVENUES	**662,929**	**622,471**
OPERATING EXPENSES:		
AVIATION OPERATIONS AND MAINTENANCE	256,519	237,235
MARITIME OPERATIONS AND MAINTENANCE	54,231	49,974
REAL ESTATE OPERATIONS AND MAINTENANCE	10,428	9,477
GENERAL AND ADMINISTRATIVE	59,064	53,809
PAYMENTS IN LIEU OF TAXES	19,282	18,444
PENSION AND OTHER POST-EMPLOYMENT BENEFITS	14,844	16,814
OTHER	8,005	9,454
TOTAL OPERATING EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	**422,373**	**395,207**
DEPRECIATION AND AMORTIZATION	227,158	217,767
TOTAL OPERATING EXPENSES	**649,531**	**612,974**
OPERATING INCOME	**13,398**	**9,497**
NONOPERATING REVENUES AND (EXPENSES):		
PASSENGER FACILITY CHARGES	65,807	62,682
CUSTOMER FACILITY CHARGES	30,768	29,963
INVESTMENT INCOME	7,405	6,642
NET INCREASE IN THE FAIR VALUE OF INVESTMENTS	527	1,976
OTHER REVENUES	10,091	10,547
SETTLEMENT OF CLAIMS	–	1,792
TERMINAL A DEBT SERVICE CONTRIBUTION	(10,918)	(11,839)
OTHER EXPENSES	(956)	(1,407)
GAIN ON SALE OF EQUIPMENT	180	90
INTEREST EXPENSE	(64,829)	(64,973)
TOTAL NONOPERATING REVENUES (EXPENSES), NET	**38,075**	**35,473**
INCREASE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	**51,473**	**44,970**
CAPITAL CONTRIBUTIONS	55,953	56,124
INCREASE IN NET POSITION	**107,426**	**101,094**
NET POSITION, BEGINNING OF YEAR	**1,871,210**	**1,770,116**
NET POSITION, END OF YEAR	**$ 1,978,636**	**$ 1,871,210**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

MASSACHUSETTS PORT AUTHORITY
STATEMENTS OF CASH FLOWS

Years ended June 30, 2015 and 2014

(IN THOUSANDS)

	2015	2014 *(RESTATED)*
CASH FLOWS FROM OPERATING ACTIVITIES:		
CASH RECEIVED FROM CUSTOMERS AND OPERATING GRANTS	$ 677,130	$ 605,183
PAYMENTS TO VENDORS	(248,442)	(234,742)
PAYMENTS TO EMPLOYEES	(142,248)	(132,927)
PAYMENTS IN LIEU OF TAXES	(18,782)	(18,444)
OTHER POST-EMPLOYMENT BENEFITS	(12,000)	(14,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**255,658**	**205,070**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(294,166)	(329,305)
PROCEEDS FROM THE ISSUANCE OF BONDS, NET	451,842	–
PRINCIPAL PAYMENTS ON REFUNDED DEBT	(170,210)	–
INTEREST PAID ON BONDS AND NOTES	(80,831)	(73,647)
PRINCIPAL PAYMENTS ON LONG-TERM DEBT	(67,790)	(64,435)
PROCEEDS FROM COMMERCIAL PAPER FINANCING	33,000	76,000
PRINCIPAL PAYMENTS ON COMMERCIAL PAPER	(33,000)	(26,000)
TERMINAL A DEBT SERVICE CONTRIBUTION	(10,918)	(11,839)
PROCEEDS FROM PASSENGER FACILITY CHARGES	67,507	62,464
PROCEEDS FROM CUSTOMER FACILITY CHARGES	29,826	29,156
PROCEEDS FROM CAPITAL CONTRIBUTIONS	31,733	34,699
SETTLEMENT OF CLAIMS	–	1,792
PROCEEDS FROM SALE OF EQUIPMENT	181	90
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	**(42,826)**	**(301,025)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
PURCHASES OF INVESTMENTS, NET	(474,551)	(488,950)
SALES OF INVESTMENTS, NET	445,716	555,930
REALIZED GAIN ON SALE OF INVESTMENTS	123	428
INTEREST RECEIVED ON INVESTMENTS	7,322	6,987
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	**(21,390)**	**74,395**
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**191,442**	**(21,560)**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**221,740**	**243,300**
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 413,182**	**$ 221,740**
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
CASH FLOWS FROM OPERATING ACTIVITIES:		
OPERATING INCOME	**$ 13,398**	**$ 9,497**
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION AND AMORTIZATION	227,158	217,767
PROVISION / (RECOVERY) FOR UNCOLLECTIBLE ACCOUNTS	31	453
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
TRADE RECEIVABLES	355	(6,297)
PREPAID EXPENSES AND OTHER ASSETS	4,607	2,398
PREPAID EXPENSES AND OTHER ASSETS – LONG-TERM	(1,251)	(1,339)
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	17,650	(4,445)
NET PENSION LIABILITY AND DEFERRED INFLOWS/OUTFLOWS	(8,956)	(9,316)
COMPENSATED ABSENCES	(937)	(965)
UNEARNED REVENUE	3,603	(2,683)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ 255,658**	**$ 205,070**
NONCASH INVESTING ACTIVITIES:		
NET INCREASE IN THE FAIR VALUE OF INVESTMENTS	**$ 1,125**	**$ 720**

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") Revenue Bond Trust Agreement dated May 6, 1999, as amended and supplemented (the "PFC Trust Agreement"), between the Authority and The Bank of New York Mellon, as trustee (the "PFC Trustee") 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, 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 grants, financing or investing related transactions are reported as non-operating revenues and expenses. All expenses related to operating the Authority's facilities are reported as operating expenses.

ACCOUNTING PER APPLICABLE TRUST AGREEMENTS

Under the 1978 Trust Agreement, cash of the Authority is deposited daily into the Revenue Fund established pursuant to the 1978 Trust Agreement and is transferred to the cash concentration account. All such revenues are then transferred to the various funds established pursuant to the 1978 Trust Agreement. After providing for operating expenses, including pension expense and transfers to the self insurance account, cash revenues are then transferred to the Interest and Sinking Fund, 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.

PFC revenue is deposited in the PFC Pledged Revenue Fund established pursuant to the PFC Revenue Bond Trust Agreement and is utilized to pay debt service on PFC Revenue Bonds as required in the PFC Trust Agreement. Any remaining funds are transferred to the PFC Capital Fund.

CFC revenue is deposited in the CFC Revenue Fund established pursuant to the CFC Trust Agreement and are 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, 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 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 Trust 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 financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has two items that qualify for reporting in this category. The first deferred outflow results from refunding long term debt and is the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to the difference in the expected vs actual experience of the Pension Plan. This amount is deferred and amortized over approximately twelve years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has deferred inflows of resources related to net deferred gains on Pension Plan investments which are being amortized over a five year period.

c) Net position flow assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which resources are considered to be applied.

d) 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 thirty days or less to be cash equivalents.

e) Investments

Investments with a maturity greater than one year are recorded at their 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. Fair value equals quoted market prices. The Authority recorded an unrealized holding gain of $0.4 million and a realized gain of $0.1 million at June 30, 2015 and an unrealized holding gain of $1.5 million and a realized gain of $0.4 million at June 30, 2014.

f) Restricted Cash and Investments

Certain cash, cash equivalents and investments are restricted for use by the 1978 Trust Agreement, the PFC Trust 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.

g) Capital Assets

Capital assets are recorded at historical cost. Such costs include, where appropriate, capitalized interest and related legal costs. The costs of normal upkeep, maintenance, 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

The Authority capitalizes 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. Interest expense of $4.5 million and $4.1 million, reduced by interest income of $33.6 thousand and $13.0 thousand resulted in capitalized interest of $4.5 million and $4.1 million for the years ended June 30, 2015 and 2014, respectively.

h) 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
RUNWAYS (ORIGINAL CONSTRUCTION)	25
OTHER AIRFIELD PAVING	12
ROADWAY	25
MACHINERY AND EQUIPMENT	5 TO 10
LAND USE RIGHTS	30

i) 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.

j) 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 outflows of resources on the statement of net position.

k) 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 $1.5 million and $1.1 million at June 30, 2015 and 2014, respectively.

Revenue related to grants is recognized when the grant agreement is approved and eligible expenditures are incurred.

l) Passenger Facility Charges

In 1993, the Authority received initial approval from the Federal Aviation Administration ("FAA") to impose a $3.00 PFC 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 presently pledged under the PFC Trust Agreement with the Bank of New York Mellon.

Through June 30, 2015, the Authority had cumulative cash collections of $979.5 million in PFCs, 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 for the Terminal A bonds. This use of PFCs will maintain the rate consistency across all terminals and facilitate the Authority's ability to assign carriers to Terminal A.

At June 30, 2015, the Authority's collection authorization and total use approval is $1.55 billion.

As of June 30, 2015 and 2014, $92.7 million and $110.4 million of PFC bonds were outstanding, respectively.

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 $65.8 million and $62.7 million in PFC revenue for the fiscal years ended June 30, 2015 and 2014, respectively.

m) 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 dated May 18, 2011 between the Authority and U.S. Bank National Association, as trustee, 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. The Authority recognized $30.8 million and $30.0 million in CFC revenue for the fiscal years ended June 30, 2015 and 2014, respectively. As of June 30, 2015 and 2014, $205.0 million and $208.3 million of CFC bonds were outstanding, respectively.

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, 2015 and 2014 was $1.4 million and $1.5 million, respectively. The table below presents the Authority's compensated absences activity at June 30, 2015 and 2014 and for the years then ended (in thousands):

	2015	2014
LIABILITY BALANCE, BEGINNING OF YEAR	$ 20,457	$ 21,423
VACATION AND SICK PAY EARNED DURING THE YEAR	13,312	12,290
VACATION AND SICK PAY USED DURING THE YEAR	(14,249)	(13,256)
LIABILITY BALANCE, END OF YEAR	**$ 19,520**	**$ 20,457**

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.

p) 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.

q) Interfund Transactions

In fiscal year 2014, the Authority loaned the CFC Trust Agreement $10.0 million at 6.167% interest to complete the construction of the RCC. During fiscal year 2015, the CFC Trust repaid the Authority $4.0 million on this loan. This transaction generated $0.6 million and $0.5 million in interest income and expense during fiscal years 2015 and 2014, respectively that has been eliminated in the combining schedules. Additionally, all interfund amounts have been eliminated in the combining statements.

r) Financial Statement Reclassification

Certain amounts in the fiscal year 2014 financial statements have been reclassified to conform to fiscal year 2015 presentation.

s) New Accounting Pronouncements

In June 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB No. 68"). The objective of this Statement is to improve the information provided in government financial reports about pension related financial support provided benefits to the employees of other entities. The provisions of this Statement are effective for financial periods beginning after June 15, 2014.

The requirements of GASB 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts that meet certain criteria and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. The requirements apply whether the government's financial statements are presented in stand-alone financial reports or are included in the financial reports of another government.

GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined pension plans, GASB 68 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employer service. Note disclosure and required supplementary information requirements about pensions are also addressed.

GASB 68 replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, and Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The Authority adopted GASB 68 effective July 1, 2013. In connection with the adoption of this new standard all accounts were analyzed by management in order to access the impact on the financial statements. The implementation of GASB 68 results in the Authority reporting a Net Pension Liability of $58.4 million as of July 1, 2013. The Authority's Net Position as of July 1, 2013 and the Authority's Statement of Revenues and Expenses and Changes in Net Position for the year ended June 30, 2014 have been restated to reflect the required adjustments.

	AS PREVIOUSLY REPORTED	ADJUSTMENT	RESTATED
AS OF JULY 1, 2013:			
NET POSITION	**$ 1,828,561**	**$ (58,445)**	**$ 1,770,116**
FOR THE YEAR ENDED JUNE 30, 2014:			
PENSION EXPENSE	11,990	(9,316)	2,674
INCREASE IN NET POSITION	91,778	9,316	101,094
AS OF JUNE 30, 2014:			
NET PENSION LIABILITY	-	(23,687)	(23,687)
DEFERRED INFLOWS OF RESOURCES	-	(25,442)	(25,442)
NET POSITION	**$ 1,920,339**	**$ (49,129)**	**$ 1,871,210**

In January 2013, GASB issued Statement No. 69, Government Combinations and Disposals of Government Operations ("GASB No. 69"). This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The distinction between a government merger and a government acquisition is based upon whether an exchange of significant consideration is present within the combination transaction. Government mergers include combinations of legally separate entities without the exchange of significant consideration. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger. Conversely, government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. This Statement requires measurements of assets acquired and liabilities assumed generally to be based on their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This Statement defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations.

A disposal of a government's operations results in the removal of specific activities of a government. This Statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold.

This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions.

The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis.

The Authority adopted this Statement and there was no impact on its financial statements.

In November 2013, GASB issued Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. ("GASB No. 71") which resolves transition issues in GASB Statement No. 68, Accounting and Financial Reporting for Pensions. The objective of this Statement is to eliminate a potential source of understatement of restated beginning net position and expense in a government's first year of implementing GASB No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of GASB No. 68 which is effective for financial periods beginning after June 15, 2014.

The Authority adopted this Statement simultaneously with the provisions of GASB No. 68 noted above. Refer to the previous discussion regarding the impact on the Authority's financial statements.

In February 2015, GASB issued Statement No. 72, Fair Value Measurement and Application. ("GASB No. 72"). The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements. This Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The definition of 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. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015.

The Authority is currently evaluating the impact of the implementation of GASB No. 72 on its financial statements.

In June 2015, GASB issued Statement 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. ("GASB No. 73"). The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements. This Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The definition of 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. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015.

The Authority is currently evaluating the impact of the implementation of GASB No. 73 on its financial statements.

In June 2015, GASB issued Statement No. 74, Financial Reporting for Postemployment Plans Other Than Pension Plans. ("GASB No. 74"). The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental plans for making decisions and assessing accountability. Statement 74 replaces GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016.

The Authority is currently evaluating the impact of the implementation of GASB No. 74 on its financial statements.

In June 2015, GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("GASB No. 75"). The objective of this Statement is to address reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017.

The Authority is currently evaluating the impact of the implementation of GASB No. 75 on its financial statements.

In June 2015, GASB issued Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, ("GASB No. 76"). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB.

The Statement also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of Authoritative GAAP.

These changes are intended to improve financial reporting for governments by establishing a framework for the evaluation of accounting guidance that will result in governments applying that guidance with less variation. That will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments. The Statement also improves implementation guidance by elevating its authoritative status to a level that requires it be exposed for a period of broad public comment prior to issuance, as is done for other GASB pronouncements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015.

The Authority is currently evaluating the impact of the implementation of GASB No. 76 on its financial statements.

In August 2015, GASB issued Statement No. 77, Tax Abatement Disclosures, ("GASB No. 77"). This Statement requires state and local governments to disclose information about property and other tax abatement agreements. Specifically, state and local governments that currently have tax abatement programs in place must disclose the purpose of the tax abatement program, the tax being abated, the dollar amount of the taxes abated, provisions for recapturing the abated taxes, the types of commitments made by the tax abatement recipients and any other commitments made by a government in tax abatement agreements. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015.

The Authority does not believe this Statement will have any effect on its financial statements.

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).

	2015	2014
INCREASE IN NET POSITION PER GAAP	**$ 107,426**	**$ 101,094**
ADDITIONS:		
DEPRECIATION AND AMORTIZATION	227,158	217,767
INTEREST EXPENSE	64,829	64,973
PAYMENTS IN LIEU OF TAXES	19,282	18,444
OTHER OPERATING EXPENSES	5,409	4,201
TERMINAL A BONDS - DEBT SERVICE CONTRIBUTION	10,918	11,839
OPEB EXPENSES, NET	654	140
LESS:		
PASSENGER FACILITY CHARGES	(65,807)	(62,682)
CUSTOMER FACILITY CHARGES	(30,768)	(29,963)
SELF INSURANCE EXPENSES	(612)	95
CAPITAL GRANT REVENUE	(55,953)	(56,124)
PENSION EXPENSE	(8,956)	(9,316)
NET DECREASE (INCREASE) IN THE FAIR VALUE OF INVESTMENTS	(527)	(1,976)
LOSS (GAIN) ON SALE OF EQUIPMENT	(180)	(90)
OTHER (REVENUES) EXPENSES	(2,076)	(3,928)
OTHER NON-OPERATING REVENUES	(9,135)	(9,140)
SETTLEMENT OF CLAIMS	-	(1,792)
INVESTMENT INCOME	(3,575)	(3,434)
NET REVENUE PER THE 1978 TRUST AGREEMENT	**$ 258,087**	**$ 240,108**

Total net revenues, as defined by the 1978 Trust Agreement, pledged for the repayment of bonds issued under the 1978 Trust Agreement were $258.1 million and $240.1 million for the years ended June 30, 2015 and 2014, respectively.

3. DEPOSITS AND INVESTMENTS

The Authority has adopted GASB No. 40, Deposit and Investment Risk Disclosure. The standard requires that entities disclose essential risk information about deposits and investments.

The Authority's investments are made in accordance with the provisions of the 1978 Trust Agreement, the PFC Trust 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, 2015 and 2014, all investments were held on behalf of the Authority by the Trustee, the PFC Trustee, the CFC Trustee or custodians in the Authority's name. The 1978 Trust Agreement, the PFC Trust 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 investments in forward delivery agreements are in the form of a guaranteed investment contract ("GIC") which provides for, among other things, the sequential delivery of securities to be sold to the Trustee, PFC Trustee, or CFC Trustee, as applicable, periodically at a discount from maturity value such that the aggregate discount equals the interest rate previously agreed to between the Authority and the provider of the guaranteed investment contract.

The total accumulated unrealized gain (loss) due to the changes in fair value of investments related to investments with maturities in excess of one year was a gain of approximately $1.1 million as of June 30, 2015 and a gain of approximately $0.7 million as of June 30, 2014.

The following summarizes the Authority's cash and cash equivalents and investments by type held at June 30, 2015 and 2014 (in thousands):

2015	CREDIT RATING (1)	COST	FAIR VALUE	EFFECTIVE DURATION
MMDT	UNRATED	$ 196,819	$ 196,819	0.003
FEDERAL HOME LOAN BANK	AA+/Aaa	66,085	66,165	1.865
FEDERALLY INSURED CASH ACCOUNT	UNRATED (2)	15,003	15,003	0.003
FORWARD DELIVERY AGREEMENTS	AA+ / Aaa	12,336	12,336	1.874
FEDERAL HOME LOAN MORTGAGE CORP.	AA+ / Aaa	40,357	40,413	1.363
FEDERAL NATIONAL MORTGAGE ASSOCIATION	AA+ / Aaa	98,738	98,817	1.558
FEDERAL FARM CREDIT	AA+ / Aaa	26,040	26,128	1.664
GUARANTEED INVESTMENT CONTRACTS (PARKEX)	AA+ / Aa3 (4)	39,728	39,728	11.329
CASH DEPOSIT	UNRATED	175,581	175,581	0.003
CERTIFICATES OF DEPOSIT	AAA / Aaa (3)	19,086	19,086	0.358
COMMERCIAL PAPER	A-1/ P-1 (5)	132,782	132,782	0.351
MORGAN STANLEY GOVERNMENT FUND	AAA / Aaa (5)	1,072	1,072	0.003
MUNICIPAL BOND	AA+ / Aa1	119,923	120,489	1.943
MONEY MARKET FUNDS	UNRATED	19,674	19,674	0.003
INSURED CASH SWEEP	UNRATED (2)	5,033	5,033	0.003
TREASURY NOTE	AAA / Aaa	30,880	31,137	2.829
		$ 999,137	**$ 1,000,263**	

2014	CREDIT RATING (1)	COST	FAIR VALUE	EFFECTIVE DURATION
MMDT	UNRATED	$ 175,064	$ 175,064	0.003
FEDERAL HOME LOAN BANK	AA+/Aaa	47,701	47,787	1.866
FEDERALLY INSURED CASH ACCOUNT	UNRATED (2)	15,003	15,003	0.003
FORWARD DELIVERY AGREEMENTS	AA+ / Aaa	17,278	17,278	2.742
FEDERAL HOME LOAN MORTGAGE CORP.	AA+ / Aaa	57,959	58,017	1.719
FEDERAL NATIONAL MORTGAGE ASSOCIATION	AA+ / Aaa	86,799	86,555	2.380
FEDERAL FARM CREDIT	AA+ / Aaa	13,036	13,113	1.780
GUARANTEED INVESTMENT CONTRACTS (PARKEX)	AA+ / Aa3 (4)	38,159	38,159	11.847
CASH DEPOSIT	UNRATED	17,599	17,599	0.003
CERTIFICATES OF DEPOSIT	AAA / Aaa (3)	13,037	13,037	0.350
COMMERCIAL PAPER	A-1/ P-1 (5)	164,628	164,628	0.312
MORGAN STANLEY GOVERNMENT FUND	AAA / Aaa (5)	1,072	1,072	0.003
MUNICIPAL BOND	AA+ / Aa1	115,793	116,585	2.399
MONEY MARKET FUNDS	UNRATED	3,001	3,001	0.003
INSURED CASH SWEEP	UNRATED (2)	10,001	10,001	0.003
TREASURY NOTE	AAA / Aaa	2,579	2,530	4.988
		$ 778,709	**$ 779,429**	

1.The ratings shown are from S&P or Moody's as of the fiscal year shown.

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.

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

	2015		2014	
	COST	FAIR VALUE	COST	FAIR VALUE
SECURITIES MATURING IN 1 YEAR OR MORE	$ 328,369	$ 329,500	$ 352,566	$ 353,076
SECURITIES MATURING IN LESS THAN 1 YEAR	257,586	257,581	204,404	204,614
CASH AND CASH EQUIVALENTS	413,182	413,182	221,739	221,739
	$ 999,137	**$ 1,000,263**	**$ 778,709**	**$ 779,429**

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 Trust 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.

a) Custodial Credit Risk – Deposits

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

The Authority maintains depository accounts with Bank of America, N.A., Wells Fargo Bank, N.A., TD Bank, N.A. and the Bank of New York Mellon, the PFC Trustee. 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, 2015 and 2014 was $176.3 million and $22.4 million, respectively, and of these amounts, $0.75 million and $1.0 million, respectively was insured, and no amount was collateralized at June 30, 2015 or 2014. The balance at June 30, 2015 contains $174.7 million related to the issuance of the 2015 Series C Revenue Refunding Bonds on June 30, 2015. The bond proceeds were used to refund the entire outstanding balance of the 2005 Series C Revenue Bonds.

b) 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 Trust 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 and commercial paper of a U.S. corporation or finance company. 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 following guaranteed investment contracts were in force as of June 30, 2015 and 2014, respectively; they are uncollateralized and recorded at cost:

INVESTMENT AGREEMENT PROVIDER	RATE	MATURITY	2015	2014
TRINITY PLUS FUNDING COMPANY	4.360%	JANUARY 2, 2031	$ 17,427	$ 16,691
GE FUNDING CAPITAL MARKETS	3.808%	DECEMBER 31, 2030	22,301	21,468
TOTAL			**$ 39,728**	**$ 38,159**

c) 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 and the underlying securities held under forward delivery agreements at cost, that exceed 5% of the portfolio are as follows (in thousands):

COMMERCIAL PAPER ISSUER	2015	2014
BANK OF TOKYO MITSU	$ -	$ 14,986
BNP PARIBAS FINANCE	-	23,747
DEUTSCHE BANK	-	11,993
GENERAL ELECTRIC	15,988	-
JP MORGAN CHASE	40,882	23,988
SOCIETE GENERALE	24,953	36,957
CREDIT AGRICOLE	24,974	36,971
TOYOTA MOTOR CORPORATION	20,987	15,986
UBS	4,998	-
TOTAL	**$ 132,782**	**$ 164,628**
% OF PORTFOLIO	**13.27%**	**21.12%**

d) Credit Ratings- Investments

The 1978 Trust Agreement, the PFC Trust Agreement, the CFC Trust Agreement and the Board approved 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 S&P (AAA, AA+, AA, and AA-) and Moody's (Aaa, Aa1, Aa2, and Aa3).

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

e) Interest Rate Risk – Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market 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.

f) 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 thousands):

	2015		2014	
	COST	FAIR VALUE	COST	FAIR VALUE
1978 TRUST				
IMPROVEMENT AND EXTENSION FUND	$ 149,187	$ 149,657	$ 93,482	$ 93,730
CAPITAL BUDGET ACCOUNT	62,488	62,488	140,511	140,511
DEBT SERVICE RESERVE FUNDS	102,648	102,714	102,664	102,573
DEBT SERVICE FUNDS	71,571	71,571	71,417	71,417
MAINTENANCE RESERVE FUND	153,831	154,156	104,434	104,608
OPERATING/REVENUE FUND	58,609	58,609	49,573	49,573
SUBORDINATED DEBT FUNDS	42,124	42,124	40,556	40,556
SELF-INSURANCE ACCOUNT	29,195	29,365	28,314	28,583
2012 A PROJECT FUND	78	78	5,366	5,366
2014 B PROJECT FUND	27,845	27,845	-	-
2015 C REDEMPTION FUND	174,951	174,951	-	-
OTHER FUNDS	16,865	16,865	23,123	23,079
1999 PFC TRUST				
DEBT SERVICE RESERVE FUNDS	20,231	20,272	27,866	27,993
DEBT SERVICE FUNDS	20,495	20,495	20,457	20,457
OTHER PFC FUNDS	23,096	23,096	11,587	11,587
2011 CFC TRUST				
2011-A & B CFC PROJECT FUNDS	775	775	12,753	12,753
DEBT SERVICE RESERVE FUNDS	28,015	28,062	27,994	28,021
DEBT SERVICE FUNDS	9,267	9,267	9,191	9,191
OTHER CFC FUNDS	7,866	7,873	9,421	9,431
TOTAL	**$ 999,137**	**$ 1,000,263**	**$ 778,709**	**$ 779,429**

4. CAPITAL ASSETS

Capital assets consisted of the following at June 30, 2015 and 2014 (in thousands):

	JUNE 30, 2014	ADDITIONS AND TRANSFERS IN	DELETIONS AND TRANSFERS OUT	JUNE 30, 2015
CAPITAL ASSETS NOT BEING DEPRECIATED				
LAND	$ 202,699	$ 8,745	$ –	$ 211,444
CONSTRUCTION IN PROGRESS	155,071	287,738	225,120	217,689
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	**357,770**	**296,483**	**225,120**	**429,133**
CAPITAL ASSETS BEING DEPRECIATED				
BUILDINGS	2,910,096	131,808	14,935	3,026,969
RUNWAY AND OTHER PAVING	783,714	23,510	–	807,224
ROADWAY	691,604	17,073	585	708,092
MACHINERY AND EQUIPMENT	397,916	41,165	4,786	434,295
AIR RIGHTS	180,937	2,818	–	183,755
PARKING RIGHTS	46,261	–	–	46,261
TOTAL CAPITAL ASSETS BEING DEPRECIATED	**5,010,528**	**216,374**	**20,306**	**5,206,596**
LESS ACCUMULATED DEPRECIATION:				
BUILDINGS	1,392,296	110,054	8,512	1,493,838
RUNWAY AND OTHER PAVING	390,375	43,879	–	434,254
ROADWAY	304,938	28,394	242	333,090
MACHINERY AND EQUIPMENT	254,667	30,214	4,769	280,112
AIR RIGHTS	105,332	7,158	–	112,490
PARKING RIGHTS	20,046	1,542	–	21,588
TOTAL ACCUMULATED DEPRECIATION	**2,467,654**	**221,241**	**13,523**	**2,675,372**
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	**2,542,874**	**(4,867)**	**6,783**	**2,531,224**
CAPITAL ASSETS, NET	**$ 2,900,644**	**$ 291,616**	**$ 231,903**	**$ 2,960,357**

Depreciation and amortization for fiscal year 2015 and 2014 was $227.2 million and $217.8 million, respectively.

	JUNE 30, 2013	ADDITIONS AND TRANSFERS IN	DELETIONS AND TRANSFERS OUT	JUNE 30, 2014
CAPITAL ASSETS NOT BEING DEPRECIATED				
LAND	$ 174,754	$ 27,945	$ –	$ 202,699
CONSTRUCTION IN PROGRESS	341,977	349,186	536,092	155,071
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	**516,731**	**377,131**	**536,092**	**357,770**
CAPITAL ASSETS BEING DEPRECIATED				
BUILDINGS	2,527,365	382,731	–	2,910,096
RUNWAY AND OTHER PAVING	773,180	10,534	–	783,714
ROADWAY	639,332	52,272	–	691,604
MACHINERY AND EQUIPMENT	336,392	61,474	(50)	397,916
AIR RIGHTS	179,851	1,136	50	180,937
PARKING RIGHTS	46,261	–	–	46,261
TOTAL CAPITAL ASSETS BEING DEPRECIATED	**4,502,381**	**508,147**	**–**	**5,010,528**
LESS ACCUMULATED DEPRECIATION:				
BUILDINGS	1,286,795	105,501	–	1,392,296
RUNWAY AND OTHER PAVING	346,291	44,084	–	390,375
ROADWAY	277,247	27,691	–	304,938
MACHINERY AND EQUIPMENT	223,314	31,348	(5)	254,667
AIR RIGHTS	97,296	8,041	5	105,332
PARKING RIGHTS	18,504	1,542	–	20,046
TOTAL ACCUMULATED DEPRECIATION	**2,249,447**	**218,207**	**–**	**2,467,654**
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	**2,252,934**	**289,940**	**–**	**2,542,874**
CAPITAL ASSETS, NET	**$ 2,769,665**	**$ 667,071**	**$ 536,092**	**$ 2,900,644**

Capital assets (excluding construction in progress) at June 30 comprised of the following (in thousands):

	2015	2014
FACILITIES COMPLETED BY OPERATION:		
AIRPORTS	$ 4,912,218	$ 4,721,894
PORT	505,822	491,333
CAPITAL ASSETS (EXCLUDING CONSTRUCTION IN PROGRESS)	**$ 5,418,040**	**$ 5,213,227**

During fiscal year 2015, the Authority completed and placed into service portions of its new Checked Baggage Inspection System (CBIS). This project will be completed and placed into service between fiscal years 2015 through fiscal year 2017. The write off of the old CBIS generated a current period expense of $6.4 million in fiscal year 2015 which is included in depreciation expense.

