

**Massachusetts Development
Finance Agency**
(A Component Unit of the Commonwealth of
Massachusetts)

**Financial Statements issued in accordance with
*Government Auditing Standards***

Fiscal Year ended June 30, 2025



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)

June 30, 2025

Page(s)

Independent Auditor's Report.....1-3

Management's Discussion and Analysis (unaudited).....4-11

Financial Statements

Statement of Net Position.....12

Statement of Revenues, Expenses and Changes in Net Position.....13

Statement of Cash Flows.....14-15

Statement of Fiduciary Net Position.....16

Statement of Changes in Fiduciary Net Position.....17

Notes to the Financial Statements.....18-64

Required Supplementary Information

Schedule of Special Funding Amounts of the Net Pension Liability – Massachusetts State Employees' Retirement System – Last Ten Fiscal years65

Other Information

Schedules of Departmental Net Position and Schedules of Departmental Revenues, Expenses and Changes in Net Position as of June 30, 2025.....66



INDEPENDENT AUDITORS' REPORT

Board of Directors
Massachusetts Development Finance Agency
Boston, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the Massachusetts Development Finance Agency (the Agency), a component unit of the Commonwealth of Massachusetts, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Agency as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Massachusetts Development Finance Agency's Short-Term Asset Reserve Fund (the STAR Fund), which represent 77 percent, 77 percent, and 91 percent, respectively, of the assets, net position, and revenues of the fiduciary activities as of June 30, 2025. We did not audit the financial statements of the Massachusetts Growth Capital Corporation for the period ending February 17, 2025, which represent 8% of the revenues of the business-type activities for the year ended June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included are based solely on the reports of the other auditors.

Emphasis of Matter – Change in Reporting Entity

As discussed in Note 24 to the financial statements, there was a change in the reporting entity as a result of the merger with Massachusetts Growth Capital Corporation. Our opinion is not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the STAR Fund were not audited in accordance with *Government Auditing Standards*.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and special funding pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

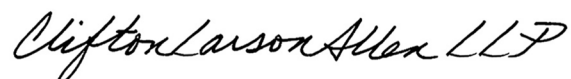
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Schedules of Departmental Net Position and Departmental Revenues, Expenses and Changes in Net Position but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2025, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Boston, Massachusetts

December 9, 2025

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Management's Discussion and Analysis
June 30, 2025
(unaudited)

As management of the Massachusetts Development Finance Agency (the Agency), we offer the readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2025. This discussion and analysis should be read in conjunction with the accompanying financial statements.

The Agency was created on September 30, 1998 pursuant to Chapter 23G of Massachusetts General Laws (MGL) (Chapter 289 of the Acts of 1998). The Agency is a body corporate and politic and a public instrumentality and was created from the statutory merger of, and is the legal successor in all respects to, two previous existing instrumentalities, the Massachusetts Government Land Bank (created in 1975 under Chapter 212 of the Acts of 1975) and the Massachusetts Industrial Finance Agency (created in 1978 pursuant to Chapter 23A of the MGL) and is the legal successor to the Massachusetts Health and Educational Facilities Authority (created pursuant to Chapter 614 of the Acts of 1968). Other powers of the Agency are also set forth in MGL Chapter 40D (with respect to the issuance of tax-exempt bonds) and Chapter 498 of the Acts of 1993, as amended (with respect to the redevelopment of the former Fort Devens (Devens), a former federal military base). On February 18, 2025, pursuant to Chapter 238 of the Acts of 2024, Massachusetts Growth Capital Corporation ("MGCC") was merged into the Massachusetts Development Finance Agency ("MassDevelopment") under legislative authority granted by the Commonwealth of Massachusetts. As a result of this merger, all assets, liabilities, and operations of MGCC were transferred to the Agency.

The purpose of the Agency is to stimulate economic growth, increase employment, eradicate blight, promote prosperity and help build communities throughout the Commonwealth of Massachusetts (Commonwealth). It does this through its powers to:

- Issue tax-exempt bonds for the benefit of certain industrial and commercial entities, educational, health care and housing facilities and public bodies;
- Make loans and provide credit to eligible borrowers in accordance with its public purpose;
- Aid public and private enterprises in the redevelopment of surplus federal and state property and other blighted, open, underdeveloped property and;
- Administer specific statutory programs directed at certain economic development needs in the Commonwealth, such as Emerging Technology Program, Cultural Facilities Program, Military Bond Bill Capital Projects Program, Site Readiness Program, redevelopment of the Belchertown State School, Transformative Development Initiative Program, Brownfield Redevelopment Program, Credit Enhancement of Charter School Facilities Program, Transportation Infrastructure Enhancement Trust Program, Innovation Voucher Program, Community Innovation Infrastructure Program, Underutilized Properties Program, State Small Business Credit Initiative Programs and the Massachusetts Export Finance Program.

The Agency is governed by an 15-member Board of Directors, thirteen of whom are appointed directly by the Governor and two of whom are public officials, or their designees, serving ex officio. The Agency is considered a component unit of the Commonwealth for financial statement reporting purposes.

Using the Financial Statements

The Agency's annual report includes three basic financial statements: the statement of net position, the statement of revenues, expenses and changes in net position and the statement of cash flows. The basic financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). The Agency's financial statements are reported as a special purpose business type entity.

The statement of net position reports assets, liabilities and deferred inflows of resources and the difference between them as net position. Net position represents the residual interest in the Agency's assets, plus deferred outflows of resources after liabilities, less deferred inflows of resources and consists of three sections: net investment in capital assets; restricted and unrestricted. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position. Net position is reported as restricted when constraints are imposed by third parties or enabling legislation. The Agency's restricted net position is expendable. All other net position is unrestricted.

Revenues and expenses are categorized as either operating or non-operating based upon management's definition of the Agency's principal ongoing operations.

Statements of Net Position

	June 30, 2025	June 30, 2024
Assets		
Current assets	\$ 435,629,631	\$ 351,588,807
Noncurrent assets	154,107,640	148,500,665
Assets held for sale	5,302,197	5,285,441
Capital assets (net of accumulated depreciation and amortization)	118,800,155	104,572,291
Total assets	<u>713,839,623</u>	<u>609,947,204</u>
Liabilities		
Current liabilities	93,553,340	52,072,158
Noncurrent liabilities	100,585,986	106,810,655
Total liabilities	<u>194,139,326</u>	<u>158,882,813</u>
Deferred Inflows of Resources	4,401,174	4,002,438
Total liabilities and deferred inflows of resources	<u>198,540,500</u>	<u>162,885,251</u>
Net Position		
Net investment in capital assets	70,432,842	61,300,750
Restricted	247,633,704	229,713,131
Unrestricted	197,232,577	156,048,072
Total net position	<u>515,299,123</u>	<u>447,061,953</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 713,839,623</u>	<u>\$ 609,947,204</u>

2024 amounts were not adjusted to reflect the impact of change in reporting entity – see Note 24

Assets

The Agency's current assets consist of cash and cash equivalents, short-term investments, current portion of loans receivable, current portion of lease receivable, accounts receivable and other assets, due from the Commonwealth of Massachusetts and assets held for sale. The Agency's noncurrent assets consist of long-term cash and cash equivalents and investments, other investments, net loans receivable, lease receivable, assets held for sale, leased assets, net, subscription assets, net and capital assets, net.

Current assets increased by \$84.0 million from 2024 to 2025 mainly due to an increases in cash and cash equivalents – restricted for use due to increased funding for restricted programs and the change in reporting entity – see Note 24. The increase in cash is mainly due to the receipt of the cash funding from the Commonwealth related to the Brownfields program.

Noncurrent assets increased by \$19.9 million from 2024 to 2025 mainly due to increases in capital upgrades to the Devens electrical substations, equipment needed to eliminate PFAS from Devens water sources as well as continued construction of the new Devens Public Safety building offset by decreases in loan receivable balances, and the change in reporting entity – see Note 24.

Loans receivable consist of loans issued by the Agency (net of the allowance for loan loss). As of June 30, 2025 and 2024, there were \$135.0 million and \$144.3 million, respectively, of net loans receivable. Net loans receivable decreased \$9.3 million from 2024 to 2025 mainly due to more loan repayments and transfer of loans compared to loan disbursements during the fiscal year. The total loan disbursements were approximately \$17.0 million as compared to \$23.1 million of loan repayments and transfers, mainly within the General Operations Program, State Small Business Credit Initiative Program and the Emerging Technology Program.

Capital assets mainly relate to land, infrastructure and improvements and equipment assets for Agency operations in Devens and Boston, MA. The increase of \$14.2 million from 2024 to 2025 was mainly due to increases in capital upgrades to the Devens electrical substations, equipment needed to eliminate PFAS from Devens water sources and construction of the new Devens Public Safety building, and the change in reporting entity – see Note 24. See Note 9 to the financial statements for more information on capital assets.

Liabilities

The Agency's current liabilities consist of accounts payable and accrued expenses, current portions of bonds payable, advances from the Commonwealth, lease liability and subscription liability, accrued interest payable and other current liabilities. Noncurrent liabilities consist of long-term portion of bonds payable, advances from the Commonwealth, lease liability and subscription liability and other noncurrent liabilities.

Current liabilities increased by \$41.5 million from 2024 to 2025 due to there being additional unearned revenue for future grant awards, specifically the brownfield program identified above, to be made or capital projects to be spent on than in prior years, along with the change in reporting entity – see Note 24.

Noncurrent liabilities decreased \$6.2 million from 2024 to 2025 mainly due to payments on and forgiveness of outstanding debt described below.

Debt

	2025	2024
Devens Electric System Utility Bonds	\$ 3,145,000	\$ 3,645,000
Bonds Payable-Devens Public Safety Building	13,630,000	14,360,000
Advances from Commonwealth	23,252,361	30,174,053
Total Debt	<u>\$ 40,027,361</u>	<u>\$48,179,053</u>

Debt decreased by \$8.1 million from 2024 to 2025 due to a principal payments on outstanding debt of approximately \$2.6 million and forgiveness of approximately \$5.5 million on the outstanding Massachusetts Clean Water Trust loan.

See Notes 14 and 15 to the financial statements for more information on debt.

Revenues and Expenses

	2025	2024
Operating revenues	\$ 86,915,469	\$ 81,856,820
Operating expenses	<u>(99,086,201)</u>	<u>(91,367,688)</u>
Operating loss	(12,170,732)	(9,510,868)
Nonoperating revenues (expenses), net	16,756,047	25,755,054
Capital contributions	<u>7,582,649</u>	<u>2,685,556</u>
Increase in net position	<u>\$ 12,167,964</u>	<u>\$ 18,929,742</u>

Operating Revenues

	2025	2024
Devens Operating - taxes and user charges	\$ 63,336,122	\$ 57,377,584
Interest and other loan income	9,227,798	6,562,834
Interest income - leased assets	196,144	179,193
Bond issuance and new markets tax credit fees	9,192,299	9,275,822
Lease income	884,780	806,004
Other	2,352,554	3,551,638
Gain on sale of real estate, net	<u>1,725,772</u>	<u>4,103,745</u>
	<u>\$ 86,915,469</u>	<u>\$ 81,856,820</u>

Operating revenues increased by \$5.1 million from 2024 to 2025 mainly due to increases in Devens operating revenue and loan income.

Devens operating revenue, which includes utility income and real estate taxes, is an important component of the Agency's operating revenue. The Agency owns the utility systems at Devens and provides electricity, natural gas, water and sewer services to the Devens community. The utility staff works in conjunction with operations and maintenance contractors to maintain, upgrade and expand the utility systems. The current systems consist of five transmission substations, approximately 73 miles of distribution power lines, three miles of transmission power lines, three active drinking water wells and pumping stations, approximately 50 miles of water line, 32 miles of natural gas pipeline, a wastewater treatment facility, six sewer lift stations and 50 miles of sewer. Devens operating revenue increased by \$6.0 million from 2024 to 2025 mainly due to increased real estate tax revenue due to new growth and increased assessed values and increased electric income due to increased rates.

Interest and other loan income represents income related to outstanding loans issued by the Agency. The amount increased by \$2.7 million from 2024 to 2025 as a result of the additional revenue from MGCC.

Operating Expenses

	2025	2024
Salaries and related employee expenses	\$ 30,446,552	\$ 25,738,890
Property, maintenance and utilities	43,059,123	37,696,520
General and administrative	5,925,932	3,700,541
Project and professional expenses	7,553,874	11,059,007
Provision for loan loss	1,410,642	2,676,006
Other	100,577	1,571,997
Depreciation and amortization	10,589,501	8,924,727
	<u>\$ 99,086,201</u>	<u>\$ 91,367,688</u>

Operating expenses increased by \$7.7 million from 2024 to 2025 mainly due to the combination of increased salary and related employee expenses, property, maintenance and utilities expenses, general and administrative expenses, and depreciation offset by decreases in provision for loan losses, project and professional expenses, and other expenses.

Salaries and related employee expenses increased \$4.7 million from 2024 to 2025 due to cost-of-living adjustments and increased benefit costs along with the addition of MGCC related expenses.

Property, maintenance and utilities expenses increased by \$5.4 million from 2024 to 2025, which was due to higher utility purchase power and maintenance costs.

General and administrative expenses increased \$1.4 million from 2024 to 2025 mainly due to an increase in tax abatement reserves and bad debt expense, along with the addition of MGCC related expenses.

Project and professional expenses decreased by \$3.5 million from 2024 to 2025 mainly due to decreased project expenses for site readiness and guarantee payments.

Provision for loan loss represents the expense necessary to maintain an adequate allowance for loan losses. The provision adjustment decreased in fiscal year 2025 due to the Agency issuing fewer loan dollar amounts than in the prior year.

Other expenses decreased by \$1.5 million related to losses on the Commonwealth Fund III LLC and Commonwealth Fund IV LLC investments during the previous fiscal year that were not experienced in the current fiscal year.

Depreciation and amortization expense increased \$1.6 million from 2024 to 2025 mainly due to the increase in capital assets.

Non-operating Revenues (Expenses)

	2025	2024
Contributions from the Commonwealth of Massachusetts	\$ 60,567,504	\$ 48,297,475
Grant revenue	2,353,457	3,503,093
Investment income	15,053,683	14,580,782
Contract assistance	375,509	435,719
Grant awards	(60,366,163)	(40,002,270)
Interest expense	(894,724)	(770,082)
Interest expense - right to use leased assets	(300,574)	(115,764)
Interest expense - right to use subscription assets	(32,645)	(21,399)
Financing costs and amortization of bond discount, net	-	(152,500)
	<u>\$ 16,756,047</u>	<u>\$ 25,755,054</u>

Non-operating revenues (expenses) consist of contributions from the Commonwealth, grant revenue investment income, contract assistance, grant awards and interest expense, financing costs and other. The decrease of \$9.0 million from 2024 to 2025 is mainly related to the decrease in SSBCI loans issued in the current fiscal year.

