



THE COMMONWEALTH OF MASSACHUSETTS

Commonwealth Transportation Fund Revenue Bonds (Rail Enhancement & Accelerated Bridge Programs)

ANNUAL FINANCIAL INFORMATION

March 24, 2022

The following annual financial information is provided by The Commonwealth of Massachusetts (the “Commonwealth”) pursuant to certain continuing disclosure undertakings entered into by the Commonwealth in connection with the Commonwealth’s Transportation Fund Revenue Bonds (Accelerated Bridge Programs) and the Commonwealth’s Transportation Fund Revenue Bonds (Rail Enhancement & Accelerated Bridge Programs). Set forth below is certain financial information and operating data relating to the Commonwealth for the fiscal year ended June 30, 2021, updating the financial information presented in the Commonwealth’s statement of annual financial information for transportation fund revenue bonds dated March 26, 2021 with respect to the fiscal year ended June 30, 2020. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Official Statements related to the above-mentioned bonds, copies of which are available on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (“EMMA”).

This statement is of limited scope. It contains only an updating of certain financial information and operating data described below. The information set forth herein does not contain all material information concerning the Commonwealth’s transportation fund revenue bonds necessary to make an informed investment decision. This statement does not constitute an offer to sell or the solicitation of an offer to buy Commonwealth transportation fund revenue bonds. This statement is submitted pursuant to various continuing disclosure undertakings relating to bonds that are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission and is intended to provide only the information necessary to conform to the requirements of said Rule 15c2-12.

The Commonwealth’s Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020 (the “2020 ACFR”) has been posted to EMMA and is available at <https://emma.msrb.org/P11561619.pdf>. The Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances for the Commonwealth Transportation Fund for fiscal 2020 are available on pages 174 and 178, respectively, of the 2020 ACFR. The Commonwealth’s Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021 is not yet available and will be posted on EMMA as soon as available. All fiscal 2021 numbers contained in this annual report are preliminary, unaudited and subject to change.

The Commonwealth’s Statutory Basis Financial Report for the fiscal year ended June 30, 2021 (SBFR) has also been posted to EMMA and is available at <https://emma.msrb.org/P21590570.pdf>. The Balance Sheet – Statutory Basis for the Commonwealth Transportation Fund is available on page 74 of the SBFR and the Statement of Revenues, Expenditures and Changes in Fund Balances – Statutory Basis for the Commonwealth Transportation Fund is available on page 75 of the SBFR.

SPECIAL DISCLOSURE REGARDING COVID-19 MATTERS

In response to the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, and the declaration by the World Health Organization on March 11, 2020 of a COVID-19 pandemic, in March 2020 Governor Baker declared a state of emergency in the Commonwealth due to COVID-19. Over the following eight weeks Governor Baker's administration undertook a number of mitigation measures in response to COVID-19, including emergency orders closing certain education programs and non-essential businesses, a number of social distancing mandates, travel advisories, and eviction moratoriums, as well as tax relief measures postponing the collection of certain taxes due in fiscal 2020. All of these measures resulted in widespread economic disruption throughout the Commonwealth.

As the COVID-19 pandemic continued to evolve, Governor Baker's administration curtailed certain measures while retaining the flexibility to address future waves of the pandemic. In May 2020, the Governor announced a four-phase approach to reopening the Commonwealth, indicating that decisions and timing on all phases would be influenced by public health metrics. Between May and October 2020, as public health metrics improved, the phased reopening plan was implemented in steps, and certain mitigation measures were curtailed. By October 2020, the Commonwealth had proceeded to step 2 of Phase III of the plan. In December 2020, the Commonwealth rolled back its reopening requirements and standards to step 1 of Phase III in response to an increase in new COVID-19 infections and hospitalizations following the 2020 Thanksgiving holiday. As a result, indoor capacity across a broad range of sectors was reduced, several workplace restrictions were tightened, and certain businesses were required to close, including indoor performance venues and certain high-contact indoor recreational businesses. In December 2020, the Commonwealth also began phased vaccination efforts across Massachusetts.

As public health measures continued to trend in a positive direction, and the Commonwealth experienced significant declines in average daily COVID-19 cases and hospitalizations, and increasing rates of vaccination within the Commonwealth, the Administration continued to implement the reopening plan, and by the end of May 2021, nearly all COVID-19 restrictions were lifted and all industries were permitted to open. On June 15, 2021, the state of emergency in the Commonwealth related to COVID-19 was terminated. Based on information submitted to the Massachusetts Immunization Information System as of March 17, 2022, and using the University of Massachusetts Donahue Institute 2019 Population Estimates, more than 5.3 million people within the Commonwealth, or approximately 78% of the Commonwealth's population, were fully vaccinated.