5. BONDS AND NOTES PAYABLE

Long-term debt at June 30, 2015 consisted of the following and represents maturities on the Authority's fiscal year basis (in thousands):

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
REVENUE BONDS:					
SENIOR DEBT-1978 TRUST AGREEMENT:					
2003, SERIES A, 3.25% TO 4.40%, ISSUED MAY 22, 2003 DUE 2015 TO 2034	$ 2,655	$ –	$ 2,655	$ –	$ –
2003, SERIES C, 5.00%, ISSUED MAY 22, 2003 DUE 2013 TO 2019	18,825	–	18,825	–	–
2005, SERIES A, 5.00%, ISSUED MAY 5, 2005 DUE 2015 TO 2036	164,600	–	160,100	4,500	4,500
2005, SERIES C, 3.75% TO 5.00%, ISSUED MAY 5, 2005 DUE 2015 TO 2030	192,160	–	10,570	181,590	181,590
2007, SERIES A, 4.00% TO 4.50%, ISSUED MAY 31, 2007 DUE 2015 TO 2038	45,620	–	1,135	44,485	1,180
2007, SERIES C, 4.125% TO 5.00%, ISSUED MAY 31, 2007 DUE 2015 TO 2028	28,145	–	1,435	26,710	1,510
2008, SERIES A MULTI-MODAL, VARIABLE, ISSUED JUNE 19, 2008 DUE 2015 TO 2039	22,370	–	445	21,925	2,641
2008, SERIES C, 4.60% TO 5.00%, ISSUED JULY 9, 2008 DUE 2015 TO 2021	30,315	–	6,250	24,065	6,440
2010, SERIES A, 3.00% TO 5.00%, ISSUED AUGUST 5, 2010 DUE 2015 TO 2041	96,080	–	1,895	94,185	1,975
2010, SERIES B, 3.00% TO 5.00%, ISSUED AUGUST 5, 2010 DUE 2015 TO 2041	133,435	–	1,690	131,745	1,760
2010, SERIES C, 4.00% TO 5.00%, ISSUED AUGUST 5, 2010 DUE 2015 TO 2019	16,470	–	2,815	13,655	3,040
2010, SERIES D, MULTI-MODAL VARIABLE, ISSUED AUGUST 5, 2010 DUE 2015 TO 2030	94,250	–	4,905	89,345	13,624
2012, SERIES A, 3.00% TO 5.00%, ISSUED JULY 11, 2012 DUE 2015 TO 2043	116,785	–	4,300	112,485	8,180
2012, SERIES B, 3.00% TO 5.00%, ISSUED JULY 11, 2012 DUE 2017 TO 2033	158,830	–	–	158,830	–
2014, SERIES A, 2.00% TO 5.00%, ISSUED JULY 17, 2014 DUE 2017 TO 2045	–	45,455	–	45,455	–
2014, SERIES B, 4.00% TO 5.00%, ISSUED JULY 17, 2014 DUE 2017 TO 2045	–	48,230	–	48,230	–
2014, SERIES C, 2.00% TO 5.00%, ISSUED JULY 17, 2014 DUE 2015 TO 2036	–	156,135	–	156,135	5,140
2015, SERIES C, 2.12% TO 2.83%, ISSUED JUNE 30, 2015 DUE 2026 TO 2030	–	170,730	–	170,730	–
SUBTOTAL SENIOR DEBT	**$ 1,120,540**	**$ 420,550**	**$ 217,020**	**$ 1,324,070**	**$ 231,580**

FINANCIAL SECTION

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
SUBORDINATED DEBT- 1978 TRUST AGREEMENT:					
2000, SERIES A,B & C, 6.45%, ISSUED DECEMBER 29, 2000 DUE 2031	$ 40,000	$ –	$ –	$ 40,000	$ –
2001, SERIES A,B & C, 6.45%, ISSUED JANUARY 2, 2001 DUE 2032	34,000	–	–	34,000	–
SUBTOTAL SUBORDINATE DEBT	**74,000**	**-**	**-**	**74,000**	**-**

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
SENIOR DEBT - PFC TRUST AGREEMENT:					
2007, SERIES B, 4.00% TO 5.00%, ISSUED MAY 31, 2007 DUE 2015 TO 2018	$ 24,305	$ –	$ 4,635	$ 19,670	$ 4,855
2007, SERIES D, 5.00%, ISSUED MAY 31, 2007 DUE 2015 TO 2018	64,630	–	100	64,530	4,110
2010, SERIES E, 5.00%, ISSUED AUGUST 5, 2010 DUE 2015 TO 2018	21,495	–	12,985	8,510	8,510
SUBTOTAL PFC SENIOR DEBT	**110,430**	**-**	**17,720**	**92,710**	**17,475**
SENIOR DEBT - CFC TRUST AGREEMENT:					
2011, SERIES A, 5.125%, ISSUED JUNE 8, 2011 DUE 2038 TO 2042	$ 58,030	$ –	$ –	$ 58,030	$ –
2011, SERIES B, 3.23% TO 6.352%, ISSUED JUNE 8, 2011 DUE 2015 TO 2038	150,270	–	3,260	147,010	3,360
SUBTOTAL CFC SENIOR DEBT	**208,300**	**-**	**3,260**	**205,040**	**3,360**
TOTAL BONDS PAYABLE	**$ 1,513,270**	**$ 420,550**	**$ 238,000**	**$ 1,695,820**	**$ 252,415**
LESS UNAMORTIZED AMOUNTS:					
BOND PREMIUM (DISCOUNT), NET	**73,198**	**32,216**	**15,999**	**89,415**	**5,206**
TOTAL BONDS PAYABLE, NET	**$ 1,586,468**	**$ 452,766**	**$ 253,999**	**$ 1,785,235**	**$ 257,621**

Included in the Authority's bonds payable are \$111.3 million and \$116.6 million of variable rate demand bonds ("VRDB") consisting of Series 2008 A and Series 2010 D as of June 30, 2015 and 2014, respectively. The VRDBs have remarketing features which allow bondholders the right to return, or put, the bonds to the Authority. The Authority had previously entered into a three year irrevocable letter of credit agreement with Bank of America N.A. that expired on August 12, 2013. On August 7, 2013, the Authority entered into a five year irrevocable letter of credit agreement with State Street Bank, in support of the VRDBs. This agreement requires repayment of the tendered, unremarketed VRDBs and any associated obligations on the bonds tendered. Should the VRDBs be tendered and the letter of credit utilized to pay the purchase price of such bonds, the tendered bonds would be converted to bank bonds, possibly requiring one tenth of the tendered bonds to become due within 270 days. The Authority would look to identify an alternative financing arrangement in advance of the bank bonds debt service payment becoming due to satisfy this obligation.

The VRDBs were issued as multi-modal bonds, thus allowing the Authority to reissue and refund through one of several modes. As a result, the Authority has classified \$10.6 million and \$11.1 million to its current portion of long term debt, in addition to the amounts identified in the schedules of the Authority's bonds payable at June 30th due within one year, for the fiscal years ending June 30, 2015 and 2014, respectively.

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

	2014 BEGINNING BALANCE	ADDITIONS	REDUCTIONS	2015 ENDING BALANCE	DUE WITHIN ONE YEAR
SENIOR DEBT-1978 TRUST AGREEMENT:	$ 1,120,540	$ 420,550	$ 217,020	$ 1,324,070	$ 231,580
SUBORDINATED DEBT- 1978 TRUST AGREEMENT:	74,000	–	–	74,000	–
SENIOR DEBT - PFC TRUST AGREEMENT:	110,430	–	17,720	92,710	17,475
SENIOR DEBT - CFC TRUST AGREEMENT:	208,300	–	3,260	205,040	3,360
	$ 1,513,270	**$ 420,550**	**$ 238,000**	**$ 1,695,820**	**$ 252,415**

	2013 BEGINNING BALANCE	ADDITIONS	REDUCTIONS	2014 ENDING BALANCE	DUE WITHIN ONE YEAR
SENIOR DEBT-1978 TRUST AGREEMENT:	$ 1,164,865	$ –	$ 44,325	$ 1,120,540	$ 57,949
SUBORDINATED DEBT- 1978 TRUST AGREEMENT:	74,000	–	–	74,000	–
SENIOR DEBT - PFC TRUST AGREEMENT:	127,355	–	16,925	110,430	17,720
SENIOR DEBT - CFC TRUST AGREEMENT:	211,485	–	3,185	208,300	3,260
	$ 1,577,705	**$ –**	**$ 64,435**	**$ 1,513,270**	**$ 78,929**

Debt service requirements on revenue bonds (1978 Trust, PFC Trust and CFC Trust) outstanding at June 30, 2015 are as follows (in thousands):

	PRINCIPAL	INTEREST	TOTAL
YEAR ENDING JUNE 30:			
2015	$ 71,315	$ 68,540	$ 139,855
2016	86,895	72,108	159,003
2017	121,980	68,678	190,658
2018	71,805	63,768	135,573
2019	64,545	61,213	125,758
2020 - 2024	345,740	268,772	614,512
2025 - 2029	353,595	196,081	549,676
2030 - 2034	306,620	111,529	418,149
2035 - 2039	185,420	49,191	234,611
2040 - 2044	87,905	9,095	97,000
TOTAL	**$ 1,695,820**	**$ 968,975**	**$ 2,664,795**

a) Senior Debt - 1978 Trust Agreement

On June 30, 2015, the Authority issued $170.7 million of Massachusetts Port Authority Revenue Refunding Bonds. The Series 2015 C Revenue Refunding Bonds were issued in the principal amount of $170.7 million as two fixed rate direct placement bonds of $131.0 million and $39.7 million, due to mature in 2025 and 2029, respectively. This competitive bank bid process resulted in a net present value savings of nearly $27.5 million and the proceeds were used to refund the entire outstanding balance of the 2005 Series C Revenue Bonds on July 1, 2015.

On July 17, 2014, the Authority issued $249.8 million of Massachusetts Port Authority Revenue Bonds in three series. The Series 2014 A Revenue Bonds were issued in the principal amount of $45.5 million with an original issue premium of approximately $5.6 million and coupon rates ranging from 2.0% to 5.0%. The projects financed with Series A bond proceeds include a structured garage at the Framingham Logan Express site and roadways that provide access from the terminals to the Airport MBTA Station and the Rental Car Center.

The Series 2014 B Revenue Bonds were issued in the principal amount of $48.2 million with an original issue premium of approximately $4.8 million and coupon rates ranging from 4.0% to 5.0%. The projects financed with Series B bond proceeds include electrical substation replacement for Terminals B and E, a post-security corridor between Terminals C and E, and the demolition of an obsolete hangar to create remain overnight aircraft parking spaces.

The Authority also issued the Series 2014 C Revenue Refunding Bonds in the principal amount of $156.1 million with an original issue premium of approximately $21.7 million and coupons ranging from 2.0% to 5.0%. The aggregate difference in debt service between the refunded Series 2003 A, 2003 C and 2005 A bonds and the Series 2014 C refunding bonds was $23.6 million. This refunding had an economic gain and achieved a net present value savings of $17.1 million or 10.04%. The average annual savings for fiscal year 2015 through fiscal year 2035 was approximately $1.126 million.

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, 2015 and 2014, the Authority's debt service coverage under the 1978 Trust Agreement was 2.49 and 2.65, 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, the PFC 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 31, 2030 and January 1, 2031. As of June 30, 2015, the value of the two GICs was approximately $39.7 million as compared to $38.2 million as of June 30, 2014.

c) Senior Debt - PFC Trust Agreement

The Authority's outstanding PFC debt continues to be backed by a pledge of the $4.50 PFC collections. The Authority earned PFC Revenues, as defined by the PFC Trust Agreement, of approximately $65.9 million and $62.7 million during fiscal years 2015 and 2014, respectively. These amounts include approximately $0.1 million of investment income on PFC receipts during each of fiscal years 2015 and 2014, respectively.

The PFC Trust Agreement requires a First Lien Sufficiency covenant ratio in excess of 1.05. As of June 30, 2015 and 2014, the Authority's PFC First Lien Sufficiency covenant ratio under the PFC Trust Agreement was 5.64 and 4.75, respectively.

d) 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 by the CFC Trust Agreement, of approximately $31.2 million and $30.4 million during fiscal years 2015 and 2014, respectively. These amounts include approximately $0.4 million of investment income on CFC receipts during each of the fiscal years 2015 and 2014, respectively. The CFC Trust Agreement requires that the Authority maintain a debt service coverage ratio of at least 1.3. As of June 30, 2015 and 2014, the CFC debt service coverage ratio was 2.42 and 2.69, respectively.

e) Special Facility Bonds

To provide for the construction and improvement of various facilities at Logan Airport, the Authority has issued eight series of special facilities revenue bonds. The Authority's special facilities revenue bonds are all 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. As of June 30, 2015 and 2014, the aggregate principal amount of the Authority's special facilities revenue bonds outstanding was approximately $570.9 million and $640.0 million, respectively. The Authority has no obligation for $136.0 million of Special Facility Bonds and only limited obligation for the remaining $434.9 million of special facility bonds related to Terminal A described below. In July 2014, American Airlines defeased the remaining balance of approximately $50.0 million in outstanding US Airways bonds.

Approximately $434.9 million of the Authority's outstanding special facility bonds as of June 30, 2015 relate to the Delta Airlines Series 2001 A, B, and C bonds issued in connection with Delta Airlines construction of Terminal A. During September 2005, Delta Airlines entered into bankruptcy and as of April 2007 re-emerged out of bankruptcy. The Authority is under no obligation to assume any liability for the Terminal A Special Facility Bonds or to direct revenue, other than an obligation to remit to the trustee of the Terminal A bonds a portion of the Terminal A airline revenue, to service the debt. The Authority and Delta Airlines negotiated a restated and amended lease (the "Amended Lease") for Terminal A pursuant to which Delta Airlines reduced the number of gates that it occupied in Terminal A. The Amended Lease was approved by the bankruptcy court and was effective as of July 1, 2006.

f) Commercial Notes Payable

The Authority's commercial notes payable as of June 30, 2015 and 2014 were as follows (in thousands):

	2015	2014
COMMERCIAL PAPER NOTES	$ 150,000	$ 100,000
COMMERCIAL PAPER NOTES ISSUED	33,000	76,000
PRINCIPAL PAID ON COMMERCIAL PAPER NOTES	(33,000)	(26,000)
COMMERCIAL PAPER NOTES	**$ 150,000**	**$ 150,000**

In March 2014, the Authority expanded its commercial paper program to $150 million. 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 2017.

The $100 million of the commercial notes payable have been used to fund PFC eligible projects; therefore the Authority anticipates that PFC revenues will be the source to pay such redemptions. The $50.0 million of the commercial paper notes payable represent general airline revenue bond anticipation notes. The blended interest rate on Series 2012 A Notes was 0.529% and 0.685% during fiscal years 2015 and 2014, respectively. The blended interest rate on the Series 2012 B Notes was 0.537% and 0.690% during fiscal years 2015 and 2014, respectively.

During fiscal year 2015 and fiscal year 2014, the Authority did not have any interest rate swaps.

g) 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 an estimated liability on June 30, 2015 and 2014 of $746.9 thousand and $429.3 thousand, respectively. The liability at June 30, 2013 in the amount of $11.3 million that was associated with the Authority's Subordinate Bond Series 2000 A, B & C and Series 2001 A, B & C. During fiscal year 2014, the Authority executed an agreement with the Internal Revenue Service in the amount of $895.5 thousand as payment in full on this liability and recognized $10.4 million as other non-operating income.

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 Massachusetts Port Authority (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).

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, 2014 and 2013, the Plan's membership consisted of:

	2014	2013
RETIREES AND BENEFICIARIES RECEIVING BENEFITS	686	655
TERMINATED EMPLOYEES ENTITLED TO BENEFITS BUT NOT YET RECEIVING THEM	61	59
CURRENT MEMBERS:		
ACTIVE	1,161	1,130
INACTIVE	69	64
TOTAL MEMBERSHIP	**1,977**	**1,908**

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, 2015 and 2014, the Authority was required and did contribute to the Plan $11.1 million and $12.0 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 market 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 $20.8 million ($11.1 million employer and $9.7 million employee) and $21.1 million ($12.0 million employer and $9.1 million employee) were recognized by the Plan for plan years 2014 and 2013, respectively.

d) Investment valuation

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

e) Pension plan fiduciary net position

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

f) 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, 2014 and 2013, calculated using the discount rate of 7.625%, for 2014 and 2013, 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 (6.625% for 2014 and 2013) or one percentage point higher (8.625% for 2014 and 2013) than the current rate (in thousands):

FISCAL YEAR	1% DECREASE (6.625%)	CURRENT DISCOUNT RATE (7.625%)	1% INCREASE (8.625%)
2015	$ 97,711	28,209	(25,636)
2014	87,728	23,687	(30,507)

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

For the years ended June 30, 2015 and 2014, the Authority recognized pension expense of $2.2 million and $2.7 million, respectively.

At June 30, 2015 and 2014 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	2015		2014	
	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE	$ 1,771	–	–	–
NET DIFFERENCE BETWEEN PROJECTED AND ACTUAL EARNINGS ON PENSION PLAN INVESTMENTS	$ –	13,735	–	25,442

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:	
2016	$ (4,866)
2017	(4,866)
2018	(4,866)
2019	1,495
2020	158
THEREAFTER	981

7. OTHER POSTEMPLOYMENT BENEFITS

During the year ended June 30, 2008, the Authority established the Retiree Benefits Trust (the "Trust") and implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. Statement No. 45 requires governments to account for other postemployment benefits, primarily healthcare, on an accrual basis rather than on a pay as you go basis. The effect is the recognition of an actuarially required contribution as an expense on the statements of revenues, expenses, and changes in net position when future retirees earn their postemployment benefit rather than when they use their postemployment benefit. To the extent that an entity does not fund their actuarially required contribution, a postemployment benefit liability is recognized on the statements of net position over time.

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 benefit levels, employer contributions and future employee contributions are governed by the Authority and can be amended by the Authority. As of June 30, 2015, approximately 827 retirees and 1,235 active and inactive employees meet the eligibility requirements.

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.

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 medical plans are either HMOs, PPOs or indemnity plans, and some are designed to work with Medicare benefits, such a 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. To comply with the requirements of GASB No. 45, the Authority performed an actuarial valuation at January 1, 2015. 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. These statements are prepared on the accrual basis of accounting. 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 net asset or unit value at year end. No long term contracts for contributions to the Trust existed at June 30, 2015 or 2014.

b) Annual OPEB Costs and Net OPEB Obligation

The Authority's 2015 and 2014 OPEB expense is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the Authority's annual OPEB cost for the years ending June 30, 2015, 2014 and 2013, the amount actually contributed to the plan, and the change in the Authority's net OPEB obligation based on an actuarial valuation as of January 1, 2015 (in thousands).

	2015	2014	2013
ANNUAL REQUIRED CONTRIBUTION (ARC)	$ 13,187	$ 14,738	$ 14,006
INTEREST ON NET OPEB OBLIGATION	(4,156)	(3,989)	(3,265)
ADJUSTMENT TO ARC	3,623	3,391	2,709
ANNUAL OPEB COST	**12,654**	**14,140**	**13,450**
CURRENT PREMIUMS ON A PAY-AS-YOU-GO BASIS	–	–	–
SUBSIDY	1,905	2,370	2,254
CONTRIBUTIONS MADE	12,000	14,000	20,851
CHANGE IN NET OPEB OBLIGATION	**1,251**	**2,230**	**9,655**
NET OPEB ASSET – BEGINNING OF YEAR	**55,418**	**53,188**	**43,533**
NET OPEB ASSET – END OF YEAR	**$ 56,669**	**55,418**	**$ 53,188**
% OF ANNUAL OPEB COST CONTRIBUTED	**94.8%**	**$ 99.0%**	**155.0%**

c) Funded Status and Funding Progress

The funded status of the plan, based on an actuarial valuation as of January 1, 2015, was as follows (in thousands):

ACTUARIALLY ACCRUED LIABILITY ("AAL")	$ 237,133
ACTUARIAL VALUE OF PLAN ASSETS	148,501
UNFUNDED ACTUARIAL ACCRUED LIABILITY ("UAAL")	**$ 88,632**
FUNDED RATIO (ACTUARIAL VALUE OF PLAN ASSETS/AAL)	**62.6%**
COVERED PAYROLL (ACTIVE PLAN MEMBERS)	**$ 108,508**
UAAL AS A PERCENTAGE OF COVERED PAYROLL	**81.7%**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the Authority are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

d) Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan as understood by the Authority and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the Authority and Plan members. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The January 1, 2015 actuarial valuation used the projected unit credit cost method. The actuarial value of plan assets was $148.5 million. The actuarial assumptions included a 7.50% investment rate of return and an initial annual healthcare cost trend rate range of 9.0%, which decreases to a 5.0% long-term trend rate for all healthcare benefits after ten years. The amortization costs for the initial UAAL is a level percentage of payrolls for a period of 30 years, on a closed basis. At June 30, 2015, 23 years are remaining to be amortized. This has been calculated assuming an inflation rate of 3.25%.

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, 2015 (in thousands):

YEARS	AMOUNT	YEARS	AMOUNT
2016	$ 29,879	2036 - 2040	$ 4,880
2017	29,894	2041 - 2045	4,880
2018	17,210	2046 - 2050	4,880
2019	10,443	2051 - 2055	4,880
2020	5,340	2056 - 2060	4,880
2021 - 2025	6,191	2061 - 2065	4,880
2026 - 2030	4,880	2066 - 2070	4,527
2031 - 2035	4,880		
		TOTAL	**$ 142,524**

Rent expense and other operating lease related payments were $30.0 million and $30.3 million for fiscal years 2015 and 2014, 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, 2015 (in thousands):

2016	$ 60,636	2056 - 2060	47,917
2017	54,282	2061 - 2065	49,455
2018	49,622	2066 - 2070	50,347
2019	46,508	2071 - 2075	52,082
2020	42,426	2076 - 2080	53,112
2021 - 2025	181,530	2081 - 2085	51,107
2026 - 2030	125,340	2086 - 2090	39,867
2031 - 2035	95,738	2091 - 2095	39,481
2036 - 2040	88,113	2096 - 2100	19,483
2041 - 2045	88,554	2101 - 2105	2,318
2046 - 2050	64,415	2106 - 2107	702
2051 - 2055	47,273		
		TOTAL	**$ 1,350,308**

Rental income and concession income, including contingent payments received under these provisions, were approximately $290.3 million and $282.3 million for the fiscal years 2015 and 2014, 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 $7.6 million and $8.0 million as of June 30, 2015 and 2014, respectively, and is included as a component of accrued expenses in the accompanying financial statements. This liability is fully funded as of June 30, 2015 and 2014.

Changes in the accrued liability accounts, related to self insurance, in fiscal year 2015, 2014 and 2013 were as follows (in thousands):

	2015	2014	2013
LIABILITY BALANCE, BEGINNING OF YEAR	$ 8,015	$ 7,253	$ 6,843
PROVISION TO RECORD ESTIMATED LOSSES	2,955	3,552	1,279
PAYMENTS	(3,345)	(2,790)	(869)
LIABILITY BALANCE, END OF YEAR	**$ 7,625**	**$ 8,015**	**$ 7,253**

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 ILA Members; $1,000 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 2015 and 2014 has not changed significantly from prior periods.

10. PAYMENTS IN LIEU OF TAXES

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

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 Boston PILOT Agreement (the "Amended Boston PILOT Agreement"), the term of the Amended Boston PILOT Agreement terminates on June 30, 2021 subject to (1) mutual rights annually to terminate the Amended Boston PILOT Agreement and (2) automatic one year extensions of the term each July1. The Amended Boston PILOT Agreement provides for the Authority to pay (i) an annual base amount (the "Base Amount") of $14 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 (ii) for ten years, an amount of $700,000, which shall not be increased or adjusted.

In fiscal year 2006, the Authority and the Town of Winthrop entered into an Amended and Restated Payment-In-Lieu-Of-Taxes Agreement (the "Amended Winthrop PILOT Agreement"), which extended the base in-lieu-of-tax payments through fiscal year 2025. The Amended Winthrop PILOT Agreement provides for the Authority to make an annual payment of $900,000, which will be adjusted in fiscal years 2016 through 2025 if the average annual percentage change in the consumer price index in fiscal year 2006 through 2015 is less than 2% or more than 8%.

PILOT payments to the City of Boston for fiscal years 2015 and 2014 were $17.9 million and $17.5 million, respectively. PILOT payments to the Town of Winthrop for fiscal years 2015 and 2014 were $0.9 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 $363.8 million and $265.2 million as of June 30, 2015 and 2014, 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.

12. LITIGATION

a) Events of September 11, 2001

The Authority has been engaged in routine litigation as well as litigation involving the terrorist attacks of September 11, 2001.

On September 11, 2001, terrorists hijacked American Airlines flight 11 and United Airlines flight 175 and flew them into the World Trade Center in New York, N.Y. The terrorist acts caused the deaths of approximately 3,000 persons, unknown numbers of personal injuries, and massive property damage. Both flights originated at Logan Airport.

In September 2001, Congress passed the Air Transportation Safety and System Stabilization Act of 2001 ("ATSSSA"), which provides, among other things, a limitation on liability of various entities, including airport sponsors such as the Authority, for the events of 9/11. Specifically, the liability of an airport sponsor for those events "shall not be in an amount greater than the limits of liability insurance coverage maintained by that . . . airport sponsor". The Authority has insurance in effect to cover these incidents in the amount of $500.0 million per occurrence and consequently, under ATSA the Authority's liability, if any, would be limited to such amounts. To the Authority's knowledge, the Authority's insurer has received copies of all complaints and Notices of Claim and/or any other form of notification to the Authority by an individual or entity claiming to have suffered a loss.

Furthermore, to the Authority's knowledge, its insurer has agreed to defend any such claims and has not reserved its rights to deny coverage with respect to any of those claims although the insurer has reserved its rights with respect to (i) the number of occurrences, (ii) indemnification of the Authority against any award of punitive damages, and (iii) the Authority's rights as a named additional insured under other policies of insurance, including policies of the Authority's tenants and licensees.

On July 18, 2013, the Authority was dismissed from the remaining property damage lawsuits, both brought by the World Trade Center Properties, LLC, ("WTC Properties"). WTC Properties has appealed this ruling. All other wrongful death and property damage lawsuits against the Authority and other defendants have been settled or dismissed. These settlements have been achieved without any financial contribution from the Authority or its insurer.

b) Environmental Contamination

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 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, 2015 and 2014 is $2.6 million and $7.2 million, respectively, which represents the approximate amounts the Authority expects to pay for future remediation activities. The Authority paid approximately $4.7 million and $0.3 million in fiscal years 2015 and 2014, 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.

c) Other Litigation

On July 2, 2014, the Authority was served with a lawsuit (the "Lawsuit") in which the Authority is the named defendant. The Lawsuit arises out of the Authority's taking by eminent domain on January 6, 2014 of the property commonly referred to as the Logan Express parking and shuttle facility in Braintree, MA (the "Property") for which the Authority paid what it determined was just compensation. The Lawsuit claims that the Authority failed to award just compensation to the former owner Tara Investment Holdings LLC f/k/a The Flatley 06 LLC for the Property.

The Authority also 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. 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 2015 and 2014, the Authority recognized income of approximately $0.1 million in each year, representing its share of the earnings of the RTC.

b) Logan Airport Silver Line Transportation Agreement

In December 2005, the Authority entered into a ten year agreement with the MBTA to provide public transportation between South Station in Boston, Massachusetts and Logan Airport along a route called the Silver Line. Pursuant to this agreement, the Authority purchased eight buses at a cost of $13.3 million and the MBTA agreed to operate and maintain the Authority's Silver Line buses for a cost of $2.0 million per year, paid in equal monthly installments. In August 2015, this agreement was extended for an additional five year period and modified to provide that the Authority would be responsible for paying the FAA approved rate of 76.06% of the costs to operate and maintain the Silver Line buses and the Authority will be responsible for 76.06% of the future rebuild of the Silver Line buses.

14. SUBSEQUENT EVENTS

a) Bond issue

On July 15, 2015, the Authority issued $171.5 million of Massachusetts Port Authority Revenue Bonds in two series. The Series 2015 A Revenue Bonds were issued in the principal amount of $104.5 million with an original issue premium of approximately $15.4 million and coupon rates ranging from 1.14% to 5.0%. The projects financed with Series A bond proceeds include the completion of the parking garage at the Framingham Logan Express site, property acquisition and parking improvements at the Braintree Logan Express and construction of 2,050 additional parking spaces at Logan Airport.

The Series 2015 B Revenue Bonds were issued in the principal amount of $67.0 million with an original issue premium of approximately $8.0 million and coupon rates ranging from 1.4% to 5.0%. The projects financed with Series B bond proceeds include construction of a post security corridor between Terminal C and Terminal E, HVAC equipment replacement, HVAC equipment distribution, roof replacements, the creation of new remain overnight parking spaces, and Terminal A airline relocation. Due to the “private activity” nature of the construction projects, these bonds were sold as AMT bonds.

b) Events of September 11, 2001

On July 18, 2013, the United States District Court for the Southern District of New York dismissed the remaining property damage claims by World Trade Center Properties LLC and related entities (“WTCP”), on the grounds that their insurance recoveries following the terrorist acts exceeded the loss in market value of WTCP’s leasehold interest in the World Trade Center complex. WTCP appealed this ruling to the United States Court of Appeals for the Second Circuit, and on September 17, 2015, the Second Circuit vacated the judgment in part and remanded the case to the District Court to recalculate the loss in value of WTCP’s leasehold interest.

MASSACHUSETTS PORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB FUNDING PROGRESS

June 30, 2015

(In thousands)

SCHEDULE OF OPEB FUNDING PROGRESS

(1) ACTUARIAL VALUATION DATE	(2) ACTUARIAL VALUE OF PLAN ASSETS	(3) ACTUARIAL ACCRUED LIABILITY (AAL)	(4) (OVERFUNDED) UNFUNDED (UAAL) AAL(2) - (3)	(5) ACTUARIAL VALUE OF ASSETS AS A PERCENTAGE OF AAL (FUNDED RATIO) (2)/(3)	(6) ANNUAL COVERED PAYROLL	(7) (UAAL) AAL AS A PERCENTAGE OF COVERED PAYROLL (4)/(6)
1/1/2015	$ 148,501	237,133	88,632	62.6%	$ 108,508	81.7%
1/1/2013	105,622	224,488	118,866	47.1	95,400	124.6
1/1/2011	76,693	237,462	160,768	32.3	95,400	168.6
6/30/2009	48,931	219,619	170,688	22.3	95,749	178.3
7/01/2006	-	167,521	167,521	-	87,630	191.2

Analysis of the dollar amounts of net assets available for benefits, Actuarial Accrued Liability (AAL), and assets in excess of AAL in isolation can be misleading. Expressing the Actuarial Value of Assets available for benefits as a percentage of the AAL provides one indication of the Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Plan is AAL and annual covered payroll are both affected by inflation. Expressing the AAL in excess of assets as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the lower this percentage, the stronger the Plan.

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies, the size or composition of the population covered by the Plan, and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the AAL as a factor.

MASSACHUSETTS PORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS

June 30, 2015

(In thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
ACTUARIALLY DETERMINED CONTRIBUTION	$ 11,146	11,960	9,594	5,710	4,924	7,621	401	1,006	3,149	3,729
ACTUAL CONTRIBUTION IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	11,146	11,960	9,594	5,710	4,924	7,621	401	1,006	3,149	3,729
CONTRIBUTION DEFICIENCY (EXCESS)	$ -	-	-	-	-	-	-	-	-	-
COVERED EMPLOYEE PAYROLL	$ 94,340	90,042	87,476	85,941	89,950	89,704	85,120	79,075	76,305	73,606
CONTRIBUTIONS AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	11.8%	13.3%	11.0%	6.6%	5.5%	8.5%	0.5%	1.3%	4.1%	5.1%

Notes to Schedule *Valuation* date:

Actuarially determined contribution rates are calculated annually as of January 1, 180 months prior to the end of the fiscal year in which the cotributions 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	19 years
Asset valuation method	Beginning in 2008, market 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	2012 valuation: 7.625%; 2010 valuation: 7.5%; 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	Changed in the 2013 valuation due to an experience study.
Mortality	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.
Other information	As of January 1, 2013, the mortality assumption was changed to the RP2000 Generational Table and the retirement, disability and withdrawal assumptions were changed based on an experience study. As of January 1, 2012, the mortality assumption was changed to the RP2000 Table projected forward 22 years with Scale AA, interest rate changed to 7.625% (from 7.75%) and salary rate to 4.50% (from 4.75%). Vacation buyback factor was incrased 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. As of January 1, 2010, the mortality assumption was changed to the RP2000 Table projected forward 10 years with Scale AA, interest rate was changed to 7.75% (from 8.00%). As of January 1, 2009, the mortality assumption was changed to the RP2000 Table projected forward 9 years with Scale AA, interest rate was changed to 8.00% (from 7.75%), salary rate was changed to 4.75% (from 5.00%), contribution timing was changed to the beginning of the fiscal year from monthly. As of January 1, 2008, the retirement age assumption was extended to age 70 for Group 1 employees, disabled mortality changed to a 2 year set forward and the asset valuation method was changed to a 5 year smoothing. As of January 1, 2006, the calculation of the 3(8)C liabilities did not reflect further COLA increases.