Investment income and interest expense remained relatively consistent from 2024 to 2025. Interest expense includes interest for the Electric System Utility bonds issued for the acquisition of the electric transmission and distribution facility at Devens, the MCWT loan for the construction of the wastewater treatment facility at Devens and for the bond issued for the Public Safety building being built in Devens, MA. Interest expense- leased assets include interest paid for leases in which the Agency is the lessee for office space or equipment. Interest expense-subscription assets includes interest paid for subscription-based information technology agreements for which the Agency is using third-party software.

Contributions from Commonwealth, grant revenue and awards changes are described below.

Nonoperating Grant Activities

	2025	2024
Contributions from the Commonwealth of Massachusetts	\$ 60,567,504	\$ 48,297,475
Grant revenue	2,353,457	3,503,093
Predevelopment and Brownfield awards	(3,439,822)	(6,994,722)
Cultural Facilities grant awards	(10,122,550)	(10,717,551)
Military Bond Bill grant awards	(1,907,345)	(1,303,930)
Underutilized Properties grant awards	(17,635,058)	(10,390,161)
Transformative Development Initiative grant awards	(5,692,194)	(5,750,592)
Transportation Infrastructure Enhancement Trust grant awards	(103,564)	(521,628)
Innovation Voucher grant awards	(1,067,253)	(2,127,077)
Community Innovation Infrastructure grant awards	(561,554)	(906,173)
Taunton Development MassDevelopment Corporation grant awards	(2,300,000)	-
Other grant awards	(17,536,823)	(1,290,436)
	<u>\$ 2,554,798</u>	<u>\$ 11,798,298</u>

Contributions from the Commonwealth of \$60.6 million and \$48.3 million, were recognized in fiscal years 2025 and 2024, respectively. The fiscal year 2025 amounts mainly include \$10.9 million for the Cultural Facilities Program, \$18.1 million for the Underutilized Properties Program, and \$18.3 million for the MGCC related programs. The fiscal year 2024 amounts mainly include \$11.5 million for the Cultural Facilities Program, \$10.7 million for the Underutilized Properties Program, \$10.5 million for the State Small Business Credit Initiative Program, and \$3.7 million for the Site Readiness program.

Grant revenue of approximately \$4.5 million and \$3.5 million was recognized in fiscal years 2025 and 2024, respectively. The fiscal year 2025 amount includes \$2.3 million for the Transformative Development Initiative program to assist with redevelopment of Gateway Cities.

The Agency disbursed \$10.1 million and \$10.7 million in fiscal years 2025 and 2024 respectively, to various recipients in support of acquisition, design, construction, repair, renovation, rehabilitation or capital improvements or deferred maintenance of a cultural facility.

The Agency disbursed \$1.9 million and \$1.3 million in fiscal years 2025 and 2024, respectively, to various recipients in support of military installation development projects across the Commonwealth.

The Agency disbursed \$17.6 million and \$10.4 million in fiscal years 2025 and 2024, respectively, to various recipients in support of projects that will improve, rehabilitate or redevelop blighted, abandoned, vacant or underutilized properties to achieve the public purposes of eliminating blight, increasing housing production, supporting economic development projects and increasing the number of commercial buildings accessible to people with disabilities.

The Agency disbursed \$5.7 million and \$5.8 million in fiscal years 2025 and 2024, respectively, to various recipients in support of the redevelopment of Gateway cities in the Commonwealth.

The Agency disbursed \$0.1 million and \$0.5 million in fiscal years 2025 and 2024 to various recipients in support of providing financial assistance to small businesses operating in the taxicab, livery or hackney industries to promote the adoption of new technologies and support workforce development.

The Agency disbursed \$1.1 million and \$2.1 million in fiscal years 2025 and 2024, respectively, to various recipients in support of providing a voucher program to small corporations and start-up companies for sharing the use of core facilities at the University of Massachusetts.

The Agency disbursed \$0.6 million and \$0.9 million in fiscal years 2025 and 2024, respectively, to various recipients in support of providing grants to businesses, to plan and study the feasibility of new collaborative workspaces, building improvements and equipment purchases.

The Agency disbursed \$2.3 million in fiscal year 2025 to redevelop the property of the former Dever State School core campus in Taunton, MA.

The Agency disbursed \$17.5 million and \$1.3 million in fiscal years 2025 and 2024, respectively, to various recipients in support of various projects throughout the Commonwealth; of this amount \$16.9 million was for MGCC programs.

Capital Contributions

Capital Contributions received during fiscal year 2025 and 2024 were \$7.9 and \$2.7 million, respectively. The increase was a result of forgiveness from MCWT in the amount of \$5 million, the remaining amount is for the continued construction of the Public Safety Building.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, Massachusetts Development Finance Agency, 99 High Street, 11th Floor, Boston, MA, 02110.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Statement of Net Position
June 30, 2025

Assets	
Current assets	
Cash and cash equivalents	\$ 51,838,672
Cash and cash equivalents - restricted for use	235,442,731
Investments	33,847,012
Investments - restricted for use	82,062,761
Loans receivable, net	13,735,422
Lease receivable	340,610
Interest receivable	1,043,942
Accounts receivable and other assets (net of allowance of \$1,351,812 at June 30, 2025)	12,115,342
Due from the Commonwealth of Massachusetts	3,052,360
Project escrow deposits	2,150,779
Assets held for sale	3,394,011
Total current assets	439,023,642
Noncurrent assets	
Cash and cash equivalents - restricted for capital use	13,905,568
Cash and cash equivalents - restricted for use	2,298,331
Investments - restricted for use	2,750,610
Other investments	7,570,130
Loans receivable (net of allowance of \$18,961,687 at June 30, 2025)	122,850,570
Lease receivable	4,454,692
Predevelopment and Brownfield receivables (net of allowance of \$9,521,288 at June 30, 2025)	277,739
Assets held for sale	1,908,186
Capital assets, net	118,800,155
Total noncurrent assets	274,815,981
Total assets	\$ 713,839,623
Liabilities, Deferred Inflows of Resources and Net Position	
Current liabilities	
Accounts payable and accrued expenses	\$ 18,261,262
Current portion of bonds payable	1,275,000
Advances from the Commonwealth of Massachusetts	1,649,596
Compensated absences	2,065,276
Lease liability	1,907,470
Subscription liability	307,100
Accrued interest payable	249,630
Project escrow payable	2,342,978
Other Liabilities	331,657
Unearned revenue	65,163,371
Total current liabilities	93,553,340
Noncurrent liabilities	
Bonds payable	15,500,000
Advances from the Commonwealth of Massachusetts	21,602,765
Lease liability	2,954,856
Subscription liability	85,485
Unearned revenue and other liabilities	60,442,880
Total noncurrent liabilities	100,585,986
Total liabilities	194,139,326
Deferred inflows of resources	
Leases	4,401,174
Total deferred inflows of resources	4,401,174
Net position	
Net investment in capital assets	70,432,842
Restricted due to statutory, contractual or bond covenants	247,633,704
Unrestricted	197,232,577
Total net position	515,299,123
Total liabilities, deferred inflows of resources and net position	\$ 713,839,623

The accompanying notes are an integral part of these financial statements.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2025

Revenues

Operating revenues

Devens Operating - Taxes and User Charges	\$ 63,336,122
Interest and other loan income	9,227,798
Interest income - leased assets	196,144
Bond issuance and New Markets Tax Credit fees	9,192,299
Lease income	884,780
Other	2,352,554
Gain on sale of real estate, net	1,725,772
Total operating revenues	<u>86,915,469</u>

Expenses

Operating expenses

Salaries and benefits	30,446,552
Property, maintenance and utilities	43,059,123
General and administrative	5,925,932
Project and professional expenses	7,553,874
Provision for loan loss	1,410,642
Other	100,577
Depreciation and amortization	10,589,501
Total operating expenses	<u>99,086,201</u>
Operating loss	(12,170,732)

Nonoperating revenues (expenses)

Contributions from the Commonwealth of Massachusetts	60,567,504
Grant revenue	2,353,457
Investment income	15,053,683
Contract assistance	375,509
Grant awards	(60,366,163)
Interest expense	(894,724)
Interest expense - right to use leased assets	(300,574)
Interest expense - right to use subscription assets	(32,645)
Nonoperating revenues (expenses), net	<u>16,756,047</u>
Income before capital contributions	4,585,315

Capital contributions

Change in net position	<u>7,582,649</u>
------------------------	------------------

Net position

Net position - beginning of year, as previously reported	447,061,953
Restatement for change in reporting entity - note 24	56,069,206
Net position - beginning of year, as restated	<u>503,131,159</u>
Net position - end of year	<u>\$ 515,299,123</u>

The accompanying notes are an integral part of these financial statements.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Statement of Cash Flows
Year Ended June 30, 2025

Cash flows from operating activities

Receipts from customers	\$ 83,094,486
Receipts from sale of real estate	767,253
Receipts from other sources	3,369,092
Payments to vendors	(57,015,139)
Payments to employees	(29,335,919)
Net cash provided by operating activities	<u>879,773</u>

Cash flows from capital and related financing activities

Acquisition of capital assets	(20,112,334)
Receipts of capital contributions	2,122,649
Principal payments on bonds and notes	(2,316,183)
Payments of interest on bonds and notes	(929,333)
Principal payments on leases	(1,578,467)
Interest payments on leases	(300,574)
Principal payments on SBITAs	(354,220)
Interest payments on SBITAs	(32,645)
Net cash used in capital and related financing activities	<u>(23,501,107)</u>

Cash flows from noncapital financing activities

Receipts of contributions from the Commonwealth of Massachusetts	79,830,951
Receipts of grant contributions	2,353,457
Payments for grant awards	(60,366,163)
Net cash provided by noncapital financing activities	<u>21,818,245</u>

Cash flows from investing activities

Purchases of investments	(32,567,724)
Sales of investments	36,445,128
Receipts from interest income	15,220,399
Disbursements of loans	(18,321,325)
Collections of loans	23,788,347
Acquisition of assets held for sale	(16,756)
Net cash provided by investing activities	<u>24,548,069</u>

Net increase in cash and cash equivalents	23,744,980
---	------------

Cash and cash equivalents at beginning of year, as restated (See Note 24)	279,740,322
Cash and cash equivalents at end of year	<u>\$ 303,485,302</u>

Supplemental disclosure of noncash activity

MCWT Subsidy	\$ 375,509
Net change on capital additions included in accounts payable and accrued expenses	(170,828)

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Statement of Cash Flows
Year Ended June 30, 2025

Reconciliation of cash flows provided by operating activities

Operating loss	\$ (12,170,732)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	10,589,501
Provision for loan loss	(209,131)
Loss on equity method investments	100,577
Changes in assets and liabilities	
Accounts receivable and other assets	732,942
Accrued expenses	1,700,055
Project escrows	(24,258)
Unearned revenue and other liabilities	160,819
Total adjustments	<u>13,050,505</u>
Net cash provided by operating activities	<u>\$ 879,773</u>

The accompanying notes are an integral part of these financial statements.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Statement of Fiduciary Net Position
June 30, 2025

	Investment Trust Fund *	Private Purpose Trust Funds
Assets		
Cash and cash equivalents	\$ 59,717	\$ 11,519
Investments:		
Short-term investments	793,610	88,490
Mutual funds	-	4,789,339
Exchange traded funds	-	4,483,699
Certificates of deposit - negotiable	7,698,569	-
U.S. treasury notes and bills	1,689,849	
Commercial paper	13,743,763	-
Repurchase agreements	9,523,324	-
Corporate notes	2,300,103	
Total investments	35,749,218	9,361,528
Interest receivable	832,313	3,270
Loans Receivable (Net of allowance of \$51,124 at June 30, 2025)	-	1,511,865
Total assets	36,641,248	10,888,182
Liabilities		
Investment advisory fees	28,965	-
Administration fees	19,577	-
Professional fees	32,920	-
Other accrued expenses	8,392	-
Total liabilities	89,854	-
Net position restricted for participants and organizations	\$ 36,551,394	\$ 10,888,182

* Investment Trust Fund stated as of December 31, 2024

The accompanying notes are an integral part of these financial statements.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2025

	Investment Trust Fund *	Private Purpose Trust Funds
Additions		
Investment Income	\$ 11,381,734	1,084,846
Less: investment expenses	(526,415)	-
Net investment income	<u>10,855,319</u>	<u>1,084,846</u>
Deductions		
Salary and related employee expense	-	55,575
Professional fees	33,123	39,232
Grant expenses	-	100,000
Provision for loan loss	-	51,124
Other expenses	7,604	-
Total	<u>40,727</u>	<u>245,931</u>
Net increase before share transactions	10,814,592	838,915
Net share transactions	(10,653,146)	-
Net increase (decrease) in net position	<u>161,446</u>	<u>838,915</u>
Net restricted position - beginning of year	36,389,948	10,049,267
Net restricted position - end of year	<u>\$ 36,551,394</u>	<u>\$ 10,888,182</u>

The accompanying notes are an integral part of these financial statements.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

1. Reporting Entity

Massachusetts Development Finance Agency (the Agency or MDFA) was created on September 30, 1998 pursuant to Chapter 23G of Massachusetts General Laws (MGL) (Chapter 289 of the Acts of 1998). The Agency is a body corporate and politic instrumentality and was created from the statutory merger of, and is the legal successor in all respects to two previous existing instrumentalities, the Massachusetts Government Land Bank (Land Bank) (created in 1975 under Chapter 212 of the Acts of 1975) and the Massachusetts Industrial Finance Agency (MIFA) (created 1978 pursuant to chapter 23A of the MGL) and is the legal successor to the Massachusetts Health and Educational Facilities Authority (HEFA) (created pursuant to Chapter 614 of the Acts of 1968). Other powers of the Agency are also set forth in MGL's Chapter 40D (with respect to the issuance of taxable and tax-exempt bonds) and chapter 498 of the Acts of 1993, as amended (with respect to the redevelopment of the former Fort Devens (Devens), a closed federal military base). On November 14, 2024, the Massachusetts Legislature passed a bill which resulted in the merger of the Agency and Massachusetts Growth Capital Corporation ("MGCC") effective February 17, 2025. Pursuant to Chapter 238 of the Acts of 2024, MGCC was merged into the MDFA under legislative authority granted by the Commonwealth of Massachusetts. As a result of this merger, all assets, liabilities, and operations of MGCC were transferred to MDFA.

