



**THE COMMONWEALTH OF MASSACHUSETTS**  
**Federal Highway Grant Anticipation Notes**  
**(Accelerated Bridge Program)**

**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 federal highway grant anticipation note program. 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 federal highway grant anticipation notes 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 federal highway grant anticipation note program 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 federal grant anticipation notes. 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 Grant Anticipation Note Trust Fund are available on pages 176 and 180, 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 when 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 Non-Budgeted Special Revenue Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Statutory Basis for the Grant Anticipation Note Trust Fund is available on page 130 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."

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.

*[Remainder of page intentionally left blank]*

**1. Actual CTF Pledged Funds and Net CTF Pledged Funds as of end of prior Commonwealth Fiscal Year.**

**Historical CTF Pledged Funds**  
(in thousands)

<b>State Fiscal Year Ending June 30</b>	<b>CTF Pledged Funds<sup>(1)(2)</sup></b>	<b>Less: Debt Service on 1994 Trust Agreement Bonds</b>	<b>Less: Debt Service on CTF Obligations</b>	<b>Net CTF Pledged Funds<sup>(3)</sup></b>
2021 <sup>(4)</sup>	\$1,290,077	\$29,821	\$189,083	\$1,071,173
2020	1,275,860	29,822	184,361	1,061,677
2019	1,402,171	29,818	176,189	1,196,163
2018	1,391,800	29,825	149,968	1,212,007
2017	1,378,011	51,276	102,029	1,224,706
2016	1,356,751	50,906	96,200	1,209,645
2015	1,347,463	52,225	81,054	1,214,184
2014	1,275,261	52,228	69,921	1,153,113
2013	1,183,756	58,922	58,108	1,066,726
2012	1,181,099	58,939	32,623	1,089,537

SOURCE: CTF Pledged Funds column, Office of the Comptroller; all other columns Office of the Treasurer and Receiver-General

- (1) For Fiscal 2012 and 2013, consists of: (i) 20.9685¢ per gallon of 21¢ per gallon Gasoline Tax then in effect, (ii) 100% of the remaining Motor Fuels Tax, (iii) Registry Fees expected to be credited to the Commonwealth Transportation Fund pursuant to Section 34(iii) of Chapter 90, and (iv) Direct Payments relating to the 2010 CTF Bonds issued as Build America Bonds. For Fiscal 2014-2016, consists of (i) 23.964¢ per gallon of the 24¢ per gallon Gasoline Tax, (ii) 100% of the remaining Motor Fuels Tax, (iii) Registry Fees expected to be credited to the CTF pursuant to Section 34(iii) of Chapter 90 and (iv) Direct Payments relating to the 2010 CTF Bonds issued as Build America Bonds.
- (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 CTF in fiscal 2013.
- (3) Calculation may not tie out to other columns due to rounding.
- (4) Fiscal 2021 numbers are preliminary, unaudited, and subject to change.

**2. Aggregate annual fiscal year debt service requirements for the Notes issued under the Trust Agreement, beginning with the current Commonwealth Fiscal Year.**

**DEBT SERVICE REQUIREMENTS**

The following table sets forth the debt service requirements on the Notes issued under the Trust Agreement dated December 1, 2010, as amended and supplemented.

<b><u>State FY Ending June 30</u></b>	<b><u>Aggregate Debt Service on Trust Agreement Notes (1)</u></b>
2022	\$112,351,844
2023	112,349,970
2024	111,475,000
2025	111,474,500
2026	134,975,250
2027	140,301,000

SOURCE: Office of the Treasurer and Receiver-General

(1) Debt service on Trust Agreement Notes does not reflect receipt of Direct Payments.

**3. Summary presentation of Obligation Authority (“OA”) made available to the Commonwealth and the amount of OA actually obligated by the Commonwealth on a ten-year comparative basis, concluding with the prior Federal Fiscal Year.**

**THE COMMONWEALTH OF MASSACHUSETTS  
HISTORY OF OA AND ACTUAL OBLIGATIONS  
(in millions)**

Federal Fiscal Year	Formula OA <sup>(1)</sup>	Non-Formula OA <sup>(2)</sup>	Total OA	Actual Obligations
2012	585.7	24.3	610.0	597.5
2013	619.0	9.0	628.0	606.5
2014	617.9	4.0	621.9	621.9
2015	590.4	2.8	593.1	593.1
2016	602.1	8.7	610.8	631.4
2017	602.4	12.7	615.1	627.7
2018	597.7	17.7	615.4	615.4
2019	594.4	22.8	617.2	646.4
2020	662.4	71.0	733.4	684.8
2021	629.6	50.0	679.6	637.7

SOURCE: Massachusetts Department of Transportation – Federal Aid Program and Reimbursement Office. (MassDOT FAPRO)

- (1) Includes amounts attributable to Redistribution.
- (2) Includes amounts attributable to Minimum Guarantee and High Priority Funds.

**4. Summary presentation of apportionments received by the Commonwealth on a six-year comparative basis, concluding with the prior Federal Fiscal Year.**

*The FAST Act.* The following table sets forth the total apportionment that Massachusetts received for federal fiscal years 2016-2021, not including any future redistribution funds:

**FAST Act Apportionments  
(in millions)**

FFY	2016	2017	2018	2019	2020	2021
Apportionments- Formula	\$617.0	\$602.4	\$648.2	\$661.7	\$662.4	\$626.0
DEMO/Other Allocations	\$0.3	\$39.9	-	-	\$71.0	\$3.6
Total Funding	\$617.3	\$642.3	\$648.2	\$661.7	\$733.4	\$629.6

SOURCE: MassDOT FAPRO.