MASSACHUSETTS PORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

June 30, 2015

(In thousands)

	2015	2014
TOTAL PENSION LIABILITY		
SERVICE COST	$ 13,056	$ 12,516
INTEREST	40,956	38,660
CHANGE OF BENEFIT TERMS	-	-
DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE	1,929	-
CHANGE OF ASSUMPTIONS	-	-
BENEFIT PAYMENTS , INCLUDING REFUNDS OF EMPLOYEE CONTRIBUTIONS	(24,357)	(22,708)
NET CHANGE IN TOTAL PENSION LIABILITY	**31,584**	**28,468**
TOTAL PENSION LIABILITY - BEGINNING	**534,321**	**505,853**
TOTAL PENSION LIABILITY - ENDING	**$ 565,905**	**$ 534,321**
PLAN FIDUCIARY NET POSITION		
CONTRIBUTIONS - EMPLOYER	$ 11,146	$ 11,960
CONTRIBUTIONS - EMPLOYEE	9,628	9,112
NET INVESTMENT INCOME	32,062	65,818
BENEFIT PAYMENTS , INCLUDING REFUNDS OF EMPLOYEE CONTRIBUTIONS	(24,357)	(22,707)
ADMINISTRATIVE EXPENSE	(1,417)	(957)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	**27,062**	**63,226**
PLAN FIDUCIARY NET POSITION - BEGINNING	**510,634**	**447,408**
PLAN FIDUCIARY NET POSITION - END	**$ 537,696**	**$ 510,634**
MASSPORT NET PENSION LIABILITY - ENDING	**$ 28,209**	**$ 23,687**
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIAIBLITY	**95.0%**	**95.6%**
COVERED-EMPLOYEE PAYROLL	**94,340**	**90,042**
MASSPORT'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	**29.9%**	**26.3%**

SCHEDULE I

MASSACHUSETTS PORT AUTHORITY
COMBINING SCHEDULE OF NET POSITION
June 30, 2015
(In thousands)

	AUTHORITY OPERATIONS	PFC PROGRAM	CFC PROGRAM	ELIMINATIONS	COMBINED TOTALS
CURRENT ASSETS:					
CASH AND CASH EQUIVALENTS	$ 54,568	$ –	$ –	$ –	$ 54,568
INVESTMENTS	80,224	–	–	–	80,224
RESTRICTED CASH AND CASH EQUIVALENTS	293,464	47,185	17,965	–	358,614
RESTRICTED INVESTMENTS	159,190	12,336	5,831	–	177,357
ACCOUNTS RECEIVABLE					
TRADE, NET	47,672	6,978	3,271	–	57,921
GRANTS	55,807	–	–	–	55,807
TOTAL RECEIVABLES, NET	**103,479**	**6,978**	**3,271**	**–**	**113,728**
PREPAID EXPENSES AND OTHER ASSETS	9,597	107	57	–	9,761
INTERFUND TRANSFER AUTHORITY LOAN	6,000	–	–	(6,000)	–
TOTAL CURRENT ASSETS	**706,522**	**66,606**	**27,124**	**(6,000)**	**794,252**
NONCURRENT ASSETS:					
INVESTMENTS	73,475	–	–	–	73,475
RESTRICTED INVESTMENTS	229,503	4,340	22,182	–	256,025
PREPAID EXPENSES AND OTHER ASSETS, LONG-TERM	5,021	98	1,201	–	6,320
INVESTMENT IN JOINT VENTURE	2,395	–	–	–	2,395
NET OPEB ASSET	56,669	–	–	–	56,669
CAPITAL ASSETS-NOT BEING DEPRECIATED	421,093	7,585	455	–	429,133
CAPITAL ASSETS-BEING DEPRECIATED-NET	1,825,708	413,252	292,264	–	2,531,224
TOTAL NONCURRENT ASSETS	**2,613,864**	**425,275**	**316,102**	**–**	**3,355,241**
TOTAL ASSETS	**3,320,386**	**491,881**	**343,226**	**(6,000)**	**4,149,493**
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED LOSS ON REFUNDING OF BONDS	17,186	635	–	–	17,821
DEFERRED LOSS ON EXPECTED VS ACTUAL PLAN EXPERIENCE	1,771	–	–	–	1,771
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**18,957**	**635**	**–**	**–**	**19,592**
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	116,982	747	77	–	117,806
COMPENSATED ABSENCES	1,415	–	–	–	1,415
CONTRACT RETAINAGE	9,657	–	508	–	10,165
CURRENT PORTION OF LONG-TERM DEBT	236,220	18,091	3,310	–	257,621
COMMERCIAL NOTES PAYABLE	150,000	–	–	–	150,000
INTERFUND TRANSFER AUTHORITY LOAN	–	–	6,000	(6,000)	–
ACCRUED INTEREST PAYABLE	27,428	2,281	5,846	–	35,555
UNEARNED REVENUES	9,338	–	679	–	10,017
TOTAL CURRENT LIABILITIES	**551,040**	**21,119**	**16,420**	**(6,000)**	**582,579**
NONCURRENT LIABILITIES					
ACCRUED EXPENSES	9,640	–	602	–	10,242
COMPENSATED ABSENCES	18,105	–	–	–	18,105
NET PENSION LIABILITY	28,209	–	–	–	28,209
LONG-TERM DEBT, NET	1,251,399	75,800	200,415	–	1,527,614
UNEARNED REVENUES	9,965	–	–	–	9,965
TOTAL NONCURRENT LIABILITIES	**1,317,318**	**75,800**	**201,017**	**–**	**1,594,135**
TOTAL LIABILITIES	**1,868,358**	**96,919**	**217,437**	**(6,000)**	**2,176,714**
DEFERRED INFLOWS OF RESOURCES					
DEFERRED GAIN ON PLAN INVESTMENTS	13,735	–	–	–	13,735
TOTAL DEFERRED INFLOWS OF RESOURCES	**13,735**	**–**	**–**	**–**	**13,735**
NET INVESTMENT IN CAPITAL ASSETS	**830,910**	**327,581**	**113,780**	**–**	**1,272,271**
RESTRICTED FOR OTHER PURPOSES					
BOND FUNDS	193,825	–	–	–	193,825
PROJECT FUNDS	219,221	–	–	–	219,221
PASSENGER FACILITY CHARGES	–	68,016	–	–	68,016
CUSTOMER FACILITY CHARGES	–	–	12,009	–	12,009
OTHER PURPOSES	23,835	–	–	–	23,835
TOTAL RESTRICTED	**436,881**	**68,016**	**12,009**	**–**	**516,906**
UNRESTRICTED	**189,459**	**–**	**–**	**–**	**189,459**
TOTAL NET POSITION	**$ 1,457,250**	**$ 395,597**	**$ 125,789**	**$ –**	**$ 1,978,636**

See accompanying independent auditors' report.

MASSACHUSETTS PORT AUTHORITY

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year ended June 30, 2015

(In thousands)

	AUTHORITY OPERATIONS	PFC PROGRAM	CFC PROGRAM	COMBINED TOTALS
OPERATING REVENUES:				
AVIATION RENTALS	$ 185,953	$ –	$ –	$ 185,953
AVIATION PARKING	149,155	–	–	149,155
AVIATION SHUTTLE BUS	15,717	–	–	15,717
AVIATION FEES	135,044	–	–	135,044
AVIATION CONCESSIONS	82,662	–	–	82,662
AVIATION OPERATING GRANTS AND OTHER	3,894	–	–	3,894
MARITIME FEES, RENTALS AND OTHER	68,435	–	–	68,435
REAL ESTATE FEES, RENTS AND OTHER	22,069	–	–	22,069
TOTAL OPERATING REVENUES	**662,929**	**–**	**–**	**662,929**
OPERATING EXPENSES:				
AVIATION OPERATIONS AND MAINTENANCE	256,519	–	–	256,519
MARITIME OPERATIONS AND MAINTENANCE	54,231	–	–	54,231
REAL ESTATE OPERATIONS AND MAINTENANCE	10,428	–	–	10,428
GENERAL AND ADMINISTRATIVE	59,064	–	–	59,064
PAYMENTS IN LIEU OF TAXES	19,282	–	–	19,282
PENSION AND OTHER POST-EMPLOYMENT BENEFITS	14,844	–	–	14,844
OTHER	8,005	–	–	8,005
TOTAL OPERATING EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	**422,373**	**–**	**–**	**422,373**
DEPRECIATION AND AMORTIZATION	173,058	39,850	14,250	227,158
TOTAL OPERATING EXPENSES	**595,431**	**39,850**	**14,250**	**649,531**
OPERATING INCOME (LOSS)	**67,498**	**(39,850)**	**(14,250)**	**13,398**
NONOPERATING REVENUES AND (EXPENSES):				
PASSENGER FACILITY CHARGES	–	65,807	–	65,807
CUSTOMER FACILITY CHARGES	–	–	30,768	30,768
INVESTMENT INCOME	5,953	1,068	384	7,405
NET (DECREASE)/INCREASE IN THE FAIR VALUE OF INVESTMENTS	516	(5)	16	527
OTHER REVENUES	10,040	–	51	10,091
SETTLEMENT OF CLAIMS	–	–	–	–
TERMINAL A DEBT SERVICE CONTRIBUTION	–	(10,918)	–	(10,918)
OTHER EXPENSES	171	(358)	(769)	(956)
GAIN ON SALE OF EQUIPMENT	180	–	–	180
INTEREST EXPENSE	(49,491)	(4,033)	(11,305)	(64,829)
TOTAL NONOPERATING (EXPENSE) REVENUE, NET	**(32,631)**	**51,561**	**19,145**	**38,075**
INCREASE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	**34,867**	**11,711**	**4,895**	**51,473**
CAPITAL CONTRIBUTIONS	55,951	–	2	55,953
INCREASE IN NET POSITION	**90,818**	**11,711**	**4,897**	**107,426**
NET POSITION, BEGINNING OF YEAR	**1,366,432**	**383,886**	**120,892**	**1,871,210**
NET POSITION, END OF YEAR	**$ 1,457,250**	**$ 395,597**	**$ 125,789**	**$ 1,978,636**

See accompanying independent auditors' report.

MASSACHUSETTS PORT AUTHORITY
COMBINING SCHEDULE OF NET POSITION
June 30, 2014
(Restated)
(In thousands)

	AUTHORITY OPERATIONS	PFC PROGRAM	CFC PROGRAM	ELIMINATIONS	COMBINED TOTALS
CURRENT ASSETS:					
CASH AND CASH EQUIVALENTS	$ 41,696	$ –	$ –	$ –	$ 41,696
INVESTMENTS	35,020	–	–	–	35,020
RESTRICTED CASH AND CASH EQUIVALENTS	122,206	32,426	25,411	–	180,043
RESTRICTED INVESTMENTS	162,847	2,746	4,001	–	169,594
ACCOUNTS RECEIVABLE					
TRADE, NET	48,058	8,678	3,100	–	59,836
GRANTS	28,602	–	971	–	29,573
TOTAL RECEIVABLES, NET	**76,660**	**8,678**	**4,071**	**–**	**89,409**
PREPAID EXPENSES AND OTHER ASSETS	6,954	139	57	–	7,150
INTERFUND TRANSFER AUTHORITY LOAN	10,052	–	–	(10,052)	–
TOTAL CURRENT ASSETS	**455,435**	**43,989**	**33,540**	**(10,052)**	**522,912**
NONCURRENT ASSETS:					
INVESTMENTS	66,587	–	–	–	66,587
RESTRICTED INVESTMENTS	231,641	24,863	29,985	–	286,489
PREPAID EXPENSES AND OTHER ASSETS, LONG-TERM	5,855	205	1,258	–	7,318
INVESTMENT IN JOINT VENTURE	2,263	–	–	–	2,263
NET OPEB ASSET	55,418	–	–	–	55,418
CAPITAL ASSETS-NOT BEING DEPRECIATED	340,031	132	17,607	–	357,770
CAPITAL ASSETS-BEING DEPRECIATED-NET	1,840,215	430,022	272,637	–	2,542,874
TOTAL NONCURRENT ASSETS	**2,542,010**	**455,222**	**321,487**	**–**	**3,318,719**
TOTAL ASSETS	**2,997,445**	**499,211**	**355,027**	**(10,052)**	**3,841,631**
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED LOSS ON REFUNDING OF BONDS	19,108	909	–	–	20,017
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**19,108**	**909**	**–**	**–**	**20,017**
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	95,372	–	7,342	–	102,714
COMPENSATED ABSENCES	1,483	–	–	–	1,483
CONTRACT RETAINAGE	9,308	–	3,253	–	12,561
CURRENT PORTION OF LONG-TERM DEBT	62,219	19,237	3,209	–	84,665
COMMERCIAL NOTES PAYABLE	150,000	–	–	–	150,000
INTERFUND TRANSFER AUTHORITY LOAN	–	–	10,052	(10,052)	–
ACCRUED INTEREST PAYABLE	26,708	2,718	5,878	–	35,304
UNEARNED REVENUES	5,217	–	2	–	5,219
TOTAL CURRENT LIABILITIES	**350,307**	**21,955**	**29,736**	**(10,052)**	**391,946**
NONCURRENT LIABILITIES					
ACCRUED EXPENSES	18,542	388	674	–	19,604
COMPENSATED ABSENCES	18,974	–	–	–	18,974
NET PENSION LIABILITY	23,687	–	–	–	23,687
LONG-TERM DEBT, NET	1,204,187	93,891	203,725	–	1,501,803
UNEARNED REVENUES	8,982	–	–	–	8,982
TOTAL NONCURRENT LIABILITIES	**1,274,372**	**94,279**	**204,399**	**–**	**1,573,050**
TOTAL LIABILITIES	**1,624,679**	**116,234**	**234,135**	**(10,052)**	**1,964,996**
DEFERRED INFLOWS OF RESOURCES					
DEFERRED GAIN ON PLAN INVESTMENTS	25,442	–	–	–	25,442
TOTAL DEFERRED INFLOWS OF RESOURCES	**25,442**	**–**	**–**	**–**	**25,442**
NET INVESTMENT IN CAPITAL ASSETS	**790,102**	**317,935**	**119,321**	**–**	**1,227,358**
RESTRICTED FOR OTHER PURPOSES					
BOND FUNDS	201,754	–	–	–	201,754
PROJECT FUNDS	214,772	–	–	–	214,772
PASSENGER FACILITY CHARGES	–	65,951	–	–	65,951
CUSTOMER FACILITY CHARGES	–	–	1,571	–	1,571
OTHER PURPOSES	25,472	–	–	–	25,472
TOTAL RESTRICTED	**441,998**	**65,951**	**1,571**	**–**	**509,520**
UNRESTRICTED	**134,332**	**–**	**–**	**–**	**134,332**
TOTAL NET POSITION	**$ 1,366,432**	**$ 383,886**	**$ 120,892**	**$ –**	**$ 1,871,210**

See accompanying independent auditors' report.

MASSACHUSETTS PORT AUTHORITY

SCHEDULE IV

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year ended June 30, 2014
(Restated)
(In thousands)

	AUTHORITY OPERATIONS	PFC PROGRAM	CFC PROGRAM	COMBINED TOTALS
OPERATING REVENUES:				
AVIATION RENTALS	$ 181,007	$ –	$ –	$ 181,007
AVIATION PARKING	136,733	–	–	136,733
AVIAITION SHUTTLE BUS	12,283	–	–	12,283
AVIATION FEES	124,718	–	–	124,718
AVIATION CONCESSIONS	77,838	–	–	77,838
AVIATION OPERATING GRANTS AND OTHER	3,763	–	–	3,763
MARITIME FEES, RENTALS AND OTHER	62,148	–	–	62,148
REAL ESTATE FEES, RENTS AND OTHER	23,981	–	–	23,981
TOTAL OPERATING REVENUES	**622,471**	**–**	**–**	**622,471**
OPERATING EXPENSES:				
AVIATION OPERATIONS AND MAINTENANCE	237,235	–	–	237,235
MARITIME OPERATIONS AND MAINTENANCE	49,974	–	–	49,974
REAL ESTATE OPERATIONS AND MAINTENANCE	9,477	–	–	9,477
GENERAL AND ADMINISTRATIVE	53,809	–	–	53,809
PAYMENTS IN LIEU OF TAXES	18,444	–	–	18,444
PENSION AND OTHER POST-EMPLOYMENT BENEFITS	16,814	–	–	16,814
OTHER	9,454	–	–	9,454
TOTAL OPERATING EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	**395,207**	**–**	**–**	**395,207**
DEPRECIATION AND AMORTIZATION	164,067	40,956	12,744	217,767
TOTAL OPERATING EXPENSES	**559,274**	**40,956**	**12,744**	**612,974**
OPERATING INCOME (LOSS)	**63,197**	**(40,956)**	**(12,744)**	**9,497**
NONOPERATING REVENUES AND (EXPENSES):				
PASSENGER FACILITY CHARGES	–	62,682	–	62,682
CUSTOMER FACILITY CHARGES	–	–	29,963	29,963
INVESTMENT INCOME	5,127	1,098	417	6,642
NET (DECREASE)/INCREASE IN THE FAIR VALUE OF INVESTMENTS	1,794	(74)	256	1,976
OTHER REVENUES	10,534	–	13	10,547
SETTLEMENT OF CLAIMS	1,792	–	–	1,792
TERMINAL A DEBT SERVICE CONTRIBUTION	–	(11,839)	–	(11,839)
OTHER EXPENSES	–	–	(1,407)	(1,407)
GAIN ON SALE OF EQUIPMENT	90	–	–	90
INTEREST EXPENSE	(51,154)	(6,100)	(7,719)	(64,973)
TOTAL NONOPERATING (EXPENSE) REVENUE, NET	**(31,817)**	**45,767**	**21,523**	**35,473**
INCREASE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	**31,380**	**4,811**	**8,779**	**44,970**
CAPITAL CONTRIBUTIONS	53,579	–	2,545	56,124
INCREASE IN NET POSITION	**84,959**	**4,811**	**11,324**	**101,094**
NET POSITION, BEGINNING OF YEAR	**1,281,473**	**379,075**	**109,568**	**1,770,116**
NET POSITION, END OF YEAR	**$ 1,366,432**	**$ 383,886**	**$ 120,892**	**$ 1,871,210**

See accompanying independent auditors' report.

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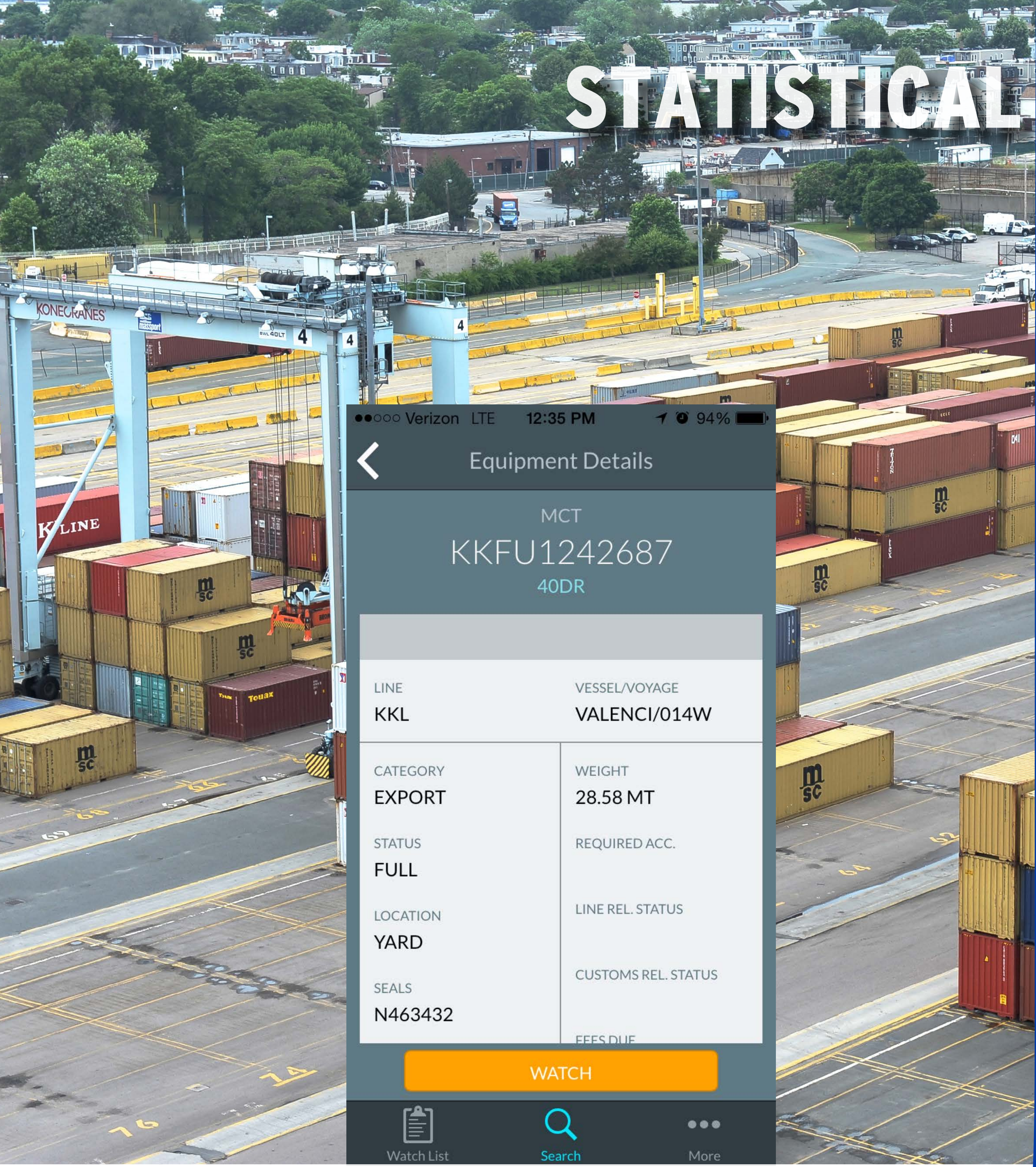

TECHNOLOGY TO HELP PROCESS CONTAINERS AT CONLEY TERMINAL

Massport is rolling out a new mobile application that will shorten the truck times at the Port of Boston's Conley Container Terminal. The app, called Forecast Mobile Lite, will provide our customers, primarily trucking companies and drivers, access to container availability information in real time on their smartphones before they arrive at the terminal, saving time and avoiding potential issues at the terminal gate. This technology is unique to Conley Terminal and is an industry first.

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 how the Authority's financial position changed over time.

- S-1 Revenues, Expenses, and Changes in Net Position
- S-4 Conversion of GAAP Revenues and Expenses to the 1978 Trust Agreement Revenues and Expenses
- S-5 Calculation of Net Revenues Pledged Under the 1978 Trust Agreement, 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-6 Calculation of Debt Service Coverage and 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 indicators to help the reader understand the environment within the Authority's financial activities take place.

- S-7 Largest Private Sector Employers
- S-8 Demographics and Employment Data

OPERATIONS AND OTHER INFORMATION:

These schedules provide operating data to help the reader understand how the information in the Authority's financial report relates to the services it provides and the activities it performs.

- S-9 Number of Employees by Facility
- S-16 Insurance Coverage
- S-17 Physical Asset Data

OTHER INFORMATION:

- S-10 Logan International Airport Traffic Metrics
- S-11 & S-11a Logan International Airport Market Share of Total Passenger Traffic
- S-12 Logan International Airport Passenger Markets
- S-13 Port of Boston Cargo and Passenger Activity
- S-14 Port of Boston Principal Customers
- S-15 Tobin Memorial Bridge Activity

REVENUES, EXPENSES AND CHANGES IN NET POSITION

Fiscal Years Ended June 30, 2006 through June 30, 2015 (In Thousands)

S-1 REVENUES, EXPENSES AND CHANGES IN NET POSITION

	2006	2007	2008	2009	2010
OPERATING REVENUES					
AVIATION RENTALS	$ 140,555	$ 141,149	$ 146,772	$ 146,756	$ 147,883
AVIATION PARKING	92,443	99,552	110,758	102,961	107,092
AVIAITION SHUTTLE BUS	9,123	10,105	9,665	8,637	9,651
AVIATION FEES	107,526	117,204	124,606	123,156	118,174
AVIATION CONCESSIONS	53,404	55,537	65,104	60,588	62,218
AVIATION OPERATING GRANTS AND OTHER	3,280	2,967	2,794	3,041	2,785
MARITIME FEES, RENTALS AND OTHER	49,252	51,891	57,702	52,762	49,420
REAL ESTATE FEES, RENTS AND OTHER	13,784	17,040	17,520	15,983	15,516
BRIDGE (3)	28,267	31,384	30,570	28,882	15,154
TOTAL OPERATING REVENUES	**497,634**	**526,829**	**565,491**	**542,766**	**527,893**
OPERATING EXPENSES					
AVIATION OPERATIONS AND MAINTENANCE	$ 180,548	$ 194,751	$ 211,582	$ 211,727	$ 196,041
MARITIME OPERATIONS AND MAINTENANCE	42,919	44,401	48,256	46,838	43,353
REAL ESTATE OPERATIONS AND MAINTENANCE	6,537	7,110	8,221	8,286	7,146
BRIDGE OPERATIONS AND MAINTENANCE (3)	6,355	6,643	7,765	9,220	3,093
GENERAL AND ADMINISTRATIVE	42,126	43,094	45,495	42,022	41,646
PAYMENTS IN LIEU OF TAXES	15,771	16,732	17,108	18,460	17,547
PENSION AND OTHER POST-EMPLOYMENT BENEFITS	8,242	8,279	16,856	17,139	25,129
OTHER	9,241	8,433	8,706	9,034	9,347
TOTAL OPERATING EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	**311,739**	**329,443**	**363,989**	**362,726**	**343,302**
DEPRECIATION AND AMORTIZATION	142,071	157,550	162,388	156,745	164,141
TOTAL OPERATING EXPENSES	**453,810**	**486,993**	**526,377**	**519,471**	**507,443**
OPERATING INCOME	**43,824**	**39,836**	**39,114**	**23,295**	**20,450**
NONOPERATING REVENUES AND (EXPENSES)					
PASSENGER FACILITY CHARGES (1)	48,324	57,504	53,740	50,102	58,598
CUSTOMER FACILITY CHARGES (2)	N/A	N/A	N/A	5,211	20,668
INVESTMENT INCOME	20,648	26,845	29,920	22,613	14,890
NET INCREASE / (DECREASE) IN THE FAIR VALUE OF INVESTMENTS	(2,870)	1,812	2,739	3,312	248
OTHER REVENUES	351	-	2,099	11,995	2,659
GAIN / (LOSS) ON SALES OF ASSETS	102	45	49	(1)	(110)
SETTLEMENT OF CLAIMS	438	200	84	3,987	8
TERMINAL A DEBT SERVICE CONTRIBUTIONS (PFC)	-	-	-	-	-
OTHER EXPENSE	(2,780)	(382)	(1,027)	(11,418)	(312)
INTEREST EXPENSE	(69,601)	(76,860)	(80,862)	(73,710)	(66,870)
TOTAL NONOPERATING (EXPENSE) REVENUE, NET	**(5,388)**	**9,164**	**6,742**	**12,091**	**29,779**
INCREASE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	**38,436**	**49,000**	**45,856**	**35,386**	**50,229**
CAPITAL CONTRIBUTIONS	36,209	10,708	41,818	42,998	34,340
TOBIN BRIDGE TRANSFER	**-**	**-**	**-**	**-**	**(78,058)** **(3)**
INCREASE IN NET POSITION	**74,645**	**59,708**	**87,674**	**78,384**	**6,511**
NET POSITION, BEGINNING OF YEAR	**1,316,875**	**1,391,520**	**1,451,228**	**1,538,902**	**1,617,286**
NET POSITION, END OF YEAR	**$ 1,391,520**	**$ 1,451,228**	**$ 1,538,902**	**$ 1,617,286**	**$ 1,623,797**
TOTAL NET POSITION COMPOSED OF:					
INVESTED IN CAPITAL ASSETS, NET OF DEBT	814,180	901,516	903,001	988,026	999,312
RESTRICTED	495,974	405,157	503,646	504,505	538,211
UNRESTRICTED	81,366	144,555	132,255	124,755	86,274
TOTAL NET POSITION	**$ 1,391,520**	**$ 1,451,228**	**$ 1,538,902**	**$ 1,617,286**	**$ 1,623,797**

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

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

(3) Effective 1/1/2010, Tobin Bridge was transferred to the MassDOT pursuant to the Transportation Reform Act.

(4) The Authority revised the Net Position at July 1, 2010 in the amount of $10.8 million to correct an understatement of certain revenue related to fiscal years 2007 through 2010.

(5) 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.

(6) In accordance with the requirements of GASB No.68, the Authority's Net position and Pension expense were restated as for fiscal year 2014 and forward to reflect the required adjustments.

Source: Authority's audited financial statements.

REVENUES, EXPENSES AND CHANGES IN NET POSITION

Fiscal Years Ended June 30, 2006 through June 30, 2015 (In Thousands)

S-1 REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)

	2011	2012	2013	2014	2015
OPERATING REVENUES					
AVIATION RENTALS	$ 154,401	$ 160,433	$ 165,107	$ 181,007	$ 185,953
AVIATION PARKING	116,465	126,177	132,170	136,733	149,155
AVIAITION SHUTTLE BUS	9,572	9,790	8,443	12,283	15,717
AVIATION FEES	119,765	117,541	114,360	124,718	135,044
AVIATION CONCESSIONS	63,971	68,205	72,504	77,838	82,662
AVIATION OPERATING GRANTS AND OTHER	2,448	2,332	2,547	3,763	3,894
MARITIME FEES, RENTALS AND OTHER	53,913	55,168	56,393	62,148	68,435
REAL ESTATE FEES, RENTS AND OTHER	17,107	18,808	20,299	23,981	22,069
BRIDGE (3)	-	-	-	-	-
TOTAL OPERATING REVENUES	**537,642**	**558,454**	**571,823**	**622,471**	**662,929**
OPERATING EXPENSES					
AVIATION OPERATIONS AND MAINTENANCE	$ 210,087	$ 211,018	$ 217,792	$ 237,235	$ 256,519
MARITIME OPERATIONS AND MAINTENANCE	44,372	44,781	46,433	49,974	54,231
REAL ESTATE OPERATIONS AND MAINTENANCE	7,952	9,808	8,825	9,477	10,428
BRIDGE OPERATIONS AND MAINTENANCE (3)	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	45,988	43,987	48,511	53,809	59,064
PAYMENTS IN LIEU OF TAXES	17,327	17,642	18,090	18,444	19,282
PENSION AND OTHER POST-EMPLOYMENT BENEFITS	21,451	23,560	23,064	16,814 (6)	14,844
OTHER	7,738	9,144	7,667	9,454	8,005
TOTAL OPERATING EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	**354,915**	**359,940**	**370,382**	**395,207**	**422,373**
DEPRECIATION AND AMORTIZATION	169,365	181,166	199,046	217,767	227,158
TOTAL OPERATING EXPENSES	**524,280**	**541,106**	**569,428**	**612,974**	**649,531**
OPERATING INCOME	**13,362**	**17,348**	**2,395**	**9,497**	**13,398**
NONOPERATING REVENUES AND (EXPENSES)					
PASSENGER FACILITY CHARGES (1)	58,531	59,212	60,105	62,682	65,807
CUSTOMER FACILITY CHARGES (2)	26,203	28,749	29,354	29,963	30,768
INVESTMENT INCOME	11,676	10,176	8,336	6,642	7,405
NET INCREASE / (DECREASE) IN THE FAIR VALUE OF INVESTMENTS	(3,503)	255	(2,821)	1,976	527
OTHER REVENUES	1,725	618	187	10,547	10,091
GAIN / (LOSS) ON SALES OF ASSETS	88	354	(64)	90	180
SETTLEMENT OF CLAIMS	1	640	567	1,792	-
TERMINAL A DEBT SERVICE CONTRIBUTIONS (PFC)	(6,070)	(9,105)	(12,114)	(11,839)	(10,918)
OTHER EXPENSE	-	(398)	(1,279)	(1,407)	(956)
INTEREST EXPENSE	(60,649) (5)	(59,307) (5)	(61,071)	(64,973)	(64,829)
TOTAL NONOPERATING (EXPENSE) REVENUE, NET	**28,002**	**31,194**	**21,200**	**35,473**	**38,075**
INCREASE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	**41,364**	**48,542**	**23,595**	**44,970**	**51,473**
CAPITAL CONTRIBUTIONS	**22,484**	**40,750**	**20,234**	**56,124**	**55,953**
TOBIN BRIDGE TRANSFER	-	-	-	-	-
INCREASE IN NET POSITION	**63,848**	**89,292**	**43,829**	**101,094**	**107,426**
NET POSITION, BEGINNING OF YEAR	**1,631,592** (4)	**1,695,440**	**1,784,732**	**1,770,116 (6)**	**1,871,210**
NET POSITION, END OF YEAR	**$ 1,695,440**	**$ 1,784,732**	**$ 1,828,561**	**$ 1,871,210**	**$ 1,978,636**
TOTAL NET POSITION COMPOSED OF:					
INVESTED IN CAPITAL ASSETS, NET OF DEBT	1,055,161	1,059,110	1,131,577	1,227,358	1,272,271
RESTRICTED	486,041 (5)	583,272 (5)	515,458	509,520	516,906
UNRESTRICTED	154,238	142,350	181,526	134,332 (6)	189,459
TOTAL NET POSITION	**$ 1,695,440**	**$ 1,784,732**	**$ 1,828,561**	**$ 1,871,210**	**$ 1,978,636**

(1) PFC accrued revenue exclusive of PFC interest earnings.
(2) CFC accrued revenue exclusive of CFC interest earnings.
(3) Effective 1/1/2010, Tobin Bridge was transferred to the MassDOT pursuant to the Transportation Reform Act.
(4) The Authority revised the Net Position at July 1, 2010 in the amount of $10.8 million to correct an understatement of certain revenue related to fiscal years 2007 through 2010.
(5) 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.
(6) In accordance with the requirements of GASB No.68, the Authority's Net position and Pension expense were restated as for fiscal year 2014 and forward to reflect the required adjustments.

Source: Authority's audited financial statements.