The Administration is continuing to monitor public health data relating to COVID-19 and expects to take additional measures to control the spread of COVID-19 within the Commonwealth, if needed, as new variants of the virus emerge. At this time, the Commonwealth cannot predict whether additional measures will be needed to control the spread of COVID-19 or the nature or duration of any such measures.

The ultimate impact of the COVID-19 pandemic on the Commonwealth's economy remains unknown. In response to the pandemic, international, federal, state and local governments, as well as private businesses and organizations, implemented numerous measures intended to mitigate the spread and effects of COVID-19. The continued spread of COVID-19, the mitigation measures implemented, and the responses of individuals, businesses, and organizations to the disease and the mitigation measures implemented have caused and may continue to cause, severe disruptions in global, national, and local economies, as well as to global financial markets and the U.S. stock and bond markets. Many businesses

have experienced and may continue to experience decreases in operations and revenues. The impacts of COVID-19 resulted in unprecedented rates of unemployment in the Commonwealth. The extent to which businesses that have completely or partially closed will reopen, travel and tourism activity will return to pre-pandemic levels, and businesses and organizations will allow employees to work from home is still unknown. The extent of these and other impacts on the Commonwealth's economy will depend on future developments and numerous factors, many of which are beyond the Commonwealth's control.

For additional information regarding the impact of COVID-19 on the Commonwealth and measures taken by the Commonwealth, see the most recent Commonwealth Information Statement dated January 6, 2022, as supplemented by the Information Statement Supplement dated January 31, 2022 under the heading "Special Disclosures Regarding COVID-19 Matters."

SPECIAL DISCLOSURE REGARDING SPECIAL OBLIGATION BONDS

This annual continuing disclosure filing includes information through the end of the Commonwealth's fiscal 2021. For the first eight months of fiscal 2022, pledged motor fuels taxes totaled \$484,654,722, which represents a \$44,539,370 or 10.1% increase from the same period in fiscal 2021. The Department of Revenue provides monthly reports regarding the collection of motor fuels taxes which can be found at <https://www.mass.gov/lists/blue-book-reports-department-of-revenue>.

Questions regarding information contained in this statement may be directed to Sue Perez, Deputy Treasurer, Office of the Treasurer and Receiver-General, One Center Plaza, Suite 430, Boston, Massachusetts 02108, telephone (617) 367-9333, or to Kaitlyn Connors, Assistant Secretary, Executive Office for Administration and Finance, State House, Room 373, Boston, Massachusetts 02133, telephone (617) 727-2040.

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1. Summary presentation of actual gasoline sales on a ten-year comparative basis, concluding with the prior fiscal year.

HISTORICAL GASOLINE SALES

Fiscal Year	Average Price of Gasoline ⁽¹⁾	Gasoline Consumed (millions of gallons) ⁽²⁾	Percentage Change in Gasoline Consumed	Non-Farm Employment (thousands) ⁽³⁾	Percentage Change in Non-Farm Employment
2021	\$2.465	2,359	(7.32)%	3,416	(4.13)%
2020	2.486	2,545	(9.37)	3,563	(3.00)
2019	2.753	2,808	0.75	3,674	1.16
2018	2.708	2,787	(0.33)	3,631	1.18
2017	2.347	2,796	0.53	3,589	1.66
2016	2.282	2,781	1.54	3,530	1.91
2015	2.925	2,739	0.24	3,464	2.09
2014	3.613	2,733	0.45	3,393	1.71
2013	3.684	2,721	(1.84)	3,336	1.53
2012	3.652	2,772	0.19	3,286	1.52

SOURCES: "Average Price of Gasoline": U. S. Department of Energy, Energy Information Administration; "Non-Farm Employment": U. S. Bureau of Labor Statistics; "Gasoline Consumed": Department of Revenue.

- (1) Reflects the Average Price of Gasoline (\$/gallon) in all of Massachusetts.
- (2) Based on Historical Gasoline Tax Collections pursuant to Chapter 64A, *except* Aviation Fuel. See the Official Statements under *Commonwealth Motor Fuels Tax - Refunds and Abatements from Gasoline Tax*.
- (3) Seasonally adjusted. Calculated as fiscal year average of monthly employment.

2. Summary presentation of actual Pledged Motor Fuels Tax receipts on a ten-year comparative basis, concluding with the prior fiscal year.

HISTORICAL ANNUAL COLLECTION OF PLEDGED MOTOR FUELS TAX

Fiscal Year	Gasoline and Special Fuels Tax Rate	Pledged Motor Fuels Tax Receipts ⁽¹⁾	Percentage Change in Motor Fuels Tax Receipts
2021 ⁽²⁾	\$0.24	\$661,492	(6.34)%
2020	0.24	706,295	(8.72)
2019	0.24	773,790	0.82
2018	0.24	767,519	(0.04)
2017	0.24	767,855	0.39
2016	0.24	764,848	1.39
2015	0.24	754,392	3.25
2014	0.24	730,640	12.44
2013	0.21	649,779	(1.57)
2012	0.21	660,177	0.15

Sources: "Gasoline and Special Fuels Tax Rate," Department of Revenue; "Pledged Motor Fuels Tax Receipts," Fiscal Years 2012-2021, Office of the Comptroller.