The purpose of the Agency is to stimulate economic growth, increase employment, eradicate blight, promote prosperity and help build communities throughout the Commonwealth of Massachusetts (Commonwealth). It does this through its powers to issue taxable and tax-exempt bonds for the benefit of industrial and commercial entities, institutions, health care and housing facilities, public bodies and other non-profit organizations; making loans and providing credit to eligible borrowers in accordance with its public purposes; and aiding public and private enterprises in the redevelopment of surplus federal and state property and other blighted, open, underdeveloped property. It also administers specific statutory funds directed at certain economic development needs in the Commonwealth, such as, Brownfields Redevelopment Program (Brownfields), Emerging Technology Program (ETP), Cultural Facilities Program, Massachusetts Export Finance Program, Credit Enhancement of Charter School Facilities Program, Site Readiness Program, Military Bond Bill Capital Projects Program (MBB), Transformative Development Initiative Program (TDI), redevelopment of the Belchertown State School, Transportation Infrastructure Enhancement Trust Program, Innovation Voucher Program, Underutilized Properties Program, State Small Business Credit Initiative and Community Innovation Infrastructure Program. The Agency also has the power to issue debt for the redevelopment of Devens.

The Agency is governed by an 15-member Board of Directors (Board), thirteen of whom are appointed directly by the Governor and two of whom are public officials, or their designees, serving ex officio.

In accordance with the requirements of Governmental Accounting Standards Board (GASB), the financial statements must present the Agency and its component units. The Agency, itself, is considered a component unit of the Commonwealth and, accordingly, its financial statements are incorporated into the financial statements of the Commonwealth.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

The Agency's financial statements include the following blended component unit:

Taunton Development MassDevelopment Corporation

In January 2012, the Agency, in partnership with Taunton Development Corporation, purchased from the Commonwealth the former Dever State School core campus in Taunton, MA. The property consisted of approximately 220 acres with approximately 40 dilapidated buildings and underground tunnels. A new non-profit corporation called Taunton Development MassDevelopment Corporation (TDMDC) was formed to own and redevelop the property. Redevelopment of the property includes expansion of the existing 150 acres of the Myles Standish Industrial Park and development of a life science park including a training/education center. Grants have been provided by the Commonwealth through MassWorks and by the United States Department of Commerce Economic Development Administration. TDMDC is included in the financial statements of the Agency as the majority of the TDMDC board members are executives of the Agency. The Agency also provides consultant services related to the redevelopment of the property and financial services for TDMDC. TDMDC does not issue stand-alone financial statements.

MassDevelopment New Markets LLC (MDNM)

The Agency, via a subsidiary entity, MDNM, was awarded, since inception of the federal New Markets Tax Credit Program, the right to allocate federal New Markets Tax Credits against \$341.0 million of its investors' investments by the United States Department of the Treasury. The Agency has a 0.01% to 0.1% investment allocation in the related investments. See Note 5 for more information.

STAR Fund

The Massachusetts Development Finance Agency Short-Term Asset Reserve Fund (formerly known as HEFA Short-Term Asset Reserve Fund) (STAR Fund) was established on July 16, 1991 under the laws of the Commonwealth, Chapter 614, of the Acts of 1968, to make available comprehensive investment management of proceeds of bonds and other obligations issued by HEFA on behalf of its institutional borrowers. The STAR Fund is a short-term money market portfolio which seeks to preserve principal and maintain liquidity. Pursuant to Chapter 240 of the Acts of 2010 of the Commonwealth, HEFA was merged into the Agency effective October 1, 2010. All rights, powers, duties and properties of HEFA related to the STAR Fund transferred to the Agency as of this date and the name was changed. The Agency is the administrator of the STAR Fund. Pursuant to the provisions of GASB No. 84, *Fiduciary Activities*, the STAR Fund qualifies as a fiduciary component unit of the Agency. As a result, the assets and corresponding net position of the STAR Fund are accounted for as a fiduciary activity as of December 31, 2024 and included in the statement of fiduciary net position and statement of changes in fiduciary net position as of June 30, 2025. The STAR Fund reports on a December 31 year end. If the STAR Fund were to terminate, all remaining funds would be due back to the participants in the STAR Fund. A copy of the financial statements of the STAR Fund can be obtained from the Office of the Chief Financial Officer, Massachusetts Development Finance Agency, 99 High Street, 11th floor, Boston, MA 02110.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

MassDevelopment/HEFA Trust (Trust)

The Trust was established on July 8, 1997 as an irrevocable trust. The Trust's net position is subject to restrictions regarding its use. The Trust is authorized to make payments to charitable organizations or governmental entities, such as public colleges and universities, to assist in the form of gifts, grants and loans. The General Operations Program may be eligible to receive the income and up to 10.0% of the principal from the Trust at the trustees' direction. All payments to the General Operations Program shall be used by the Agency only to reduce charges it would otherwise have to impose upon institutions using the Agency's services, and all payments to charitable institutions or governmental entities must be for their charitable and governmental purposes, respectively. Pursuant to the provisions of GASB No. 84, *Fiduciary Activities*, the Trust qualifies as a fiduciary component unit of the Agency. As a result, the assets and corresponding net position of the Trust are accounted for as a fiduciary activity and included in the statement of fiduciary net position and statement of changes in fiduciary net position as of June 30, 2025.

MassCare Capital, Inc. (MassCare)

The entity was formed on December 23, 2004, by members of the Agency. The sole purpose of this entity is to assist educational providers and institutions in supplying cultural and educational services in an economic fashion, including but not limited to operating facilities that provide cultural or educational services. This may involve purchasing, holding, leasing or other methods of acquisition, properties that may house student, faculty or staff. The corporation aims to relieve the institutions and educational providers from financial burdens that would have otherwise make the objectives of an institution/body more challenging to attain. While the Agency is exempt from the filing of taxes, MassCare Capital must file annually and pay any applicable taxes assessed on the Agency by the tax authorities.

Civic Investments

The entity was formed in August 1992. The sole purpose of this entity is to provide funds to nonprofit organizations which directly provide charitable, educational, and medical services to the public. Civic Investments is included in the financial statements of the Agency as the majority of the board members are executives of the Agency. Civic investments does not issue stand-alone financial statements.

Income Taxes

As noted, the Agency has been determined to be a component unit of the Commonwealth. Accordingly, income earned by the Agency is not included within the definition of income as defined in Section 61 of the Internal Revenue Code (IRC). Therefore, the Agency is not required to file federal and state income tax returns.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

2. Significant Accounting Policies

Accounting and Reporting Standards

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as prescribed by the GASB, which establishes standards for defining and reporting on the financial reporting entity. As such, the financial statements were prepared using the accrual basis of accounting. Under the accrual basis, revenue is recognized when earned and expenses are recognized when obligations are incurred or when benefits are received.

The GASB defines the basic financial statements of a business type activity as the statement of net position, the statement of revenues, expenses and changes in net position and the statement of cash flows. Management's discussion and analysis is required supplementary information. The statement of net position is presented to illustrate both the current and noncurrent balances of each asset and liability. All revenues and expenses are classified as either operating or non-operating activities in the statement of revenues, expenses and changes in net position.

Operating activities are those that support the mission and purpose of the Agency. Nonoperating activities represent transactions that are capital, investing, legislative or regulated in nature.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows of resources and disclosure of contingent assets, liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Position

Net position represents the residual interest in the Agency's assets plus deferred outflows of resources after liabilities plus deferred inflows of resources are deducted and consist of net investment in capital assets, restricted, and unrestricted, as follows:

- **Net Investment in Capital Assets**
The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets, capital related payables plus unspent bond proceeds.
- **Restricted**
Net position is reported as restricted when there are third-party limitations (statutory, contractual or bond covenant) on its use. The STAR Fund's net position is restricted for pool participants.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

- **Unrestricted**

Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board or may otherwise be limited by contractual agreements with outside parties.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and highly liquid investments with maturities of three months or less at acquisition. Current cash and cash equivalents consist of unrestricted funds available for general operating purposes for the General Operations Program and TDMDC. Current cash and cash equivalents-restricted for use consist of available funds for current operations related to the Devens Electric Utility Division and available funds for loan, guarantee, grant or capital activity for restricted programs. Noncurrent cash and cash equivalents restricted for capital use consist of funds available for future capital improvements. Noncurrent cash and cash equivalents-restricted for use consist of funds available for future debt service payments, project reserves and future operations when there are not sufficient funds available from current operations. Cash and cash equivalents include the Agency's investments in the STAR Fund. Pursuant to GASB No. 79, *Certain External Investment Pools and Pool Participants*, the STAR Fund is a qualifying external investment pool that measures for financial reporting purposes all its short-term money market portfolio at amortized cost. See Note 4 for more information related to the STAR Fund.

Investments

The Agency's investments are generally reported at fair value using quoted market price as defined by GASB No. 72, *Fair Value Measurement and Application*, except for the guaranteed investment contract (GIC), which is reported at contract value. Contract value represents contributions made under the contract plus accrued interest. GASB No. 72 also establishes a hierarchy of inputs to valuation techniques used to measure fair value. The hierarchy has three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, such as management's assumptions.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

The Agency has loan agreements within the ETP, established under Sections 27 and 28 of MGL Chapter 23G. Certain loan agreements include separate warrants that qualify as reportable derivative instruments under GASB No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The value of these warrants is ultimately dependent upon the fair value of the companies which have issued the warrants. The ETP is a loan program designed to promote economic development in the emerging technologies sector of the Massachusetts economy. These loans are generally issued to companies that are otherwise unable to obtain market-based financing. The majority of these companies are pre-revenue start-up operations funded in part through the ETP to promote economic development in the Commonwealth. The Agency has developed a reliable estimate of the fair value of the related warrants using a comparable company analysis and last round of financing approach. See Note 4 for more information related to these derivative instruments.

All investment income, including changes in the fair value of investments, is reported as nonoperating revenue in the accompanying statement of revenues, expenses and changes in net position.

The primary objectives of the Agency's investment policies are to ensure preservation of capital, to grow funds available to meet the expanding needs of lending capital in the Commonwealth, to ensure liquidity of investments to meet current and estimated cash flow needs by investing in instruments with structured maturities that are readily marketable and to provide maximum yield while maintaining safety and liquidity. The maturities of investments range from less than one year to greater than five years. Investments may include money market funds with maturities of three months or less. These money market funds are classified as investments since they are held for the primary purpose of meeting some of the Agency's investment objectives and are due to investment restrictions placed on the related programs.

Loans Receivable and Predevelopment and Brownfield Receivables, net

Loans receivable consist of loans issued by the Agency for various economic development programs. Predevelopment and Brownfield receivables consist of loans issued by the Agency to finance early-stage project costs (i.e., architectural and engineering costs) which are necessary to advance a project to the development stage.

These loans receivable are stated at principal amount outstanding, net of a provision for loan loss. Loans are charged against the provision for loan loss when the Agency believes the collectability of the principal is unlikely. The provision for loan loss is an amount that the Agency believes will be adequate to absorb possible loan losses of existing loans that may become uncollectible.

Leases (Lessor)

The Agency, as a lessor, recognizes a lease receivable at the commencement of the lease term, with certain exceptions for short-term leases and leases that transfer ownership of the underlying assets. The Agency also uses a threshold for classification of a lease receivable of \$10,000.

The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Key estimates and judgments include how the Agency determines (1) the discount rate it uses to calculate the present value of the expected lease payments, (2) lease term, and (3) lease payments.

The Agency's policy is to use the Prime interest rate at lease commencement plus a bank spread of 25 basis points for leases with terms less than ten years and 75 basis points for leases with terms greater than ten years.

The lease term includes the non-cancellable period of the lease, plus any additional periods covered by the option to extend the lease for which it is reasonably certain to exercise. Periods for which both the Agency and the lessee have the option to terminate are excluded from the lease term.

Payments are evaluated by the Agency to determine if they should be included in the measurement of the lease receivable, including those payments that require a determination of whether they are reasonably certain of being made, such as residual value guarantees, lease incentives and other payments.

The Agency monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease receivable, the receivable is remeasured, and a corresponding adjustment is made to the deferred inflow of resources.

Other Investments

The Agency accounts for its participating interest in its other investments using the equity method of accounting. Under the equity method, the investment is carried at cost and adjusted for the Agency's share of net income or loss, cash contributions or distributions to and from its other investments as well as impairment losses on the other investments. Any impairment loss represents a write down to the carrying value of the investment as projections related to the investment show that it is not probable that the investment balance will be recoverable from distributions generated by future sales. These investments are deemed operating in nature as they support the mission and purpose of the Agency.

Impairment Loss on Other Investments

Management analyzes its other investments to determine whether the amounts are considered to be permanently impaired based upon their best estimates of the cash flows from the investment. If a permanent impairment in carrying value exists, a provision to write down the investment to the estimated cash flows realizable from the investment will be recorded in the Agency's financial statements. There were no impairment losses recognized in fiscal year 2025.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Accounts Receivable and Other Assets

The Agency evaluates the collectability of leases, utility and other accounts receivable after considering payment history. Although collection efforts continue, the Agency charges off any receivable balance that is deemed unlikely to be collected. Other assets consist mainly of prepaid expenses.

Interest Receivable

Interest receivable represents the amount of interest revenue that was earned but not yet received by the end of the fiscal year in relation to loans receivable, investments and leases receivable.

Interest income is recognized as earned. For loans receivable with interest payments in arrears, the Agency continues to accrue interest until such time as the loan agreement is restructured or the interest receivable is deemed to be uncollectible. When loans are restructured, interest payments in arrears, net of any amounts deemed uncollectible, are typically aggregated with the outstanding principal balance and interest is accrued on the new principal balance.

Project Escrows

The Agency holds funds consisting of cash and investments as collateral for mortgages receivable and as a source of payment for borrowers' obligations including tax and insurance payments. These amounts are recorded at market value and are held in separate bank accounts under the borrowers' tax identification numbers.

Due From the Commonwealth

Due from the Commonwealth represents amounts owed from the Commonwealth as of June 30, 2025, totaling \$3.1 million. The balance due from the Commonwealth mainly represents reimbursements due to the Agency for grant or project expenses incurred during the fiscal year.

Leases (Lessee)

The Agency is a lessee for various non-cancellable leases related to office space and equipment. For leases with a maximum possible term of 12 months or less at commencement, the Agency recognizes lease expense based on the provision of the lease. For all other leases (i.e. those that are not short-term), the Agency recognizes a lease liability and an intangible right-to-use lease asset in the financial statements. The Agency also uses a threshold for classification of a lease asset of \$10,000.

At lease commencement, the Agency initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, plus lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized into depreciation expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Key estimates and judgments include how the Agency determines (1) the discount rate it uses to calculate the present value of the expected lease payments, (2) lease term, and (3) lease payments.

The Agency's policy is to use the Prime interest rate at lease commencement plus a bank spread of 25 basis points for leases with terms less than ten years and 75 basis points for leases with terms greater than ten years.

The lease term includes the non-cancellable period of the lease, plus any additional periods covered by the option to extend the lease for which it is reasonably certain to exercise. Periods for which both the Agency and the lessor have the option to terminate are excluded from the lease term.

