

MASSACHUSETTS PORT AUTHORITY

Statements of Net Position

March 31, 2015 and June 30, 2014

(In thousands)

(Unaudited)

	3/31/2015	6/30/2014
	FY2015	FY2014
Assets and Deferred Outflows		
Current assets:		
Cash and cash equivalents	\$ 55,075	\$ 41,696
Investments	60,663	35,020
Restricted cash and cash equivalents	140,190	180,043
Restricted investments	217,269	169,594
Accounts receivable		
Trade, net	49,308	59,836
Grants receivable	44,480	29,573
Total receivables (net)	93,788	89,409
Prepaid expenses and other assets	10,298	7,150
Total current assets	<u>577,283</u>	<u>522,912</u>
Noncurrent assets:		
Investments	68,693	66,587
Restricted investments	274,575	286,489
Prepaid expenses and other assets	6,383	7,318
Investment in joint venture	2,263	2,263
Net OPEB asset	55,079	55,418
Capital assets, net	2,927,200	2,900,644
Total noncurrent assets	<u>3,334,193</u>	<u>3,318,719</u>
Total assets	<u>3,911,476</u>	<u>3,841,631</u>
Deferred outflows of resources		
Deferred loss on refunding of bonds	18,133	20,017
Total deferred outflows of resources	<u>18,133</u>	<u>20,017</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	93,225	102,714
Compensated absences	1,441	1,483
Contract retainage	8,818	12,561
Current portion of long term debt	87,560	84,665
Commercial notes payable	150,000	150,000
Accrued interest on bonds payable	17,770	35,304
Unearned revenues	10,305	5,219
Total current liabilities	<u>369,119</u>	<u>391,946</u>
Noncurrent liabilities:		
Accrued expenses	20,248	19,604
Compensated absences	18,442	18,974
Long-term debt, net	1,528,522	1,501,803
Unearned revenues	10,926	8,982
Total noncurrent liabilities	<u>1,578,138</u>	<u>1,549,363</u>
Total liabilities	<u>1,947,257</u>	<u>1,941,309</u>
Net Position		
Invested in capital assets	1,246,900	1,227,358
Restricted		
Bond funds	193,207	201,754
Project funds	218,985	214,772
Passenger facility charges	86,081	65,951
Customer facility charges	7,142	1,571
Other purposes	18,024	25,472
Total restricted	<u>523,439</u>	<u>509,520</u>
Unrestricted	212,013	183,461
Total net position	<u>\$ 1,982,352</u>	<u>\$ 1,920,339</u>

MASSACHUSETTS PORT AUTHORITY

Statements of Revenues, Expenses, and Changes in Net Position

Quarters ended March 31, 2015 and 2014

(In thousands)

(Unaudited)

	3/31/2015	3/31/2014
	FY2015	FY2014
	<u> </u>	<u> </u>
Operating revenues:		
Fees, tolls and other services	\$ 245,206	\$ 226,663
Rentals	157,537	146,469
Concessions	62,097	57,669
Other	22,928	19,174
Operating grants	2,297	1,900
	<u>490,065</u>	<u>451,875</u>
Total operating revenues		
Operating expenses:		
Operations and maintenance	236,321	215,326
Administration	41,808	39,315
Insurance	6,084	6,137
Pension	8,397	9,000
Other post-employment benefits	11,275	10,605
Payments in lieu of taxes	14,462	13,833
Provision for uncollectible accounts	(177)	224
Depreciation and amortization	167,866	158,371
	<u>486,036</u>	<u>452,811</u>
Total operating expenses		
Operating income	<u>4,029</u>	<u>(936)</u>
Nonoperating revenues and (expenses):		
Passenger facility charges	46,668	44,915
Customer facility charges	22,838	22,450
Investment income	5,427	5,007
Net increase (decrease) in the fair value of investments	30	428
Other revenues	48	7
Settlement of claims	—	828
Terminal A debt service contribution	(7,941)	(8,879)
Other expenses	(724)	(800)
Gain (loss) on sale of equipment	143	89
Interest expense	(48,684)	(48,085)
	<u>17,805</u>	<u>15,960</u>
Total nonoperating revenues (expenses), net		
Increase in net position before capital grant revenue	21,834	15,024
Capital grant revenue	40,179	43,653
Increase in net position	<u>62,013</u>	<u>58,677</u>
Net position, beginning of year	<u>1,920,339</u>	<u>1,828,561</u>
Net position, end of year	<u>\$ 1,982,352</u>	<u>\$ 1,887,238</u>

MASSACHUSETTS PORT AUTHORITY

Combining Schedule of Net Position

March 31, 2015

(In thousands)