- (1) In thousands. Includes all Pledged Motor Fuels Tax collected by the Commonwealth pursuant to Chapters 64A, 64E and 64F of the Massachusetts General Laws and credited to various budgeted funds, *except* Aviation Fuel. See the Official Statements under *Commonwealth Motor Fuels Tax – Crediting of Receipts*. Net of refunds and abatements from Gasoline Tax. See the Official Statements under *Commonwealth Motor Fuels Tax – Refunds and Abatements from Gasoline Tax*. The table above reflects tax rates of 21¢ per gallon on fuel (other than liquefied gas), 19.1% of the average price per gallon liquefied gas and 20.9685¢ per gallon Gasoline Tax in effect prior to July 31, 2013, and tax rates of 24¢ per gallon on special fuel (other than liquefied gas), 19.1% of the average price per gallon on liquefied gas and 23.964¢ of the 24¢ per gallon Gasoline Tax in effect after July 31, 2013.
- (2) Fiscal 2021 numbers are preliminary, unaudited, and subject to change.

3. Summary presentation of actual monthly Motor Fuels Tax receipts for the two most recently completed fiscal years.

**HISTORICAL MONTHLY COLLECTION OF MOTOR FUELS TAXES
MOST RECENT 24 MONTHS ENDING JUNE 2021**

Month	Gasoline Tax Receipts under Chapter 64A⁽¹⁾⁽²⁾	Special Fuels Tax Receipts under Chapter 64E⁽¹⁾	Motor Carrier Fuels Tax Receipts under Chapter 64F⁽¹⁾	Total
July, 2019	\$56,623,734	\$8,011,542	\$572,659	\$65,207,934
August, 2019	59,493,001	7,829,907	391,327	67,714,235
September, 2019	59,502,052	8,251,079	1,005,747	68,758,879
October, 2019	55,066,974	7,663,629	622,151	63,352,753
November, 2019	58,214,612	8,871,756	223,514	67,309,881
December, 2019	54,942,981	7,792,583	718,302	63,453,866
January, 2020	55,145,688	7,976,665	726,480	63,848,834
February, 2020	53,509,769	7,658,374	238,505	61,406,648
March, 2020	49,430,335	6,363,119	512,559	56,306,014
April, 2020	43,669,923	6,645,389	507,375	50,822,686
May, 2020	28,335,405	6,198,560	168,755	34,702,719
June, 2020	37,465,531	6,826,644	700,425	44,992,601
July, 2020	45,325,341	7,532,851	770,303	53,628,494
August, 2020	49,493,706	6,781,063	173,919	56,448,688
September, 2020	50,930,517	7,303,799	405,793	58,640,109
October, 2020	48,063,675	7,297,933	761,451	56,123,058
November, 2020	49,349,400	8,254,879	441,441	58,045,719
December, 2020	44,736,335	7,295,881	809,656	52,841,872
January, 2021	45,983,972	7,743,950	683,140	54,411,061
February, 2021	43,868,886	6,763,035	343,271	50,975,192
March, 2021	40,798,757	6,714,510	954,231	48,467,498
April, 2021	48,316,997	7,700,057	611,156	56,628,210
May, 2021	47,449,907	7,813,630	278,487	55,542,024
June, 2021	52,317,246	8,091,642	771,448	61,180,336

SOURCE: Department of Revenue.

- (1) Net of applicable refunds, abatement and adjustments, if any. See the Official Statements under *Commonwealth Motor Fuels Tax – Refunds and Abatements from Gasoline Tax*.
- (2) Includes Aviation Fuel tax receipts. For the period indicated on the table above, 0.06% to 0.14% of total collections of the Gasoline Tax is from Aviation Fuel, and the average over this period is 0.1%.

4. Summary presentation of actual RMV transactions on a ten-year comparative basis, concluding with the prior fiscal year.

The following table shows the number of RMV transactions since fiscal 2012⁽¹⁾.