Payments are evaluated by the Agency to determine if they should be included in the measurement of the lease liability, including those payments that require a determination of whether they are reasonably certain of being made, such as residual value guarantees, lease incentives, purchase options, payments for termination penalties and other payments.

The Agency monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease liability, the liability is remeasured, and a corresponding adjustment is made to the lease asset.

Subscription-Based Information Technology Arrangements

The Agency has subscription-based information technology arrangements (SBITA) in which the Agency is using a third party software for such things as payroll processing and financial reporting. For SBITAs with a maximum possible term of 12 months or less at commencement, the Agency recognizes expense based on the subscription arrangement. For all other SBITAs (i.e. those that are not short-term), the Agency recognizes a subscription liability and an intangible right-to-use subscription asset in the financial statements. The Agency also uses a threshold for classification of a SBITA asset of \$10,000.

At subscription commencement, the Agency initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, plus payments made at or before commencement date, plus any implementation costs, less any incentives received at or before the commencement date. Subsequently, the subscription asset is amortized into depreciation expense on a straight-line basis over the shorter of the subscription term or the useful life of the underlying asset.

Key estimates and judgments include how the Agency determines (1) the discount rate it uses to calculate the present value of the expected subscription payments, (2) subscription term, and (3) subscription payments.

The Agency's policy is to use the Prime interest rate at subscription commencement plus a bank spread of 25 basis points for subscriptions with terms less than ten years and 75 basis points for subscriptions with terms greater than ten years.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

The subscription term includes the non-cancellable period of the subscription, plus any additional periods covered by the option to extend for which it is reasonably certain to exercise. Periods for which both the Agency and the vendor have the option to terminate are excluded from the subscription term.

Payments are evaluated by the Agency to determine if they should be included in the measurement of the subscription liability, including those payments that require a determination of whether they are reasonably certain of being made, such as incentives and payments for termination penalties and other payments.

The Agency monitors changes in circumstances that may require remeasurement of a subscription. When certain changes occur that are expected to significantly affect the amount of the subscription liability, the liability is remeasured, and a corresponding adjustment is made to the subscription asset.

Capital Assets, Net

Capital assets are carried at cost less accumulated depreciation. The Agency's threshold for classification of a capital asset is \$5,000. Depreciation is recorded using the straight-line method over the estimated useful life of the asset ranging from 1 to 40 years as noted below:

	Depreciable Years
Land	N/A
Building	20-40
Buildings/land/tenant improvements	1-20
Infrastructure	5-20
Equipment	3-10
Office equipment	3-5
Construction in progress	N/A

Maintenance and repairs are charged to expenses when incurred while betterments and additions are capitalized. When assets are sold or retired, their cost and related accumulated depreciation are removed from the Agency's accounts and any gain or loss is recognized.

Assets Held for Sale

Certain properties are redeveloped with the intent to ultimately sell the asset to a third-party. When such assets are substantially complete and ready for sale, the capitalized investment is reclassified to assets held for sale. Assets held for sale are recorded at the lower of cost or donated fair value.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Capital Asset Impairments

The Agency assesses the carrying value of property whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable in accordance with GAAP. Impaired capital assets that will no longer be used are reported at the lower of carrying value or fair value. Impairment losses on capital assets that will continue to be used are measured using the method that best reflects the diminished service utility of the capital asset. Impairment of capital assets with physical damage are measured using a restoration cost approach, an approach that uses the estimated cost to restore the capital asset to identify the portion of the historical cost of the capital asset that should be written off. The Agency did not record any impairment charges as of June 30, 2025 as there were no indicators of impairment.

Compensated Absences

The liability for compensated absences consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Bonds Payable and Advances From the Commonwealth of Massachusetts

Bonds and advances are recorded at date of issuance, net of related premium or discount amounts. Premiums and discounts are amortized or accreted, respectively, over the term of the related bond or advance using the effective interest method, and these amounts are recorded as a component of interest expense.

Revenue Recognition

Application and processing fees for both conduit tax-exempt and taxable bonds are recorded as bond issuance fee revenue on the date of closing on the bond. Debt servicing fees are recorded as revenue upon receipt. These are fees that are collected for Agency assistance in bond closings for conduit debt issued.

Management fee income for the New Markets Tax Credit (NMTC) program is recorded as services related to managing the operations of the NMTC program is performed.

Lease income and interest income on leased assets are recognized over the life of the respective lease.

Guarantee fees received for loans guaranteed by the Agency are reported as unearned and recognized ratably over the term of the guarantee agreement. Guarantee fees are included in the statements of revenues, expenses and changes in net position operating revenues as interest and other loan income.

Capital contributions are recognized depending on the terms of the related grant.

Grant revenue for charter schools is recognized as charter school loan guarantees are issued. All other grant revenue is recognized as funds are disbursed for the related project.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Contributions from the Commonwealth are recognized according to the terms of the related agreement. Most are reimbursement type grants and are recognized as qualifying expenses are incurred.

Devens operating revenue mainly consists of taxes and fees received for utilities and municipal services and are recognized as earned.

The Agency accrues monthly principal and interest reimbursements due under its contract with the Commonwealth for debt service payments associated with the Department of Environmental Protection (DEP) loan and records these amounts as contract assistance which is included in non-operating revenue.

Generally, gains on sales of real estate are recognized as earned. Certain purchase and sale agreements include a repurchase clause; therefore, these gains on sales are not recognized until the conditions in the repurchase clauses are satisfied.

Provision for Loan Loss

Provision for loan loss represents the necessary expense to maintain an adequate allowance for estimated loan losses. In determining the provision, the Agency evaluates each loan and considers past performance history, collateral value, financial stability of the borrower and the likelihood for foreclosure and such other factors as deemed necessary. The loan portfolio and the Agency's loan loss rating system are evaluated annually by management and an independent consulting firm.

Provision for Predevelopment and Brownfield Receivables, net

Provision for Predevelopment and Brownfield receivables, net, represents the expense necessary to maintain an adequate allowance for estimated losses of receivables that may become uncollectible.

New Accounting Pronouncements

Accounting Standards Effective in Current Year

During 2025, the Agency adopted GASB No. 101, *Compensated Absences*. The objective of this standard is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The Agency adopted this standard for the current reporting period and it did not materially impact the Agency's financial statements.

During 2025, the Agency adopted GASB No. 102, *Certain Risk Disclosures*. The objective of this standard is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The adoption of this standard did not impact the Agency's financial statements.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

3. Programs of the Agency

The following describes certain programs or divisions of the Agency. Please also refer to the Other Information on page 66.

General Operations Program

The General Operations Program supports five major programs of the Agency: direct lending, investment banking, development/redevelopment of properties, consulting/technical assistance to communities and support of the defense sector in the Commonwealth. The Agency's lending programs consist of business loans, real estate mortgages, equipment loans, loan guarantees, and development loans. Lending programs generate fee income at closings and interest income. Investment banking acts as a conduit issuer for tax-exempt and taxable bond financing for a variety of borrowers. Investment banking generates fee income from bond issuances.

The Agency invests funds in real estate developments in support of the development/redevelopment of blighted and/or surplus public properties within the Commonwealth. The Agency is actively involved in the development and/or ongoing operations of such properties in Devens, Northampton, Belchertown and Taunton, Massachusetts, and certain Massachusetts state piers. The Agency provides technical assistance to communities through various programs, including loans and consulting services. The Agency also devotes staff time toward defense sector work. Current defense sector projects include economic analysis of the importance of the Commonwealth's military installations and work on the Commonwealth's Military Asset and Security Strategy Task Force. Total Agency assets at risk due to outstanding General Operations guarantees, including unfunded commitments, aggregated approximately \$6.7 million at June 30, 2025. The net position of the General Operations Program was approximately \$159.1 million as of June 30, 2025.

Devens Operations Program

The Devens Operations Program was established under Chapter 498 of the Acts of 1993, as amended (with respect to the redevelopment of Devens, a former federal military base). With financial support from the Commonwealth, the Agency purchased the property and has been redeveloping Devens, a 4,400-acre mixed-use community located in Devens, MA, by creating a sustainable and diverse residential and business community. The Agency currently provides municipal services, education, environmental protection, redevelopment and property leasing services at Devens. The net position of the Devens Operations Program was approximately \$68.1 million as of June 30, 2025.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Brownfield Redevelopment Program

The Brownfield Redevelopment Program was established in 1998 as part of the Commonwealth's Brownfield Act to encourage reuse of environmentally contaminated property in economically distressed areas of the Commonwealth. This program is administered by the Agency and all cash balances related to this program must be invested according to an established Agency investment policy related to restricted funds. All related interest income must be utilized for the administration of the program. The Agency had approximately \$0.9 million of gross Brownfield loans receivable with loan loss reserves of approximately \$0.1 million for net Brownfield loans receivable of approximately \$0.8 million outstanding as of June 30, 2025. The Agency also issued approximately \$3.4 million of grant awards during fiscal year 2025. As of June 30, 2025, approximately \$24.1 million was available for disbursement. The restricted and unrestricted net position of this program was approximately \$4.7 million and \$0.1M, respectively as of June 30, 2025.

Emerging Technology Program (ETP)

The ETP was established under Sections 27 and 28 of MGL Chapter 23G. ETP leverages private financing to provide capital for businesses, which develop or commercialize emerging technologies. The Agency had approximately \$5.4 million of gross ETP loans receivable with loan loss reserves of approximately \$3.1 million for net ETP loans receivable of approximately \$2.3 million outstanding as of June 30, 2025.

As of June 30, 2025, the Agency had approximately \$37.3 million available for disbursement. The restricted net position of this program was approximately \$49.8 million as of June 30, 2025.

The Agency has also committed an additional \$10.0 million to equity investments in the Commonwealth Fund III LLC (Fund III) and Commonwealth Fund IV LLC (Fund IV) from the ETP. As of June 30, 2025, a total of \$4.3 million had been contributed to Fund III and \$3.3 million to Fund IV.

Cultural Facilities Program

The Cultural Facilities Program was established under Section 42 of the MGL Chapter 23G, effective July 13, 2006. The purpose of the Cultural Facilities Program is to make grants or loans for the acquisition, design, construction, repair, renovation, rehabilitation or other capital improvement or deferred maintenance of a cultural facility. All related interest income must be utilized for the administration of the program. New funds are given to the Agency on a reimbursement basis as grants are awarded. The Agency awarded approximately \$10.1 million of grant awards during fiscal year 2025. As of June 30, 2025, approximately \$7.7 million is on hand and available for disbursement. The Agency has \$2.5 million due from the Commonwealth at June 30, 2025 for grant and administrative expense reimbursement for the fiscal year. The restricted net position of this program was approximately \$4.0 million as of June 30, 2025.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Massachusetts Export Development Program

This program serves as a guarantee to lending institutions for their working capital loans to Massachusetts exporters. These funds are administered by the Agency and must be invested in securities issued by the Treasury of the United States Government or the Commonwealth. All related investment income must be utilized for the administration of this program. Total Agency assets at risk due to Massachusetts Export Development Program guarantees outstanding, including commitments, aggregated approximately \$1.7 million at June 30, 2025. The restricted net position of this program was approximately \$2.8 million as of June 30, 2025. This program is included in the Other column in the other information on page 66.

Mortgage Insurance Program

The purpose of the MIP is to encourage private sector investment by guaranteeing a portion of bank loans or bond issues. Premium income received and other monies made available to the program are credited thereto. This premium income is amortized over the loan guarantee period. The approved leverage policy for this program is 1) for loans secured by first liens on real estate or equipment three times the cash balance in the program backing such guarantees and 2) for loans secured by second liens on capital assets or first liens on other business assets, no more than one and a half times the cash balance in the program backing such guarantees.

Total Agency assets at risk due to mortgage insurance in force, including commitments, under the Guaranteed Loan Program, aggregated approximately \$10.1 million at June 30, 2025. The restricted net position of this program was approximately \$11.9 million as of June 30, 2025. This program is included in the Other column in the other information on page 66.

Credit Enhancement of Charter School Facilities Program (Charter School Facilities Fund)

The Charter School Fund program has a total capitalization of \$75,025,000 derived from six grant awards from the U.S. Department of Education (U.S. DOE), matching private guarantees from the Local Initiatives Support Corporation and matching guarantees from the Agency's General Fund Program.

During fiscal year 2005, the Agency was awarded \$10,025,000 from the U.S. DOE to enable the Agency to facilitate the financing of charter schools through the issuance of loan guarantees. The first tier of the 2005 funding includes the \$10,025,000 from the U.S. DOE and a \$500,000 matching guarantee provided by the Agency's General Fund Program. The second tier of the 2005 funding included a \$2,000,000 guarantee from Local Initiatives Support Corporation and a \$500,000 guarantee from the Agency's General Fund.

During fiscal year 2014, the Agency was awarded another \$5,000,000 towards this program by the U.S. DOE and the Agency's General Fund Program may provide up to \$5,000,000 of match funding for guarantees. During fiscal years 2015 and 2016, the Agency was awarded another \$3,900,000 and \$1,100,000, respectively, under one grant, and the Agency's General Fund Program may provide up to \$5,000,000 of match funding for guarantees.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

During fiscal year 2018, the Agency was awarded another \$8,000,000 towards this program by the U.S. DOE and the Agency's General Fund Program may provide up to \$8,000,000 of match funding for guarantees. During fiscal year 2020, the Agency was awarded another \$5,000,000 towards this program by the U.S. DOE. Additionally, second tier support of \$5,000,000 was provided in fiscal 2021 and includes support from the Agency's General Fund Program providing up to \$2,500,000 of matching funds and Local Initiatives Support Corporation providing a \$2,500,000 guarantee. In fiscal year 2021, the Agency was awarded another \$8,000,000 towards this program by the U.S. DOE and the Agency's General Fund Program may provide up to \$8,000,000 of matching funds for guarantees.

As of June 30, 2025, approximately \$39.7 million are available for loan guarantees. Total Agency assets at risk due to outstanding guarantees, including commitments, aggregated approximately \$20.0 million at June 30, 2025. The restricted net position of this program was approximately \$39.4 million as of June 30, 2025.

Devens Electric Utility Division

In February 2001, the Agency issued Electrical System Revenue Bonds, Series 2001 (Series 2001 Bonds) for the purpose of financing the design, construction, installation and associated costs of the electrical system at Devens, as part of its Devens operations. As required by Section 609 of the Master Trust Indenture by and between the Agency and the Trustee, the Agency accounts for all related revenues and expenditures associated with the electric utilities at Devens as a separate division within the Agency. Net position of the Devens Electric Utility Division was approximately \$21.1 million as of June 30, 2025. See Note 19 Segment Reporting.

Devens Gas, Water and Wastewater Utility Divisions

Devens also provides natural gas, water and sewer services to the residents and businesses of Devens, MA, as part of its Devens operations. The utility divisions pursue programs aimed at increasing energy supply, reliability and efficiency while limiting costs. The Agency tracks each utility division as a separate and distinct program. The net position of these utility divisions was approximately \$38.6 million as of June 30, 2025.