(Unaudited)

Assets and Deferred Outflows	Authority Operations	PFC Program	CFC Program	Eliminations	Combined Totals
Current assets:					
Cash and cash equivalents	\$ 55,075	\$ —	\$ —	\$ —	\$ 55,075
Investments	60,663	—	—	—	60,663
Restricted cash and cash equivalents	87,872	43,058	9,260	—	140,190
Restricted investments	193,412	13,047	10,810	—	217,269
Accounts receivable					
Trade, net	40,947	6,614	1,747	—	49,308
Grants	44,480	—	—	—	44,480
Total receivables, net	85,427	6,614	1,747	—	93,788
Prepaid expenses and other assets	10,101	139	58	—	10,298
Interfund transfer Authority Loan	10,000	—	—	(10,000)	—
Total current assets	502,550	62,858	21,875	(10,000)	577,283
Noncurrent assets:					
Investments	68,693	—	—	—	68,693
Restricted investments	225,537	24,851	24,187	—	274,575
Prepaid expenses and other assets, long-term	5,067	101	1,215	—	6,383
Investment in joint venture	2,263	—	—	—	2,263
Net OPEB asset	55,079	—	—	—	55,079
Capital assets, net	2,231,563	399,139	296,498	—	2,927,200
Total noncurrent assets	2,588,202	424,091	321,900	—	3,334,193
Total assets	3,090,752	486,949	343,775	(10,000)	3,911,476
Deferred outflows of resources					
Deferred loss on refunding of bonds	17,430	703	—	—	18,133
Total deferred outflows of resources	17,430	703	—	—	18,133
Liabilities					
Current liabilities:					
Accounts payable and accrued expenses	91,884	429	912	—	93,225
Compensated absences	1,441	—	—	—	1,441
Contract retainage	7,923	—	895	—	8,818
Current portion of long-term debt	66,259	18,091	3,210	—	87,560
Commercial notes payable	150,000	—	—	—	150,000
Interfund transfer Authority Loan	—	—	10,000	(10,000)	—
Accrued interest payable	13,706	1,141	2,923	—	17,770
Unearned revenues	10,305	—	—	—	10,305
Total current liabilities	341,518	19,661	17,940	(10,000)	369,119
Noncurrent liabilities					
Accrued expenses	19,487	159	602	—	20,248
Compensated absences	18,442	—	—	—	18,442
Long-term debt, net	1,251,840	76,179	200,503	—	1,528,522
Unearned revenues	10,926	—	—	—	10,926
Total noncurrent liabilities	1,300,695	76,338	201,105	—	1,578,138
Total liabilities	1,642,213	95,999	219,045	(10,000)	1,947,257
Net Position					
Invested in capital assets	823,740	305,572	117,588	—	1,246,900
Restricted for other purposes					
Bond funds	193,207	—	—	—	193,207
Project funds	218,985	—	—	—	218,985
Passenger facility charges	—	86,081	—	—	86,081
Customer facility charges	—	—	7,142	—	7,142
Other purposes	18,024	—	—	—	18,024
Total restricted	430,216	86,081	7,142	—	523,439
Unrestricted					
	212,013	—	—	—	212,013
Total net position	\$ 1,465,969	\$ 391,653	\$ 124,730	\$ —	\$ 1,982,352

MASSACHUSETTS PORT AUTHORITY

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

Quarter ended March 31, 2015

(In thousands)

(Unaudited)

	Authority Operations	PFC Program	CFC Program	Combined Totals
Operating revenues:				
Fees, tolls and other services	\$ 245,206	\$ —	\$ —	\$ 245,206
Rentals	157,537	—	—	157,537
Concessions	62,097	—	—	62,097
Other	22,928	—	—	22,928
Operating grants	2,297	—	—	2,297
Total operating revenues	<u>490,065</u>	<u>—</u>	<u>—</u>	<u>490,065</u>
Operating expenses:				
Operations and maintenance	236,321	—	—	236,321
Administration	41,808	—	—	41,808
Insurance	6,084	—	—	6,084
Pension	8,397	—	—	8,397
Other post-employment benefits	11,275	—	—	11,275
Payments in lieu of taxes	14,462	—	—	14,462
Provision for uncollectible accounts	(177)	—	—	(177)
Depreciation and amortization	128,870	28,558	10,438	167,866
Total operating expenses	<u>447,040</u>	<u>28,558</u>	<u>10,438</u>	<u>486,036</u>
Operating income (loss)	<u>43,025</u>	<u>(28,558)</u>	<u>(10,438)</u>	<u>4,029</u>
Nonoperating revenues and (expenses):				
Passenger facility charges	—	46,668	—	46,668
Customer facility charges	—	—	22,838	22,838
Investment income	4,338	804	285	5,427
Net increase (decrease) in the fair value of investments	30	—	—	30
Other revenues	11	—	37	48
Terminal A debt service contribution	—	(7,941)	—	(7,941)
Other expenses	40	(200)	(564)	(724)
Gain on sale of equipment	143	—	—	143
Interest expense	(37,356)	(3,006)	(8,322)	(48,684)
Total nonoperating (expense) revenue, net	<u>(32,794)</u>	<u>36,325</u>	<u>14,274</u>	<u>17,805</u>
Increase in net position before capital grant revenue	10,231	7,767	3,836	21,834
Capital grant revenue	40,177	—	2	40,179
Increase in net position	50,408	7,767	3,838	62,013
Net position, beginning of year	1,415,561	383,886	120,892	1,920,339
Net position, end of year	<u>\$ 1,465,969</u>	<u>\$ 391,653</u>	<u>\$ 124,730</u>	<u>\$ 1,982,352</u>