MOST SIGNIFICANT OWN-SOURCE REVENUES AND RELATED RATES AND CHARGES

Fiscal Years Ended June 30, 2006 through June 30, 2015

S-2 PRINCIPAL REVENUES AND RATES AS OF JUNE 30

	2006	2007	2008	2009	2010
LOGAN AIRPORT REVENUES (IN THOUSANDS)					
LANDING FEES	$ 76,743	$ 82,241	$ 87,065	$ 89,041	$ 89,718
TERMINAL RENTALS AND FEES	102,967	103,193	107,260	106,021	106,079
PARKING FEES	92,324	99,407	110,602	102,778	106,918
LOGAN AIRPORT RATES AND CHARGES (1)					
LANDING FEE (PER 1,000 LBS)	$ 3.89	$ 4.20	$ 4.41	$ 4.82	$ 4.82
TERMINAL RENTAL RATES (PER SQUARE FOOT - ANNUAL RATE)					
TERMINAL A (2)	$ 57.45	$ 80.51	$ 87.43	$ 84.04	$ 83.34
TERMINAL B	$ 83.76	$ 87.91	$ 95.91	$ 91.47	$ 95.31
TERMINAL C - MAIN TERMINAL	$ 107.17	$ 108.79	$ 110.17	$ 98.56	$ 104.59
TERMINAL E - TYPE 3 SPACE	$ 121.43	$ 117.91	$ 117.49	$ 115.76	$ 105.28
BAGGAGE FEE (PER CHECKED BAG)	**$ 0.92**	**$ 0.99**	**$ 1.15**	**$ 1.38**	**$ 1.49**
TERMINAL E PASSENGER FEES (PER PASSENGER)					
INBOUND INTERNATIONAL	$ 8.42	$ 11.63	$ 13.31	$ 12.32	$ 14.06
OUTBOUND	$ 3.18	$ 2.85	$ 2.79	$ 2.62	$ 3.35
INBOUND DOMESTIC	$ 1.09	$ 1.08	$ 1.07	$ 1.07	$ 8.37
COMMON USE CHECK-IN FEE	$ 8.41	$ 8.51	$ 9.06	$ 8.39	$ 8.33
CENTRAL PARKING GARAGE (MAXIMUM 24 HOURS)	**$ 22.00**	**$ 24.00**	**$ 24.00**	**$ 24.00**	**$ 24.00**

(1) Rates approved by the Members of the Authority each fiscal year.
(2) Excludes Terminal A facility rent rate.

Source: Authority reports.

MOST SIGNIFICANT OWN-SOURCE REVENUES AND RELATED RATES AND CHARGES

Fiscal Years Ended June 30, 2006 through June 30, 2015

S-2 PRINCIPAL REVENUES AND RATES AS OF JUNE 30 (CONTINUED)

	2011	2012	2013	2014	2015
LOGAN AIRPORT REVENUES (IN THOUSANDS)					
LANDING FEES	$ 91,515	$ 88,287	$ 86,533	$ 92,896	$ 101,123
TERMINAL RENTALS AND FEES	110,267	115,567	117,891	129,487	133,897
PARKING FEES	116,059	125,771	131,873	136,307	148,653
LOGAN AIRPORT RATES AND CHARGES (1)					
LANDING FEE (PER 1,000 LBS)	$ 4.61	$ 4.36	$ 4.34	$ 4.57	$ 4.64
TERMINAL RENTAL RATES (PER SQUARE FOOT - ANNUAL RATE)					
TERMINAL A (2)	$ 84.62	$ 89.90	$ 93.68	$ 93.94	$ 93.99
TERMINAL B	$ 95.89	$ 98.14	$ 106.23	$ 106.55	$ 110.63
TERMINAL C - MAIN TERMINAL	$ 101.47	$ 112.90	$ 109.71	$ 118.31	$ 132.79
TERMINAL E - TYPE 3 SPACE	$ 109.48	$ 117.16	$ 116.96	$ 112.66	$ 111.40
BAGGAGE FEE (PER CHECKED BAG)	**$ 1.23**	**$ 1.27**	**$ 1.45**	**$ 1.34**	**$ 1.34**
TERMINAL E PASSENGER FEES (PER PASSENGER)					
INBOUND INTERNATIONAL	$ 12.17	$ 11.40	$ 10.92	$ 10.17	$ 10.36
OUTBOUND	$ 3.26	$ 3.36	$ 3.12	$ 2.74	$ 2.52
INBOUND DOMESTIC	$ 10.84	$ 11.40	$ 10.92	$ 10.17	$ 10.36
COMMON USE CHECK-IN FEE	$ 8.06	$ 8.31	$ 7.93	$ 7.00	$ 6.67
CENTRAL PARKING GARAGE (MAXIMUM 24 HOURS)	**$ 24.00**	**$ 27.00**	**$ 27.00**	**$ 27.00**	**$ 29.00**

(1) Rates approved by the Members of the Authority each fiscal year.

(2) Excludes Terminal A facility rent rate.

Source: Authority reports.

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HISTORICAL PRINCIPAL OPERATING REVENUE PAYERS

Current Year and Nine Years Ago (In Thousands)

S-3 PRINCIPAL OPERATING REVENUE PAYERS

LANDING FEE REVENUE

CUSTOMER	For the Fiscal Year Ended June 30, 2015: Landing Fee Revenue	Rank	Ratio: Top Customers to Total Landing Fees	For the Fiscal Year Ended June 30, 2006: Landing Fee Revenue	Rank	Ratio: Top Customers to Total Landing Fees
JETBLUE AIRWAYS	$ 23,140	1	22.88%	$ 5,358	5	6.98%
DELTA AIRLINES (1)	11,965	2	11.83%	10,458	1	13.63%
US AIRWAYS, INC. (6)	9,821	3	9.71%	10,340	2	13.47%
AMERICAN AIRLINES (6)	8,877	4	8.78%	10,026	3	13.06%
UNITED AIRLINES, INC. (2)	8,635	5	8.54%	5,887	4	7.67%
SOUTHWEST AIRLINES CO (3); (4)	5,786	6	5.72%	-	-	-
BRITISH AIRWAYS, PLC	3,459	7	3.42%	2,094	12	2.73%
FEDERAL EXPRESS CORP.	2,815	8	2.78%	2,403	10	3.13%
LUFTHANSA GERMAN AIRLINES	2,343	9	2.32%	1,258	14	1.64%
SIGNATURE FLIGHT SUPPORT CORP	1,803	10	1.78%	1,734	13	2.26%
AIRTRAN AIRLINES (4)	252	41	0.25%	3,416	6	4.45%
NORTHWEST AIRLINES (1)	-	-	-	3,079	7	4.01%
CONTINENTAL AIRLINES (2)	-	-	-	2,813	8	3.67%
AMERICAN EAGLE AIRLINES INC (5)	-	-	-	2,672	9	3.48%
ALL OTHER PAYERS	22,227	-	21.98%	15,205	-	19.81%
TOTAL LANDING FEES	**$ 101,123**		**100.00%**	**$ 76,743**		**100.00%**

TERMINAL RENTS AND FEES

CUSTOMER	For the Fiscal Year Ended June 30, 2015: Terminal Rents & Fees	Rank	Ratio: Top Customers to Total Terminal Rents & Fees	For the Fiscal Year Ended June 30, 2006: Terminal Rents & Fees	Rank	Ratio: Top Customers to Total Terminal Rents & Fees
DELTA AIRLINES (1)	$ 25,035	1	18.70%	$ 19,749	1	19.18%
JETBLUE AIRWAYS	21,536	2	16.08%	6,252	6	6.07%
UNITED AIRLINES, INC. (2)	12,539	3	9.36%	6,485	5	6.30%
US AIRWAYS, INC. (6)	11,538	4	8.62%	8,929	3	8.67%
AMERICAN AIRLINES (6)	10,634	5	7.94%	12,731	2	12.36%
BRITISH AIRWAYS, PLC	6,781	6	5.06%	6,138	7	5.96%
SOUTHWEST AIRLINES CO (3)	5,393	7	4.03%	-	-	-
LUFTHANSA GERMAN AIRLINES	4,965	8	3.71%	4,267	8	4.14%
AER LINGUS	4,038	9	3.02%	3,254	11	3.16%
AIR FRANCE	2,948	10	2.20%	3,551	9	3.45%
CONTINENTAL AIRLINES (2)	-	-	-	3,432	10	3.33%
NORTHWEST AIRLINES (1)	-	-	-	7,895	4	7.67%
ALL OTHER PAYERS	28,490		21.28%	20,284		19.70%
TOTAL TERMINAL RENTAL AND FEES	**$ 133,897**		**100.00%**	**$ 102,967**		**100.00%**

PARKING REVENUE

CUSTOMER	For the Fiscal Year Ended June 30, 2015: Logan Parking	Rank	Ratio: Top Customers to Total Parking Revenues	For the Fiscal Year Ended June 30, 2006: Logan Parking	Rank	Ratio: Top Customers to Total Parking Revenues
PUBLIC PARKING AT AIRPORT	$ 138,372	1	93.08%	$ 82,994	1	89.89%
TENANT EMPLOYEE PARKING	6,479	2	4.36%	5,620	2	6.09%
PUBLIC OFF-AIRPORT PARKING	3,802	3	2.56%	3,710	3	4.02%
TOTAL PARKING REVENUE	**$ 148,653**		**100.00%**	**$ 92,324**		**100.00%**

(1) Delta Airlines and Northwest Airlines closed their merger during 2008 and continued to operate under their separate names until January 2010.
(2) United and Continental Airlines closed their merger during October 2010 and continued to operate under their separate names until November 2011.
(3) Southwest Airlines commenced service at Logan Airport in August 2009.
(4) Southwest Airlines and AirTran Airways closed their merger during May 2011 and continued to operate under their separate names until AirTran Airways was fully integrated into Southwest Airlines during December 2014.
(5) American Eagle Airlines ceased operations in Boston during November 2011.
(6) American Airlines and US Airways closed their merger during December 2013 and continued to operate under their separate names until October 2015.

CONVERSION OF GAAP REVENUES AND EXPENSES TO THE 1978 TRUST AGREEMENT REVENUES AND EXPENSES

Fiscal Years Ended June 30, 2006 through June 30, 2015

S-4 CONVERSION OF GAAP REVENUES AND EXPENSES TO THE 1978 TRUST AGREEMENT REVENUES AND EXPENSES

	2006	2007	2008	2009	2010
OPERATING REVENUE: PER FINANCIAL STATEMENTS	**$ 497,634**	**$ 526,829**	**$ 565,491**	**$ 542,766**	**$ 527,893**
ADJUSTMENTS:					
PROVISION / RECOVERY FOR UNCOLLECTIBLE ACCOUNTS	(2,609)	2,256	(158)	(1,632)	(473)
OTHER	-	-	-	-	-
OPERATING REVENUE: PER THE 1978 TRUST AGREEMENT	**495,025**	**529,085**	**565,333**	**541,134**	**527,420**
INCOME ON INVESTMENTS: PER FINANCIAL STATEMENTS	**20,648**	**26,845**	**29,920**	**22,613**	**14,890**
ADJUSTMENTS:					
PFC - TRUST AGREEMENT	(2,736)	(2,429)	(2,753)	(2,271)	(2,037)
CFC	-	-	-	(10)	(85)
SELF INSURANCE AND OTHER ACCOUNTS	(2,566)	(3,432)	(3,164)	(2,849)	(1,525)
INCOME ON INVESTMENTS: PER THE 1978 TRUST AGREEMENT	**15,346**	**20,984**	**24,003**	**17,483**	**11,243**
TOTAL REVENUES PER THE 1978 TRUST AGREEMENT (EXCLUDES CFCs) (1)	**510,371**	**550,069**	**589,336**	**558,617**	**538,663**
OPERATING EXPENSES: PER FINANCIAL STATEMENTS	**$ 453,810**	**$ 486,993**	**$ 526,377**	**$ 519,471**	**$ 507,443**
ADJUSTMENTS:					
INSURANCE	1,074	(2,583)	(824)	5,476	(1,891)
PAYMENTS IN LIEU OF TAXES	(15,771)	(16,732)	(17,108)	(18,460)	(17,547)
PROVISION FOR UNCOLLECTIBLE ACCOUNTS	(2,609)	2,256	(158)	(1,632)	(473)
DEPRECIATION AND AMORTIZATION	(142,071)	(157,550)	(162,388)	(156,745)	(164,141)
OTHER POST-EMPLOYMENT BENEFITS	-	-	(6,702)	(5,526)	(5,570)
OTHER EXPENSES	(1,515)	(826)	(2,315)	(9,044)	1,447
PENSION	-	-	-	-	-
ADMINISTRATION EXPENSES	1,000	1,000	-	1,280	1,201
TOTAL EXPENSES PER THE 1978 TRUST AGREEMENT	**293,918**	**312,558**	**336,882**	**334,820**	**320,469**
NET REVENUE: PER THE 1978 TRUST AGREEMENT	**$ 216,453**	**$ 237,511**	**$ 252,454**	**$ 223,797**	**$ 218,194**

(1) CFC Revenues (including investment income) were deducted from the 1978 net revenue in fiscal years 2009 and 2010 in anticipation of execution of the CFC Trust Agreement adopted on May 18, 2011. CFC revenue collection began at Logan Airport on December 1, 2008. The CFC Trust Agreement became effective May 18, 2011.

Source: Authority's audited financial statements.

CONVERSION OF GAAP REVENUES AND EXPENSES TO THE 1978 TRUST AGREEMENT REVENUES AND EXPENSES

Fiscal Years Ended June 30, 2006 through June 30, 2015

S-4 CONVERSION OF GAAP REVENUES AND EXPENSES TO THE 1978 TRUST AGREEMENT REVENUES AND EXPENSES (CONTINUED)

	2011	2012	2013	2014	2015
OPERATING REVENUE: PER FINANCIAL STATEMENTS	**$ 537,642**	**$ 558,454**	**$ 571,823**	**$ 622,471**	**$ 662,929**
ADJUSTMENTS:					
PROVISION / RECOVERY FOR UNCOLLECTIBLE ACCOUNTS	(419)	(1,061)	353	(465)	(32)
OTHER	(533)	3,979	(1,902)	(1,546)	(170)
OPERATING REVENUE: PER THE 1978 TRUST AGREEMENT	**536,690**	**561,372**	**570,274**	**620,460**	**662,727**
INCOME ON INVESTMENTS: PER FINANCIAL STATEMENTS	**11,676**	**10,176**	**8,336**	**6,642**	**7,405**
ADJUSTMENTS:					
PFC - TRUST AGREEMENT	(1,344)	(1,141)	(1,118)	(1,098)	(1,068)
CFC	(159)	(802)	(771)	(417)	(384)
SELF INSURANCE AND OTHER ACCOUNTS	(1,833)	(1,538)	(2,279)	(1,919)	(2,123)
INCOME ON INVESTMENTS: PER THE 1978 TRUST AGREEMENT	**8,340**	**6,695**	**4,168**	**3,208**	**3,830**
TOTAL REVENUES PER THE 1978 TRUST AGREEMENT (EXCLUDES CFCs) (1)	**545,030**	**568,067**	**574,442**	**623,668**	**666,557**
OPERATING EXPENSES: PER FINANCIAL STATEMENTS	**$ 524,280**	**$ 541,106**	**$ 569,428**	**$ 612,974**	**$ 649,531**
ADJUSTMENTS:					
INSURANCE	1,514	266	678	(95)	612
PAYMENTS IN LIEU OF TAXES	(17,327)	(17,642)	(18,090)	(18,444)	(19,282)
PROVISION FOR UNCOLLECTIBLE ACCOUNTS	(412)	(1,085)	353	(453)	(31)
DEPRECIATION AND AMORTIZATION	(169,365)	(181,166)	(199,046)	(217,767)	(227,158)
OTHER POST-EMPLOYMENT BENEFITS	(4,505)	(5,859)	(450)	(140)	(654)
OTHER EXPENSES	(287)	(4,300)	(3,129)	(4,201)	(5,409)
PENSION	-	-	-	9,316	8,956
ADMINISTRATION EXPENSES	1,631	2,648	2,254	2,370	1,905
TOTAL EXPENSES PER THE 1978 TRUST AGREEMENT	**335,529**	**333,968**	**351,998**	**383,560**	**408,470**
NET REVENUE: PER THE 1978 TRUST AGREEMENT	**$ 209,501**	**$ 234,099**	**$ 222,444**	**$ 240,108**	**$ 258,087**

(1) CFC Revenues (including investment income) were deducted from the 1978 net revenue in fiscal years 2009 and 2010 in anticipation of execution of the CFC Trust Agreement adopted on May 18, 2011. CFC revenue collection began at Logan Airport on December 1, 2008. The CFC Trust Agreement became effective May 18, 2011.

Source: Authority's audited financial statements.

CALCULATION OF NET REVENUES PLEDGED UNDER THE 1978 TRUST AGREEMENT AND CALCULATION OF TOTAL PFC REVENUE PLEDGED UNDER THE PFC TRUST AGREEMENT AND CALCULATION OF TOTAL CFC REVENUE PLEDGED UNDER THE CFC TRUST AGREEMENT

Fiscal Years Ended June 30, 2006 through June 30, 2015 (In Thousands)

S-5 BREAKDOWN OF REVENUES AND EXPENSES BY GOVERNING TRUST AGREEMENT

1978 TRUST AGREEMENT	2006	2007	2008	2009	2010
REVENUES:					
AIRPORT PROPERTIES - LOGAN					
LANDING FEES	$ 76,743	$ 82,241	$ 87,065	$ 89,041	$ 89,718
PARKING FEES	92,324	99,407	110,602	102,778	106,918
UTILITY FEES	21,690	25,257	26,562	26,005	18,442
TERMINAL RENTALS	102,967	103,193	107,260	106,021	106,079
NON-TERMINAL BUILDING AND GROUND RENTS	34,699	34,510	35,063	36,693	37,574
CONCESSIONS	51,948	53,724	63,058	58,685	60,179
OTHER (1)	16,232	21,765	20,208	16,177	19,908
	396,603	420,097	449,818	435,400	438,818
AIRPORT PROPERTIES - HANSCOM	7,167	8,911	10,063	9,037	9,227
AIRPORT PROPERTIES - WORCESTER (2)	N/A	N/A	N/A	N/A	N/A
TOTAL AIRPORT PROPERTIES	403,770	429,008	459,881	444,437	448,045
PORT PROPERTIES					
MARITIME OPERATIONS (3)	49,117	51,710	57,580	52,519	49,493
MARITIME BUSINESS DEVELOPMENT/REAL ESTATE	13,865	17,028	17,310	15,296	14,729
	62,982	68,738	74,890	67,815	64,222
BRIDGE (4)	28,273	31,339	30,562	28,882	15,153
TOTAL OPERATING REVENUE	495,025	529,085	565,333	541,134	527,420
INVESTMENT INCOME (5)	15,346	20,984	24,003	17,483	11,243
TOTAL REVENUES BEFORE CFC	510,371	550,069	589,336	558,617	538,663
CFC REVENUES (6)	N/A	N/A	N/A	5,221	20,752
TOTAL REVENUES	510,371	550,069	589,336	563,838	559,415
OPERATING EXPENSES (7):					
AIRPORT PROPERTIES					
LOGAN	218,674	232,418	247,026	246,561	243,180
HANSCOM	7,096	7,765	9,301	8,710	8,159
WORCESTER (2)	N/A	N/A	N/A	N/A	N/A
	225,770	240,183	256,327	255,271	251,339
PORT PROPERTIES					
MARITIME OPERATIONS (3)	48,129	49,756	55,415	54,212	52,453
MARITIME BUSINESS DEVELOPMENT/REAL ESTATE	10,486	12,256	12,812	12,708	11,398
	58,615	62,012	68,227	66,920	63,851
BRIDGE (4)	**9,533**	**10,363**	**12,328**	**12,629**	**5,279**
TOTAL OPERATING EXPENSES	293,918	312,558	336,882	334,820	320,469
NET REVENUE	**$ 216,453**	**$ 237,511**	**$ 252,454**	**$ 229,018**	**$ 238,946**
NET REVENUE EXCLUDING CFCs	**$ 216,453**	**$ 237,511**	**$ 252,454**	**$ 223,797**	**$ 218,194**
PFC TRUST AGREEMENT					
REVENUES:					
LOGAN AIRPORT NET PFC COLLECTIONS (8)	$ 48,324	$ 57,504	$ 53,740	$ 50,102	$ 58,598 (9)
PFC INVESTMENT INCOME (10)	1,265	938	1,006	597	469
PFC REVENUE	**$ 49,589**	**$ 58,442**	**$ 54,746**	**$ 50,699**	**$ 59,067**
CFC TRUST AGREEMENT					
REVENUES:					
CFC COLLECTIONS (11)	N/A	N/A	N/A	N/A	N/A
CFC INVESTMENT INCOME	N/A	N/A	N/A	N/A	N/A
CFC REVENUE	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

See notes on next page.

Source: Authority's accounting reports.

CALCULATION OF NET REVENUES PLEDGED UNDER THE 1978 TRUST AGREEMENT AND CALCULATION OF TOTAL PFC REVENUE PLEDGED UNDER THE PFC TRUST AGREEMENT AND CALCULATION OF TOTAL CFC REVENUE PLEDGED UNDER THE CFC TRUST AGREEMENT

Fiscal Years Ended June 30, 2006 through June 30, 2015 (In Thousands)

S-5 BREAKDOWN OF REVENUES AND EXPENSES BY GOVERNING TRUST AGREEMENT (CONTINUED)

1978 TRUST AGREEMENT	2011	2012	2013	2014	2015
REVENUES:					
AIRPORT PROPERTIES - LOGAN					
LANDING FEES	$ 91,515	$ 88,287	$ 86,533	$ 92,896	$ 101,123
PARKING FEES	116,059	125,771	131,873	136,307	148,653
UTILITY FEES	16,144	15,275	14,867	16,798	18,274
TERMINAL RENTALS	110,267	115,567	117,891	129,487	133,897
NON-TERMINAL BUILDING AND GROUND RENTS	39,547	40,107	42,086	46,175	45,756
CONCESSIONS	62,750	71,342	70,082	76,003	81,270
OTHER (1)	19,417	20,467	19,162	24,895	29,452
	455,699	476,816	482,494	522,561	558,425
AIRPORT PROPERTIES - HANSCOM	9,371	9,984	10,377	10,640	12,066
AIRPORT PROPERTIES - WORCESTER (2)	911	1,238	774	1,538	1,624
TOTAL AIRPORT PROPERTIES	465,981	488,038	493,645	534,739	572,115
PORT PROPERTIES					
MARITIME OPERATIONS (3)	53,589	54,556	56,334	62,068	68,316
MARITIME BUSINESS DEVELOPMENT/REAL ESTATE	17,120	18,778	20,295	23,653	22,295
	70,709	73,334	76,629	85,721	90,611
BRIDGE (4)	-	-	-	-	-
TOTAL OPERATING REVENUE	536,690	561,372	570,274	620,460	662,726
INVESTMENT INCOME (5)	8,340	6,695	4,168	3,208	3,830
TOTAL REVENUES BEFORE CFC	545,030	568,067	574,442	623,668	666,556
CFC REVENUES (6)	-	-	-	-	-
TOTAL REVENUES	545,030	568,067	574,442	623,668	666,556
OPERATING EXPENSES (7):					
AIRPORT PROPERTIES					
LOGAN	253,062	251,718	267,157	290,641	307,368
HANSCOM	8,726	8,162	9,235	10,396	10,043
WORCESTER (2)	5,122	5,048	5,012	7,497	9,026
	266,910	264,928	281,404	308,534	326,437
PORT PROPERTIES					
MARITIME OPERATIONS (3)	56,687	55,798	56,740	59,860	62,020
MARITIME BUSINESS DEVELOPMENT/REAL ESTATE	11,932	13,242	13,854	15,166	20,012
	68,619	69,040	70,594	75,026	82,032
BRIDGE (4)	**-**	**-**	**-**	**-**	**-**
TOTAL OPERATING EXPENSES	335,529	333,968	351,998	383,560	408,469
NET REVENUE	**$ 209,501**	**$ 234,099**	**$ 222,444**	**$ 240,108**	**$ 258,087**
NET REVENUE EXCLUDING CFCs	**$ 209,501**	**$ 234,099**	**$ 222,444**	**$ 240,108**	**$ 258,087**
PFC TRUST AGREEMENT					
REVENUES:					
LOGAN AIRPORT NET PFC COLLECTIONS (8)	$ 58,485	$ 59,258	$ 60,105	$ 62,682	$ 65,807 (9)
PFC INVESTMENT INCOME (10)	177	81	62	69	82
PFC REVENUE	**$ 58,662**	**$ 59,339**	**$ 60,167**	**$ 62,751**	**$ 65,889**
CFC TRUST AGREEMENT					
REVENUES:					
CFC COLLECTIONS (11)	$ 26,203	$ 28,749	$ 29,354	$ 29,963	$ 30,768
CFC INVESTMENT INCOME	159	802	771	417	384
CFC REVENUE	**$ 26,362**	**$ 29,551**	**$ 30,125**	**$ 30,380**	**$ 31,152**

See notes on next page.

Source: Authority's accounting reports.

Notes to Schedule S-5:

(1) Logan Airport uncollectible accounts have been included in Logan Other Revenue.

(2) On July 1, 2010, the Authority acquired Worcester Regional Airport as required under the Transportation Reform Act.

(3) Maritime Operations include Auto, Container, Cruise and Seafood Business lines.

(4) Effective 1/1/2010, Tobin Bridge was transferred to the MassDOT pursuant to the Transportation Reform Act.

(5) Excludes investment income earned by and deposited into Construction, PFC, CFC and other funds not held under the 1978 Trust Agreement.

(6) CFC Revenues (including investment income) were deducted from the 1978 net revenue in fiscal years 2009 and 2010 in anticipation of execution of the CFC Trust Agreement adopted on May 18, 2011.

(7) Includes allocation of all operating expenses related to Authority General Administration.

(8) PFC revenue collection began at Logan Airport on November 1, 1993. The PFC Trust Agreement became effective May 6, 1999.

(9) In fiscal year 2010, the Authority changed its accrual policy for calculating PFC revenue.

(10) PFC investment income, per federal PFC law, includes only interest income generated by PFC collections. It does not include earnings on PFC bond funds.

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

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CALCULATION OF DEBT SERVICE COVERAGE AND DEBT METRICS UNDER THE 1978 TRUST AGREEMENT, THE PFC TRUST AGREEMENT AND THE CFC TRUST AGREEMENT

Fiscal Years Ended June 30, 2006 through June 30, 2015 (In Thousands - except coverage and per passenger calculations)

S-6 DEBT SERVICE COVERAGE AND DEBT METRICS

	2006	2007	2008	2009	2010
1978 TRUST AGREEMENT					
NET REVENUE	$ 216,453	$ 237,511	$ 252,454	$ 223,797	$ 218,194
DEBT SERVICE - PRINCIPAL	41,575	45,465	48,140	50,780	53,855
DEBT SERVICE - INTEREST	65,216	60,018	61,767	55,889	50,836
CREDITS TO DEBT SERVICE (1)	(13,858)	(7,057)	-	-	-
ANNUAL DEBT SERVICE	$ 92,934	$ 98,426	$ 109,907	$ 106,669	$ 104,691
DEBT SERVICE COVERAGE	2.33	2.41	2.30	2.10	2.08
PFC TRUST AGREEMENT					
NET PFC REVENUE	$ 49,589	$ 58,442	$ 54,746	$ 50,699	$ 59,067
DEBT SERVICE - PRINCIPAL	10,945	11,435	15,540	16,540	17,390
DEBT SERVICE - INTEREST	10,601	8,374	11,771	10,648	9,799
CREDITS TO DEBT SERVICE (2)	(1,305)	(1,318)	(2,153)	(2,758)	(1,642)
ANNUAL DEBT SERVICE	$ 20,241	$ 18,490	$ 25,158	$ 24,430	$ 25,547
DEBT SERVICE COVERAGE (3)	2.45	3.16	2.18	2.08	2.31
FIRST LINE SUFFICIENCY COVENANT	2.39	1.79	1.86	1.63	1.57
CFC TRUST AGREEMENT					
CFC REVENUE (4)	N/A	N/A	N/A	N/A	N/A
DEBT SERVICE - PRINCIPAL	-	-	-	-	-
DEBT SERVICE - INTEREST	-	-	-	-	-
CREDITS TO DEBT SERVICE	-	-	-	-	-
ANNUAL DEBT SERVICE	$ -	$ -	$ -	$ -	$ -
DEBT SERVICE COVERAGE BEFORE THE BENEFIT OF ROLLING COV. FUND AND SUP. RESERVE FUND BALANCES	-	-	-	-	-
DEBT SERVICE COVERAGE AFTER THE BENEFIT OF ROLLING COV. FUND AND SUP. RESERVE FUND BALANCES	-	-	-	-	-
DEBT METRICS (5)					
1978 TRUST AGREEMENT-ANNUAL DEBT SERVICE PER ENPLANED PASSENGER	$ 6.80	$ 7.10	$ 8.07	$ 8.57	$ 7.98
1978 TRUST AGREEMENT BONDS OUTSTANDING (GAAP)	$ 1,348,045	$ 1,357,240	$ 1,338,355	$ 1,292,560	$ 1,220,925
LESS ANNUAL DEBT SERVICE - PRINCIPAL (INCLUDES RESERVED MONEY)	41,675	42,540	45,415	50,780	53,855
1978 TRUST AGREEMENT BONDS OUTSTANDING	$ 1,306,370	$ 1,314,700	$ 1,292,940	$ 1,241,780	$ 1,167,070
1978 TRUST AGREEMENT BONDS PER ENPLANED PASSENGER	$ 95.62	$ 94.80	$ 94.97	$ 99.72	$ 88.97
PFC TRUST AGREEMENT ANNUAL DEBT SERVICE PER ENPLANED PASSENGER	$ 1.48	$ 1.33	$ 1.85	$ 1.96	$ 1.95
PFC TRUST AGREEMENT BONDS OUTSTANDING (GAAP)	$ 201,285	$ 236,285	$ 224,850	$ 209,310	$ 192,770
LESS ANNUAL PFC DEBT SERVICE - PRINCIPAL	10,945	11,435	15,540	16,540	17,390
PFC TRUST AGREEMENT BONDS OUTSTANDING	$ 190,340	$ 224,850	$ 209,310	$ 192,770	$ 175,380
PFC TRUST AGREEMENT BONDS PER ENPLANED PASSENGER	$ 13.93	$ 16.21	$ 15.37	$ 15.48	$ 13.37
CFC TRUST AGREEMENT BONDS OUTSTANDING (GAAP)					
LESS ANNUAL CFC DEBT SERVICE - PRINCIPAL	N/A	N/A	N/A	N/A	N/A
CFC TRUST AGREEMENT BONDS OUTSTANDING	$ -	$ -	$ -	$ -	$ -
CFC TRUST AGREEMENT BONDS PER ENPLANED PASSENGER	N/A	N/A	N/A	N/A	N/A
TOTAL OUTSTANDING BONDS AT JUNE 30 (GAAP)	**$ 1,549,330**	**$ 1,593,525**	**$ 1,563,205**	**$ 1,501,870**	**$ 1,413,695**

See notes on next page.

Source: Authority's accounting reports.

CALCULATION OF DEBT SERVICE COVERAGE AND DEBT METRICS UNDER THE 1978 TRUST AGREEMENT, THE PFC TRUST AGREEMENT AND THE CFC TRUST AGREEMENT

Fiscal Years Ended June 30, 2006 through June 30, 2015 (In Thousands - except coverage and per passenger calculations)

S-6 DEBT SERVICE COVERAGE AND DEBT METRICS (CONTINUED)

	2011	2012	2013	2014	2015
1978 TRUST AGREEMENT					
NET REVENUE	$ 209,501	$ 234,099	$ 222,444	$ 240,108	$ 258,087
DEBT SERVICE - PRINCIPAL	54,100	57,010	44,325	46,910	50,480
DEBT SERVICE - INTEREST	50,913	50,024	51,089	48,882	55,164
CREDITS TO DEBT SERVICE (1)	(3,994)	(1,198)	(5,330)	(5,229)	(2,191)
ANNUAL DEBT SERVICE	$ 101,019	$ 105,836	$ 90,084	$ 90,563	$ 103,453
DEBT SERVICE COVERAGE	2.07	2.21	2.47	2.65	2.49
PFC TRUST AGREEMENT					
NET PFC REVENUE	$ 58,662	$ 59,339	$ 60,167	$ 62,751	$ 65,889
DEBT SERVICE - PRINCIPAL	15,735	16,160	16,925	17,720	17,475
DEBT SERVICE - INTEREST	7,214	6,999	6,236	5,435	4,563
CREDITS TO DEBT SERVICE (2)	(1,618)	(924)	(1,417)	(1,311)	(841)
ANNUAL DEBT SERVICE	$ 21,331	$ 22,235	$ 21,744	$ 21,844	$ 21,197
DEBT SERVICE COVERAGE (3)	2.75	2.67	2.77	2.87	3.11
FIRST LINE SUFFICIENCY COVENANT	4.09	3.73	4.37	4.75	5.64
CFC TRUST AGREEMENT					
CFC REVENUE (4)	$ 26,203	$ 28,749	$ 29,354	$ 29,963	$ 30,768
DEBT SERVICE - PRINCIPAL	-	2,575	3,185	3,260	3,360
DEBT SERVICE - INTEREST	-	11,814	11,796	11,755	11,693
CREDITS TO DEBT SERVICE	-	(2,796)	(3,564)	(2,220)	(366)
ANNUAL DEBT SERVICE	$ -	$ 11,593	$ 11,417	$ 12,795	$ 14,687
DEBT SERVICE COVERAGE BEFORE THE BENEFIT OF ROLLING COV. FUND AND SUP. RESERVE FUND BALANCES	-	2.48	2.57	2.34	2.09
DEBT SERVICE COVERAGE AFTER THE BENEFIT OF ROLLING COV. FUND AND SUP. RESERVE FUND BALANCES	-	2.78	2.87	2.64 (6)	2.39 (6)
DEBT METRICS (5)					
1978 TRUST AGREEMENT-ANNUAL DEBT SERVICE PER ENPLANED PASSENGER	$ 7.15	$ 7.27	$ 6.16	$ 5.90	$ 6.44
1978 TRUST AGREEMENT BONDS OUTSTANDING (GAAP)	$ 1,254,460	$ 1,200,360	$ 1,238,865	$ 1,194,540	$ 1,398,070
LESS ANNUAL DEBT SERVICE - PRINCIPAL (INCLUDES RESERVED MONEY)	54,100	57,010	44,325	46,910	50,480
1978 TRUST AGREEMENT BONDS OUTSTANDING	$ 1,200,360	$ 1,143,350	$ 1,194,540	$ 1,147,630	$ 1,347,590
1978 TRUST AGREEMENT BONDS PER ENPLANED PASSENGER	$ 84.91	$ 78.54	$ 81.70	$ 74.82	$ 83.87
PFC TRUST AGREEMENT ANNUAL DEBT SERVICE PER ENPLANED PASSENGER	$ 1.51	$ 1.53	$ 1.49	$ 1.42	$ 1.32
PFC TRUST AGREEMENT BONDS OUTSTANDING (GAAP)	$ 159,250	$ 143,515	$ 127,355	$ 110,430	$ 92,710
LESS ANNUAL PFC DEBT SERVICE - PRINCIPAL	15,735	16,160	16,925	17,720	17,475
PFC TRUST AGREEMENT BONDS OUTSTANDING	$ 143,515	$ 127,355	$ 110,430	$ 92,710	$ 75,235
PFC TRUST AGREEMENT BONDS PER ENPLANED PASSENGER	$ 10.15	$ 8.75	$ 7.55	$ 6.04	$ 4.68
CFC TRUST AGREEMENT BONDS OUTSTANDING (GAAP)	$ 214,060	$ 214,060	$ 211,485	$ 208,300	$ 205,040
LESS ANNUAL CFC DEBT SERVICE - PRINCIPAL	-	2,575	3,185	3,260	3,360
CFC TRUST AGREEMENT BONDS OUTSTANDING	$ 214,060	$ 211,485	$ 208,300	$ 205,040	$ 201,680
CFC TRUST AGREEMENT BONDS PER ENPLANED PASSENGER	$ 15.14	$ 14.53	$ 14.25	$ 13.37	$ 12.55
TOTAL OUTSTANDING BONDS AT JUNE 30 (GAAP)	**$ 1,627,770**	**$ 1,557,935**	**$ 1,577,705**	**$ 1,513,270**	**$ 1,695,820**

See notes on next page.