Military Bond Bill Capital Projects Program

MBB was established pursuant to MGL Chapter 6, Section 216. The purpose of this program is to establish a military asset and security task force and provides that the Agency oversee and implement military installations mission improvement and expansion projects or base realignment preparation and mitigation projects, including the acquisition, management and disposition of all or any portion of military installations, buildings and utility systems, equipment and personal property, as well as, acquire title to land, buildings and improvements that comprise all or any portion of military installations upon the transfer or disposition of any portion of the military installations by the federal government. During fiscal year 2025, MBB awarded grants totaling \$1.9 million. The net deficit of this program was approximately \$1.3 million as of June 30, 2025. The MBB is included in the Other column in the other information on page 66.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Transformative Development Initiative Program

TDI was established pursuant to MGL Chapter 287, acts of 2014. The purpose of this program is to redevelop Gateway cities to enhance local public-private engagement and community identity; stimulate an improved quality of life for residents and spur increased investment and economic activity. As of June 30, 2025, approximately \$14.0 million was available for disbursement. During fiscal year 2025, TDI awarded grants totaling \$5.7 million and had \$0.7 million worth of direct project expenses. The net position of this program was approximately \$11.7 million as of June 30, 2025.

Transportation Infrastructure Enhancement Trust Program (TNC)

TNC was established pursuant to MGL Chapter 187, acts of 2016. The purpose of this program is to provide financial assistance to small businesses operating in the taxicab, livery or hackney industries to promote the adoption of new technologies and support workforce development. As of June 30, 2025, approximately \$1.5 million was available for disbursement. During fiscal year 2025, TNC awarded grants totaling \$0.1 million and had no direct project expenses. The net position of this program was approximately \$0.8 million as of June 30, 2025. TNC is included in the Other column in the other information on page 66.

Innovation Voucher Program

The Innovation Voucher Program was established pursuant to MGL Chapter 75, acts of 2017. The purpose of this program is to provide a voucher program to small corporations and start-up companies for sharing the use of core facilities at the University of Massachusetts. As of June 30, 2025, approximately \$0.7 million was available for disbursement. During fiscal year 2025, Innovation Voucher awarded grants totaling \$1.1 million. The net position of this program was approximately \$0.3 million as of June 30, 2025. Innovation Voucher is included in the other column in the other information on page 66.

Community Innovation Infrastructure Program (CIIP)

The CIIP was implemented through a collaboration between the Agency and the Executive Office of Housing and Economic Development to support the fit-out and feasibility work needed to grow collaborative workspaces. As of June 30, 2025, approximately \$1.0 million was available for disbursement. During fiscal year 2025, CIIP awarded grants totaling \$0.6 million. The net deficit of this program was approximately \$0.2 million as of June 30, 2025. CIIP is included in the Other column in the other information on page 66.

Site Readiness Program

The Site Readiness Program aims to increase the Commonwealth's inventory of large, well-located, project ready sites; to accelerate private-sector investment in industrial and commercial projects; and to support the conversion of abandoned sites and obsolete facilities into clean, actively used, tax-generating properties. As of June 30, 2025, approximately \$10.0 million was available for disbursement. During fiscal year 2025, the Site Readiness Program had \$1.7 million worth of direct project expenses. The net position of this program was approximately \$5.9 million as of June 30, 2025.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Underutilized Properties Program (UPP)

The 2021 Economic Development Bill authorized \$40.0 million for the UPP to be administered by the Agency for the purpose of funding projects that will improve, rehabilitate or redevelop blighted, abandoned, vacant or underutilized properties to achieve the public purposes of eliminating blight, increasing housing production, supporting economic development projects, and increasing the number of commercial buildings accessible to people with disabilities. The program focuses on funding capital improvements and code compliance projects, along with the design of these improvements. As of June 30, 2025 approximately \$27.7 million was available for disbursement. During fiscal year 2025, the UPP awarded grants totaling \$17.6 million. The net position of this program was approximately \$2.8 million as of June 30, 2025. UPP is included in the Other column in the other information on page 66.

CARES Act Revolving Loan Program

In 2021, the Agency was awarded \$3.0 million from the U.S. Department of Commerce's Economic Development Administration to help alleviate severe economic dislocation caused by the coronavirus pandemic. The program was capitalized with \$3.9 million and \$0.2 million to defray the cost of administering the program. As of June 30, 2025, approximately \$0.7 million was available for disbursement. The Agency had approximately \$2.2 million of net loans outstanding as of June 30, 2025. The net position of this program was approximately \$2.9 million as of June 30, 2025.

State Small Business Credit Initiative Program (SSBCIP)

The SSBCIP was implemented through a collaboration between the Agency and the Executive Office of Housing and Economic Development to support business investment with a particular focus on socially or economically disadvantaged individuals. SSBCIP loans and guarantees can offer extremely flexible terms where necessary to make projects happen. All SSBCIP projects must also have a loan from a private lender with exposure equal to or greater than the amount provided by SSBCIP. During fiscal year 2023, the program was capitalized with \$14.3 million and \$0.8 million to defray the cost of administering the program. In October 2023, the Massachusetts Growth Capital Corporation transferred \$6.0 million to the Agency to further capitalize this program. As of June 30, 2025, approximately \$8.6 million was available for disbursement. The Agency had approximately \$18.0 million of gross loans receivable with \$2.1 million of loan loss reserves for net loans receivable of \$15.8 million outstanding as of June 30, 2025. Total Agency assets at risk due to SSBCIP guarantees outstanding, including commitments, aggregated approximately \$2.1 million at June 30, 2025. The net position of this program was approximately \$22.0 million as of June 30, 2025.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Bond Issuance Program

The Bond Issuance Program allows the Agency to offer debt financing by acting as a conduit bond issuer, usually on a tax-exempt basis, for diverse types of borrowers including but not limited to colleges, hospitals and other non-profits, affordable rental housing developments, manufacturing companies, solid waste disposal facilities and public infrastructure. The Agency's conduit bonds are purchased by banks or other types of investors. Principal and interest on the conduit bonds are payable from funds received from the underlying borrowers. Bonds may or may not carry private credit enhancement and are not obligations of the Agency, although in some cases a separate loan guarantee may have been provided by the Agency to a bank purchaser from one of the Agency's Loan Guarantee programs. The Agency has no commitments related to the bond issuance program once the bonds close.

Growth Capital Division

The Growth Capital Division (GCD) of the Agency—established on February 18, 2025, through the merger of the Massachusetts Growth Capital Corporation with the Agency—advances the Agency's mission to create and preserve jobs and promote economic development across the Commonwealth. GCD focuses on supporting small businesses in underserved areas, gateway cities, and low- and moderate-income communities, applying criteria that prioritize increasing the availability of capital, strengthening minority-owned and women-owned contractors, and improving economic opportunities for low- and moderate-income individuals. In carrying out this mission, GCD provides consulting and technical assistance, supports micro-businesses, and promotes projects that expand equitable access to capital. As of June 30, 2025, the Agency had approximately \$12.9 million of gross loans receivable with \$1.7 million of loan loss reserves for net loans receivable of \$11.2 million outstanding as of June 30, 2025. The net position of this program was approximately \$56.4 million as of June 30, 2025.

4. Deposits and Investments

Agency:

The following summarizes the cash and cash equivalents of the Agency and identifies certain types of investment risk as defined by GASB No. 40, *Deposit and Investment Risk Disclosures*, at June 30, 2025 (excluding fiduciary funds):

	Carrying Amount
Cash deposits	<u>\$ 280,151,831</u>

General Operations Program's allowable investments include: U.S. Treasuries, U.S. government agency issues, bank certificates of deposit or time deposits, banker's acceptance, short-term corporate obligations, repurchase agreements, asset backed securities, and money market funds. The maximum maturity of any investment is five years with the exception of floating rate notes, with 10.0% of the portfolio always being available in one day.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Restricted Operations Program's allowable investments include: bonds, notes and similar debt instruments issued by corporations, trusts, partnerships and limited liability companies; commercial paper; U.S. time deposits, certificates of deposit and banker's acceptances; fixed, variable and indexed rate notes; repurchase agreements and securities issued by companies, trusts and other entities registered under the 1940 Act or exempt from the 1940 Act under Section 3(c). The maximum allowable dollar-weighted average maturity is 90 days. The maximum maturity of any investment is 397 days, with 10.0% of the portfolio always being available in one day.

Depository Accounts

Insured	\$ 76,000,000
Uninsured	19,136,323
	<u>\$ 95,136,323</u>

At June 30, 2025, current investments included approximately \$86.9 million of restricted investments. Noncurrent restricted investments were approximately \$11.6 million as of June 30, 2025.

The Agency invests some of its funds in the STAR Fund. The STAR Fund is designed to comply with all Massachusetts statutes and regulations for the allowable investment of funds by the Agency. The Agency's STAR Fund holdings as of June 30, 2025 were approximately \$208.4 million.

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (GAAP). The hierarchy is based on the valuation input used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets,
- Level 2 inputs are significant other observable inputs which include quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets that are not active; or using other inputs such as interest rate and yield curves at commonly quoted intervals, implied volatilities and credit spreads or market-corroborated inputs,
- Level 3 inputs are significant unobservable inputs.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

As of June 30, 2025, the Agency's investments by maturity and fair value level are summarized as follows:

Investment Type	Level and Investment Maturities (in years)				
	Fair Value	Less Than 1	1 to 5 *	More Than 5	Level Inputs (1, 2, 3)
U.S. Treasury notes	\$ 21,688,243	\$ 21,688,243	\$ -	\$ -	1
Corporate notes	1,901,026	1,901,026	-	-	2
Commercial paper	14,317,444	14,317,444	-	-	2
Certificates of deposit	4,699,110	4,699,110	-	-	2
Asset backed securities	181,692	-	181,692	-	2
Money market mutual funds	96,455,571	96,455,571	-	-	2
Guaranteed investment contracts	298,882	-	-	298,882	N/A
Stock warrants	563,500	-	-	563,500	3
Common stock	1,888,386	-	-	1,888,386	3
	<u>\$ 141,993,854</u>	<u>\$ 139,061,394</u>	<u>\$ 181,692</u>	<u>\$ 2,750,768</u>	

* This maturity category includes a structured investment vehicle in commercial paper. This investment has been adjusted to reflect fair market value.

The Devens Electric Utility Division's investments include GIC's with multiple providers who maintain the contributed investments. These GIC's are credited with earnings on the underlying investments and charged for withdrawals and expenses. The providers are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Devens Electric Utility Division. The contract value represents contributions made under the contract, plus earnings, less withdrawals and administrative expenses. In accordance with GASB No. 72, *Fair Value Measurement and Application*, these investments are measured at contract value which falls outside of the fair value hierarchy.

As of June 30, 2025, the Agency's investments by quality rating (S&P or Moody's) are summarized as follows:

Investment Type	Quality Ratings				
	Fair Value	AAA	AA	A	Unrated *
U.S. Treasury notes	\$ 21,688,243	\$ 21,688,243	\$ -	\$ -	\$ -
Corporate notes	1,901,026	-	-	1,901,026	-
Commercial paper	14,317,444	-	-	14,036,331	281,113
Certificates of deposit	4,699,110	-	-	4,699,110	-
Asset backed securities	181,692	159,262	-	-	22,430
Money market mutual funds	96,455,571	71,950,209	-	-	24,505,362
Guaranteed investment contracts	298,882	-	-	298,882	-
Stock warrants	563,500	-	-	-	563,500
Common stock	1,888,386	-	-	-	1,888,386
	<u>\$ 141,993,854</u>	<u>\$ 93,797,714</u>	<u>\$ -</u>	<u>\$ 20,935,349</u>	<u>\$ 27,260,791</u>

* This rating category includes a structured investment vehicle in commercial paper. This investment has been adjusted to reflect fair market value.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Warrants

The Agency has loan agreements within the ETP. The ETP is a loan program designed to promote economic development in the emerging technologies sector of the Massachusetts economy. These loans are generally issued to companies that are otherwise unable to obtain market-based financing. The majority of these companies are pre-revenue start-up operations which are being incubated through the ETP to promote economic development in the Commonwealth. Certain loan agreements include warrants that qualify as reportable derivative instruments under GASB No. 53. The value of these warrants is ultimately dependent upon the fair value of the companies which have issued the warrants. The objective of including a warrant in the loan agreement is for the ETP to share in any success the company may achieve if there is an initial public offering or sale of the company. Any successful warrant exercised essentially serves as a yield enhancement to the ETP and any proceeds are deposited back into the ETP.

The Agency has developed a reliable estimate of the fair value of the related warrants using a comparable company analysis and last round of financing approach or Black-Scholes method. Privately held warrant and equity-related securities are valued based on an analysis of various factors including, but not limited to: 1) the related company's operating performance and financial condition, 2) general economic and industry trends, 3) the company's latest round of financing, 4) price to enterprise value or price to equity ratios, and discounted cash flow, and 5) valuation comparisons to comparable public companies or other industry benchmarks. When an external event occurs, such as a purchase transaction, public offering, or subsequent equity sale, the pricing indicated by that external event is utilized to corroborate the valuation of the warrant and equity-related securities. The Agency periodically reviews the valuation of its portfolio companies that have not been involved in a qualifying external event to determine if the value of the portfolio company may have increased or decreased since the last valuation measurement date.

As of June 30, 2025, the Agency had the following derivative instruments outstanding which are included in noncurrent investments:

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Type	Effective Date	Maturity Date	Terms	Valuation Technique	Fair Value
Series B Warrants	6/30/2017	6/30/2027	33,679 shares with exercise price of \$3.86	Market Comparable Method	\$ 3,000
Series Seed Warrants	6/30/2020	6/30/2030	391,461 shares with exercise price of \$0.37	Contingent Claims Analysis	-
Class D Warrants	4/8/2021	4/8/2031	10,227 shares with exercise price of \$11.00	Comparable Company Analysis	-
Series Seed Warrants	12/5/2019	12/5/2029	56,471 shares with exercise price of \$0.85	Comparable Company Analysis	3,000
Series B-1 Warrants	2/1/2019	2/1/2029	19,930 shares with exercise price of \$8.51	Contingent Claims Analysis	265,000
Series AD-1 Warrants	3/18/2021	4/9/2031	33,679 shares with exercise price of \$0.88	Market Comparable Method	-
Series A-1 Warrants	2/22/2017	2/22/2027	128,458 shares with exercise price of \$1.27	Comparable Company Analysis	-
Class A Warrants	8/30/2019	8/30/2029	106,250 shares with exercise price of \$0.80	Black-Scholes	25,000
Series A-2 Warrants	7/30/2019	7/30/2029	174,665 shares with exercise price of \$0.63	Black-Scholes	71,000
Series A3 Warrants	5/11/2018	5/11/2028	32,420 shares with exercise price of \$3.47	Comparable Company Analysis & Last Round of Financing Analysis	31,000
Series B Warrants	7/1/2021	6/15/2026	240,000 shares with exercise price of \$0.70	Market Comparable Method	19,000
Series C Warrants	8/15/2024	8/15/2034	22,000 shares with exercise price of \$20.00	Contingent Claims Analysis	146,500
Total					<u>\$ 563,500</u>

Custodial Credit Risk-Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the Agency's deposits may not be recovered. The Agency's policy is to only invest with reputable financial institutions.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Agency manages its exposure to interest rate risk by investing operating funds primarily in short-term investments.

