



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

ANNUAL FINANCIAL INFORMATION

March 25, 2024

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, 2023, updating the financial information presented in the Commonwealth's statement of annual financial information for federal highway grant anticipation notes dated March 27, 2023, with respect to the fiscal year ended June 30, 2022. 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, 2022 (the "2022 ACFR") has been posted to EMMA and is available at <https://emma.msrb.org/P11669475-P11285210-P11714375.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 184 and 188, respectively, of the 2022 ACFR. The Commonwealth's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023 is not yet available and will be posted on EMMA when available.

The Commonwealth's Statutory Basis Financial Report for the fiscal year ended June 30, 2023 (SBFR) has also been posted to EMMA and is available at <https://emma.msrb.org/P21777204-P21364371-P21802241.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 150 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. 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 spread of COVID-19, the mitigation measures implemented, and the responses of individuals, businesses, and organizations to the disease and the mitigation measures implemented caused severe disruptions in global, national, and local economies, as well as to global financial markets and the U.S. stock and bond markets. Specifically, COVID-19 and the efforts to mitigate its effects adversely impacted certain revenues of the Commonwealth, including Motor Fuels Tax revenues and Registry Fees, commencing with fiscal 2020. While the Commonwealth's state of emergency ended on June 15, 2021 and the state public health emergency ended on May 11, 2023, the continued impact on the Pledged Funds will depend on many factors and future developments, including continuing impacts on travel and tourism activity and the extent to which modifications in operations implemented by businesses and organizations during the pandemic, including allowing employees to work remotely, will continue.

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 December 18, 2023, as supplemented by the Information Statement Supplement dated January 8, 2024, available at <https://emma.msrb.org/P11755475.pdf>.

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 (857) 338-0234.

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

Historical CTF Pledged Funds
(in thousands)

State Fiscal Year Ending June 30	CTF Pledged Funds⁽¹⁾	Less: Debt Service on 1994 Trust Agreement Bonds	Less: Debt Service on CTF Obligations	Net CTF Pledged Funds⁽²⁾
2023	\$1,313,094	-	\$227,807	\$1,085,287
2022	1,329,905	-	198,504	1,131,401
2021	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

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

(1) 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) Calculation may not tie out to other columns due to rounding.

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.

<u>State FY Ending June 30</u>	<u>Aggregate Debt Service on Trust Agreement Notes (1)</u>
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 ⁽¹⁾	Non-Formula OA ⁽²⁾	Total OA	Actual Obligations
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
2022	864.5	51.0	915.5	881.8
2023	872.9	6.9	879.8	879.8

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 following table sets forth the total apportionment that Massachusetts received for federal fiscal years 2018-2023, not including any future redistribution funds:

**Annual Federal Highway Apportionments
(in millions)**

FFY	2018 ⁽¹⁾	2019 ⁽¹⁾	2020 ⁽¹⁾	2021 ⁽¹⁾	2022 ⁽²⁾	2023 ⁽²⁾
Apportionments-Formula	\$648.2	\$661.7	\$662.4	\$626.0	\$864.5	\$820.7
DEMO/Other Allocations	-	-	\$71.0	\$3.6	\$51.0	\$369.1
Total Funding	\$648.2	\$661.7	\$733.4	\$629.6	\$915.5	\$1,189.8

SOURCE: MassDOT FAPRO.

(1) Amounts reflect FAST Act Apportionments.

(2) Amounts reflect apportionments pursuant to the Infrastructure Investment and Jobs Act.