Fiscal Year	Vehicle Registration Renewals or Modifications	License Duplicates/ Amendments	License Renewal	New License ⁽²⁾	New Vehicle Registrations	Total
2021	3,457,195	203,847	902,968	229,256	1,149,735	5,943,001
2020	3,210,530	259,625	821,201	167,564	952,171	5,411,091
2019	3,265,072	226,764	992,905	217,269	1,298,783	6,000,793
2018	3,267,124	216,538	948,738	160,191	1,299,835	5,892,426
2017	3,021,320	233,338	790,989	152,968	1,302,777	5,501,392
2016	3,206,242	210,267	602,081	158,807	1,315,621	5,493,018
2015	3,208,001	194,490	918,640	207,191	1,250,330	5,778,652
2014	3,097,268	186,499	987,767	231,807	1,204,382	5,707,723
2013	2,644,174	184,318	946,787	230,148	1,123,537	5,128,964
2012	2,552,172	206,378	951,498	224,365	1,175,158	5,109,571

SOURCE: Massachusetts Department of Transportation

- (1) Amounts are unaudited. Does not include all RMV transactions, such as certificate of title transactions.
- (2) New license transactions totals for fiscal years 2012 and 2013 have been restated due to a calculation error when recording new license transactions. Revenue attributable to the transactions has not changed.

5. Summary presentation of Registry Fee receipts on a ten-year comparative basis, concluding with the prior fiscal year.

The following table shows the historical collection of Registry Fees since fiscal 2012.

HISTORICAL ANNUAL COLLECTION OF REGISTRY FEES

Fiscal Year	Pledged Registry Fee Receipts (in thousands) ⁽¹⁾	Percentage Change in Registry Fee Receipts
2021 ⁽³⁾	\$622,770	10.84%
2020	561,867	(8.91)
2019	616,830	0.66
2018	612,779	2.35
2017	598,691	3.15
2016	580,426	(0.22)
2015	581,686	9.09
2014	533,194	2.11
2013	522,199	2.67
2012	508,608 ⁽²⁾	2.53

SOURCE: Office of the Comptroller.

- (1) Certain prior years have been adjusted to reflect a reclassification of certain revenues as Pledged Registry Fees. Does not include amounts allocable to the cost of production of license plates, which in fiscal 2021 was approximately \$4.4 million.
- (2) Fiscal 2012 does not include \$2 million of the Registry Fees, which represented civil motor infraction fees collected in such fiscal year and transferred to the Commonwealth Transportation Fund in fiscal 2013. See the Official Statements under *Commonwealth Registry Fees - Crediting of Receipts*.
- (3) Fiscal 2021 numbers are preliminary, unaudited, and subject to change.

6. Summary presentation of actual Commonwealth Transportation Fund revenues on a ten-year comparative basis, concluding with the prior fiscal year.

HISTORIC PRO FORMA COMMONWEALTH TRANSPORTATION FUND PLEDGED FUNDS
(in thousands)

Pledged Motor Fuels Tax ⁽¹⁾				
Fiscal Year Ending June 30	Chapter 64A Receipts ⁽²⁾	Chapter 64E and 64F Receipts	Registry Fees ⁽³⁾	Total
2021	\$565,194	\$96,298	\$622,770	\$1,284,262
2020	609,818	96,477	561,867	1,268,161
2019	672,866	100,923	616,830	1,390,619
2018	667,866	99,654	612,779	1,380,300
2017	670,093	97,762	598,691	1,366,538
2016	666,539	98,309	580,426	1,345,274
2015	656,445	97,947	581,686	1,336,078
2014	640,702	89,938	533,194	1,263,834
2013	570,477	79,302	522,199	1,171,978
2012	581,148	79,028	508,608 ⁽⁴⁾	1,168,784

SOURCE: Office of the Comptroller.

- (1) Includes all Pledged Motor Fuels Tax collected by the Commonwealth pursuant to Chapters 64A, 64E and 64F of the Massachusetts General Laws and credited to various budgeted funds, *except* Aviation Fuel. See the Official Statements under *Commonwealth Motor Fuels Tax – Crediting of Receipts*. Does not include prior Pledged Funds used to pay 1994 Trust Agreement Bonds.
- (2) Equal to 20.9685¢ per gallon of the 21¢ per gallon Gasoline Tax imposed under Chapter 64A *prior to July 31, 2013*, and equal to 23.964¢ per gallon of the 24¢ per gallon Gasoline Tax imposed under Chapter 64A *after July 31, 2013*; prior to the Transportation Reform Act and the establishment of the Commonwealth Transportation Fund effective fiscal 2010, the Gasoline Tax imposed under Chapter 64A was credited to the Highway Fund (84.85%), the General Fund (15.0%) and to the Inland Fisheries and Game Fund (0.15%).
- (3) Certain prior years have been adjusted to reflect reclassification of RMV revenues. Does not include amounts allocable to the cost of production of license plates, which in fiscal 2021 was approximately \$4.4 million.
- (4) Fiscal 2012 does not include \$2 million of the Registry Fees which represented civil motor infraction fees collected in such fiscal year and transferred to the Commonwealth Transportation Fund in fiscal 2013. See the Official Statements under *Commonwealth Registry Fees - Crediting of Receipts*.
- (5) Fiscal 2021 numbers are preliminary, unaudited, and subject to change.