Additionally, the STAR Fund maintains a dollar-weighted average maturity of not greater than 90 days; requires that any investment securities purchased by the STAR Fund have remaining maturities of 397 days or less at the time of purchase (except for variable rate notes issued by the United States government or its agencies or instrumentalities, which must have remaining maturities of 762 days or less); and limits the remaining maturity of any commercial paper purchased by the STAR Fund to 270 days or less.

Credit Risk

Credit risk is the risk that the Agency's investments will be negatively impacted due to the default of the Agency's investments. According to the Agency's investment policy, investments must be prime quality and rated no less than A by either Moody's, Standard & Poor's, or Fitch.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Concentration of Credit Risk

Concentration of credit risk is assumed to arise when the amount of cash and investments that the Agency has with any one issuer exceeds 5.0% of the total value of the Agency's investments. As of June 30, 2025, there are no investments held in any one issuer over 5.0% of the total value of the Agency's investments.

Foreign Currency Risk

The investment policy of the Agency limits the Agency's foreign currency risk by excluding foreign investments as an investment option.

Fiduciary Funds:

Private Purpose Trust

Trust Investment Risks

As outlined in the Trust's investment policy, the main objective of the Trust is to achieve long-term growth of assets by maximizing the long-term rate of return on investments and minimizing risk of loss to fulfill the Trust's current and long-term spending policies.

As of June 30, 2025, the Trust's investments by maturity are summarized as follows:

Investment Type	Level and Investment Maturities (in years)				
	Fair Value	Less Than 1	1 to 5	More Than 5	Level Inputs (1, 2, 3)
Exchange traded fund-bond	\$ 1,073,145	\$ -	\$ -	\$ 1,073,145	1
Mutual fund-bond	2,740,010	-	-	2,740,010	1
U.S. Bank First American money market fund	88,491	-	-	88,491	1
	<u>\$ 3,901,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,901,646</u>	

In addition, the Trust's mutual fund equity investments totaling \$2,049,329 and exchange traded fund-equity investments totaling \$3,410,553 are level 1.

As of June 30, 2025, the Agency's investments by quality rating are summarized as follows:

Investment Type	Quality Ratings		
	Fair Value	AAA	Unrated
Exchange traded fund-bond	\$ 1,073,145	\$ -	\$ 1,073,145
Exchange traded fund-equity	3,410,553	-	3,410,553
Mutual fund-bond	2,740,010	-	2,740,010
Mutual fund-equity	2,049,329	-	2,049,329
U.S. Bank First American money market fund	88,491	88,491	-
	<u>\$ 9,361,528</u>	<u>\$ 88,491</u>	<u>\$ 9,273,037</u>

Custodial Credit Risk-Deposits

The Trust's policy is to only invest with reputable financial institutions.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Interest Rate and Credit Risk

The Trust manages its exposure to interest rate and credit risk by diversifying investments in order to minimize the impact of large losses from individual investments. The portfolio is constructed and maintained to provide diversification with regard to the concentration of holding in individual issues, issuers, countries, governments or industries.

Concentration of Credit Risk

Concentration of credit risk is assumed to arise when the amount of cash and investments that the Trust has with any one issuer exceeds 5.0% of the total value of the Trust's investments. As of June 30, 2025 investments held in any one issuer over 5.0% of the total value of the Trust's investments included \$3.4 million (36.4%) exchange traded fund-bonds.

Investment Trust Fund

STAR Fund Investment Risks

The following are risk disclosures of the STAR Fund as of December 31, 2024:

Custodial Credit Risk-Deposits

The STAR Fund's policy is to only invest with reputable financial institutions.

Credit Risk

The STAR Fund's investment policies, as outlined in its Information Statement, limit the STAR Fund's investments to those which investors in the STAR Fund can invest under the laws of the Commonwealth. As of December 31, 2024, the STAR Fund was comprised of investments which were, in aggregate, rated by Standard & Poor's (S&P) as follows:

S&P Rating	%
AAAm	2.22%
AA+	3.55%
AA-	2.81%
A-1+	19.07%
A-1	41.80%
A+	3.62%
Exempt ⁽¹⁾	26.93%

⁽¹⁾ Represents investments in U.S. Treasury obligations, or repurchase agreements collateralized by U.S. Treasury obligations, which are not considered to be subject to overall credit risk per GASB.

The ratings in the preceding chart include the ratings of collateral underlying repurchase agreements in effect as of December 31, 2024. Securities with a long-term rating of A or higher are equivalent to the highest short-term rating category based on S&P rating methodology.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Concentration of Credit Risk

As outlined in the STAR Fund's Information Statement, the STAR Fund's investment policy establishes certain restrictions on investments and limitations on portfolio composition. At December 31, 2024, the STAR Fund's portfolio included the following issuers, aggregated by affiliated issuers where applicable, which individually represented greater than 5.0% of the STAR Fund's total investment portfolio:

Issuer	%
BNP Paribas ⁽¹⁾	7.10%
BofA Securities Inc. ⁽¹⁾	6.20%
Goldman Sachs & Company ⁽¹⁾	5.77%
Northern Trust ⁽¹⁾	6.66%
Toronto-Dominion Bank ⁽¹⁾	6.88%

⁽¹⁾ This issuer is also counterparty to a repurchase agreement entered into by the Fund.
These repurchase agreements are collateralized by U.S. Government and Agency obligations.

Interest Rate Risk

The STAR Fund's investment policy limits its exposure to market value fluctuations due to changes in interest rates by requiring that: (1) it maintain a dollar-weighted average maturity of not greater than 60 days; (2) requiring that any investment securities purchased by the STAR Fund have remaining maturities of 397 days or less at the time of purchase (except for variable rate notes issued by the United States government or its agencies or instrumentalities, which must have remaining maturities of 762 days or less) and (3) limiting the remaining maturity of any commercial paper purchased by the STAR Fund to 270 days or less. At December 31, 2024, the weighted average maturity of the STAR Fund, including cash and cash equivalents and certificates of deposit, was 42 days.

The range of yields to maturity, actual maturity dates, principal values, fair values and weighted average maturities of these types of investments the STAR Fund held at December 31, 2024 are as follows:

Type of Deposits and Investments	Yield-to Maturity Range	Maturity Range	Fair Value	Weighted Average Maturity
Asset-Backed Commercial Paper	4.60%-4.76%	1/3/25-7/21/25	\$ 4,261,928	44 Days
Certificates of Deposit-Negotiable	4.40%-5.60%	1/13/25-12/31/25	7,698,569	78 Days
Commercial Paper	4.52%-5.47%	1/2/25-8/27/25	9,481,835	53 Days
Corporate Notes	4.62%-5.46%	1/10/25-8/29/25	2,300,103	53 Days
Government Agency and Instrumentality Obligations:				
U.S. Treasury Bills	4.50%-4.55%	1/2/25-1/21/25	1,267,372	16 Days
U.S. Treasury Notes	3.98%	1/15/2025	422,477	15 Days
Money Market Fund	4.41%	n/a	793,610	7 Days
Repurchase Agreements	4.30%-4.68%	1/2/25-3/21/25	9,523,324	5 Days
			<u>\$ 35,749,218</u>	

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

The yields shown in the preceding table represent the yield-to-maturity at original cost except for adjustable rate instruments, for which the rate shown is the coupon rate in effect at December 31, 2024. The weighted average maturities shown in the preceding table are calculated based on the stated maturity dates with the following exceptions: (1) floating or variable rate securities are assumed to have an effective maturity of the date upon which the securities interest rate next resets; (2) the effective maturity of callable securities is assumed to be its stated maturity unless the security had been called as of the reporting date, in which case the effective maturity would be assumed to be its called date; (3) for instruments subject to demand features, the effective maturity is assumed to be the period remaining until the principal amount of the security may be recovered through the demand feature and (4) the effective maturity of money market instruments is assumed to be the date upon which the collection of redemption proceeds is due, typically seven days; and (5) the effective maturity of cash and cash equivalents is assumed to be one day.

Foreign Currency Risk

The investment policy of the STAR Fund limits the fund's foreign currency risk by excluding foreign investments as an investment option.

The STAR Fund amounts above do not include the Agency's portion of investments as those amounts are included in cash and cash equivalents in the statement of net position.

5. Other Investments

The Agency has a participating interest in seven other investments, which are accounted for on the equity method of accounting. With this method, the Agency reports its proportional share of revenue or expense on the statements of revenues, expenses and changes in net position. Upon dissolution of the respective other investment, proceeds will be distributed according to the terms of the related agreements of each respective member.

The following is a summary of the Agency's other investments balance:

	June 30, 2024	Capital Contributions	Distributions	Carried Interest to Managing Member	Share of Operating Income	June 30, 2025
Investment in Commonwealth Fund III	\$ 4,691,308	\$ -	\$ -	\$ 537,919	\$ (479,610)	\$ 4,749,617
Investment in Commonwealth Fund IV	1,659,430	1,328,460	-	-	(159,082)	2,828,808
Investments in NMTC entities	(4,639)	-	-	-	(3,656)	(8,295)
	<u>\$ 6,346,099</u>	<u>\$ 1,328,460</u>	<u>\$ -</u>	<u>\$ 537,919</u>	<u>\$ (642,348)</u>	<u>\$ 7,570,130</u>

The Agency is a 98.0% member in the Fund III and Fund IV. The managing member is Massachusetts Technology Development Corporation. The primary purpose of the funds are to invest in entities broadly related to the technology industry, such as robotics, instrumentation, telecom, computers, software, healthcare information technology and mobile applications. The Agency has committed \$5.0 million to each fund investment from the ETP. As of June 30, 2025, \$4.3 million and \$3.3 million had been contributed to Fund III and Fund IV, respectively.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

The Agency has a 0.01% to 0.1% investment allocation in the Investments in NMTC entities. The Agency, via subsidiary entity MDNM was awarded, since the inception of the program, the right to allocate federal NMTC's against \$341.0 million of its investors' investments by the United States Department of the Treasury.

NMTC's have been made available to banks, corporations, partnerships and funds that invest in MDNM. The proceeds of their investments will be reinvested in business and commercial development in low-income census tracts. As of June 30, 2025 the Agency had investments in five such entities. See Note 20.

6. Loans Receivable

The following is a summary of the Agency's loans receivable balance:

	June 30, 2024*	Disbursements (Provisions, net)	(Collections)/ Write-offs	June 30, 2025
Loans receivable	\$ 160,964,665	\$ 19,922,870	\$ (23,777,460)	\$ 157,110,077
Less: allowance for loan loss	(20,498,163)	899,961	585,982	(19,012,220)
	<u>\$ 140,466,502</u>	<u>\$ 20,822,831</u>	<u>\$ (23,191,478)</u>	<u>\$ 138,097,857</u>

*Beginning balance was adjusted for the change in reporting entity - see Note 24

Most loans are collateralized by a first or shared first position in the underlying collateral. As of June 30, 2025, twelve loans totaling \$8.9 million was collateralized by a second position in the underlying property. Also, as of June 30, 2025, four loans totaling \$6.2 million are collateralized by third and fourth positions. As of June 30, 2025, one loan totaling \$1.0 million was unsecured.

There were approximately \$9.5 million loans receivable that were considered nonaccrual loans as of June 30, 2025. All payments received from borrowers for nonaccrual loans are applied to the principal balance of the loan.

7. Interest Receivable

The following is a summary of the Agency's interest receivable balance at June 30, 2025:

Investment interest	\$ 119,075
Loan interest	909,208
Lease interest	15,659
	<u>\$ 1,043,942</u>

Interest receivable includes amounts earned but not received on both investments, loans and leases, net of an allowance for doubtful accounts. When the Agency believes the collectability of the interest is unlikely, a reserve against interest is charged as a component of the allowance for doubtful accounts. As of June 30, 2025 no allowance was deemed necessary.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

8. Predevelopment and Brownfield Receivables

The following is a summary of the Agency's Predevelopment and Brownfield receivables as of June 30, 2025:

	June 30, 2024	Disbursements (Provision, net)	(Collections)/ Write-offs	June 30, 2025
Predevelopment and Brownfield receivables	\$ 9,846,076	\$ -	\$ (47,049)	\$ 9,799,027
Less: accumulated provision	<u>(9,518,301)</u>	<u>(2,987)</u>	<u>-</u>	<u>(9,521,288)</u>
	<u>\$ 327,775</u>	<u>\$ (2,987)</u>	<u>\$ (47,049)</u>	<u>\$ 277,739</u>

Predevelopment and Brownfield receivables represent amounts advanced to organizations for the purpose of conducting market analysis and feasibility studies for expansion of operations.

Advanced funds are recovered in accordance with individual terms as stated in the memoranda of agreement and evaluation of collectability.