Source: Authority's accounting reports.

STATISTICAL SECTION

Notes to Schedule S-6:

(1) Consists of bond proceeds in the form of Capitalized Interest, investment earnings on the Construction Funds and (for fiscal year 2006) investment earnings on a synthetic variable rate refunding.

(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.

(3) Debt Service Coverage reflects the pledge of revenue at the $4.50 PFC level. The increase in the pledge of revenue received by Massport that is attributable to the first $4.50 of PFCs, rather than the first $3.00 of PFCs (as previously the case), was approved by the Members of the Authority on May 17, 2007.

(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) Excluding accrued maturities and commercial paper. See Exhibit S-10 for enplaned passenger statistics.

(6) CFC Debt Service Coverage calculation in the audited financial statements for fiscal years 2014 and 2015 includes investment income.

LARGEST PRIVATE SECTOR EMPLOYERS

Current Year and Nine Years Ago (Listed in alphabetical order)

S-7 TOP 20 MASSACHUSETTS EMPLOYERS WITH 10,000+ EMPLOYEES

CALENDAR YEAR 2015 (1)

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
EMC CORP	HOPKINTON	INFORMATION TECHNOLOGY SERVICES
FIVE STAR QUALITY CARE INC	NEWTON	RESIDENTIAL CARE HOMES
FMR LLC	BOSTON	FINANCIAL ADVISORY SERVICES
FRESENIUS MEDICAL CARE	WALTHAM	DIALYSIS
JOHN HANCOCK	BOSTON	INSURANCE
LIBERTY MUTUAL HOLDING CO INC	BOSTON	INSURANCE-HOLDING COMPANIES
MASSACHUSETTS GENERAL HOSPITAL	BOSTON	HOSPITALS
MASSACHUSETTS MUTUAL LIFE INS	SPRINGFIELD	INSURANCE
NATIONAL AMUSEMENTS INC	NORWOOD	THEATRES-MOVIE
NATIONAL MENTOR HOLDINGS INC	BOSTON	HUMAN SERVICES ORGANIZATIONS
PARTNERS HEALTH CARE SYSTEM	BOSTON	HEALTH SERVICES
PHILIPS ELECTRONICS N AMERICA	ANDOVER	HEALTH EQUIPMENT & SUPLS-MANUFACTURERS
RAYTHEON CO	WALTHAM	AEROSPACE INDUSTRIES (MFRS)
SHAW'S SUPERMARKETS INC	EAST BRIDGEWATER	GROCERS-RETAIL
STAPLES INC	FRAMINGHAM	OFFICE SUPPLIES
STATE STREET CORP	BOSTON	HOLDING COMPANIES (BANK)
THERMO FISHER SCIENTIFIC INC	WALTHAM	LABORATORY EQUIPMENT & SUPPLIES (WHLS)

CALENDAR YEAR 2006

EMPLOYER	HEADQUARTERS	PRODUCT OR SERVICE
BRIGHT HORIZONS FAMILY SLTNS	WATERTOWN	CHILD CARE SERVICE
COVIDIEN	MANSFIELD	HOSPITAL EQUIPMENT & SUPPLIES (WHLS)
EMC CORP	HOPKINTON	INFORMATION TECHNOLOGY SERVICES
FIVE STAR QUALITY CARE INC	NEWTON	RESIDENTIAL CARE HOMES
FMR LLC	BOSTON	FINANCIAL ADVISORY SERVICES
FRESENIUS MEDICAL CARE	WALTHAM	DIALYSIS
GILLETTE CO	BOSTON	RAZORS & RAZOR BLADES (WHLS)
JOHN HANCOCK	BOSTON	INSURANCE
LIBERTY MUTUAL INSURANCE CO	BOSTON	INSURANCE
MASSACHUSETTS MUTUAL LIFE INS	SPRINGFIELD	INSURANCE
NATIONAL AMUSEMENTS INC	NORWOOD	THEATRES-MOVIE
PARTNERS HEALTH CARE SYSTEM	BOSTON	HEALTH SERVICES
PHILIPS ELECTRONICS N AMERICA	ANDOVER	HEALTH EQUIPMENT & SUPLS-MANUFACTURERS
RAYTHEON CO	WALTHAM	AEROSPACE INDUSTRIES (MFRS)
SHAW'S SUPERMARKETS INC	EAST BRIDGEWATER	GROCERS-RETAIL
STAPLES INC	FRAMINGHAM	OFFICE SUPPLIES
STATE STREET BANK & TRUST CO	BOSTON	INSURANCE
STATE STREET CORP	BOSTON	HOLDING COMPANIES (BANK)
THERMO FISHER SCIENTIFIC INC	WALTHAM	LABORATORY EQUIPMENT & SUPPLIES (WHLS)
TJX CO INC	FRAMINGHAM	DEPARTMENT STORES

(1) Updated data as of September 2015.

Sources: InfoUSA, Inc.

DEMOGRAPHICS AND EMPLOYMENT DATA

Calendar Years Ended 2005 through 2014

S-8 DEMOGRAPHICS AND EMPLOYMENT DATA

(Calendar Years)

BOSTON METROPOLITAN STATISTICAL AREA (1)	2005	2006	2007	2008	2009
POPULATION	4,458,891	4,473,477	4,503,921	4,544,705	4,588,680
TOTAL PERSONAL INCOME (IN MILLIONS)	$ 212,287	$ 230,353	$ 243,740	$ 250,810	$ 246,471
PER CAPITA PERSONAL INCOME	$ 47,610	$ 51,493	$ 54,117	$ 55,187	$ 53,713
UNEMPLOYMENT RATE (ANNUAL AVERAGE)	4.5%	4.5%	4.2%	5.0%	7.5%
EMPLOYMENT BY INDUSTRY INDUSTRY TYPE (IN THOUSANDS) (3)					
EDUCATIONAL AND HEALTH SERVICES	450.4	463.7	480.5	492.4	505.0
TRADE, TRANSPORTATION AND UTILITIES	434.0	435.0	432.4	423.1	407.3
PROFESSIONAL AND BUSINESS SERVICES	394.5	404.0	417.1	409.2	389.7
GOVERNMENT	298.2	301.8	305.3	308.7	309.9
MANUFACTURING	225.0	222.9	219.4	210.9	194.6
LEISURE AND HOSPITALITY	205.0	210.8	214.3	213.5	210.6
FINANCIAL ACTIVITIES	188.8	191.0	188.5	184.3	176.2
CONSTRUCTION	103.7	101.3	100.1	91.7	77.6
OTHER SERVICES	88.0	88.6	90.9	90.5	90.5
INFORMATION	74.3	74.5	74.5	74.8	72.6
TOTAL	2,461.9	2,493.6	2,523.0	2,499.1	2,434.0

(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.

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

DEMOGRAPHICS AND EMPLOYMENT DATA

Calendar Years Ended 2005 through 2014

S-8 DEMOGRAPHICS AND EMPLOYMENT DATA (CONTINUED)

(Calendar Years)

BOSTON METROPOLITAN STATISTICAL AREA (1)	2010	2011	2012	2013	2014
POPULATION	4,559,372	4,591,112	4,642,095	4,698,049	4,732,161
TOTAL PERSONAL INCOME (IN MILLIONS)	$ 252,729	$ 265,794	$ 280,244	$ 289,275	N/A (2)
PER CAPITA PERSONAL INCOME	$ 55,431	$ 57,893	$ 60,387	$ 61,754	N/A (2)
UNEMPLOYMENT RATE (ANNUAL AVERAGE)	7.6%	6.6%	6.1%	6.1%	5.2%
EMPLOYMENT BY INDUSTRY INDUSTRY TYPE (IN THOUSANDS) (3)					
EDUCATIONAL AND HEALTH SERVICES	512.5	521.9	532.8	539.9	551.0
TRADE, TRANSPORTATION AND UTILITIES	412.8	417.3	419.6	423.8	429.3
PROFESSIONAL AND BUSINESS SERVICES	399.9	412.3	425.8	439.0	446.4
GOVERNMENT	309.9	308.1	309.7	313.5	319.4
MANUFACTURING	196.2	192.9	193.6	193.3	192.5
LEISURE AND HOSPITALITY	219.8	225.8	233.6	242.4	245.1
FINANCIAL ACTIVITIES	174.0	172.2	172.7	172.8	173.7
CONSTRUCTION	78.3	81.4	86.8	91.1	95.4
OTHER SERVICES	93.5	96.3	98.1	98.8	100.9
INFORMATION	72.0	74.8	74.6	75.1	76.1
TOTAL	2,468.9	2,503.0	2,547.3	2,589.7	2,629.8

(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.

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

NUMBER OF EMPLOYEES BY FACILITY

Fiscal Years Ended June 30, 2006 through June 30, 2015

S-9 NUMBER OF EMPLOYEES BY FACILITY (1):

FACILITY	2006	2007	2008	2009	2010
TOBIN BRIDGE (2)	54.5	54.5	53.5	51.5	-
LOGAN AIRPORT	692.0	702.0	705.0	705.5	698.5
HANSCOM FIELD	18.0	19.0	18.0	18.0	19.0
WORCESTER REGIONAL AIRPORT (3)	-	-	-	-	-
MARITIME	111.0	112.5	116.0	119.0	115.0
GENERAL ADMINISTRATION	274.5	281.0	297.0	271.0	264.5
TOTAL EMPLOYEES	**1,150.0**	**1,169.0**	**1,189.5**	**1,165.0**	**1,097.0**

(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 2015, there were 130 State Police positions assigned to the Authority.

(2) Effective 1/1/2010, Tobin Bridge was transferred to MassDOT pursuant to the Transportation Reform Act.

(3) Effective 7/1/2010, the Authority acquired Worcester Regional Airport pursuant to the Transportation Reform Act.

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

NUMBER OF EMPLOYEES BY FACILITY

Fiscal Years Ended June 30, 2006 through June 30, 2015

S-9 NUMBER OF EMPLOYEES BY FACILITY (1):
(CONTINUED)

FACILITY	2011	2012	2013	2014	2015
TOBIN BRIDGE (2)	-	-	-	-	-
LOGAN AIRPORT	686.5	696.5	678.5	707.0	725.0
HANSCOM FIELD	18.0	19.0	19.0	18.0	19.0
WORCESTER REGIONAL AIRPORT (3)	5.0	24.0	21.0	26.5	32.0
MARITIME	113.0	114.0	118.0	121.0	115.5
GENERAL ADMINISTRATION	258.0	255.0	287.5	300.5	311.5
TOTAL EMPLOYEES	**1,080.5**	**1,108.5**	**1,124.0**	**1,173.0**	**1,203.0**

(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 2015, there were 130 State Police positions assigned to the Authority.

(2) Effective 1/1/2010, Tobin Bridge was transferred to MassDOT pursuant to the Transportation Reform Act.

(3) Effective 7/1/2010, the Authority acquired Worcester Regional Airport pursuant to the Transportation Reform Act.

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

LOGAN INTERNATIONAL AIRPORT TRAFFIC METRICS

Fiscal Years Ended June 30, 2006 through June 30, 2015

S-10 LOGAN INTERNATIONAL AIRPORT ACTIVITY:

	2006	2007	2008	2009	2010
AIRCRAFT OPERATIONS (1)					
DOMESTIC (2)	206,426	214,441	207,693	190,271	200,015
INTERNATIONAL (3)	36,772	37,368	39,094	34,919	33,814
REGIONAL	128,337	126,097	115,529	109,208	100,148
GENERAL AVIATION	31,016	30,716	27,724	16,690	13,766
TOTAL OPERATIONS	**402,551**	**408,622**	**390,040**	**351,088**	**347,743**
AIRCRAFT LANDED WEIGHTS (1,000 POUNDS) (4)	**20,376,000**	**20,408,164**	**19,905,370**	**18,741,720**	**18,681,983**
PASSENGERS TRAFFIC					
DOMESTIC (2)					
ENPLANED	10,292,917	10,438,225	10,223,459	9,314,138	10,062,680
DEPLANED	10,324,060	10,485,949	10,279,164	9,344,673	10,085,288
INTERNATIONAL (3)					
ENPLANED	2,071,481	1,995,778	2,064,293	1,868,603	1,818,370
DEPLANED	2,071,740	2,013,591	2,100,097	1,884,406	1,834,023
REGIONAL					
ENPLANED	1,297,303	1,433,466	1,326,073	1,270,475	1,236,145
DEPLANED	1,272,474	1,432,862	1,322,741	1,272,569	1,223,010
SUBTOTAL	**27,329,975**	**27,799,871**	**27,315,827**	**24,954,864**	**26,259,516**
GENERAL AVIATION					
ENPLANED	58,315	58,852	54,029	32,606	27,473
DEPLANED	58,315	58,852	54,029	32,606	27,473
TOTAL PASSENGERS	**27,446,605**	**27,917,575**	**27,423,885**	**25,020,076**	**26,314,462**
TOTAL ENPLANED PASSENGERS (EXCLUDING GA)	**13,661,701**	**13,867,469**	**13,613,825**	**12,453,216**	**13,117,195**
AVERAGE PASSENGERS PER FLIGHT					
DOMESTIC (2)	99.9	97.6	98.7	98.1	100.7
INTERNATIONAL (3)	112.7	107.3	106.5	107.5	108.0
REGIONAL	20.0	22.7	22.9	23.3	24.6
AIR CARRIER AND PASSENGER METRICS					
PRIMARY CARRIER	DELTA	US AIRWAYS	AMERICAN	JETBLUE	JETBLUE
PRIMARY CARRIER MARKET SHARE	15.0%	13.8%	14.1%	14.7%	16.9%
TWO TOP CARRIERS MARKET SHARE (5)	30.0%	27.6%	27.6%	28.8%	29.9%
ORIGINATION & DESTINATION SHARE (1) & (6)	NA	87.7% (7)	88.4% (8)	NA	95.0% (9)
COMPENSATORY AIRLINE PAYMENTS TO MASSPORT PER ENPLANED PASSENGER (11)	$ 12.97	$ 13.18	$ 14.30	$ 15.66	$ 14.93
LOGAN AIRPORT REVENUE PER ENPLANED PASSENGER (12)	$ 29.03	$ 30.29	$ 33.04	$ 34.96	$ 33.45
TOTAL CARGO & MAIL (1,000 POUNDS)	**759,326**	**680,079**	**644,552**	**571,186**	**563,210**

(1) Includes all-cargo flights, but excludes helicopters.
(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: This statistic is estimated in the market studies published in the Authority's Official Statements. It is only calculated when the Authority issues bonds. The FY2010 statistic reflects the percentage of domestic origin and destination travelers as compared to all domestic passengers. The statistic for FY2011 through FY2015 is calculated based on outbound passengers only.
(7) Data for 12 months ended September 30, 2006.
(8) Data for 12 months ended September 30, 2007.
(9) Source: ICF SH&E market study dated June 21, 2012
(10) Source: Massachusetts Port Authority; U.S. DOT, Air Passenger Origin-Destination Survey, reconciled to Schedules T1 and 298C T1; as reported in Appendix CFC-1 to the Authority's CAFR.
(11) Consists of landing fees, terminal rents, certain non-PFC passenger fees and aircraft parking fees.
(12) 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, 2006 through June 30, 2015

S-10 LOGAN INTERNATIONAL AIRPORT ACTIVITY: (CONTINUED)

	2011	2012	2013	2014	2015
AIRCRAFT OPERATIONS (1)					
DOMESTIC (2)	216,249	210,309	206,543	219,478	224,928
INTERNATIONAL (3)	33,961	37,956	38,400	38,059	41,084
REGIONAL	91,307	87,895	79,632	80,039	71,233
GENERAL AVIATION	20,740	29,062	26,924	26,286	26,114
TOTAL OPERATIONS	**362,257**	**365,222**	**351,499**	**363,862**	**363,359**
AIRCRAFT LANDED WEIGHTS (1,000 POUNDS) (4)	**19,712,898**	**19,858,768**	**19,494,836**	**20,297,245**	**20,784,046**
PASSENGERS TRAFFIC					
DOMESTIC (2)					
ENPLANED	11,110,527	11,296,136	11,374,807	11,990,184	12,551,985
DEPLANED	11,152,038	11,308,598	11,409,669	12,045,512	12,591,542
INTERNATIONAL (3)					
ENPLANED	1,874,108	2,146,491	2,216,937	2,337,269	2,611,642
DEPLANED	1,896,528	2,182,472	2,255,775	2,348,399	2,634,590
REGIONAL					
ENPLANED	1,152,967	1,114,704	1,029,877	1,011,299	903,180
DEPLANED	1,152,971	1,117,810	1,024,898	1,021,968	910,348
SUBTOTAL	**28,339,139**	**29,166,211**	**29,311,963**	**30,754,631**	**32,203,287**
GENERAL AVIATION					
ENPLANED	42,048	58,899	48,471	47,816	47,967
DEPLANED	42,048	58,899	48,471	47,816	47,967
TOTAL PASSENGERS	**28,423,235**	**29,284,009**	**29,408,905**	**30,850,263**	**32,299,221**
TOTAL ENPLANED PASSENGERS (EXCLUDING GA)	**14,137,602**	**14,557,331**	**14,621,621**	**15,338,752**	**16,066,807**
AVERAGE PASSENGERS PER FLIGHT					
DOMESTIC (2)	102.9	107.5	110.3	109.5	111.8
INTERNATIONAL (3)	111.0	114.1	116.5	123.1	127.7
REGIONAL	25.3	25.4	25.8	25.4	25.5
AIR CARRIER AND PASSENGER METRICS					
PRIMARY CARRIER	JETBLUE	JETBLUE	JETBLUE	JETBLUE	JETBLUE
PRIMARY CARRIER MARKET SHARE	21.2%	23.8%	26.2%	26.5%	26.9%
TWO TOP CARRIERS MARKET SHARE (5)	32.9%	35.0%	37.6%	37.7%	39.2%
ORIGINATION & DESTINATION SHARE (1) & (6)	96.0% (10)	94.2% (10)	94.2% (10)	94.2% (6)	94.2% (6)
COMPENSATORY AIRLINE PAYMENTS TO MASSPORT PER ENPLANED PASSENGER (11)	$ 13.65	$ 13.20	$ 13.16	$ 13.55	$ 13.78
LOGAN AIRPORT REVENUE PER ENPLANED PASSENGER (12)	$ 32.23	$ 32.75	$ 33.00	$ 34.07	$ 34.76
TOTAL CARGO & MAIL (1,000 POUNDS)	**568,806**	**546,243**	**552,378**	**572,226**	**625,749**

(1) Includes all-cargo flights, but excludes helicopters.
(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: This statistic is estimated in the market studies published in the Authority's Official Statements. It is only calculated when the Authority issues bonds. The FY2010 statistic reflects the percentage of domestic origin and destination travelers as compared to all domestic passengers. The statistic for FY2011 through FY2015 is calculated based on outbound passengers only.
(7) Data for 12 months ended September 30, 2006.
(8) Data for 12 months ended September 30, 2007.
(9) Source: ICF SH&E market study dated June 21, 2012
(10) Source: Massachusetts Port Authority; U.S. DOT, Air Passenger Origin-Destination Survey, reconciled to Schedules T1 and 298C T1; as reported in Appendix CFC-1 to the Authority's CAFR.
(11) Consists of landing fees, terminal rents, certain non-PFC passenger fees and aircraft parking fees.
(12) 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-11 PASSENGER TRAFFIC MARKET SHARES

	FISCAL YEAR 2015		FISCAL YEAR 2006	
AIR CARRIER	PASSENGER	%	PASSENGER	%
JETBLUE AIRWAYS CORP.	8,680,357	26.9%	2,601,596	9.5%
DELTA AIR LINES, INC. (3)	3,984,486	12.3%	4,126,760	15.0%
FOREIGN FLAG	3,878,971	12.0%	2,672,245	9.7%
US AIRWAYS, INC. (2)	3,536,650	10.9%	3,824,308	13.9%
UNITED AIR LINES, INC. (1)	3,295,292	10.2%	2,427,639	8.8%
AMERICAN AIRLINES, INC. (2)	3,030,967	9.4%	4,118,517	15.0%
SOUTHWEST AIRLINES CO. (5); (6)	2,355,022	7.3%	NA	NA
REGIONAL CARRIERS (4)	1,818,753	5.6%	2,736,858	10.0%
OTHERS	1,618,032	5.0%	1,094,521	4.0%
AIRTRAN AIRLINES, INC. (6)	100,691	0.3%	1,346,036	4.9%
CONTINENTAL AIRLINES, INC. (1)	NA	NA	1,178,280	4.3%
NORTHWEST AIRLINES, INC. (3)	NA		1,319,845	4.8%
TOTAL	**32,299,221**	**100.0%**	**27,446,605**	**100.0%**

(1) United and Continental Airlines closed their merger during October 2010 and continued to operate under their separate names until November 2011.
(2) American Airlines and US Airways closed their merger during December 2013 and continued to operate under their separate names until October 2015.
(3) Delta Airlines and Northwest Airlines closed their merger during 2008 and continued to operate under their separate names until January 2010.
(4) These figures for passengers traveling on U.S. flag regional carriers include passengers traveling internationally.
(5) Southwest Airlines commenced service at Logan Airport in August 2009.
(6) Southwest Airlines and AirTran Airways closed their merger during May 2011 and continued to operate under their separate names until AirTran Airways was fully integrated into Southwest Airlines during December 2014.

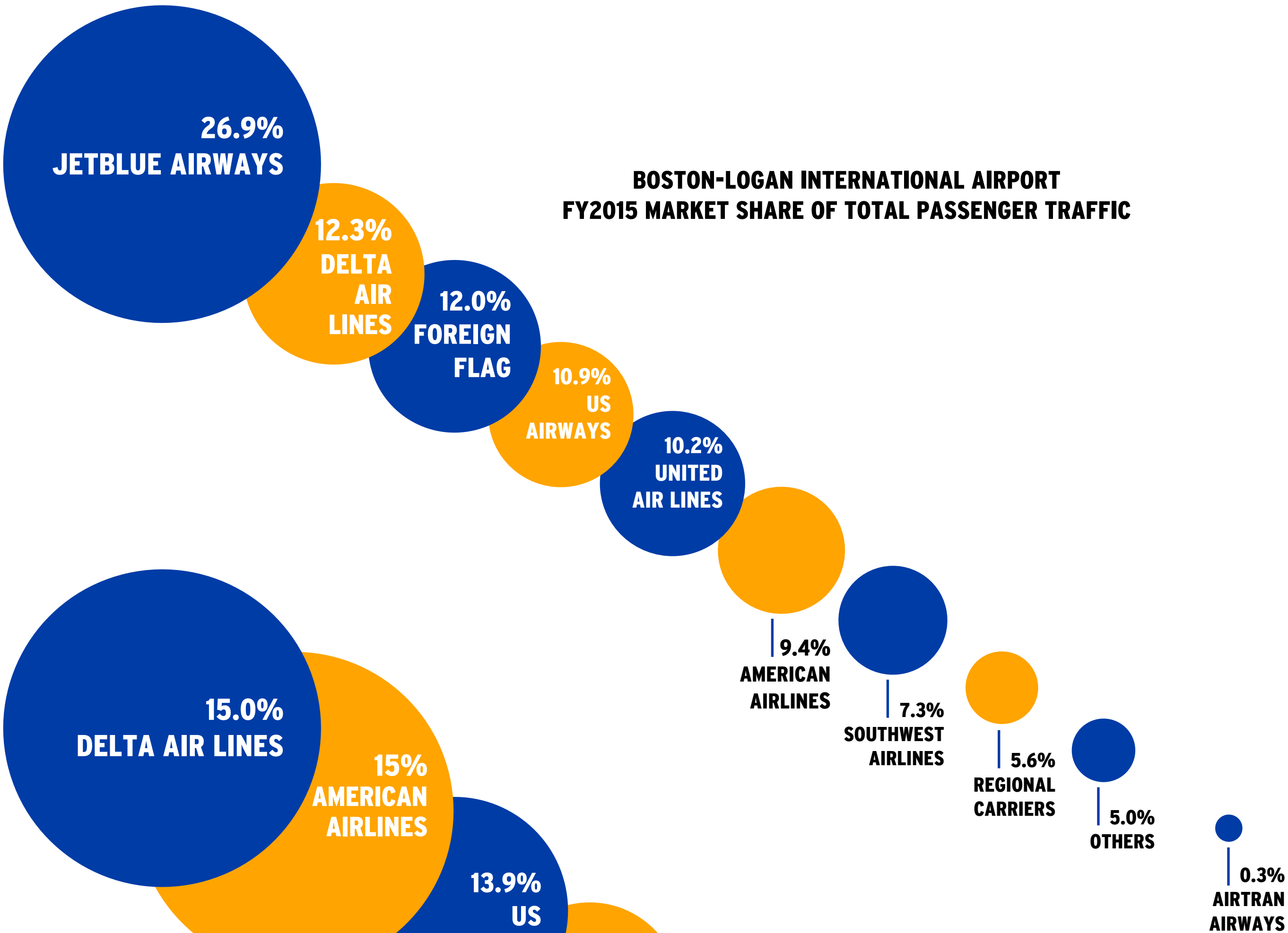
Source: Authority reports.

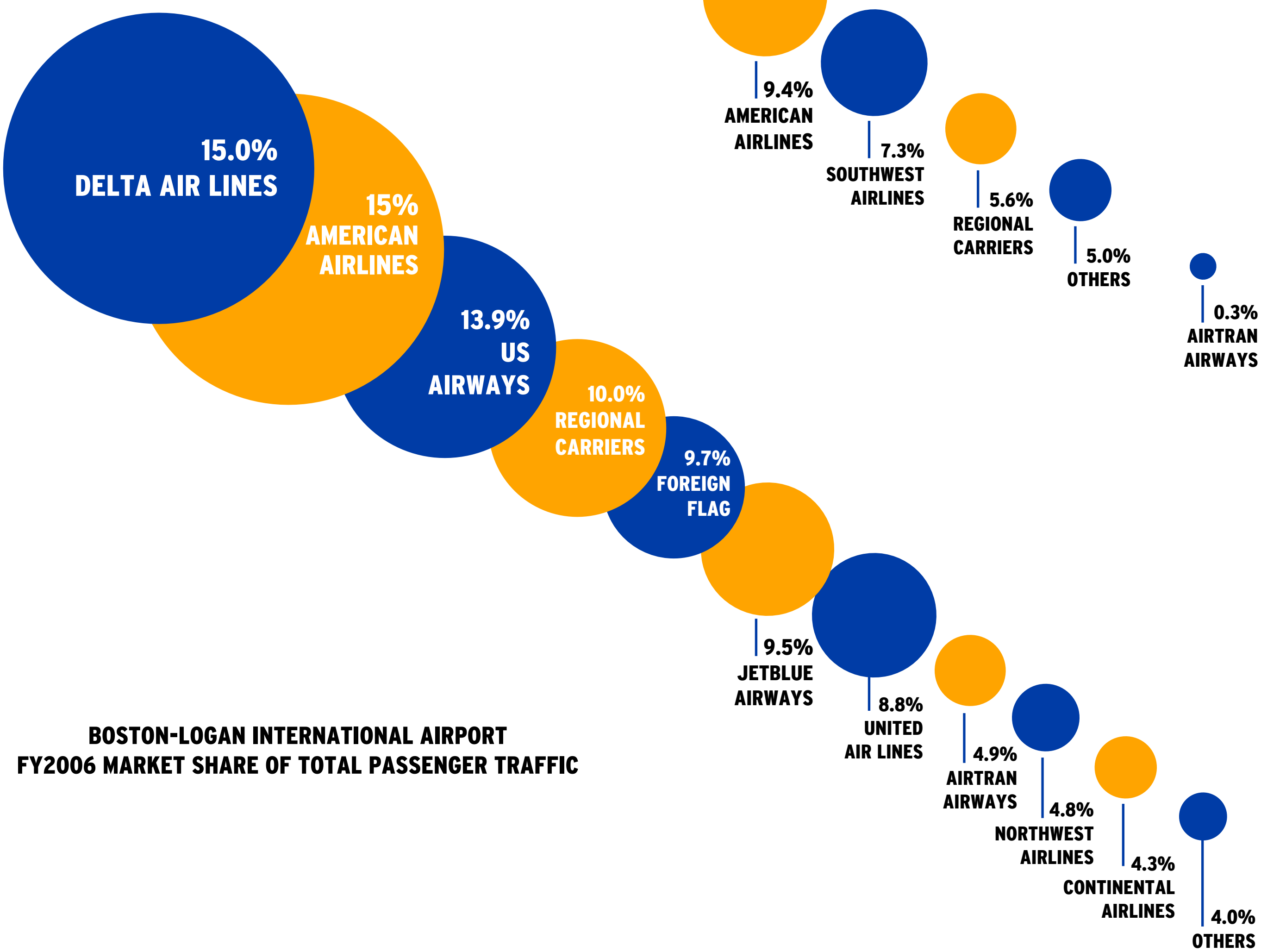
LOGAN INTERNATIONAL AIRPORT MARKET SHARE OF TOTAL PASSENGER TRAFFIC

Current Year and Nine Years Ago

S-11 PASSENGER TRAFFIC MARKET SHARE - CHARTS

BOSTON-LOGAN INTERNATIONAL AIRPORT
FY2015 MARKET SHARE OF TOTAL PASSENGER TRAFFIC





BOSTON-LOGAN INTERNATIONAL AIRPORT
FY2006 MARKET SHARE OF TOTAL PASSENGER TRAFFIC

LOGAN INTERNATIONAL AIRPORT MARKET SHARE OF TOTAL PASSENGER TRAFFIC

Fiscal Years Ended June 30, 2006 through June 30, 2015

S-11A PASSENGER TRAFFIC MARKET SHARES

AIR CARRIER	2006	2007	2008	2009	2010
AMERICAN/ US AIRWAYS (1)	**28.9%**	**27.6%**	**27.1%**	**26.7%**	**25.3%**
AMERICAN	15.0	13.8	14.1	14.1	13.6
US AIRWAYS	13.9	13.8	12.9	12.6	11.7
DELTA AIR LINES (2)	**19.8%**	**17.2%**	**16.8%**	**15.9%**	**10.5%**
DELTA	15.0	12.3	11.8	11.0	-
NORTHWEST AIRLINES	4.8	4.9	5.0	4.9	-
JETBLUE AIRWAYS	**9.5%**	**12.4%**	**13.5%**	**14.7%**	**16.3%**
SOUTHWEST/AIRTRAN (3)	**4.9%**	**5.7%**	**5.5%**	**4.9%**	**5.5%**
AIRTRAN AIRWAYS	4.9	5.7	5.5	4.9	5.1
SOUTHWEST (4)	-	-	-	-	0.4
UNITED AIRLINES (5)	**13.1%**	**13.7%**	**13.4%**	**13.6%**	**12.6%**
CONTINENTAL AIRLINES	4.3	4.2	4.5	4.5	4.0
UNITED	8.8	9.5	9.0	9.1	8.6
FOREIGN FLAG	**9.7%**	**9.3%**	**9.7%**	**10.4%**	**9.6%**
REGIONAL U.S. CARRIERS	**10.0%**	**10.7%**	**10.5%**	**10.9%**	**9.7%**
OTHER U.S. CARRIERS	**4.0%**	**3.4%**	**3.6%**	**2.9%**	**10.5%**
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

(1) Includes American Eagle (through November 2011), US Airways Shuttle and associated regional carriers. In December 2013, American merged with US Airways, but both continued to operate independently until operations were integrated during October 2015. For purposes of comparison, however, data reflects consolidated American and US Airways market share information for all fiscal years.

