



THE COMMONWEALTH OF MASSACHUSETTS
Special Obligation Dedicated
Tax Revenue Bonds

ANNUAL FINANCIAL INFORMATION

March 27, 2023

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 issuance of special obligation dedicated tax revenue bonds. Set forth below is certain financial information and operating data relating to the Commonwealth for the fiscal year ended June 30, 2022, updating the financial information presented in the Commonwealth’s statement of annual financial information for special obligation dedicated tax revenue bonds dated March 24, 2022 relating to the fiscal year ended June 30, 2021.

Specific reference is made to the Official Statement dated June 29, 2005, relating to the Commonwealth’s Special Obligation Dedicated Tax Revenue Refunding Bonds, Series 2005 (the “Official Statement”), a copy of which has been filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) system. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Official Statement.

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 special obligation dedicated tax 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 special obligation dedicated tax 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, 2021 (the “2021 ACFR”) has been posted to EMMA and is available at <https://emma.msrb.org/P21571871-P21214090-P21635354.pdf>. The Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances for the Convention and Exhibition Center Fund are available on pages 178 and 182, respectively, of the 2021 ACFR. The Commonwealth’s Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022 is not yet available and will be posted on EMMA when available. See the Information Statement (defined below) for a discussion of the delay of the fiscal 2022 ACFR.

The Commonwealth’s Statutory Basis Financial Report for the year ended June 30, 2022 (SBFR) has also been posted to EMMA and is available at <https://emma.msrb.org/P11648213-P11269529-P11696752.pdf>. The Non-Budgeted Special Revenue Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Statutory Basis for the Convention and Exhibition Center Fund is available on page 135 of the SBFR and the Capital Projects Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Statutory Basis for the Convention and Exhibition Center Fund is available on page 144 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 Pledged Receipts, commencing with fiscal 2021. While the Commonwealth's state of emergency ended on June 15, 2021, the continued impact on the Pledged Receipts will depend on many factors and future developments, including continuing impacts on travel and tourism activity.

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 March 23, 2023 (the "Information Statement") available at <https://emma.msrb.org/P21682729-P31118509-P21725202.pdf>.

As of January 31, 2023, there are approximately \$426.2 million of the Series 2005 Bonds outstanding. As of January 31, 2023, the balance of the trustee-held Convention Center Revenue Fund available for debt service was \$248.2 million and retained earnings in the Convention Center Fund was \$353.7 million. The trust agreement for the Series 2005 Bonds requires a capital reserve fund to be maintained at an amount equal to the lesser of 10% of outstanding principal amount of the bonds, 125% of average annual debt service or maximum annual debt service and provides that if the fund falls below its required balance, the 2.75% convention center financing fee in Boston is to be increased (though the overall hotel tax in Boston, including the fee, cannot exceed 14%). As of January 31, 2023, the balance of the Capital Reserve Fund was \$53.9 million.

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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Historical Collections of Pledged Receipts – Fiscal Years 1999 through 2022

The following table shows historical net collections of the Room Occupancy Taxes, Vehicular Rental Surcharge, Sales Taxes and Sightseeing Surcharge in all the municipalities within the Tax Base in the Fiscal Years 1999 through 2022.

| Fiscal Year | Room Occupancy Taxes | Vehicular Rental Surcharges | Sales Taxes and Sightseeing Surcharges | Total (1) |
|----------------|----------------------------|-----------------------------------|--|---------------|
| 1999 | \$ 22,492,409 | \$ 11,529,850 | \$ 1,828,377 | \$ 35,850,636 |
| 2000 | 30,205,370 | 11,570,477 | 2,820,273 | 44,596,120 |
| 2001 | 33,780,677 | 11,607,998 | 3,436,452 | 48,825,127 |
| 2002 | 27,219,077 | 9,250,292 | 3,749,667 | 40,219,036 |
| 2003 | 27,177,474 | 8,652,549 | 3,710,343 | 39,540,367 |
| 2004 | 30,374,219 | 8,504,097 | 4,628,671 | 43,506,987 |
| 2005 | 35,642,440 | 9,203,788 | 5,715,061 | 50,561,289 |
| 2006 | 39,000,827 | 9,773,530 | 6,278,356 | 55,052,713 |
| 2007 | 46,427,614 | 10,369,002 | 9,550,367 | 66,346,983 |
| 2008 | 54,528,782 | 10,859,321 | 13,595,256 | 78,983,359 |
| 2009 | 50,693,330 | 9,961,727 | 13,255,065 | 73,910,122 |
| 2010 | 49,840,637 | 9,596,060 | 15,995,950 | 75,432,647 |
| 2011 | 55,830,733 | 10,551,865 | 18,522,534 | 84,905,132 |
| 2012 | 60,889,483 | 11,475,712 | 21,869,156 | 94,234,351 |
| 2013 | 64,124,410 | 11,728,107 | 22,666,831 | 98,519,348 |
| 2014 | 69,994,608 | 12,558,632 | 25,017,786 | 107,571,026 |
| 2015 | 78,118,067 | 13,141,711 | 31,999,975 | 123,259,753 |
| 2016 | 82,852,032 | 13,807,270 | 37,952,959 | 134,612,262 |
| 2017 | 87,237,066 | 14,199,971 | 32,352,074 | 133,789,111 |
| 2018 | 93,222,172 | 14,392,954 | 39,257,049 | 146,872,177 |
| 2019 | 103,369,480 | 14,432,307 | 46,394,985 | 164,196,769 |
| 2020 | 93,694,737 | 14,078,983 | 38,060,828 | 145,834,550 |
| 2021 | 22,517,492 | 3,948,313 | 19,278,397 | 45,744,204 |
| 2022 | 94,916,807 | 8,637,636 | 45,164,653 | 148,719,098 |

Source: Department of Revenue.

(1) Totals may not add due to rounding.