In addition to the advances noted above, the Agency awarded approximately \$7.0 million of Predevelopment and Brownfield grant awards during fiscal year 2025 which are included in the statement of revenues, expenses and changes in net position.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

9. Capital Assets

A summary of changes in capital assets for the year ending June 30 is as follows:

	June 30, 2024*	Additions/ Transfers	Disposals/ Transfers	June 30, 2025
Capital Assets :				
Capital assets, not being depreciated:				
Land	\$ 6,364,330	\$ -	\$ (11,783)	\$ 6,352,547
Construction in progress	11,710,829	16,068,120	-	27,778,949
Total capital assets, not being depreciated	18,075,159	16,068,120	(11,783)	34,131,496
Capital assets, being depreciated:				
Building	31,853,777	783,617	(9,063)	32,628,331
Buildings/land/tenant improvements	6,628,168	784,202	(3,300)	7,409,070
Infrastructure	181,461,961	967,997	-	182,429,958
Equipment	8,950,630	1,141,878	(100,800)	9,991,708
Office equipment	5,672,445	230,329	-	5,902,774
Total capital assets, being depreciated	234,566,981	3,908,023	(113,163)	238,361,841
Less: accumulated depreciation				
Building	(26,839,305)	(371,928)	4,682	(27,206,551)
Buildings/land/tenant improvements	(4,689,698)	(687,671)	3,300	(5,374,069)
Infrastructure	(106,664,271)	(6,574,191)	-	(113,238,462)
Equipment	(6,803,410)	(563,669)	100,800	(7,266,279)
Office equipment	(5,107,214)	(375,542)	-	(5,482,756)
Total accumulated depreciation	(150,103,898)	(8,573,001)	108,782	(158,568,117)
Total capital assets, being depreciated, net	84,463,083	(4,664,978)	(4,381)	79,793,724
Right to use lease assets, being amortized :				
Building	8,258,374	2,920,356	-	11,178,730
Equipment	157,021	-	-	157,021
Total right to use lease assets, being amortized	8,415,395	2,920,356	-	11,335,751
Less: accumulated amortization				
Building	(5,188,477)	(1,662,389)	-	(6,850,866)
Equipment	(118,190)	(28,954)	-	(147,144)
Total accumulated amortization	(5,306,667)	(1,691,343)	-	(6,998,010)
Total right to use lease assets, being amortized, net	3,108,728	1,229,013	-	4,337,741
SBITAs, being amortized :				
SBITA	953,012	502,531	-	1,455,543
Total SBITAs, being amortized	953,012	502,531	-	1,455,543
Less: accumulated amortization				
SBITA	(593,192)	(325,157)	-	(918,349)
Total accumulated amortization	(593,192)	(325,157)	-	(918,349)
Total SBITA, being amortized, net	359,820	177,374	-	537,194
Total capital assets, net	\$ 106,006,790	\$ 12,809,529	\$ (16,164)	\$ 118,800,155

*Beginning balance was adjusted for the change in reporting entity - see Note 24

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

10. Leases

The Agency as a Lessor:

In accordance with GASB No. 87, the Agency recognized a lease receivable and a deferred inflows of resources for leases the Agency deems applicable to GASB No. 87. As a lessor, the Agency leases office, commercial and retail space in Devens, Massachusetts under long-term agreements at market rates with terms ranging from 1 to 40 years. Some leases are short-term leases or some leases include provisions for rent changes based on the consumer price index, resulting in additional variable lease revenues that are not included in the measurement of the lease receivables. The lease receivable is measured at incremental borrowing rates ranging from 3.5% to 7.3%.

A summary of changes in lease receivable for the year ended June 30 is as follows:

	June 30, 2024	Additions	Termination/ Modification Reductions	Lease Revenue Reductions	June 30, 2025
Devens building	\$ 221,725	\$ 757,470	\$ -	\$ (190,216)	\$ 788,979
Greenfield building	1,263	-	-	(1,263)	-
Devens land	4,109,192	-	-	(102,869)	4,006,323
	<u>\$ 4,332,180</u>	<u>\$ 757,470</u>	<u>\$ -</u>	<u>\$ (294,348)</u>	<u>\$ 4,795,302</u>

Minimum future lease receipts from long-term leases are as follows:

	Principal	Interest
Years ending June 30:		
2026	\$ 340,590	\$ 209,999
2027	307,075	190,582
2028	299,769	172,204
2029	167,137	157,043
2030	161,989	149,960
2031-2035	994,656	625,635
2036-2040	539,035	435,602
2041-2045	301,226	368,593
2046-2050	367,828	301,991
2051-2055	449,158	220,661
2056-2060	548,435	121,384
2061-2062	318,404	16,717
	<u>\$ 4,795,302</u>	<u>\$ 2,970,371</u>

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

The Agency as a Lessee:

Also in accordance with GASB No. 87, the Agency recognized a lease liability and right to use lease assets, net of amortization, for leases in which the Agency is a lessee and leases equipment or office space under long-term agreements at market rates with terms ranging from 1 to 3 years. Some leases are short-term leases or some leases include provisions for rent changes based on the consumer price index, resulting in additional variable lease revenues that are not included in the measurement of the lease liability. The lease liability is measured at incremental borrowing rates ranging from 3.5% to 8.5%.

A summary of changes in lease liability for the year ended June 30 is as follows:

	June 30, 2024*	Modifications/ Renewals Additions	Payments/ Modifications/ Terminations Reductions	June 30, 2025
Building	\$ 3,341,614	\$ 2,624,826	\$ (1,131,343)	\$ 4,835,097
Equipment	72,133	-	(44,904)	27,229
	<u>\$ 3,413,747</u>	<u>\$ 2,624,826</u>	<u>\$ (1,176,247)</u>	<u>\$ 4,862,326</u>

*Beginning balance was adjusted for the change in reporting entity - see Note 24

Minimum future lease payments from long-term leases are as follows:

	Principal	Interest
Years ending June 30:		
2025	\$ 1,907,470	\$ 90,614
2026	1,238,046	54,503
2027	616,798	40,528
2028	648,657	28,124
2029	389,783	19,082
2030	61,572	11,945
	<u>\$ 4,862,326</u>	<u>\$ 244,796</u>

A summary of right to use lease assets for the year ended June 30 is disclosed in Note 9.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

11. Subscription-Based Information Technology Arrangements (SBITA)

In accordance with GASB No. 96, the Agency recognized a subscription liability and a subscription asset, net, for SBITAs in which the Agency is using a third-party software for such things as investment banking, accounting, and financial reporting, under long-term agreements at market rates with terms ranging from 1 to 6 years. Some agreements are short-term agreements that are not included in the measurement of the lease liability. The subscription liability is measured at incremental borrowing rates ranging from 5.0% to 8.5%.

A summary of changes in subscription liability for the year ended June 30 is as follows:

	<u>June 30, 2024</u>	<u>Modifications/ Renewals Additions</u>	<u>Payments/ Modifications/ Terminations Reductions</u>	<u>June 30, 2025</u>
SBITAs	\$ 225,800	\$ 502,529	\$ (335,744)	\$ 392,585

Minimum future subscription payments from long-term agreements are as follows:

	<u>Principal</u>	<u>Interest</u>
Years ending June 30:		
2026	\$ 307,101	\$ 18,517
2027	85,484	4,523
	<u>\$ 392,585</u>	<u>\$ 23,040</u>

A summary of subscription assets for the year ended June 30 is disclosed in Note 9.

12. Long-term obligations

The following is a summary of the changes in long-term obligations reported for the year ended June 30:

	<u>June 30, 2024*</u>	<u>Additions</u>	<u>Principal Payments/ Amortization</u>	<u>June 30, 2025</u>	<u>Current Portion</u>
Bonds payable	\$ 18,005,000	\$ -	\$ (1,230,000)	\$ 16,775,000	\$ 1,275,000
Advances from commonwealth	30,174,053	287,621	(7,209,313)	23,252,361	1,649,596
Compensated absences**	1,154,968	910,308	-	2,065,276	2,065,276
Lease liability	3,413,747	2,624,826	(1,176,247)	4,862,326	1,907,470
Subscription liability	225,800	502,529	(335,744)	392,585	307,100
Total long-term obligations	<u>\$ 52,973,568</u>	<u>\$ 4,325,284</u>	<u>\$ (9,951,304)</u>	<u>\$ 47,347,548</u>	<u>\$ 7,204,442</u>

*Beginning balance was adjusted for the change in reporting entity - see Note 24

**The change in the compensated absences liability is presented as a net change.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

13. Loan Program, Bond Issuance and Other Commitments

Loans

The Agency issued loans aggregating \$19.9 million during fiscal year 2025.

Bond Issuance Program

The Agency's Bond Issuance Program assisted in the issuance of taxable and tax-exempt bonds and lease transactions on behalf of client institutions through its bond financing program on 59 projects aggregating approximately \$4.6 billion during fiscal year 2025. These debt obligations are conduit transactions and do not constitute a debt or liability of the Agency, therefore, these financing transactions are not included in the accompanying financial statements. The Agency earned bond issuance fee revenues related to these financings of approximately \$8.3 million in fiscal year 2025 and are included as a component of bond issuance and New Markets Tax Credit fees in the statement of revenues, expenses and changes in net position.

Pursuant to GASB 91, disclosure on conduit debt obligation, the Agency, including its predecessors, through its conduit bond program, has assisted in the issuance of taxable and tax-exempt bonds. At June 30, 2025 approximately \$29.5 billion of that debt remains outstanding, with limited commitments and does not constitute a debt or liability of the Agency.

Commitments

The Devens Electric Utility Division uses Master Power Supply Agreements to procure necessary power supply requirements from time to time as market and load growth conditions dictate. The Devens Electric Utility Division secured 76% of its 2025 power supply requirements using Master Power Supply agreements in place with NextEra, Shell Energy, BP Energy and the ISO NE Real Time Market. 24% was provided through Purchased Power Agreements (PPA's) in place with several carbon free wind, solar, and hydro power suppliers.

Additional confirmation transactions and long term PPA contracts are in place with a blend of different providers in varying quantities to secure between 47% - 75% of the load requirements from 2025 through 2030. Planning for the future in meeting the Commonwealth's goal of carbon free power by 2050, by 2030 ~50% of its future power supply needs qualify as carbon free through long-term contracts in place or being negotiated including solar power, a wind powered turbine facility, several hydroelectric providers, and one nuclear power provider. The energy supply portfolio is reviewed every quarter with our power supply consultant, Energy New England, to review positions and make additional procurement transactions as needed.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

During 2025 the Wellesley Municipal Light Plant (WMLP) was under contract to provide Operation and Maintenance (O&M) services to the Devens Electric Utility. That contract expired June 30, 2025, and through an advertised RFP process, Littleton Electric Light Department (LELD) was selected and placed under contract for an initial 8-year term that began on July 1, 2025, and expires on June 30, 2033. The contract has provisions for three (3) one (1) year extended terms past the ending date of June 30, 2033. Services provided by LELD under the O&M Agreement include (i) system operation, including switching, line loss management, system planning and design specifications and bidding; (ii) meter reading; (iii) system maintenance, including tree trimming, pole transformer maintenance and pole inspection and monitoring; and (iv) substation maintenance, including inspection, maintenance and overhauls. Additional services provided by LELD under the O&M Agreement include construction of certain capital improvements, outage restoration, operation of supervisory control and data acquisition equipment and compliance with regulatory requirements, among other tasks.

14. Bonds Payable

Electric System Utility Bond

During fiscal 2001, the Agency issued the Series 2001 Bonds for the Electric System at Devens which totaled approximately \$10.6 million. The Series 2001 Bonds were used to finance the design, construction, installation and associated costs of certain capital improvements to the Electric System at Devens and to fund reserves for future capital upgrades.

In an effort to lower the weighted average interest rate on the bonds, the Agency refunded the bonds in December 2011 and issued Devens Electric System Refunding Revenue Bonds, Series 2011 (Series 2011 Bonds). Principal of \$8,775,000 was repaid in relation to the Series 2001 Bonds and new principal of \$8,145,000 was issued.

In another effort to lower the interest rate on the bonds, the Agency refunded the bonds in September 2021 and issued Devens Electric System Refunding Revenue Bonds, Series 2021 (Series 2021 Bonds). Principal of \$4,855,000 was repaid in relation to the Series 2011 Bonds and new principal of \$4,755,000 was issued.

The following is a summary of the Devens Electric System bonds payable activity for the year ended June 30:

	Interest Rate at June 30, 2025	June 30, 2024	Additions	Principal Payments/ Amortization	June 30, 2025	Current Portion
Devens Electric System Utility Bond	1.6%	\$ 3,645,000	\$ -	\$ (500,000)	\$ 3,145,000	\$ 505,000

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Devens Electric Utility Division has pledged all monies, securities, and reserve deposits in all funds and accounts except the Operating Fund, the Capital Reserve Fund, the Rate Stabilization Fund, and, if established, the Rebate Fund. The bonds were originally issued to provide financing for the design, construction, installation and associated costs of certain capital improvements to the Electric System at Devens and fund the reserves for future capital upgrades. The bonds are payable through 2031 from the pledged revenues. Annual principal and interest payments on the bond is expected to require approximately 1.2% to 1.7% of pledged revenues.

The remaining principal balance to repay the bonds amounts to \$3.1 million. The remaining principal and interest to be paid on the bonds is \$3.3 million. Principal and interest paid and pledged revenue received for the year ended June 30, 2025 were \$0.6 million and \$28.7 million respectively.

The Devens Electric System Utility Bond agreement requires the maintenance of a minimum debt service coverage ratio. Failure to comply with the minimum debt service covenant does not constitute a default as long as the Agency complies with specific requirements included in the agreement. As of June 30, 2025 the debt service coverage was met.

The bond documents require the maintenance of certain funds. Below are certain funds balances as of June 30, 2025 which are included in restricted cash and cash equivalents on the statements of net position.

- The Revenue Fund had a balance of \$7.3 million which was included in the current cash and cash equivalents-restricted for use on the statement of net position. All revenues generated by the Electric System, exclusive of interest income, are deposited into the Revenue Fund. Funds are transferred from the Revenue Fund to other funds of the Electric System according to the bond resolution agreement. No funds were transferred in fiscal year 2025.
- The Capital Upgrade Reserve Fund had balances of \$5.0 million. The Capital Upgrade Reserve Fund may be used to fund capital improvements to the Electric System. If excess funds exist in the Capital Upgrade Reserve Fund, then these excess funds may be used to cover any operating shortfalls. No funds were transferred in fiscal year 2025.
- The Operating/Rate Stabilization Reserve Fund had balances of \$1.1 million, which are included in the noncurrent cash and cash equivalents-restricted for use, as shown on the statements of net position. The Operating/Rate Stabilization Reserve Fund may be used to fund operating expenses of the Electric System when there are not sufficient funds available from operations. No funds were transferred in fiscal year 2025.

Excess balances in the Revenue Fund may be transferred to other utilities, free and clear of the lien of the bond resolution, if all funding requirements are met and a debt service coverage ratio of at least 150% has been met, cumulatively, during the 12 consecutive months prior to the transfer date.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Principal payments are due annually through 2031. Total interest expense related to the bonds was \$54,998 for the year ended June 30, 2025.

Scheduled principal and interest payments on all the bonds payable are shown below.

Fiscal Year	Principal	Interest	Total Debt Service
2026	\$ 505,000	\$ 47,440	\$ 552,440
2027	515,000	39,075	554,075
2028	520,000	30,588	550,588
2029	525,000	22,018	547,018
2030	535,000	13,326	548,326
2031	545,000	4,469	549,469
	<u>\$ 3,145,000</u>	<u>\$ 156,916</u>	<u>\$ 3,301,916</u>

Devens Public Safety Facility Bond

On October 3, 2023, the Agency issued the Devens Public Safety Facility Bond totaling \$15,000,000. The bond proceeds are being used to finance the construction of a new public safety facility on Agency owned land off Barnum Road, in Devens, MA. The building will house the Devens Fire department, Massachusetts State police, and Nashoba Valley Regional Dispatch District office. The interest rate on the bond is 5.0% and the maturity date is May 1, 2031. In addition to the bond, the Agency received a \$4.6 million federal grant from the U.S. Department of Commerce, Economic Development Administration to assist with the construction.