(2) Includes Delta Shuttle, Delta Express and associated regional carriers. In January 2010, Northwest Airlines merged into Delta and discontinued service as an independent entity. For purposes of comparison, data reflects consolidated Delta and Northwest Airlines market share information for all fiscal years.

(3) In May 2011, Southwest merged with AirTran Airways, but both continue to operate independently until AirTran Airways was fully integrated into Southwest Airlines during December 2014. For purposes of comparison, however, data reflects consolidated Southwest and AirTran passenger growth information for all fiscal years.

(4) Southwest Airlines commenced service at Logan Airport in August 2009.

(5) Includes United Express, Continental Express and associated regional carriers. In March 2012, Continental merged into United and discontinued service as an independent entity. For purposes of comparison, data reflects consolidated United and Continental Airlines passenger growth information for all fiscal years.

Source: Authority Reports.

LOGAN INTERNATIONAL AIRPORT MARKET SHARE OF TOTAL PASSENGER TRAFFIC

Fiscal Years Ended June 30, 2006 through June 30, 2015

S-11A PASSENGER TRAFFIC MARKET SHARES (CONTINUED)

AIR CARRIER	2011	2012	2013	2014	2015
AMERICAN/ US AIRWAYS (1)	**22.4%**	**21.9%**	**21.7%**	**21.0%**	**20.3%**
AMERICAN	11.3	10.7	10.8	10.0	9.4
US AIRWAYS	11.1	11.2	10.9	11.0	10.9
DELTA AIR LINES (2)	**11.7%**	**11.1%**	**10.7%**	**10.8%**	**12.3%**
DELTA	-	-	-	-	-
NORTHWEST AIRLINES	-	-	-	-	-
JETBLUE AIRWAYS	**21.2%**	**23.8%**	**26.2%**	**26.5%**	**26.9%**
SOUTHWEST/AIRTRAN (3)	**10.2%**	**9.4%**	**8.1%**	**8.2%**	**7.6%**
AIRTRAN AIRWAYS	4.4	3.9	2.9	1.9	7.3
SOUTHWEST (4)	5.8	5.5	5.2	6.3	0.3
UNITED AIRLINES (5)	**11.7%**	**11.6%**	**11.3%**	**11.2%**	**10.2%**
CONTINENTAL AIRLINES	3.8	-	-	-	-
UNITED	7.9	-	-	-	-
FOREIGN FLAG	**9.4%**	**9.6%**	**10.3%**	**10.9%**	**12.0%**
REGIONAL U.S. CARRIERS	**8.3%**	**7.3%**	**7.1%**	**6.6%**	**5.6%**
OTHER U.S. CARRIERS	**5.2%**	**5.3%**	**4.5%**	**4.7%**	**5.1%**
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

(1) Includes American Eagle (through November 2011), US Airways Shuttle and associated regional carriers. In December 2013, American merged with US Airways, but both continued to operate independently until operations were integrated during October 2015. For purposes of comparison, however, data reflects consolidated American and US Airways market share information for all fiscal years.

(2) Includes Delta Shuttle, Delta Express and associated regional carriers. In January 2010, Northwest Airlines merged into Delta and discontinued service as an independent entity. For purposes of comparison, data reflects consolidated Delta and Northwest Airlines market share information for all fiscal years.

(3) In May 2011, Southwest merged with AirTran Airways, but both continue to operate independently until AirTran Airways was fully integrated into Southwest Airlines during December 2014. For purposes of comparison, however, data reflects consolidated Southwest and AirTran passenger growth information for all fiscal years.

(4) Southwest Airlines commenced service at Logan Airport in August 2009.

(5) Includes United Express, Continental Express and associated regional carriers. In March 2012, Continental merged into United and discontinued service as an independent entity. For purposes of comparison, data reflects consolidated United and Continental Airlines passenger growth information for all fiscal years.

Source: Authority Reports.

STATISTICAL SECTION

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LOGAN INTERNATIONAL AIRPORT PASSENGER MARKETS

Calendar Year 2014 and Nine Years Ago

S-12 LOGAN INTERNATIONAL AIRPORT - PASSENGER MARKETS

The following table shows the percentage of passengers traveling on U.S. air carrier airlines to or from the Airport and other final domestic destinations for calendar year 2014, 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 2005.

MARKET	CALENDAR 2014 PERCENTAGE	CALENDAR 2014 RANK	CALENDAR 2005 RANK
WASHINGTON DC METRO (1)	8.5%	1	2
SOUTH FLORIDA METRO (2)	5.7%	2	3
SAN FRANCISCO METRO (3)	5.4%	3	4
CHICAGO METRO (4)	5.4%	4	7
NEW YORK METRO AREA (5)	5.3%	5	1
LOS ANGELES METRO (6)	4.9%	6	6
ORLANDO, FL, US	3.3%	7	5
PHILADELPHIA, PA, US	2.9%	8	9
ATLANTA, GA, US	2.8%	9	8
DALLAS METRO (7)	2.6%	10	14
DENVER, CO, US	2.4%	11	13
FORT MYERS, FL, US	2.1%	12	11
HOUSTON METRO (8)	2.0%	13	19
TAMPA, FL, US	1.9%	14	10
CHARLOTTE-DOUGLAS, NC, US	1.8%	15	**
RALEIGH/DURHAM, NC, US	1.8%	16	**
SEATTLE, WA, US	1.8%	17	18
MINNEAPOLIS/ST. PAUL, MN, US	1.7%	18	16
LAS VEGAS, NV, US	1.6%	19	**
SAN DIEGO, CA, US	1.6%	20	**
TOTAL FOR CITIES LISTED	**65.5%**		

(1) Washington DC Metro consists of BWI, IAD and DCA
(2) South Florida Metro consists of MIA, FLL and PBI
(3) San Francisco Metro consists of SFO, OAK and SJC
(4) Chicago Metro consists of CHI, MDW and ORD
(5) New York Metro consists of NYC, EWR, JFK and LGA
(6) Los Angeles Metro consists of LAX, BUR, ONT, SNA and LGB
(7) Dallas Metro consists of DFW, DAL
(8) Houston Metro consists of HOU, IAH and EFD
** Rank outside the top 20

Source: Diio APGDAT.

PORT OF BOSTON CARGO AND PASSENGER ACTIVITY

Fiscal Years Ended June 30, 2006 through June 30, 2015

S-13 PORT OF BOSTON CARGO AND PASSENGER ACTIVITY

PORT ACTIVITY	2006	2007	2008	2009	2010
CONTAINERS (1)	111,020	116,156	124,122	114,871	100,970
CRUISE PASSENGERS	246,365	200,998	236,922	275,407	310,482
AUTOMOBILES (2)	11,170	10,252	15,546	26,966	33,208
BULK TONNAGE	202,681	188,311	206,494	167,881	89,394

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

Source: Authority reports.

PORT OF BOSTON CARGO AND PASSENGER ACTIVITY

Fiscal Years Ended June 30, 2006 through June 30, 2015

S-13 PORT OF BOSTON CARGO AND PASSENGER ACTIVITY (CONTINUED)

PORT ACTIVITY	2011	2012	2013	2014	2015
CONTAINERS (1)	106,857	107,477	110,163	116,800	125,809
CRUISE PASSENGERS	307,224	380,151	369,428	338,442	330,535
AUTOMOBILES (2)	42,256	37,215	46,116	57,662	57,522
BULK TONNAGE	112,667	144,430	121,890	186,566	155,415

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

Source: Authority reports.

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PORT OF BOSTON PRINCIPAL CUSTOMERS

Current Year and Nine Years Ago

S-14 PORT OF BOSTON PRINCIPAL CUSTOMERS

FISCAL YEAR 2015

DIRECT SERVICE	SHIPPING LINES	CRUISE LINES	LARGE CUSTOMS HOUSE BROKERS
CHINA OCEAN SHIPPING CO.	CHINA OCEAN SHIPPING CO.	AIDA CRUISES	A.N. DERINGER
EVERGREEN AMERICA	EVERGREEN AMERICA	CARNIVAL CRUISE LINES	ALBATRANS, INC.
HANJIN SHIPPING	HANJIN SHIPPING	COMPAGNIE DU PONANT	BDP INTERNATIONAL, INC.
HAPAG LLOYD	HAPAG LLOYD	CRYSTAL CRUISE LINE	C.H. POWELL COMPANY
K-LINE	K-LINE	CUNARD	DB SCHENKER
MAERSK	MAERSK	FRED OLSEN	DHL FORWARDING
MEDITERRANEAN SHIPPING	MEDITERRANEAN SHIPPING	HAPAG LLOYD	DOLLIFF & COMPANY, INC.
YANG MING LINE	YANG MING LINE	HOLLAND AMERICA	DYNASTY INTERNATIONAL, INC.
		NORWEGIAN CRUISE LINES	EGL EAGLE GLOBAL LOGISTICS
		OCEANIA CRUISES	EXEL GLOBAL LOGISTICS
		P&O CRUISES	EXPEDITORS INT'L
		PHOENIX REISEN	FEDEX TRADE NETWORKS
		PLANTOURS REISEN	HELLMANN WORLDWIDE LOGISTICS, INC.
		PRINCESS	J.F. MORAN CO., INC.
		REGENT SEVEN SEAS	KUEHNE & NAGEL, INC.
		ROYAL CARIBBEAN	LIBERTY INTERNATIONAL
		SEABOURN CRUISE LINES	MAGIC CUSTOMS BROKERS, INC.
		SILVERSEA CRUISES	OCEANAIR, INC
			PANALPINA, INC.
			SAVINO DEL BENE, INC.
			SDV (USA)
			UPS SUPPLY CHAIN SOLUTIONS
			VANDEGRIFT INTL.

FISCAL YEAR 2006

DIRECT SERVICE	SHIPPING LINES	CRUISE LINES	LARGE CUSTOMS HOUSE BROKERS
CHINA OCEAN SHIPPING CO.	CHINA OCEAN SHIPPING CO	CARNIVAL	A.N. DERINGER
COLUMBIA COASTAL TRANSPORT	CHILEAN LINE	CELEBRITY CRUISES	ALBATRANS, INC.
HALSHIP, INC.	CMA-CGM	CLIPPER CRUISE	BDP INTERNATIONAL, INC.
HANJIN SHIPPING	EVERGREEN	CRYSTAL CRUISES	BOSTON BAY BROKERS INC.
K-LINE	HAMBURG SUED	CUNARD	C.H. POWELL COMPANY
MEDITERRANEAN SHIPPING	HANJIN	HAPAG LLOYD	DHL DANZAS
YANG MING LINE	HAPAG LLOYD	HOLLAND AMERICA	DOLLIFF & COMPANY, INC.
	HATSU	NORWEGIAN CRUISE LINE	DYNASTY INTERNATIONAL, INC.
	ITALIA LINE	P&O	EGL EAGLE GLOBAL LOGISTICS
	K LINE	PRINCESS LINE	EXPEDITORS INT'L
	LLOYD TRIESTINO	RADDISSON SEVEN SEAS	FEDEX TRADE NETWORKS
	MAERSK	ROYAL CARIBBEAN	HELLMANN WORLDWIDE LOGISTICS, INC.
	MEDITTERANEAN SHIPPING	SAGA HOLIDAYS	J.F. MORAN CO., INC.
	NORASIA	SEABORNE CRUISE LINE	KUEHNE & NAGEL, INC.
	NYK LINE	SILVERSEA CRUISE	LIBERTY INTERNATIONAL
	OOCL		MAGIC CUSTOMS BROKERS, INC.
	SAFMARINE		OCEANAIR, INC
	YANG MING		PANALPINA, INC.
	ZIM LINE		SAVINO DEL BENE, INC.
			SCHENKER INTERNATIONAL, INC.
			UPS SUPPLY CHAIN SOLUTIONS

TOBIN MEMORIAL BRIDGE

Fiscal Years Ended June 30, 2005 through June 30, 2010

S-15 BRIDGE STATISTICS (IN-BOUND)

	2005	2006	2007	2008	2009	2010 (1)
TOBIN BRIDGE TOLL	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00
CLASS 1 - PASSENGER VEHICLES	8,164,954	8,384,939	8,988,012	9,203,180	8,526,559	4,498,957
VEHICLES WITH RESIDENT DISCOUNT	648,510	695,357	702,354	655,520	739,921	400,356
TOTAL PASSENGER VEHICLES	8,813,464	9,080,296	9,690,366	9,858,700	9,266,480	4,899,313
CLASS 2 - 6 COMMERCIAL VEHICLES	796,425	862,845	979,516	1,031,598	901,558	458,740
TOTAL PAYING VEHICLES	**9,609,889**	**9,943,141**	**10,669,882**	**10,890,298**	**10,168,038**	**5,358,053**
MASSACHUSETTS BAY TRANSPORTATION AUTHORITY (MBTA)	48,231	54,460	74,289	68,143	70,609	34,547
OTHER NON-REVENUE VEHICLES	65,093	44,039	48,012	39,463	56,729	27,468
TOTAL NON-PAYING VEHICLES	**113,324**	**98,499**	**122,301**	**107,606**	**127,338**	**62,015**
TOTAL VEHICLES	**9,723,213**	**10,041,640**	**10,792,183**	**10,997,904**	**10,295,376**	**5,420,068**

(1) Six months data only, effective 1/1/2010, Tobin Bridge was transferred to MassDOT pursuant to the Transportation Reform Act.

Source: Authority reports.

INSURANCE COVERAGE

Fiscal Year Ended June 30, 2015

S-16 INSURANCE COVERAGE

POLICY - 7/01/14 - 6/30/2015	BROKER / UNDERWRITER	LIMITS	RETENTION / UNDERLYING
PROPERTY INSURANCE			
ALL RISK PROPERTY INSURANCE INCLUDING BOILER & MACH., CONTRACTOR'S EQUIP. & BUS. INT. & TERRORISM	FM GLOBAL	$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 / ACE USA	$500,000,000	$250,000
MARINE LIABILITY TERMINAL OPERATOR'S LIABILITY PROTECTION & INDEMNITY INCLUDING PORT & STEVEDORE LIABILITY PRIMARY AND EXCESS INCLUDING TERRORISM	HUB INTERNATIONAL / STARR MARINE	$100,000,000	$25,000
AUTOMOBILE LIABILITY PRIMARY & EXCESS	WELLS FARGO/HANOVER	$5,000,000	
COMPREHENSIVE & COLLISION DEDUCTIBLE			$1,000
WORKERS' COMPENSATION			
EXCESS WORKERS' COMPENSATION	HUB INTERNATIONAL / AIG	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, 2015

S-17 LIST OF CERTAIN PHYSICAL ASSET CHARACTERISTICS

	2015
LOGAN AIRPORT	
AREA OF AIRPORT (ACRES - APPROXIMATE)	2,400
RUNWAYS	
RUNWAY 15R/33L (LENGTH IN FEET)	10,083
RUNWAY 4R/22L (LENGTH IN FEET)	10,005
RUNWAY 4L/22R (LENGTH IN FEET)	7,860
RUNWAY 9/27 (LENGTH IN FEET)	7,000
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)	37
TERMINAL C (NUMBER OF JET CONTACT GATES)	27
TERMINAL E (NUMBER OF JET CONTACT GATES)	13
PARKING	
NUMBER OF COMMERCIAL AND EMPLOYEE PARKING SPACES	21,088
CARGO FACILITIES (SQUARE FEET)	274,873
HANSCOM FIELD	
AREA OF AIRPORT (ACRES - APPROXIMATE)	1,300
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)	1,252
RUNWAYS	
RUNWAY 11/29 (LENGTH IN FEET)	7,000
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
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)	90.5

Source: Authority reports.

FRAMINGHAM PARKING FACILITY OPENING

Massport recently opened a new $32 million parking garage in Framingham that contains over 1,000 spaces. Passengers flying out of Logan can park at this facility and take a comfortable Logan Express bus ride directly to their terminal at Logan. The Framingham facility has automated screens that supply customers with the bus schedule, travel times and flight information.

STATEMENT OF THE 1978 TRUST AGREEMENT
ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
OF THE MASSACHUSETTS PORT AUTHORITY FOR FISCAL YEAR 2015

This Statement of Annual Financial Information and Operating Data dated as of November 18, 2015 (the "Annual Disclosure Statement") of the Massachusetts Port Authority (the "Authority") is prepared and submitted in accordance with the requirements of the Continuing Disclosure Agreement, dated as of August 1, 1997 (the "Continuing Disclosure Agreement"), between the Authority and U.S. Bank National Association (successor-in-interest to State Street Bank and Trust Company), as trustee (the "Trustee"). Set forth below is certain financial information and operating data relating to the Authority for the fiscal year ended June 30, 2015 ("fiscal year 2015") updating the financial information and operating data presented in the Authority's Statement of Annual Financial Information and Operating Data dated as of November 25, 2014 (the "2014 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 8, 2015 (the "2015 Official Statement"). This Annual Disclosure Statement is part of the Authority's Comprehensive Annual Financial Report dated November 18, 2015 (the "CAFR") for fiscal year 2015 and the remaining sections of the CAFR are incorporated herein by reference. The Authority's audited financial statements for fiscal year 2015 and comparative information for fiscal year 2014, 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 2015 Official Statement and the 2014 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 2015 Official Statement.

This Annual Disclosure Statement applies to the following Series of Bonds issued by the Authority and outstanding at June 30, 2015 (collectively, the "Bonds"):

MASSACHUSETTS PORT AUTHORITY REVENUE REFUNDING BONDS, SERIES 2015-C (NON-AMT)	MASSACHUSETTS PORT AUTHORITY REVENUE BONDS, SERIES 2012-A (AMT)	MASSACHUSETTS PORT AUTHORITY REVENUE REFUNDING BONDS, SERIES 2010-C (AMT)	MASSACHUSETTS PORT AUTHORITY REVENUE BONDS, SERIES 2007-A (NON-AMT)
MASSACHUSETTS PORT AUTHORITY REVENUE BONDS, SERIES 2014-A (NON-AMT)	MASSACHUSETTS PORT AUTHORITY REVENUE REFUNDING BONDS, SERIES 2012-B (NON-AMT)	MASSACHUSETTS PORT AUTHORITY MULTI-MODAL REVENUE REFUNDING BONDS, SERIES 2010-D (AMT)	MASSACHUSETTS PORT AUTHORITY REVENUE REFUNDING BONDS, SERIES 2007-C (AMT)
MASSACHUSETTS PORT AUTHORITY REVENUE BONDS, SERIES 2014-B (AMT)	MASSACHUSETTS PORT AUTHORITY REVENUE BONDS, SERIES 2010-A (NON-AMT)	MASSACHUSETTS PORT AUTHORITY MULTI-MODAL REVENUE BONDS, SERIES 2008-A (NON-AMT)	MASSACHUSETTS PORT AUTHORITY REVENUE BONDS, SERIES 2005-A (NON-AMT)
MASSACHUSETTS PORT AUTHORITY REVENUE REFUNDING BONDS, SERIES 2014-C (NON-AMT)	MASSACHUSETTS PORT AUTHORITY REVENUE REFUNDING BONDS, SERIES 2010-B (NON-AMT)	MASSACHUSETTS PORT AUTHORITY REVENUE REFUNDING BONDS, SERIES 2008-C (NON-AMT)	MASSACHUSETTS PORT AUTHORITY REVENUE REFUNDING BONDS, SERIES 2005-C (NON-AMT)

As of June 30, 2015, the Authority had issued and outstanding 16 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, 2015 for more detailed information.

On June 30, 2015, the Authority issued $170.7 million of Massachusetts Port Authority Revenue Refunding Bonds, Series 2015 C. The Series 2015 C Revenue Refunding Bonds were issued as two fixed rate direct placement bonds due to mature in 2025 and 2029, respectively. This competitive bank bid process resulted in a net present value savings of nearly $27.5 million and the proceeds were used to refund the entire outstanding balance of the Authority's Series 2005 C Revenue Refunding Bonds on July 1, 2015.

On July 15, 2015, the Authority issued $171.5 million of Massachusetts Port Authority Revenue Bonds in two series. The Series 2015 A Revenue Bonds were issued in the principal amount of $104.5 million with an original issue premium of approximately $15.4 million and coupon rates ranging from 1.14% to 5.0%. The projects to be financed with Series A Bond proceeds include construction of an additional 2,050 parking spaces at Logan Airport, property acquisition and improvements in Braintree and completion of the Framingham Logan Express structured parking garage. The Series 2015 B Revenue Bonds were issued in the principal amount of $67.0 million with an original issue premium of approximately $8.0 million and coupon rates ranging from 1.4% to 5.0%. The projects to be financed with Series B Bond proceeds include HVAC equipment replacement and distribution system improvements, central heating plant upgrades, partial funding of roof replacements, demolition of Building #16 to create remain overnight ("RON") aircraft parking, partial funding of airline relocations in Terminal A, and partial funding of a post-security corridor connecting Terminal C and Terminal E.

The Authority has issued six series of its Subordinated Revenue Bonds, outstanding in the aggregate principal amount of $74.0 million as of June 30, 2015 (collectively, the "Subordinated Revenue Bonds"). The Subordinated Revenue Bonds are payable solely from amounts on deposit in the Improvement and Extension Fund established under the 1978 Trust Agreement and in a separate account not subject to the pledge of the 1978 Trust Agreement. The Subordinated Revenue Bonds are subordinate to all of the revenue bonds issued prior to the date hereof by the Authority pursuant to the 1978 Trust Agreement.

The Authority also has issued and outstanding three series of PFC Revenue Bonds (collectively the "PFC Bonds") issued pursuant to a PFC Revenue Bond Trust Agreement dated as of May 6, 1999, as supplemented and amended (the "PFC Trust Agreement"), between the Authority and The Bank of New York Mellon, as trustee (the "PFC Trustee"). Please see Note 5 of the Authority's financial statements as of June 30, 2015 for more detailed information. Pursuant to the Continuing Disclosure Agreement dated as of May 6, 1999 (the "PFC Disclosure Agreement") between the Authority and The Bank of New York Mellon, the Authority is also including as part of the CAFR its Statement of PFC Annual Financial Information and Operating Data for fiscal year 2015 (the "2015 PFC Disclosure Statement") with respect to the PFC Bonds.

On June 15, 2011, the Authority issued its $58.0 million Special Facilities Revenue Bonds (ConRAC Project), Series 2011-A (Non-AMT) and $156.0 million Series 2011-B (Federally Taxable) (collectively, the "CFC Bonds") 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, 2015 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 2015 (the "2015 CFC Disclosure Statement") with respect to the CFC Bonds.

On May 15, 1997, the Authority issued its $111.3 million Special Facilities Revenue Bonds (BOSFUEL Project), Series 1997 (the "1997 BOSFUEL Bonds"). On July 12, 2007, the Authority issued its $106.6 million Special Facilities Revenue Bonds (BOSFUEL Project), Series 2007 (the "2007 BOSFUEL Bonds"). The 2007 BOSFUEL Bonds were issued to finance the design and construction of improvements to the integrated jet fuel storage and distribution system at Logan Airport and to currently refund the 1997 BOSFUEL Bonds. The 2007 BOSFUEL Bonds are not subject to the Authority's Continuing Disclosure Agreement, the PFC Disclosure Agreement or the CFC Disclosure Certificate.

For additional information concerning the Authority, please see the Authority's website, www.massport.com. Financial information can be found in the Investor Relations section of the Authority's website at http://www.massport.com/about-massport/investor-relations/. Copies of the Annual Statements prepared pursuant to Rule 15c2-12 with respect to the Authority's bonds issued under the 1978 Trust Agreement, the PFC Trust Agreement and the CFC Trust Agreement for years prior to fiscal year 2015 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 Agreement. The intent of the Authority's undertaking under the Continuing Disclosure Agreement 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 Agreement 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 Agreement, 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 material events. The Authority reserves the right to modify the disclosure required under the Continuing Disclosure Agreement, 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 Agreement 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 2015, Logan Airport accounted for 83.8% of the Authority's Revenues and 97.3% of the Authority's Net Revenues, as defined in the 1978 Trust Agreement. For additional information regarding activities at Logan Airport Properties during fiscal year 2015, please refer to Exhibits S-5, S-10, S-11, S-11a and S-12 presented in the statistical section of the CAFR. Exhibit S-10 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. In calendar year 2014, based upon total passenger volume, Logan Airport was the most active in New England, and the 18th most active in the United States. In calendar year 2013 (the most recent year for which data is available), Logan Airport was the 54th most active in the world according to data from the Airports Council International ("ACI"). Enplaned plus deplaned passengers at Logan Airport for fiscal year 2015 totaled approximately 32.3 million passengers. This is a 4.7% increase from the 30.9 million passengers that used Logan Airport in fiscal year 2014.

The primary destinations of passengers using Logan Airport for calendar year 2014 were: 14.0% to Florida, 8.5% to Washington, DC and 6.5% to the New York/New Jersey area. The proportion of domestic passengers traveling to the West Coast cities of California was 12.2%.

In fiscal year 2015, international passengers (including those traveling on foreign flag and regional carriers) accounted for 16.2% of passenger traffic, or approximately 5.2 million passengers. This is an increase of 12.0% or 560,564 international passengers over last year. The shares of international passengers at Logan Airport were 56.6% for Europe 6.9% for the Middle East, 12.9% for Canada and 17.7% for Bermuda and the Caribbean. In fiscal year 2015, the top five international origin-destination markets were Cancun, Aruba, Santo Domingo, London, and Punta Cana. The top five international direct routes by scheduled seats were London, Paris, Toronto, Dublin, and Frankfurt. International passenger traffic grew by 12.0% and 4.8% in fiscal years 2015 and 2014, respectively.

In fiscal year 2015, regional airlines accounted for approximately 5.6% of total passenger traffic at Logan Airport, or approximately 1.8 million passengers. The number of regional passengers (excluding passengers traveling internationally) decreased by 10.8% and 1.0% in fiscal years 2015 and 2014, respectively. As of June 30, 2015, the top five regional airlines were Endeavor Air with 22.5% of domestic regional passengers, followed by Republic Airlines with 15.2%, Shuttle America with 14.5%, Air Wisconsin Airlines with 11.3%, and ExpressJet with 11.2% of domestic regional passengers.

During fiscal year 2015, low-cost carriers handled 38.2% of Logan Airport's passengers. As of June 30, 2015, the low-cost carriers providing service at Logan Airport were JetBlue Airways, MN Airlines, Porter Airlines, Southwest Airlines, Spirit Airlines and Virgin America. As of June 30, 2015, these six carriers scheduled 70 non-stop destinations. Logan Airport passenger traffic as a whole grew by 4.7% in fiscal year 2015 while passenger traffic for the low-cost carriers serving Logan Airport grew 4.8%.

In fiscal year 2015, total combined cargo and mail volume was approximately 625.7 million pounds. The volume in fiscal year 2015 increased by 9.4% from fiscal year 2014. From fiscal year 2014 to fiscal year 2015, air cargo (small package/express and freight) increased by 8.3%. A large percentage of the total volume of air cargo for the period was attributable to integrated small package/express carriers, including Federal Express, United Parcel Service, Atlas Air and ABX Air, Inc. Integrated carriers accounted for 58.5% and 60.7% of total domestic and international cargo volume in fiscal years 2015 and 2014, respectively.

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 2015 and comparative data for fiscal year 2014, together with the report thereon of Ernst & Young LLP, independent auditors, are included in the CAFR.

Table S-6 of the CAFR shows 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 divided by the Annual Debt Service. "Net Revenues" is defined in the 1978 Trust Agreement as the excess of Revenues over Operating Expenses; provided that for the purpose 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. PFCs are pledged to secure the PFC Bonds, pursuant to the PFC Trust Agreement, and certain specific information pertaining to the PFC Bonds, as required by the PFC Disclosure Agreement, is set forth in the separate 2015 PFC Disclosure Statement. CFCs are pledged to secure the CFC Bonds, pursuant to the CFC Trust Agreement, and certain specific information pertaining to the CFC Bonds, as required by the CFC Disclosure Certificate, is set forth in the separate 2015 CFC Disclosure Statement. As used in the tables, "Annual Debt Service" is equal to the "Principal and Interest Requirements" on Bonds (other than BOSFUEL Bonds) outstanding for the applicable fiscal year.

MANAGEMENT'S DISCUSSION OF HISTORICAL OPERATING RESULTS

PREPARED IN ACCORDANCE WITH THE 1978 TRUST AGREEMENT

Total Operating Revenues in fiscal year 2015 were $666.6 million compared to $623.7 in fiscal year 2014, while Operating Expenses were $408.5 million in fiscal year 2015 compared to $383.6 in fiscal year 2014, resulting in Net Revenues of $258.1 million and $240.1 million in fiscal year 2015 and fiscal year 2014, respectively. 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 Financial Statements or Exhibit I at the end of this section. Revenues and Net Revenues do not include PFC revenues and CFC revenues. PFC revenue is required under federal law and according to the PFC Trust Agreement to be applied to certain FAA approved projects, and CFC revenue is required under the CFC Trust Agreement to be applied to certain capital projects at the Airport and are not pledged for the benefit of holders of the Bonds issued under the 1978 Trust Agreement.

AIRPORT PROPERTIES

Airport Properties Net Revenues (Airport Properties Revenues less Airport Properties Operating Expenses) increased by $19.5 million or 8.6% from fiscal year 2014. The number of passengers using Logan Airport (excluding general aviation) in fiscal year 2015 was 4.7% higher than in fiscal year 2014. Landed weights were 2.4% higher than the prior fiscal year. Parking revenues were 9.1% higher than such revenues in fiscal year 2014, due to the increased passenger traffic at Logan Airport and a parking rate increase of $2.00 that took effect on July 1, 2014. Logan Airport generated approximately $558.4 million of Operating Revenues and incurred $307.4 million of Operating Expenses in fiscal year 2015 compared to $522.6 million of Operating Revenues and $290.6 million of Operating Expenses in fiscal year 2014. 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 fee. Instead, the 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 the 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 $101.1 million in landing fee revenue in fiscal year 2015. This was a $8.2 million or 8.9% increase over the $92.9 million generated in fiscal year 2014. Logan Airport's 2015 landing fee adjusted rate of $4.81 per thousand pounds was higher than the $4.55 per thousand pounds approved in 2014. Total landed weights in fiscal year 2015 was 20,784,046 pounds, an increase of 486,801 pounds compared to fiscal year 2014. The combination of a higher landing fee rate and the increase in landed weight resulted in the overall 8.9% increase in landing fee revenue during fiscal year 2015.

Parking Fees. Logan Airport parking revenues (including Logan Express) increased from $136.3 million in fiscal year 2014 to $148.7 million in fiscal year 2015. This increase is due to the increased passenger traffic at Logan Airport and a rate increase effect July 1, 2014. 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 or bad debts. The Authority can also make adjustments during the year to the rates charged to air carriers for terminal usage. In addition, leases with certain carriers that are obligors of special facility revenue bonds issued by the Authority and secured by a pledge of certain lease revenues require such carriers to pay rent in an amount at least sufficient to pay the debt service on such bonds and the allocable compensatory costs to the Authority.

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 at the Airport as of June 30, 2015. In addition to those listed below, one gate in Terminal B, five gates in Terminal C and all of the gates in Terminal E were common use gates as of such date.

TERMINAL	CARRIER	# OF GATES	LEASE TERM	EXPIRATION DATE
TERMINAL A	DELTA	16	10 YEARS	JUNE 30, 2016
	SOUTHWEST	5	MONTHLY	N/A
TERMINAL B	AMERICAN/US AIRWAYS	7 ‡	20 YEARS	JUNE 13, 2021
		13 ‡	25 YEARS	SEPTEMBER 30, 2023
		7	MONTHLY	N/A
	UNITED	8	1 YEAR	*
	VIRGIN AMERICA	1	MONTHLY	N/A
TERMINAL C	ALASKA AIRLINES	1	MONTHLY	N/A
	JETBLUE	21 †	1 YEAR	**
	TOTAL:	**79**		

* The United lease was entered into on May 1, 2014 with an original term of one year. The lease is renewable on a year-to-year basis.

** The JetBlue lease was entered into on January 20, 2005 with an original term of five years with 20 automatic one-year extensions thereafter.