Reconciliation of Revenues and Operating Expenses as Determined by Accounting Practices Prescribed by the 1978 Trust Agreement to the Financial Statement
Trust Operating Results and Change in Net Assets
(Unaudited)

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.

	(Unaudited)			Net change	3/31/2015	3/31/2014
(In Thousands)	Airport Properties	Port Properties	Investment Income	in the fair value of investments	Fiscal Year 2015 Total	Fiscal Year 2014 Total
Trust revenues:						
Pledged revenues	\$ 420,900	\$ 66,803	\$ -	\$ -	\$ 487,703	\$ 449,475
Operating grants	1,949	352	-	-	2,301	1,730
Subtotal	422,849	67,155	-	-	490,004	451,205
Operating interest income	-	-	2,730	-	2,730	2,431
Adjustment for uncollectible accounts	258	(83)	-	-	175	(231)
Total Trust Revenues	423,107	67,072	2,730	-	492,909	453,405
Trust operating expenses:						
Operations and maintenance	188,393	48,058	-	-	236,451	215,033
Administration	35,179	8,565	-	-	43,744	41,094
Insurance	4,955	1,484	-	-	6,439	6,655
Pension	7,227	1,170	-	-	8,397	9,000
Other Postemployment Benefits (1978 Trust)	7,454	1,374	-	-	8,828	10,343
Total Trust Expenses	243,208	60,651	-	-	303,859	282,125
Excess of revenues over operating Expenses as prescribed by the 1978 Trust Agreement	179,899	6,421	2,730	-	189,050	171,280
ADD:						
Revenues recognized under GAAP which are excluded under 1978 Trust Agreement						
Investment income self insurance / others	-	-	1,609	-	1,609	1,438
Passenger facility charge (PFC)-Logan	46,668	-	-	-	46,668	44,915
Investment income PFC-FAA	-	-	46	-	46	55
Investment income PFC-Non FAA	-	-	757	-	757	770
Customer facility charge (CFC)	22,838	-	-	-	22,838	22,450
Investment income CFC	-	-	285	-	285	313
Capital grant revenue	39,852	327	-	-	40,179	43,653
Gain/Loss on sale of equipment	135	8	-	-	143	89
Realized net increase in the fair value of investments	-	-	-	30	30	428
Administration Expenses	1,635	301	-	-	1,936	1,779
Operating revenues	402	(305)	-	-	97	901
Adjust for Operating Grant	(36)	-	-	-	(36)	170
Settlement of claims	-	-	-	-	-	828
Nonoperating other revenues	41	7	-	-	48	7
LESS:						
Expenses recognized under GAAP which are excluded under 1978 Trust Agreement						
PILOT	(13,016)	(1,446)	-	-	(14,462)	(13,833)
Other Postemployment Benefits	(2,067)	(380)	-	-	(2,447)	(262)
Self insurance cost	509	(154)	-	-	355	518
Interest expense	(47,405)	(1,279)	-	-	(48,684)	(48,085)
Depreciation and amortization (1)	(155,707)	(12,159)	-	-	(167,866)	(158,371)
Operating expenses	137	(7)	-	-	130	(293)
Adjustment for uncollectible accounts-nonTrust fund	2	-	-	-	2	7
Terminal A debt service contributions by PFC	(7,941)	-	-	-	(7,941)	(8,879)
Nonoperating other expenses	(724)	-	-	-	(724)	(1,201)
Increase / (decrease) in net assets	\$ 65,222	\$ (8,666)	\$ 5,427	\$ 30	\$ 62,013	\$ 58,677

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