‡ US Airways subleases six gates (three under each lease) to other airlines: one to Spirit, three to Air Canada and two to the Authority, which gates are re-leased to United. (American Airlines and US Airways closed their merger during December 2013 and continued to operate under their separate names until October 2015.)

† JetBlue subleases one gate to Cape Air.

Each of the above leases provides 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 subleases a certain number of gates, as specified in the lease.

While the Authority prefers to lease space on a short term basis, it has granted longer term leases to carriers that have made significant capital investments in terminal facilities. The lease arrangements with Delta and US Airways were entered into in connection with significant capital investments that each carrier made in terminal facilities. The new Terminal A reopened in 2005 following construction that was largely financed with special facility debt incurred by Delta; and US Airways constructed two projects in Pier B of Terminal B, completed in 1998 and 2000, adding a wing with four new gates, as well as expanded and renovated holdroom, baggage and concession areas. The Terminal improvements were financed with proceeds of special facilities revenue bonds issued by the Authority on a non-recourse basis. In no case are such bonds secured by Revenues of the Authority or by a mortgage or other lien on property of the Airport.

With respect to the Terminal A special facility bonds, the Authority is under no obligation to assume the liability for such bonds or to direct revenue, other than a portion of the Terminal A airline billings, to service the special facility debt incurred by Delta to reconstruct Terminal A. However, the Authority has agreed with respect to its leases with Delta and US Airways to use reasonable efforts to re-let gates in the event of a default by the tenant. In addition, the Authority has received FAA approval to use PFCs to pay a portion of the debt service on the special facility bonds allocable to the public space within Terminal A and applies approximately $12.0 million per year of the PFCs for such purpose.

As reflected above, as of June 30, 2015, the Authority leased 79 of its 98 gates to various carriers serving the Airport. Rental revenue from Terminals totaled $133.9 million in fiscal year 2015 and rental income from non-terminal buildings and ground rents other than Terminals totaled $45.8 million in fiscal year 2015.

Concessions. Revenues from concessions increased from $76.0 million in fiscal year 2014 to $81.3 million in fiscal year 2015. The increase is primarily due to the higher passenger volume at the Logan Airport during fiscal year 2015. 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.

Hanscom Field. During fiscal year 2015, Revenues from operations at Hanscom Field represented approximately 1.8% of the total Revenues of the Authority, and Hanscom Field's Operating Expenses constituted approximately 2.5% of the Authority's Operating Expenses. In fiscal year 2015, Hanscom Field generated $12.1 million of Revenue, with Operating Expenses of $10.0 million, yielding an operating surplus before debt service or other capital expenses of approximately $2.0 million. Operating revenue and expense figures for Hanscom Field stated in this paragraph do not include certain items, particularly expense items, such as interest, depreciation and amortization, properly allocable to Hanscom Field, that are excluded from the definition of operating expenses pursuant to the 1978 Trust Agreement.

Worcester Regional Airport. During fiscal year 2015, Worcester Airport generated $1.6 million of Revenue, with Operating Expenses of $9.0 million, yielding an operating deficit before debt service or other capital expenses of approximately $7.4 million. Operating revenue and expense figures for Worcester Airport stated in this paragraph do not include certain items, particularly expense items, such as interest, depreciation and amortization, properly allocable to Worcester Airport, that are excluded from the definition of operating expenses pursuant to the 1978 Trust Agreement.

PORT PROPERTIES

In fiscal year 2015, the Revenue attributable to the Port Properties totaled approximately $90.6 million, or approximately 13.6% of the Revenues of the Authority, and the Port Properties accounted for approximately $82.0 million of Operating Expenses according to the 1978 Trust Agreement, or approximately 20.1% of the Authority's Operating Expenses. The Port Properties realized a surplus of approximately $8.6 million and $10.7 million in Net Revenues in fiscal years 2015 and 2014, respectively. The Net Revenue from Maritime Operations include Auto, Container, Cruise and Seafood Business lines was $6.3 million for fiscal year 2015, while the Net Revenue from Maritime Real Estate was $2.3 million in fiscal year 2015. 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 this 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 2015 was $3.8 million, an increase of $0.6 million from higher interest rates on fixed rate income investments and an increase in the Authority's cash available for investment.

EXHIBIT - I

Unaudited (in thousands)

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.

	AIRPORT PROPERTIES	PORT PROPERTIES	INVESTMENT INCOME	NET CHANGE IN THE FAIR VALUE OF INVESTMENTS	6/30/2015 FISCAL YEAR 2015 TOTAL	6/30/2014 FISCAL YEAR 2014 TOTAL
TRUST REVENUES:						
PLEDGED REVENUES	$ 568,020	$ 90,279	$ -	$ -	$ 658,299	$ 617,427
OPERATING GRANTS	3,930	530	-	-	4,460	3,498
SUBTOTAL	571,950	90,809	-	-	662,759	620,925
OPERATING INTEREST INCOME	-	-	3,830	-	3,830	3,208
ADJUSTMENT FOR UNCOLLECTIBLE ACCOUNTS	166	(198)	-	-	(32)	(465)
TOTAL TRUST REVENUES	**572,116**	**90,611**	**3,830**	**-**	**666,557**	**623,668**
TRUST OPERATING EXPENSES:						
OPERATIONS AND MAINTENANCE	251,150	64,619	-	-	315,769	292,143
ADMINISTRATION	48,965	12,004	-	-	60,969	56,521
INSURANCE	6,607	1,979	-	-	8,586	8,906
PENSION	9,591	1,555	-	-	11,146	11,990
OTHER POSTEMPLOYMENT BENEFITS (1978 TRUST)	10,125	1,875	-	-	12,000	14,000
TOTAL TRUST EXPENSES	**326,438**	**82,032**	**-**	**-**	**408,470**	**383,560**
EXCESS OF REVENUES OVER OPERATING EXPENSES AS PRESCRIBED BY THE 1978 TRUST AGREEMENT	**245,678**	**8,579**	**3,830**	**-**	**258,087**	**240,108**
ADD: REVENUES RECOGNIZED UNDER GAAP WHICH ARE EXCLUDED UNDER 1978 TRUST AGREEMENT:						
INVESTMENT INCOME SELF INSURANCE / OTHERS	-	-	2,123	-	2,123	1,919
PASSENGER FACILITY CHARGE (PFC)-LOGAN	65,807	-	-	-	65,807	62,682
INVESTMENT INCOME PFC-FAA	-	-	82	-	82	69
INVESTMENT INCOME PFC-NON FAA	-	-	986	-	986	1,029
CUSTOMER FACILITY CHARGE (CFC)	30,768	-	-	-	30,768	29,963
INVESTMENT INCOME CFC	-	-	384	-	384	417
CAPITAL GRANT REVENUE	55,609	344	-	-	55,953	56,124
GAIN/LOSS ON SALE OF EQUIPMENT	164	16	-	-	180	90
REALIZED NET INCREASE IN THE FAIR VALUE OF INVESTMENTS	-	-	-	122	122	428
UNREALIZED NET INCREASE IN THE FAIR VALUE OF INVESTMENTS	-	-	-	405	405	1,548
ADMINISTRATION EXPENSES	1,609	296	-	-	1,905	2,370
OPERATING REVENUES	511	(305)			206	1,510
ADJUST FOR OPERATING GRANT	(36)	-	-	-	(36)	36
SETTLEMENT OF CLAIMS	-	-	-	-	-	1,792
NONOPERATING OTHER REVENUES	10,084	7	-	-	10,091	10,547
PENSION	7,707	1,249	-	-	8,956	9,316
LESS: EXPENSES RECOGNIZED UNDER GAAP WHICH ARE EXCLUDED UNDER 1978 TRUST AGREEMENT:						
PILOT	(17,354)	(1,928)	-	-	(19,282)	(18,444)
OTHER POSTEMPLOYMENT BENEFITS	(557)	(97)	-	-	(654)	(140)
SELF INSURANCE COST	(123)	735	-	-	612	(95)
INTEREST EXPENSE	(63,216)	(1,613)	-	-	(64,829)	(64,973)
DEPRECIATION AND AMORTIZATION (1)	(210,778)	(16,380)	-	-	(227,158)	(217,767)
OPERATING EXPENSES	(5,368)	(41)	-	-	(5,409)	(4,201)
ADJUSTMENT FOR UNCOLLECTIBLE ACCOUNTS-NONTRUST FUND	1	-	-	-	1	12
TERMINAL A DEBT SERVICE CONTRIBUTIONS BY PFC	(10,918)	-	-	-	(10,918)	(11,839)
NONOPERATING OTHER EXPENSES	(956)	-	-	-	(956)	(1,407)
INCREASE / (DECREASE) IN NET ASSETS	**$ 108,632**	**$ (9,138)**	**$ 7,405**	**$ 527**	**$ 107,426**	**$ 101,094**

(1) Capital Assets are depreciated under GAAP but not under 1978 Trust Agreement.

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PFC DISCLOSURE

ARTWORK AT BOSTON'S LOGAN AIRPORT

As part of the extensive renovations at Logan Airport Terminal B, Massport commissioned a permanent art installation. Pictured here is the 18 foot stainless steel sculpture "flyby", which was created by award winning local artist Jacob Kulin to pay homage to the grace of planes flying in formation.

STATEMENT OF PFC ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
OF THE MASSACHUSETTS PORT AUTHORITY FOR FISCAL YEAR 2015

INTRODUCTION

This Statement of Annual Financial Information and Operating Data dated as of November 18, 2015 (the "PFC Annual Disclosure Statement") of the Massachusetts Port Authority (the "Authority") is prepared and submitted in accordance with the requirements of the Continuing Disclosure Agreement dated as of May 6, 1999 (the "PFC Disclosure Agreement") between the Authority and The Bank of New York Mellon. Set forth below is certain financial information and operating data relating to the Authority for the fiscal year ended June 30, 2015 ("fiscal year 2015") updating the financial information and operating data presented in the Authority's Official Statement dated August 5, 2010 relating to the 2010 PFC Bonds (the "2010 PFC Official Statement") and the Authority's Statement of PFC Annual Financial Information and Operating Data dated as of November 25, 2014 (the "2014 PFC Annual Disclosure Statement"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the 2010 PFC Official Statement. This PFC Annual Disclosure Statement is part of the Authority's Comprehensive Annual Financial Report dated November 18, 2015 (the "2015 CAFR") for fiscal year 2015 and the remaining sections of the 2015 CAFR are incorporated herein by reference. The Authority's audited financial statements for fiscal year 2015 and comparative information for fiscal year 2014, 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 as part of the 2015 CAFR. The 2010 PFC Official Statement and the 2014 PFC Annual Disclosure Statement are each on file with the Municipal Securities Rulemaking Board ("MSRB"). For a more complete description of the Authority and the PFC Bonds, reference is made to the 2010 PFC Official Statement.

This PFC Annual Disclosure Statement applies to the following Series of Bonds issued by the Authority and currently outstanding (collectively the "PFC Bonds"), issued pursuant to a PFC Revenue Bond Trust Agreement dated as of May 6, 1999, as supplemented and amended (the "PFC Trust Agreement"), between the Authority and The Bank of New York Mellon, as trustee (the "PFC Trustee"):

MASSACHUSETTS PORT AUTHORITY PFC REVENUE BONDS, SERIES 2007-B (NON-AMT)	MASSACHUSETTS PORT AUTHORITY PFC REVENUE REFUNDING BONDS, SERIES 2007-D (NON-AMT)	MASSACHUSETTS PORT AUTHORITY PFC REVENUE REFUNDING BONDS, SERIES 2010-E (AMT)

For additional information concerning the Authority, please see the Authority's website, www.massport.com. Financial information can be found in the Investor Relations section of the Authority's website at http://www.massport.com/about-massport/investor-relations/. Copies of the Annual Statements prepared pursuant to Rule 15c2-12 (the "Rule') promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, with respect to the Authority's bonds issued under the 1978 Trust Agreement, the PFC Trust Agreement and the CFC Trust Agreement for years prior to fiscal year 2015 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 PFC 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 PFC Trust Agreement, and not on***

the basis of GAAP. The information set forth herein does not contain all material information concerning the PFC Bonds or the Authority necessary to make an informed investment decision. This PFC Annual Disclosure Statement does not constitute an offer to sell or the solicitation of an offer to buy the PFC Bonds.

This PFC Annual Disclosure Statement is submitted pursuant to the PFC Disclosure Agreement. The intent of the Authority's undertaking under the PFC Disclosure Agreement is to provide on a continuing basis for the benefit of the owners of the PFC Bonds and any other bonds of the Authority which are designated by resolution of the Authority as subject to and having the benefits of the PFC Disclosure Agreement the information described in the Rule. Pursuant to the PFC Disclosure Agreement, the Authority has agreed with respect to the PFC Bonds to provide, or cause to be provided, certain annual financial information and operating data, prepared on the basis of the PFC Trust Agreement, and notices of material events. The Authority reserves the right to modify the disclosure required under the PFC Disclosure Agreement, 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 PFC Trustee or for the underwriters of the PFC Bonds, any registered owner or beneficial owner of PFC Bonds, any municipal securities broker or dealer, any potential purchaser of the PFC 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 PFC Disclosure Agreement 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 PFC Trust Agreement or any other instruments relating to the PFC Bonds.

UPDATED OPERATING INFORMATION

Incorporation by Reference

To view the 2015 CAFR on-line, please visit: http://www.massport.com/cafr.

PFC ANNUAL FILING

The following information is provided with respect to the PFC Bonds pursuant to the PFC Disclosure Agreement.

HISTORICAL AND FORECAST PFCS AND ESTIMATED DEBT SERVICE COVERAGE

A table presenting historical PFC revenues and estimated net debt service coverage of the PFC Bonds as of June 30, 2015 is attached hereto as APPENDIX PFC-1.

FIRST LIEN SUFFICIENCY COVENANT

A calculation of the First Lien Sufficiency Covenant (as defined in the PFC Trust Agreement) as of June 30, 2015 is attached hereto as APPENDIX PFC-2.

SOURCES AND USES OF FUNDS FOR 1999 PFC BOND PROJECTS, NOW REFUNDED BY THE 2007-D BONDS AND 2010-E BONDS

The 1999 PFC Bonds Projects consist of the "Gateway Terminal Building", comprising an addition of approximately 410,000 square feet of new space to, and renovation of approximately 170,000 square feet of existing space at Terminal E, the international terminal at the Airport, and development of the "Gateway Roadways", comprising a new two-level system of public roads, service access and new curbside facilities. Collectively, the Gateway Terminal Building and the Gateway Roadways are referred to as the "International Gateway Project". In May 2003, the new South Addition to the Gateway Terminal Building was placed in service and as of October 2011, work had been completed on the Gateway Terminal Building portion of the project. On September 16, 2004, the Members of the Authority authorized an increase to the budget for the International Gateway Project from $322.0 million to $410.0 million (excluding an additional $44.0 million of baggage screening improvements). A portion of the increase in the project budget was used to effect a settlement of certain claims asserted by the previous contractor for the project, Modern Continental Construction, Inc., and to engage a new contractor, Skanska USA, Inc., for the project. Since that date, the approved project budget has increased by an additional $9.45 million, to $419.5 million (excluding the cost of the baggage screening improvements). As of June 30, 2015, the cost of the International Gateway Project was $458.6 million (including $40.5 million of baggage screening improvements) and the project has been completed. The primary sources of funding for the International Gateway Project were the Authority's 1999 PFC Bonds, commercial paper (expected to be repaid with PFCs) and Revenue Bonds, Series 1999-D and Series 2005-B, as well as pay-as-you-go PFCs.

SUBSEQUENT PFC APPLICATIONS AND AMENDMENTS

On July 29, 2005, the Authority submitted a request to the FAA to amend the existing PFC authorization to increase the collection amount from $3.00 to $4.50, to decrease the amount of PFCs approved by the FAA to be used for certain completed projects, and to increase the FAA-approved amount for the International Gateway Project to $483.6 million including financing costs. On September 2, 2005, the FAA issued a Final Agency Decision ("FAD") increasing the PFC collected from eligible passengers enplaning at Logan Airport to $4.50, effective October 1, 2005, increasing the amount of PFCs that may be used to fund construction and financing costs of the International Gateway Project to $483.6 million including financing costs, and decreasing the amount of PFCs to be used for certain completed PFC projects.

On December 6, 2005, the Authority submitted a PFC Application to the FAA to amend one previously approved project, add ten new projects to Logan Airport's PFC Program and request authority to collect a $4.50 PFC to fund the projects. On April 20, 2006, the FAA issued a FAD approving the PFC Application (the "2006 Approval"). The FAD approved $293.0 million in PFC collection authority for the new projects, resulting in a total PFC collection authority of $994.2 million, and approved $280.2 million in PFC use authority, resulting in a total PFC use authority of $981.4 million.

On May 26, 2009, the Authority received approval from the FAA to use PFC revenues to fund certain elements of the Centerfield Taxiway Project and to reduce the amount of PFC funding for the project (reflecting updated construction costs). Overall, the Authority's total PFC collections and use authority was amended to $991.9 million with an expected expiration date of February 1, 2016.

On May 24, 2010, the Authority received approval from the FAA to amend the existing PFC collection and use authority, reducing the collection and use amount by $31.8 million and extending the projected expiration date to August 1, 2016. Additionally, the Authority also submitted a request to increase the collection authorization by $428.0 million (to $1.388 billion) and to extend the collection period until August 1, 2024. On April 26, 2011, the Authority received approval from the FAA to use $392.1 million of PFC revenues to fund certain projects including the Rehabilitation of Taxiway N, Access Control to the Airport Operation Area ("AOA"), Access Control Data Storage and Server Capacity Enhancements, Replacement of Fireboat Marine 1, Terminal E Gate Departure Improvements, Terminal C Checkpoint Consolidation, Terminal A Debt Service and Airfield Electrical System upgrades. The request also included a request to collect PFCs for the Runway Safety Area ("RSA") for Runway 33L.

On November 1, 2011, the Authority submitted an application to use PFCs for the RSA for Runway 33L. In March 2012, the Authority received approval for the use of PFCs for the RSA for Runway 33L in the amount of $18.3 million. The Authority's total PFC impose and use authority was amended to $1.352 billion with an expected expiration date of December 1, 2023.

On September 23, 2013, the Authority submitted its eighth application to the FAA to impose and use an additional $100.0 million in PFCs. The PFC revenues funded certain projects in the Authority's capital program including the Runway Protection Zone Land Purchase, Renovations and Improvements to Terminal B, the Apron and Gate Electrification also at Terminal B and the Light Pier and CAT III. This application was approved in August 2014 increasing the Authority's impose and use authority to $1.452 billion with an estimated expiration date of May 1, 2025. This date was left unchanged in recognition of potential future variations in either the rate of the collections or the final cost of the projects.

On July 31, 2014, the Authority submitted its ninth application to the FAA to impose and use an additional $97.0 million in PFC's with an estimated expiration date of October 1, 2024. The PFC revenues funded certain projects in the Authority's capital program including Checked Baggage Inspection Systems Enhancements, Runway 22R RSA Improvements and Replacement of Runway 4L EMAS Bed, Rehabilitation of North Alpha and Bravo Taxiways, Rehabilitate Runway 15R-33L and Residential Sound Proofing. This application was approved in December 2014 increasing the Authority's impose and use authority to $1.549 billion with an estimated expiration date of October 1, 2024.

On July 31, 2015, the Authority submitted its tenth application to the FAA to impose and use an additional $123.7 million in PFC's with an estimated expiration date of May 1, 2026. The PFC revenues would fund certain projects in the Authority's capital program including a Terminal C to E Connector, Runway 15L-33R Safety Improvements, rehabilitation of Taxiways Alpha East, Bravo East and Bravo South, rehabilitation of Runway 4R, Phases 1 & 2, and Taxiways F, H, P/E, & M1, rehabilitation of Terminal A Taxilanes, rehabilitation of Runway 4L-22R, rehabilitation of Taxiway E West and Taxiway K West, and rehabilitation of Runway 22L. It is expected that once approved, the impose and use authorization will increase to $1.673 billion with an estimated expiration date of May 1, 2026.

FAA PFC # 6: INTERNATIONAL GATEWAY PROJECT SOURCES AND USES INCLUDING GATEWAY ROADWAYS AND HOLD BAGGAGE

	GATEWAY ROADWAYS	GATEWAY TERMINAL BUILDING INCLUDING HOLD BAGGAGE	TOTAL
PFC PAY-AS-YOU-GO FUNDING:			
DESIGN:	$ 3,281,400	$ 3,266,000	$ 6,547,400
CONSTRUCTION COSTS:	5,724,231	151,142,321	156,866,552
SUBTOTAL PFC PAY-AS-YOU-GO FUNDING:	9,005,631	154,408,321	163,413,953
PFC REVENUE BONDS:			
SERIES 1999 A:	39,237,376	-	39,237,376
SERIES 1999 B:	374	182,671,928	182,672,302
SUBTOTAL PFC-RELATED FUNDING:	48,243,381	337,080,249	385,323,630
NON-PFC REVENUE BONDS:			
SERIES 1990A:	-	1,562,899	1,562,899
SERIES 1997B:	-	14,569	14,569
SERIES 1999D:	1,674,743	37,753,018	39,427,761
SERIES 2003B:	-	3,551,938	3,551,938
SERIES 2005B:	10,441	15,871,739	15,882,180
I&E FUND:	-	707,831	707,831
OTHER SOURCES:			
TSA GRANT:	-	12,092,231	12,092,231
TOTAL FUNDING FOR INTERNATIONAL GATEWAY:	$ 49,928,566	$ 408,634,473	$ 458,563,039

* Totals may not add due to rounding.

SOURCES AND USES OF FUNDS FOR 2007 PFC BOND PROJECTS

The 2007-B PFC Bonds were issued to finance the PFC-eligible costs, net of grant and other funding, of the design and construction of Runway 14/32 and Associated Taxiways and Southwest Taxiway, Infield and Taxiway K Improvements, Runway 4L/22R and 4R/22L Improvements and Airfield Drainage and Perimeter Road Improvements (collectively, the "2007- B PFC Bond Projects"). The 2007-D PFC Revenue Refunding Bonds were issued to advance refund all outstanding 1999-A PFC Bonds (the "Refunded Bonds"). The 2007-B PFC Bond Projects are among the capital projects approved for PFC funding by the FAA pursuant to the 2006 Approval. The following table shows the projects that were partially or fully financed with the proceeds of the 2007-B PFC Bonds, as well as the other Approved Projects that were included in the 2006 Approval and prior year approvals. The project fund for the 2007-B Bonds is fully expended. The projects funded (in whole or in part) by the 2007-B Bonds have been completed.

PFC PROJECTS AS APPROVED IN FAA FINAL AGENCY DECISIONS

PROJECT	TOTAL PROJECT COST	AMOUNT FUNDED BY PFC BONDS	AMOUNT FUNDED BY PFC PAY-AS-YOU-GO	AMOUNT FUNDED BY COMMERCIAL PAPER TO BE FUNDED BY PFCS	AMOUNT FUNDED BY GRANTS / FEDERAL CONTRACT	AMOUNT FUNDED BY AUTHORITY REVENUE BONDS AND CASH	ACTUAL / EXPECTED DATE OF CONSTRUCTION	ACTUAL / EXPECTED DATE OF COMPLETION AS OF 6/30/15
APPROVED PFC PROJECTS FUNDED WITH 2007-B BONDS AND INCLUDED IN THE 2006 APPROVAL								
SOUTHWEST TAXIWAY, INFIELD AND TAXIWAY K IMPROVEMENTS	$ 36.9 MILLION	$ 5.0 MILLION	--	--	$ 14.8 MILLION	$ 17.1 MILLION	APRIL 2007	DECEMBER 2007
APPROVED PFC PROJECTS FUNDED WITH 2007-B BONDS AND INCLUDED IN THE 2006 APPROVAL AS AMENDED IN MAY 2010								
RUNWAY 14/32 AND ASSOCIATED TAXIWAYS	$ 83.1 MILLION	$ 16.6 MILLION	--	--	$ 59.0 MILLION	$ 7.5 MILLION	AUGUST 2004	DECEMBER 2006
RUNWAY 4L-22R AND 4R-22L IMPROVEMENTS	$ 31.9 MILLION	$ 16.6 MILLION	$ 4.0 MILLION	--	$ 10.6 MILLION	$ 0.7 MILLION	APRIL 2004	MARCH 2007
AIRFIELD DRAINAGE AND PERIMETER ROAD IMPROVEMENTS	$ 0.4 MILLION	$ 0.4 MILLION	--	--	--	--	JUNE 2007	DECEMBER 2007
APPROVED PFC PROJECTS FUNDED WITH 2007-B BONDS AND INCLUDED IN THE 2011 APPROVAL								
RECONSTRUCTION OF RUNWAY 22L(1)	$ 6.4 MILLION	$ 5.4 MILLION	$ 1.0 MILLION	--	--	--	SEPTEMBER 2008	DECEMBER 2008
PFC PROJECTS INCLUDED IN THE 1993 APPROVAL AS AMENDED IN 2005								
RESIDENTIAL SOUND INSULATION PROGRAM - 1999 CONTOUR	$ 82.7 MILLION	--	$ 15.3 MILLION	--	$ 65.7 MILLION	$ 1.6 MILLION	MARCH 1991	DECEMBER 2000
LOGAN MODERNIZATION PRELIMINARY DESIGN AND ENVIRONMENTAL APPROVAL	$ 23.1 MILLION	--	$ 9.5 MILLION	--	--	$ 13.6 MILLION	MAY 1993	DECEMBER 1997
TERMINAL E MODERNIZATION	$ 34.9 MILLION	--	$ 20.9 MILLION	--	--	$ 13.9 MILLION	JULY 1995	JULY 1997
CIRCULATING ROADWAYS	$ 164.1 MILLION	--	$ 164.1 MILLION	--	--	--	AUGUST 1998	JULY 2006
PFC PROJECTS INCLUDED IN THE 1997 APPROVAL AS AMENDED IN 2006								
ELEVATED WALKWAYS	$ 112.3 MILLION	--	$ 112.3 MILLION	--	--	--	APRIL 1997	MARCH 2005
PFC PROJECTS INCLUDED IN THE 1998 APPROVAL FUNDED WITH 2007D AND 2010E BONDS (WHICH REFUNDED THE 1999 A & D BONDS) AS AMENDED IN 2005								
INTERNATIONAL GATEWAY INCLUDING TERMINAL E HOLD BAGGAGE SCREENING SYSTEM (2)	$ 458.6 MILLION	$ 221.9 MILLION	$ 140.4 MILLION	$ 23.0 MILLION	$ 12.1 MILLION	$ 61.1 MILLION	AUGUST 1998	OCTOBER 2011
PFC PROJECTS INCLUDED IN THE 2006 APPROVAL								
TAXIWAY D EXTENSION	$ 18.9 MILLION	--	$ 4.3 MILLION	--	$ 10.6 MILLION	$ 4.0 MILLION	MAY 2010	DECEMBER 2010
RESIDENTIAL SOUND INSULATION PROGRAM - 1998, 2001 AND RUNWAY 14-32 MITIGATION CONTOURS	$ 69.9 MILLION	--	$ 13.8 MILLION	--	$ 54.6 MILLION	$ 1.5 MILLION	JULY 2001	JUNE 2015
ADDITIONAL PFC PROJECTS INCLUDED IN THE 2006 APPROVAL AS AMENDED IN 2009								
CENTERFIELD TAXIWAY	$ 44.1 MILLION	--	$ 9.8 MILLION	--	$ 28.9 MILLION	$ 5.4 MILLION	APRIL 2008	JUNE 2015

PFC PROJECTS AS APPROVED IN FAA FINAL AGENCY DECISIONS (CONTINUED)

PROJECT	TOTAL PROJECT COST	AMOUNT FUNDED BY PFC BONDS	AMOUNT FUNDED BY PFC PAY-AS-YOU-GO	AMOUNT FUNDED BY COMMERCIAL PAPER TO BE FUNDED BY PFCS	AMOUNT FUNDED BY GRANTS / FEDERAL CONTRACT	AMOUNT FUNDED BY AUTHORITY REVENUE BONDS AND CASH	ACTUAL / EXPECTED DATE OF CONSTRUCTION	ACTUAL / EXPECTED DATE OF COMPLETION AS OF 6/30/15
ADDITIONAL PFC PROJECTS INCLUDED IN THE 2006 APPROVAL AS AMENDED IN 2010								
HOLD BAGGAGE SCREENING AT TERMINAL C	$ 46.5 MILLION	--	$ 6.2 MILLION	--	$ 40.3 MILLION	--	JULY 2002	DECEMBER 2002
TERMINAL B SECURITY CHECKPOINT CONSOLIDATION	$ 7.6 MILLION	--	$ 7.6 MILLION	--	--	--	SEPTEMBER 2004	FEBRUARY 2007
BOUNDARY SECURITY INFRASTRUCTURE	$ 15.1 MILLION	--	$ 4.3 MILLION	--	--	$ 10.8 MILLION	SEPTEMBER 2005	SEPTEMBER 2008
ACCESS CONTROL	$ 29.4 MILLION	--	$ 25.9 MILLION	--	$ 3.5 MILLION	--	NOVEMBER 2004	JULY 2008
TERMINALS B, C AND E APRONS AND ALLEYWAYS RECONSTRUCTION	$ 12.0 MILLION	--	$ 12.0 MILLION	--	--	--	JULY 2005	JANUARY 2007
PFC PROJECTS INCLUDED IN THE 2011 APPROVAL								
AIRFIELD ELECTRICAL SYSTEM UPGRADE	$ 15.5 MILLION	--	--	$ 15.5 MILLION	--	--	MAY 2009	JUNE 2015
REHABILITATION OF TAXIWAY N	$ 5.0 MILLION	--	$ 3.5 MILLION	$ 0.5 MILLION	$ 1.0 MILLION	--	JULY 2010	JULY 2011
ACCESS CONTROL TO AOA FROM ANCILLARY BUILDINGS	$ 1.0 MILLION	--	--	$ 1.0 MILLION	--	--	OCTOBER 2009	DECEMBER 2013
ACCESS CONTROL DATA STORAGE & SERVER ENHANCEMENTS	$ 2.8 MILLION	--	--	$ 1.0 MILLION	--	$ 1.8 MILLION	MAY 2010	AUGUST 2014
REPLACE FIREBOAT MARINE 1	$ 5.9 MILLION	--	--	$ 5.9 MILLION	--	--	MAY 2010	JUNE 2015
TERMINAL C CHECKPOINT CONSOLIDATION	$ 58.6 MILLION	--	--	$ 21.7 MILLION	$ 0.2 MILLION	$ 36.7 MILLION	APRIL 2010	JUNE 2014
TERMINAL E GATE DEPARTURE AREA & BAGGAGE SYSTEM UPGRADE	$ 30.5 MILLION	--	$ 4.2 MILLION	$ 14.3 MILLION	--	$ 12.0 MILLION	AUGUST 2009	NOVEMBER 2011
TERMINAL A DEVELOPMENT (4)	$ 180.9 MILLION	--	$ 180.9 MILLION	--	--	--	JUNE 2011	DECEMBER 2030
PFC PROJECTS INCLUDED IN THE 2011 APPROVAL AS AMENDED IN 2012								
DEVELOPMENT OF RUNWAY SAFETY AREA FOR RUNWAY 33L(3)	$ 79.2 MILLION	--	--	$ 30.8 MILLION	$ 48.4 MILLION	--	JUNE 2011	JUNE 2014
PFC PROJECTS INCLUDED IN THE 2013 APPROVAL								
R/W PROTECTION ZONE LAND PURCHASE	$ 6.4 MILLION	--	--	$ 5.8 MILLION	--	$ 0.6 MILLION	SEPTEMBER 2008	JUNE 2015
RENOV & IMPROVEMENTS AT TERMINALS B & E	$ 136.7 MILLION	--	--	$ 81.3 MILLION	--	$ 55.4 MILLION	JUNE 2012	APRIL 2014
TERMINAL B GATE ELECTRIFICATION EQUIPMENT	$ 14.8 MILLION	--	--	$ 11.0 MILLION	$ 2.0 MILLION	$ 3.8 MILLION	JUNE 2012	DECEMBER 2015
PFC PROJECTS INCLUDED IN THE 2014 APPROVAL								
REHAB. R/W 15R	$ 22.0 MILLION	--	--	--	--	$ 22.0 MILLION	JULY 2012	OCTOBER 2013
REHAB NORTH ALPHA & BRAVO	$ 14.3 MILLION	--	--	--	$ 9.9 MILLION	$ 14.3 MILLION	OCTOBER 2013	SEPTEMBER 2014
RUNWAY 22R RSA IMPROVEMENTS	$ 5.0 MILLION	--	--	--	--	$ 5.0 MILLION	OCTOBER 2014	MAY 2015
CBIS REPLACEMENT/OPTIMIZATION	$ 134.9 MILLION	--	--	$ 3.0 MILLION	$ 120.4 MILLION	$ 131.9 MILLION	JULY 2012	APRIL 2016
RSIP CONTOUR 2002-05	$ 4.7 MILLION	--	--	--	$ 3.8 MILLION	$ 4.7 MILLION	JULY 2012	JUNE 2015

Notes: Amounts shown reflect FAA approved PFC funding authority for project costs through June 30, 2015. **(1)** The Authority received PFC funding approval for the Runway 22L reconstruction project in April 2011 and used remaining proceeds from the 2007- B PFC Bonds for this project. **(2)** The International Gateway is complete. **(3)** The Authority received PFC "impose" authority for the "Development of Runway Safety Area for Runway 33L," in 2011; an application for "use" authority was approved by the FAA in March 2012 for the above project costs. **(4)** In April 2011, the Authority received FAA approval to use PFCs to fund 37% of the debt service from 2011-2031, including $180.9 million of principal payments associated with $180.9 million of project costs. **(5)** Includes additional $15.0 million approved in August 2014.

ADDITIONAL INFORMATION

The remaining information required to be included in the Authority's Annual Filing under subsections 4(a) (ii), (iii), (iv) and 4(c) of the PFC Disclosure Agreement is included in the Authority's audited financial statements for the fiscal year ended June 30, 2015, the Letter of Transmittal, the Statistical Information or the Annual Disclosure Statement included in the 2015 CAFR.

* * *

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

APPENDIX PFC-1

HISTORICAL PFC REVENUE AND DEBT SERVICE COVERAGE

Unaudited (in thousands)

FISCAL YEAR	ENPLANED PASSENGERS (1)	RATE OF TRAFFIC GROWTH	ESTIMATED PERCENT PASSENGERS PAYING PFCS (2)	NET PFC REVENUE (3)	PFC INVESTMENT INCOME	TOTAL COLLECTIONS PLUS INVESTMENT INCOME	GROSS ANNUAL DEBT SERVICE	LESS INTEREST INCOME (4)	NET ANNUAL DEBT SERVICE	DEBT SERVICE COVERAGE (5)
2001	13,659	-1.02%	91.08%	$ 36,324	$ 3,901	$ 40,225	$ 21,543	$ 9,904	$ 11,639	3.46
2002	11,026	-19.27%	91.45%	29,445	2,652	32,097	21,547	7,402	14,145	2.27
2003	11,250	2.03%	88.55%	29,090	771	29,861	21,545	3,841	17,704	1.69
2004	12,236	8.76%	91.93%	32,845	607	33,452	21,548	895	20,652	1.62
2005	13,381	9.36%	91.32%	35,316	621	35,937	21,543	1,329	20,213	1.78
2006	13,662	2.10%	91.01%	48,324	1,265	49,589	21,546	1,305	20,241	2.45
2007	13,867	1.51%	94.46%	57,504	938	58,443	19,809	1,318	18,490	3.16
2008	13,614	-1.83%	89.92%	53,740	1,006	54,745	27,311	2,153	25,158	2.18
2009	12,453	-8.53%	91.65%	50,102	597	50,699	27,188	2,758	24,430	2.08
2010 (6)	14,261	14.52%	93.60%	58,598	469	59,067	27,189	1,642	25,547	2.31
2011	14,138	-0.86%	94.23%	58,485	177	58,662	22,949	1,618	21,331	2.75
2012	14,557	2.96%	92.73%	59,258	81	59,340	23,159	924	22,236	2.67
2013	14,622	0.45%	93.64%	60,105	61	60,167	23,161	1,417	21,744	2.77
2014	15,339	4.90%	93.09%	62,682	69	62,751	23,155	1,311	21,844	2.87
2015	16,067	4.75%	93.30%	65,807	82	65,889	22,038	841	21,197	3.11

(1) Excludes general aviation passengers from whom PFCs are not collected.

(2) These figures are accrual revenue numbers based on PFC Collections for the respective fiscal years and after allowance for the air carriers' PFC Collection fee during the fiscal year. These accrual figures are estimated because PFCs are collected from passengers at the time of ticket sale, not at the time that travel occurs.

(3) The substantial increase in net PFC collections in FY2006 reflects an increase in the authorized PFC level to $4.50, from $3.00 effective October 1, 2005. As of June 30, 2015, the air carrier PFC Collection fee was $0.11.

(4) Interest income on the Debt Service Reserve Fund, the Project Fund and non-PFC interest income on the Debt Service Fund.

(5) Debt Service Coverage for fiscal years 2001 through 2005 reflect the pledge of revenue at the $3.00 PFC level. Debt Service Coverage for fiscal years 2006 through 2015 reflect the pledge of revenue at the $4.50 PFC level. The increase in the pledge of revenue received by Massport that is attributable to the first $4.50 of PFCs, rather than the first $3.00 of PFCs, was approved by Massport's Board on May 17, 2007.

(6) In FY2010 the Authority changed its accrual policy for calculating PFC revenue. Therefore, for the purpose of calculating the FY2010 estimated percent of passengers paying PFCs, the FY2010 enplaned passenger number was similarly adjusted.

APPENDIX PFC-2

FIRST LIEN SUFFICIENCY COVENANT

for the fiscal year ending June 30, 2015 (see attached notes and exhibits)

Unaudited

FIRST LIEN SUFFICIENCY COVENANT =	UNSPENT PFC AUTHORITY + PROJECTED ADDITIONAL PLEDGED REVENUE / PROJECTED AGGREGATE DEBT SERVICE	=	5.64

1) UNSPENT PFC AUTHORITY:		
(A) AGGREGATE DOLLAR AMOUNT OF REVENUE AUTHORIZED TO BE COLLECTED BY THE AUTHORITY UNDER PFC AUTHORITY		$ 1,549,173,256
MINUS:		
(B) THE DOLLAR AMOUNT OF COST OF PROJECTS PAID TO DATE FROM PFC PLEDGED REVENUE OR LEGALLY OBLIGATED TO DATE TO BE PAID FROM PFC PLEDGED REVENUE		($ 832,293,575)
(C) (INCLUDING DEBT SERVICE PAID TO DATE ON FIRST LIEN PFC BONDS AND INTEREST ON COMMERCIAL PAPER, BUT EXCLUDING PROJECTED AGGREGATE DEBT SERVICE, WITH RESPECT TO FIRST LIEN PFC BONDS)		($ 302,678,669)
TOTAL UNSPENT PFC AUTHORITY = (A) MINUS SUM OF (B) AND (C)		**$ 414,201,012**
PLUS:		
2) PROJECTED ADDITIONAL PLEDGED REVENUE (CURRENTLY NONE)		**$ 0**
	SUBTOTAL:	**$ 414,201,012**
3) PROJECTED AGGREGATE DEBT SERVICE		
AMOUNT NECESSARY TO PAY OR REDEEM THE 2007-B, 2007-D, 2010-E PFC BONDS REDEEMED AT MATURITY		
PROJECTED AGGREGATE DEBT SERVICE:		
(D) AGGREGATE AMOUNT OF ANNUAL DEBT SERVICE FOR THE PERIOD COMMENCING JULY 1, 2014 ASSUMING ALL BONDS REDEEMED AT MATURITY INCLUDING FUTURE INTEREST ON COMMERICAL PAPER		$ 114,642,000
MINUS:		
(E) AMOUNTS ON DEPOSIT AS OF JUNE 30, 2015 IN THE DEBT SERVICE FUND AND		($ 20,486,782)
DEBT SERVICE RESERVE FUND,		($ 20,232,661)
AND PROJECTED INTEREST EARNINGS ON THE PROJECT FUNDS AND		($ 0)
THE DEBT SERVICE RESERVE FUND		($ 514,940)
	SUBTOTAL:	($ 41,234,383)
TOTAL PROJECTED AGGREGATE DEBT SERVICE = (D) MINUS (E)		**$ 73,407,617**

(A), (B), (C), (D), (E): See attached notes.

Notes :

(A) See FAA's Final Agency Decision (Record of Decision), December 10, 2014 (Exhibit 1)

(B) This figure is the total of (1) pay-as-you-go expenditures paid through June 30, 2015 plus (2) binding commitments legally obligated to be paid (but not yet paid as of June 30, 2015).

TABLE REPRESENTING FOOTNOTE B	PFC PROJECT EXPENSES "PAY-GO" PAID TO DATE *	LEGALLY OBLIGATED TO BE PAID **
PFC PROJECT 1: RESIDENTIAL SOUND INSULATION PROJECTS	15,323,217	-
PFC PROJECT 2A: LOGAN MODERNIZATION PROGRAM PLANNING, PRELIMINARY DESIGN AND ENVIRONMENTAL ANALYSIS	9,513,984	-
PFC PROJECT 3: TERMINAL E MODERNIZATION	20,891,765	-
PFC PROJECT 4: CIRCULATING ROADWAYS	154,524,902	-
PFC PROJECT 6: INTERNATIONAL GATEWAY	155,703,816	-
PFC PROJECT 17: ELEVATED WALKWAYS	110,720,934	-
PFC PROJECT 20 : RESIDENTIAL SOUND INSULATION 1998 AND 200165 LDN CONTOURS	8,590,000	-
PFC PROJECT 21: RESIDENTIAL SOUND INSULATION 14/32 MITIGATION CONTOUR	5,200,000	-
PFC PROJECT 23 : TAXIWAY IMPROVEMENTS	4,284,582	-
PFC PROJECT 24 : RUNWAY IMPROVEMENTS	4,013,848	-
PFC PROJECT 25: RECONSTRUCTION OF APRONS & ALLEYWAYS	12,053,535	-
PFC PROJECT 26 : SECURITY IMPROVEMENTS	44,011,188	-
PFC PROJECT 27: CENTERFIELD TAXIWAY	9,753,789	-
PFC PROJECT 32 : DEVELOPMENT OF RUNWAY SAFETY AREA FOR RUNWAY 33L	-	13,553,000
PFC PROJECT 33 : RECONSTRUCTION OF RUNWAY 22L	986,644	-
PFC PROJECT 35: AIRFIELD ELECTRICAL SYSTEM	-	10,950,000
PFC PROJECT 36 : REHABILITATION OF TAXIWAY "N"	3,500,000	-
PFC PROJECT 37: ACCESS CONTROL TO ANCILLARY BUILDINGS	1,054,978	50,022
PFC PROJECT 38 : ACCESS CONTROL DATA STORAGE AND SERVER CAPACITY	1,080,000	-
PFC PROJECT 39 : REPLACEMENT OF FIREBOAT MARINE 1	-	6,168,000
PFC PROJECT 40 : TERMINAL "C" CHECKPOINT CONSOLIDATION	30,907	17,969,093
PFC PROJECT 41: TERMINAL "E" GATE AREA AND BAGGAGE SYSTEM UPGRADES	14,162,916	4,088,084
PFC PROJECT 42 : TERMINAL "A" DEVELOPMENT	50,045,935	-
PFC PROJECT 48 : REHABILITATE RW 15R-33L	-	22,051,895
PFC PROJECT 49 : RW PROTECTION ZONE LAND ACQUISITION	-	5,859,647
PFC PROJECT 51: REHABILITATE OF NORTH ALPHA & NORTH BRAVO TAXIWAYS	-	5,727,779
PFC PROJECT 52: RW 22R SAFETY AREA IMPROVEMENTS & REPLACEMENT OF 22R EMAS BED REHABILITATE RW 15R-33L	-	2,400,000
PFC PROJECT 53 : CHECK BAGGAGE INSPECTION SYSTEMS	-	44,697,503
PFC PROJECT 54 : RENOVATIONS AND IMPROVEMENT TO TERM B	-	44,000,000
PFC PROJECT 57: LIGHT PIER AND CAT III	-	15,533,397
PFC PROJECT 58 : MITIGATION SOUND INSULATION PROGRAM	-	1,098,215
PFC PROJECT 60 : TERM B APRON IMPROVEMENT	-	12,200,000
PFC PROJECT 61: TERM B GATE ELECTRICFICATION EQUIPMENT	-	500,000
TOTAL OF PAID TO DATE AND LEGALLY OBLIGATED TO BE PAID:	**$ 625,446,940**	**$ 206,846,635**

* Source: June 30, 2015 FAA Passenger Facility Charge Quarterly Report. (See Exhibit 2.)

** Source: Capital Programs Project Reports (as of June 30, 2015) and FAA PFC Quarterly Report (as of June 30, 2015)

(C) Debt Service Paid-to-Date consists of the interest and principal payments made to bondholders through January 1,2015, the interest paid for commerical paper through June 30, 2015, and in FY11 the amount paid for bond principal to defease the 1999-B bonds. The amount of PFC Pledged Revenue used to pay debt service was $275,107,276; interest amount paid on commercial paper was $17,354,894; and the PFC funded amount used to defease the 1999-B bonds was $10,216,500.

(D) Aggregate amount of projected Annual Debt Service as of June 30, 2015 assuming the 2007-B, 2007-D and 2010-E Bonds are redeemed at maturity $103,584,000
(See attached Exhibit 3)

Aggregate amount of projected future interest payments on commerical paper, as of June 30,2015 $11,058 ,000

(E) Sum of amounts on deposit as of June 30,2015 in the Debt Service Fund, Debt Service Reserve Fund, and projected interest earnings on any PFC project funds and PFC Debt Service Reserve fund assuming the 2007-B, 2007-D and 2010-E Bonds are redeemed at maturity $41,234,383
(See attached Exhibit 3)

CUMULATIVE PFC AUTHORITY

For the purpose of any future amendments under §158.37 which might increase the total approved net PFC revenue, the amounts "Approved for Use" are specified here. The applicability of §158.37(b) is determined by comparing the actual costs of projects approved for use of PFC revenue within each application. The amount "Approved for Collection" shown for each application is the total collection authorized for all projects within a given application including those for which only collection is authorized.

DECISION SUMMARY TABLE

APPLICATION NUMBER	APPROVED FOR COLLECTION	APPROVED FOR USE
93-01-C-00-BOS	$ 598,800,000	$ 12,028,000
93-01-C-01-BOS	(361,138,000)	(1,682,000)
93-01-C-02-BOS	231,102,000	-
93-01-C-03-BOS	295,552,000	-
93-01-C-04-BOS	(62,300,783)	(832,000)
96-02-C-00-BOS	163,037,000	482,901,000
96-02-C-01-BOS	-	(110,993,783)
96-02-C-02-BOS	(163,037,000)	(163,037,000)
97-03-U-00-BOS	-	434,106,000
97-03-U-01-BOS	-	49,525,000
06-04-U-00-BOS	293,018,000	280,176,000
06-04-U-01-BOS	(3,085,059)	-
06-04-U-02-BOS	(31,768,000)	(31,768,000)
09-05-U-00-BOS	-	9,756,941
10-06-C-00-BOS	392,093,000	373,815,000
12-07-U-00-BOS	-	18,278,000
13-08-C-00-BOS	99,959,096	99,959,096
14-09-C-00-BOS	96,941,002	96,941,002
TOTALS	**$ 1,549,173,256**	**$ 1,549,173,256**

PFC QUARTERLY REPORT

PROJECT ACTIVITY GENERAL EDWARD LAWRENCE LOGAN INTERNATIONAL AIRPORT

Quarter Ended June 30, 2015 (Unaudited)

PROJECTS		APPROVAL OF PFC USE DATE	PROJECT CONSTRUCTION START	CUMULATIVE PROJECT EXPENDITURES	AMOUNT OF PFC USE APPROVAL	CURRENT ESTIMATED PFC COSTS
PROJECT 1 -	RESIDENTIAL SOUND INSULATION (RSIP)	JAN-27-97	JAN-01-91	$ 15,323,217	$ 15,323,217	$ 15,325,217
PROJEC T 2A -	LOGAN MODERNIZATION PROGRAM (LMP) PLANNING, PRELIMINARY DESIGN, AND ENVIRONMENTAL ANALYSIS	AUG-24-93	JUL-01-93	9,513,984	9,514,000	9,513,984
PROJECT 3 -	TERMINAL E IMPROVEMENTS	JAN-27-97	JUL-01-94	20,891,765	20,892,000	20,891,765
PROJECT 4 -	ROADWAY SYSTEM (CIRCULATION AND TERMINAL E)	JAN-27-97	JUL-01-95	158,838,905	172,655,000	171,269,000
PROJECT 6 -	INTERNATIONAL GATEWAY	FEB-05-98	JUL-01-95	445,236,874	483,631,000	483,631,000
PROJECT 17 -	ELEVATED WALKWAYS	APR-20-06	JUN-01-95	110,720,934	112,298,000	112,298,000
PROJECT 20 -	RESIDENTIAL SOUND INSULATIO N-1998 & 2001 - 65 LDN CONTOURS	APR-20-06	JUL-01-01	8,590,000	8,590,000	8,590,000
PROJECT 21 -	RESIDENTIAL SOUND INSULATIO N-RUNWAY14/32 MITIGATION CONTOUR	APR-20-06	SEP-01-05	5,200,000	5,200,000	5,200,000
PROJECT 22 -	RUNWAY 14/32	APR-20-06	AUG-01-04	16,058,282	23,178,000	23,178,000
PROJECT 23 -	TAXIWAY IMPROVEMENT	APR-20-06	OCT-01-06	9,033,606	11,243,000	11,243,000
PROJECT 24 -	RUNWAY IMPROVEMENT-TO 4L-22R AND 4R-22L	APR-20-06	APR-01-04	20,013,418	27,137,000	27,137,000
PROJECT 25 -	RECONSTRUCTION OF APRONS & ALLEYWAYS AT TERMINA L B, C, D	APR-20-06	SEP-01-05	12,053,535	12,054,000	12,053,535
PROJECT 26 -	SECURITY IMPROVEMENT	APR-20-06	AUG-01-02	44,011,868	48,191,000	48,191,000
PROJECT 27 -	CENTERFIELD TAXIWAY	MAY-14-09	JUN-01-05	9,753,789	9,756,941	9,756,941
PROJECT 30 -	AIRFIELD DRAINAGE IMPROVEMENT	APR-20-06	JUL-01-06	95,798	237,000	237,000
PROJECT 31 -	AIRFIELD PERIMETER	APR-20-06	JUL-01-07	112,078	280,000	280,000
PROJECT 32 -	DEVELOPMENT OF RUNWAY SAFETY AREA FOR RUNWAY 33L	MAR-20-12	JUN-01-11	259,511	18,278,000	18,278,000
PROJECT 33 -	RECONSTRUCTION OF RUNWAY 22L	APR-25-11	SEP-01-08	5,201,648	8,741,000	8,741,000
PROJECT 35 -	AIRFIELD ELECTRICAL SYSTEM UPGRADES	APR-25-11	MAY-01-10	-	13,646,000	13,646,000
PROJEC T 36 -	REHABILITATION OF TAXIWAY "N"	APR-25-11	JUL-01-10	3,500,000	4,720,000	4,720,000
PROJECT 37 -	ACCESS CONTROL TO THE AOA FROM TERMINAL AND ANCILLARY BUILDINGS	APR-25-11	OCT-01-10	1,054,978	1,490,000	1,490,000
PROJECT 38 -	ACCESS CONTROL DATA STORAGE AND SERVER CAPACITY ENHANCEMENTS	APR-25-11	AUG-01-10	1,080,000	1,456,000	1,456,000
PROJEC T 39 -	REPLACEMENT OF FIREBOAT MARINE	1 APR-25-11	MAY-01-10	-	8,318,000	8,318,000
PROJEC T 40 -	TERMINAL "C" CHECKPOINT CONSOLIDATION	APR-25-11	JAN-01-10	541,056	22,431,000	22,431,000
PROJECT 41 -	TERMINAL "E" GATE DEPARTURE AREA MODIFICATIONS & BAGGAGE SYSTEM UPGRADES	APR-25-11	MAY-01-08	14,483,434	24,613,000	24,613,000
PROJECT 42 -	TERMINAL A DEVELOPMENT	APR-25-11	JUN-20-11	50,045,935	288,400,000	288,400,000
PROJECT 48 -	REHABILITATE RW 15R-33L	DEC -10-14	JUL-01-12	-	28,226,426	28,226,426
PROJECT 49 -	RW PROTECTION ZONE LAND ACQUISITION	AUG-13-14	SEP-01-08	-	7,500,348	7,500,348
PROJECT 51 -	REHABILITATE OF NORTH ALPHA & NORTH BRAVO TAXIWAYS	DEC -10-14	OCT-01-13	-	7,331,557	7,331,557
PROJECT 52 -	RW 22R SAFETY AREA IMPRO VEMENTS & REPLACEMENT OF 22R EMAS BEDREHABILITATE RW 15R-33L	DEC -10-14	OCT-01-14	-	3,072,000	3,072,000
PROJECT 53 -	CHECK BAGGAGE INSPECTION SYSTEMS	DEC -10-14	JUL-01-12	4,937	57,212,804	57,212,804
PROJECT 54 -	RENOVATIONS AND IMPROVEMENT TO TERM B	AUG-13-14	JUN-01-12	166,482	56,320,000	56,320,000
PROJECT 57 -	LIGHT PIER AND CAT III	AUG-13-14	JUN-01-11	-	19,882,748	19,882,748
PROJECT 58 -	MITIGATION SOUND INSULATION PROGRAM	DEC-10-14	JUL-01-12	-	1,098,215	1,098,215
PROJECT 60 -	TERM B APRON IMPROVEMENT	AUG-13-14	JUN-01-11	39,185	15,616,000	15,616,000
PROJECT 61 -	TERM B GATE ELECTRICFICATION EQUIPMENT	AUG-13-14	JUN-01-12	-	640,000	640,000
TOTAL IMPOSE AND USE				**$ 961,825,218**	**$ 1,549,173,256**	**$ 1,547,788,540**

AMOUNT NECESSARY TO PAY OR REDEEM ALL THE PFC BONDS AT MATURITY:

1	PRINCIPAL PAYMENT TO BE MADE ON JULY 1, 2015 - 2010-E BONDS	$	8,510,000
2	PRINCIPAL PAYMENT TO BE MADE ON JULY 1, 2015 - 2007-B AND 2007-D BONDS		8,965,000
3	PRINCIPAL PAYMENT TO BE MADE ON JULY 1, 2016 - 2007-B AND 2007-D BONDS		22,325,000
4	PRINCIPAL PAYMENT TO BE MADE ON JULY 1, 2017 - 2007-B AND 2007-D BONDS		52,910,000
5	PRINCIPAL BALANCE REMAINING TO BE PAID AS OF JUNE 30, 2015 (SUM OF ROWS 1-4)	$	92,710,000
6	INTEREST PAYMENTS TO BE MADE JULY 2, 2014 THROUGH JULY 1, 2015 - 2010-E BONDS	$	425,500
7	INTEREST PAYMENTS TO BE MADE JULY 2, 2014 THROUGH JULY 1, 2015 - 2007-B AND 2007-D BONDS		4,137,650
8	INTEREST PAYMENTS TO BE MADE JULY 2, 2015 THROUGH JULY 1, 2016 - 2007-B AND 2007-D BONDS		3,731,450
9	INTEREST PAYMENTS TO BE MADE JULY 2, 2016 THROUGH JULY 1, 2017 - 2007-B AND 2007-D BONDS		2,579,400
10	INTEREST REMAINING TO BE PAID AS OF JUNE 30, 2015 (SUM OF ROWS 6-9)	$	10,874,000
11	AGGREGATE FIRST LIEN DEBT SERVICE REMAINING TO BE PAID AS OF JUNE 30, 2015 ASSUMING ALL BONDS ARE HELD TO MATURITY (SUM OF ROWS 5 AND 10)	$	103,584,000
12	PROJECTED EARNINGS ON DEBT SERVICE RESERVE FUND AS OF JUNE 30, 2015		(514,940)
13	PROJECTED EARNINGS ON THE PROJECT FUND AS OF JUNE 30, 2015		-
14	BALANCE OF THE DEBT SERVICE FUND AS OF JUNE 30, 2015		(20,486,782)
15	BALANCE OF THE DEBT SERVICE RESERVE FUND AS OF JUNE 30, 2015		(20,232,661)
16	SUBTOTAL (SUM OF ROWS 12-15)	$	(41,234,383)
17 *	**AMOUNT NECESSARY TO PAY OR REDEEM THE PFC BONDS AT MATURITY: (SUM OF ROW 11 AND ROW 16)**	**$**	**62,349,617**

* MINIMUM AMOUNT NECESSARY TO PAY OR REDEEM THE PFC BONDS AT MATURITY OR REDEMPTION.

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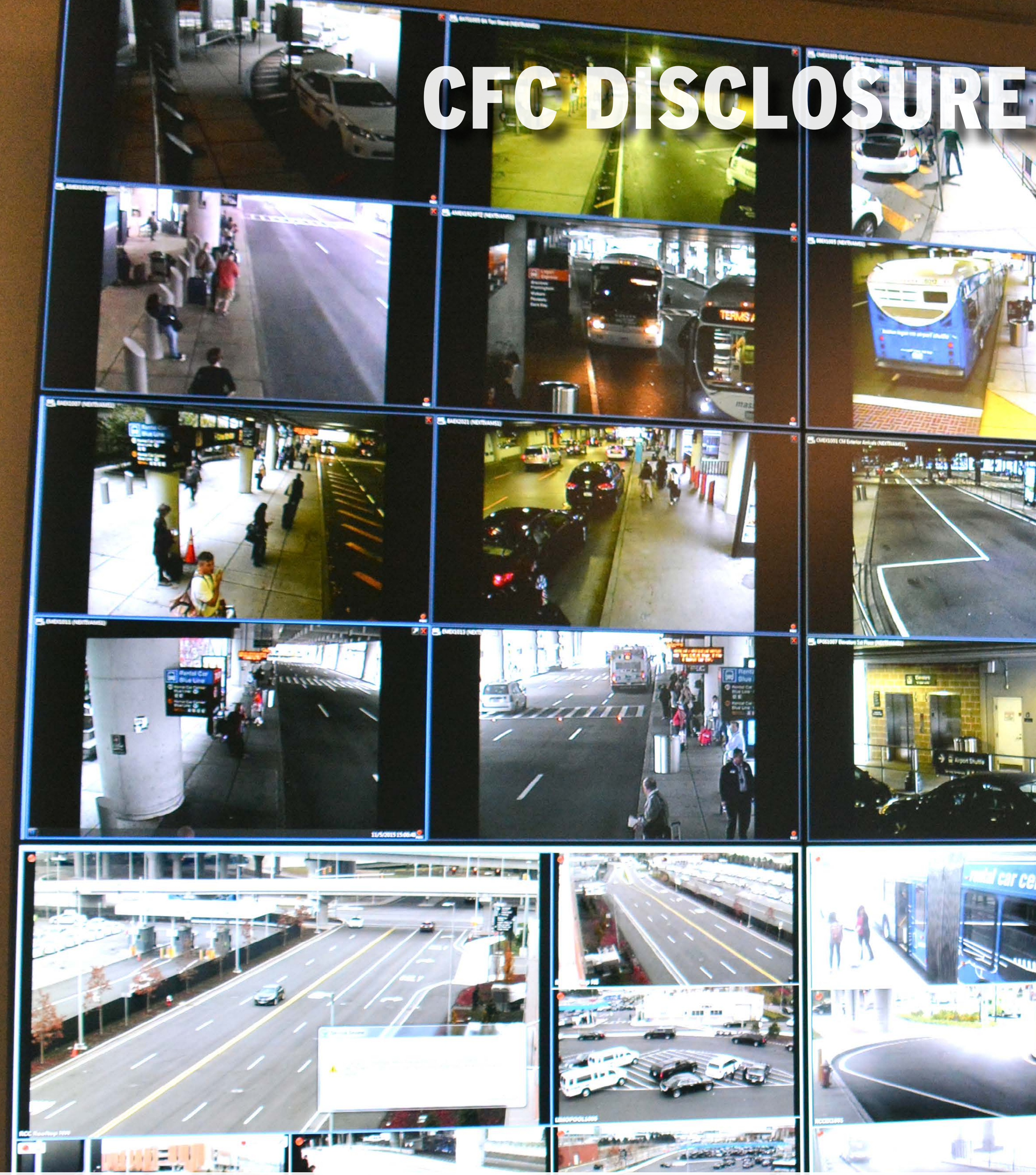
CFC DISCLOSURE



GROUND TRANSPORTATION OPERATIONS CENTER

Massport's GTOC (Ground Transportation Operations Center) is located on the lower level of the new Rental Car Center at Logan Airport, and is the command center for all transportation information in and around the airport. Staff at GTOC are able to see up-to-the-minute traffic information that is necessary to ensure Logan bus services are running as efficiently as possible.

STATEMENT OF CFC ANNUAL FINANCIAL INFORMATION AND OPERATING DATA
OF THE MASSACHUSETTS PORT AUTHORITY FOR FISCAL YEAR 2015

INTRODUCTION

This Statement of Annual Financial Information and Operating Data dated as of November 18, 2015 (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. Set forth below is certain financial information and operating data relating to the Authority for the fiscal year ended June 30, 2015 ("fiscal year 2015") updating the financial information and operating data presented in the Authority's Official Statement dated June 8, 2011 relating to the 2011 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 18, 2015 (the "2015 CAFR") for fiscal year 2015. The Authority's audited financial statements for fiscal year 2015 and comparative information for fiscal years 2014, 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 as part of the 2015 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 (collectively, the "CFC Bonds") 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"):

MASSACHUSETTS PORT AUTHORITY SPECIAL FACILITIES REVENUE BONDS (CONRAC PROJECT), SERIES 2011-A (NON-AMT)	MASSACHUSETTS PORT AUTHORITY SPECIAL FACILITIES REVENUE BONDS (CONRAC PROJECT), SERIES 2011-B (FEDERALLY TAXABLE)

For additional information concerning the Authority, please see the Authority's website, www.massport.com. Financial information can be found in the Investor Relations section of the Authority's website at http://www.massport.com/about-massport/investor-relations/. Copies of the Annual Statements prepared pursuant to Rule 15c2-12 with respect to the Authority's bonds issued under the 1978 Trust Agreement, the PFC Trust Agreement and the CFC Trust Agreement for years prior to fiscal year 2015 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 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. 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. 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 2015 CAFR on-line, please visit: http://www.massport.com/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, 2015 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, 2015 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, 2015, which are part of the 2015 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 2011 through 2014; and Fiscal Year 2015 (through March)
(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
2011	7,129	52.6%	6,426	47.4%	13,555	625	14,180
2012	7,368	52.7%	6,601	47.3%	13,969	662	14,631
2013	7,374	52.7%	6,614	47.3%	13,988	729	14,717
2014	7,631	52.5%	6,904	47.5%	14,535	846	15,381
2015*	5,804	52.5%	5,245	47.5%	11,049	615	11,664

Notes: 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.

* Fiscal year 2015 data available from July 2014 through March 2015. The Authority will supplement this Appendix when the April 2015 through June 2015 data is available. U.S. DOT data for the first quarter of 2015 is preliminary.

Source: Massachusetts Port Authority; U.S. DOT, Air Passenger Origin-Destination Survey, reconciled to Schedules T100 and 298C T1.

APPENDIX CFC-2

DEBT SERVICE COVERAGE – RATE COVENANT

		FISCAL YEAR 2015
RENTAL CAR TRANSACTION DAYS		5,128,069
PERCENTAGE CHANGE FROM PRIOR YEAR		2.69%
CFC REVENUES	$	30,768,416
PLUS: PORTION OF ROLLING COVERAGE FUND BALANCE (A)	$	3,671,781
PLUS: PORTION OF SUPPLEMENTAL RESERVE FUND BALANCE (B)	$	734,356
TOTAL	**$**	**35,174,553**
AGGREGATE DEBT SERVICE	$	14,687,125
DEBT SERVICE COVERAGE		2.39 (C)
DEBT SERVICE COVERAGE (WITHOUT ROLLING COVERAGE FUND AND SUPPLEMENTAL RESERVE FUND BALANCES)		2.09

(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.

(c) CFC Debt Service Coverage calculation in the audited financial statements for fiscal year 2015 includes investment income.

BETSY TAYLOR RETIREMENT

We would like to take this opportunity to thank Betsy Taylor (second from right), former Massport Director of Finance and Treasury for all of her contributions to the Authority over her 38 year career. One of her many accomplishments was the production of this annual financial report. Betsy retired this past spring, and all of us at Massport wish her the best in her future endeavors, which include several appointments to serve on public advisory boards.

Pictured here in front of a portrait of Dave Davis, the former Massachusetts Port Authority Executive Director, are from left to right: Irene Moran (Director of Retirement for the Massachusetts Port Authority Employees' Retirement System), Michael Grieco (Massport Assistant Secretary-Treasurer), Jim Costello (former Chairman of the Massachusetts Port Authority Employees' Retirement System Board), Niki Janus (wife of Dave Davis), Betsy Taylor, and John Pranckevicius (Massport Chief Financial Officer).

RECORD YEAR FOR CONLEY TERMINAL

Conley Terminal set a volume record in fiscal year 2015 by processing over 221,000 twenty-foot equivalent units of cargo (approximately 126,000 containers). In recognition of this, Governor Charlie Baker hosted an event at the Massachusetts State House, where the " banner year" was celebrated by officials, port operations workers and members of the business community that export and import goods through the Port of Boston.

massport

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