Bond payable consist of the following at the year ended June 30:

	Interest Rate at June 30, 2025	June 30, 2024	Additions	Principal Payments/ Amortization	June 30, 2025	Current Portion
Devens Public Safety Building Bond	5.0%	<u>\$ 14,360,000</u>	<u>\$ -</u>	<u>\$ (730,000)</u>	<u>\$ 13,630,000</u>	<u>\$ 770,000</u>

Principal payments are due annually through 2031. Total interest expense related to the bonds was \$0.7 million for the year ended June 30, 2025.

Scheduled principal and interest payments on the bond payable is shown below:

Fiscal Year	Principal	Interest	Total Debt Service
2026	\$ 770,000	\$ 696,493	\$ 1,466,493
2027	805,000	657,146	1,462,146
2028	845,000	617,698	1,462,698
2029	890,000	572,831	1,462,831
2030	935,000	527,352	1,462,352
2031	9,385,000	479,574	9,864,574
	<u>\$ 13,630,000</u>	<u>\$ 3,551,094</u>	<u>\$ 17,181,094</u>

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

15. Advances from the Commonwealth

The following is a summary of the Agency's Advances from the Commonwealth as of June 30:

	2024	Additions	Payments/ Amortization	2025	Current Portion
DEP-wastewater	\$ 4,942,239	\$ -	\$ (652,802)	\$ 4,289,437	\$ 663,935
Premium	198	-	(198)	-	-
DEP-water	25,231,616	287,621	(6,556,313)	18,962,924	985,661
	<u>\$ 30,174,053</u>	<u>\$ 287,621</u>	<u>\$(7,209,313)</u>	<u>\$ 23,252,361</u>	<u>\$ 1,649,596</u>

In 2001 and 2004, the DEP approved loans to the Agency. In addition, The Massachusetts Clean Water Trust (MCWT) issued loans to the Agency. Collectively, these loans were advanced to construct a wastewater treatment facility at Devens. These loans are being paid back to MCWT through revenues generated from the processing of wastewater at Devens and surrounding communities. These loans are part of a pooled loan program bond within the MCWT. The Agency and the Commonwealth have entered into a contract providing that the Commonwealth shall pay contract assistance on behalf of the Agency with respect to partial debt service on these loans.

In 2022, the DEP approved a zero-interest loan to the Agency with a maximum obligation amount of \$27,300,000 to construct two water treatment plants at Devens for iron and manganese removal and PFAS treatment for existing Devens wells. The MCWT issued another loan to the Agency. The loan will be paid back to the trust through revenues generated from the sale of water in Devens and to surrounding communities.

The loans mature in August 2024, February 2031 and July 2043. Principal and interest expense related to these loans was \$1,694,874 and \$112,164 for the year ended June 30, 2025, respectively. During fiscal year 2025, the Commonwealth paid \$322,341 in principal payments and \$53,168 in interest expense, respectively, which is included in totals above.

The MCWT loan agreement requires the maintenance of an adequate annual debt service coverage ratio. As of June 30, 2025, the necessary debt service coverage was met.

The scheduled principal and interest payments on the MCWT loan at June 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2026	\$ 1,649,596	\$ 221,599	\$ 1,871,195
2027	1,671,823	187,572	1,859,395
2028	1,698,202	152,482	1,850,684
2029	1,724,584	116,116	1,840,700
2030	1,750,967	78,474	1,829,441
2031 - 2035	5,717,720	39,556	5,757,276
2036-2040	5,017,827	-	5,017,827
2041-2044	4,021,642	-	4,021,642
	<u>\$ 23,252,361</u>	<u>\$ 795,799</u>	<u>\$ 15,008,691</u>

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

16. Tax Incremental Financing Agreements/Special Tax Assessments

The Agency is committed to providing a supportive environment for business and economic development in the Devens Regional Enterprise Zone established by Chapter 498 of the Massachusetts Acts of 1993, as amended. The Agency may agree to temporary exemptions of incremental property taxes Tax Incremental Financing (TIF) or special tax assessments (STA) with businesses which agree to locate or expand in Devens.

The Agency had four TIF agreements outstanding as of June 30, 2025:

Purpose	Percentage of Tax Reduction	Value
Tax Incremental Financing:		
Biopharmaceutical company to construct and operate large scale cell culture facility	20%	\$ 556,548
Manufacturing, research and development facility	75% *	36,491
Manufacturing, clean room, warehouse and office facility	95%	1,752,260
Manufacturing, research and office facility	90%	-
		<u>\$ 2,345,299</u>

* TIF percentage is based on qualifying project incremental value for the fiscal year (change in value each fiscal year only)

Each TIF agreement was negotiated under provisions of MGL Chapter 59, Section 5, clause 51 and MGL Chapter 40, Section 59 allowing the Agency to grant temporary incremental property tax exemptions. The STA was granted in accordance with Chapter 23A, Section 3E of the MGL, allowing the Agency to grant special tax assessments.

The Agency uses the TIF and STA agreements as an economic development incentive at Devens. The execution of such agreements is intended to promote the creation or retention of full-time jobs in Devens, increase the Devens tax and revenue base and enhance the overall quality of life in Devens. All agreements contain annual reporting requirements to the Agency on employment levels. If a business fails to comply with its obligations under an agreement, the Agency will give written notice of such failure and provide an opportunity to meet with the Agency to discuss such failure. Continued failure to comply with obligations could result in the revocation of the related agreement.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

17. Other Related Party Transactions

The following related party transactions are not reflective of consideration of what these arrangements might have been if they occurred in an arms-length transaction.

The Agency oversees the management and development of the Jodrey State Fish Pier (Pier) facilities, which are leased to the Agency by the Department of Conservation and Recreation (representing the Commonwealth). The Pier reimburses the Agency for the Pier's direct salary costs paid by the Agency, which amounted to \$0.3 million for the year ended June 30, 2025. The Pier also reimburses the Agency for Agency staff time and operating expenses paid by the Agency, which amounted to \$0.3 million for the year ended June 30, 2025.

The Agency also oversees management services for Cape Ann Fisheries Development Corporation (Cape Ann), a non-profit corporation formed for construction and management of a multi-tenant seafood processing facility at the State Fish Pier in Gloucester. In fiscal year 2001, the Agency provided two loans to Cape Ann in the amounts of \$2.3 million and \$0.5 million for construction expenses and remediation of environmental conditions at the seafood processing facility. In fiscal year 2013, these loans were refinanced into four separate notes (Notes A and B for each loan). The balance on the Notes A loans receivable, net of allowance for loan loss, as of June 30, 2025, was \$325,130 and \$90,242. The Agency wrote off both Notes B during fiscal year 2013 as they were deemed uncollectible. These loans are included in loans receivable on the statement of net position.

In September 2009, the Agency refinanced another Cape Ann loan in the amount of \$2.7 million. In fiscal year 2013, this loan was refinanced into two separate notes (Notes A and B). The balance on the Note A loan receivable, net of allowance for loan loss, was \$518,835 as of June 30, 2025. The Agency wrote off Note B during fiscal year 2013 as it was deemed uncollectible.

The Agency donated \$0.2 million of Agency staff time to Cape Ann during fiscal year 2025 for the coverage of management services provided to Cape Ann during the fiscal year.

The Agency is eligible to receive an administrative fee of up to 0.09% of the average daily assets of the STAR Fund. In May 2022, the Agency started to receive an additional 0.01% administrative fee to recoup fees lost when the STAR Fund interest rate was zero. The Agency's STAR Fund holdings held on its own account as of June 30, 2025, were \$208.4 million and are included in cash and cash equivalents in the statement of net position. During the year ended June 30, 2025, the Agency received administrative fees of \$0.2 million from the STAR Fund. The administrative fees are reported in bond issuance and new markets tax credit fees in the statement of revenues, expenses and changes in net position.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

18. Benefit Plans

The Agency contributed approximately \$1.7 million to employee benefit plans described below during the year ended June 30, 2025.

Deferred Compensation Plan

The Agency offers its employees a deferred compensation plan created in accordance with IRC Section 457. The plan, available to all employees of the Agency, permits employees to defer a portion of their salaries. The Agency matches employees' deferrals up to 5.0% of the participants' salary, which are contributed to the 401(a) defined contribution plan. The participants' rights to the Agency contributions vest immediately. Employees may borrow up to 50.0% of their vested accrued balance in the account. Otherwise, the vested balance is not available to employees until termination, retirement, permanent disability, or death.

All contributions made under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of the participants and their beneficiaries.

Effective December 31, 1997, Section 401(a) of the IRC was amended by Section 1448 of the Small Business Job Protection Act of 1996 which provides that governmental deferred compensation plans must hold all assets and income of the plan in trust for the exclusive benefit of participants and their beneficiaries. In accordance with the legislation described above, the vested assets and associated liability of the deferred compensation plan assets are not included in the statement of net position.

401(a) Defined Contribution Plan

The Agency provides for retirement through a contribution to a 401(a) plan for eligible employees. The contribution is equal to a percentage of the employee's gross compensation earned each pay period. Currently, the Agency's contribution is 7.5% of the employee's gross compensation. Employees who began employment with the Agency on or after January 1, 1999 are subject to a three-year vesting schedule.

Employees may borrow up to 50.0% of their vested accrued balance in the 401(a) account. Otherwise, the vested balance is not available to employees until termination, retirement, permanent disability, or death.

The unvested portion of the 401(a) plan is recorded as an asset on the statement of net position. The total unvested portion of the 401(a) plan as of June 30, 2025 was approximately \$1.3 million.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Pension Plan

Certain employees of the Agency are eligible to participate in the Commonwealth's State Employees Retirement Systems.

Plan Description

The Massachusetts State Employees' Retirement System (MSERS) is a public employee retirement system (PERS), that administers a cost-sharing, multiple employer defined benefit pension plan as defined by Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans, covering substantially all employees of the Commonwealth and certain employees of the independent authorities and agencies. MSERS is reported as a pension trust fund in the Commonwealth's Annual Comprehensive Financial Report and does not issue a stand-alone audited financial report. Management of MSERS is vested in the Massachusetts State Retirement Board (the MSRB) which consists of five members—two elected by current and active MSERS members, one who is appointed by the State Treasurer, the State Treasurer, who serves as ex-officio and is the Chair of the MSRB, and one by the remaining members of the MSRB.

Benefits Provided

MSERS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, group creditable service, and group classification. The authority for amending these provisions rests with the Legislature. Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of creditable service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65; for certain hazardous duty and public safety positions, normal retirement is at age 55. Most employees who joined the system after April 1, 2012 cannot retire and receive benefits prior to age 60.

The MSERS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MSERS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Contributions

Certain employees of the Agency participate in the MSERS under a special funding situation where the Commonwealth of Massachusetts is a 100% nonemployer contributor under GASB Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27. The Agency makes no contributions for employees participating in the pension plan. Employees participating in the MSERS plan are not eligible for the contribution to the 401(a) plan.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Since the Agency does not contribute to MSERS, the Agency does not report a proportionate share of the net pension liability of the MSERS at June 30, 2025. The Agency's employees were included in the actuarial analysis and a net pension liability of \$4,261,097 as of June 30, 2025 is owed by the Commonwealth and noted as part of the total State Plan's net pension liability.

Actuarial Assumptions

The MSERS' net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024 rolled forward to June 30, 2024 using the following actuarial assumptions:

Investment Rate of Return	7.00%
Salary Increases	Salary increases are based on analyses of past experiences but range from 4.00% to 9.00% depending on group and length of service
Mortality Rates:	Pre-retirement - reflects RP-2014 Blue Collar Employees table projected generationally with Scale MP-2021, set forward 1 year for females.
	Post-retirement - reflects RP-2014 Blue Collar Healthy Annuitant table projected generationally with Scale MP-2021, set forward 1 year for females.
	Disabled Retirees - reflects the post-retirement mortality described above, set forward 1 year.
Other	3.50% interest rate credited to the annuity savings fund
Cost of Living	3.00% increase on the first \$13,000 of allowance per year.

Investments

Investment assets of MSERS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	36.0%	4.6%
Core Fixed Income	15.0%	2.1%
Private Equity	16.0%	7.4%
Portfolio Completion Strategies	10.0%	3.7%
Real Estate	10.0%	3.9%
Value Added Fixed Income	9.0%	5.1%
Timberland/Natural Resources	4.0%	4.4%
Total	100.0%	

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension plan fiduciary net position

Detailed information about the MSERS' fiduciary net position is available in the Commonwealth's audited financial statements.

Other

As discussed in Note 1, in 1998, the Land Bank and MIFA merged to create the Agency. Prior to this merger, all Land Bank employees were participants in the MSERS Plan; MIFA employees were not. All former Land Bank employees were given the option to stay in the State Plan or take part in the retirement plans being offered by the Agency. Any new employees hired after the merger were not eligible to participate in the MSERS Plan, except for the union firefighters at Devens. The MSERS Plan provides benefits including retiree health benefits to qualifying retirees. The programs are carried out by the Commonwealth. There are currently 26 employees in the State Plan. Neither the Land Bank nor the Agency have ever been charged for post-retirement benefits for its current employees or its retirees from the Commonwealth Group Insurance Commission (CGIC). The Agency's management has reviewed the requirements of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, and believes the Agency is not liable for OPEB costs for current active or retired employees due to the following: there is no statutory requirement holding the Agency liable for OPEB costs; the Agency has never been billed by the CGIC for any OPEB costs and it is the legal opinion of the Agency's outside attorney that no evidence exists that indicates that the Agency is liable for these costs.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

19. Segment Reporting

Devens Electric Utility Division

A separate financial statement for the Devens Electric Utility Division is published and is available upon request.

Summary financial information for the Devens Electric Utility Division is presented below:

Statement of Net Position as of June 30, 2025:

Assets	
Current assets	\$ 12,737,489
Noncurrent assets	6,441,281
Capital assets, net	14,105,433
Total assets	<u>\$ 33,284,203</u>
Liabilities and Net Position	
Current liabilities	\$ 9,571,539
Noncurrent liabilities	2,640,000
Total liabilities	<u>12,211,539</u>
Net position	
Net investment in capital assets	10,614,180
Restricted	10,458,484
Total net position	<u>21,072,664</u>
Total liabilities and net position	<u>\$ 33,284,203</u>

Condensed Statement of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2025:

Operating revenues	\$ 30,622,747
Operating expenses	(26,333,244)
Depreciation	(1,047,385)
Operating income	<u>3,242,118</u>
Nonoperating revenues, net	<u>13,089</u>
Increase in net position	3,255,207
Net position at beginning of year	17,817,457
Net position at end of year	<u>\$ 21,072,664</u>

Condensed Statement of Cash Flows for the year ended June 30, 2025:

Net cash provided by operating activities	\$ 8,476,022
Net cash used in capital and related financing activities	(6,570,699)
Net cash provided by investing activities	585,027
Net increase in cash and cash equivalents	<u>2,490,350</u>
Cash and cash equivalents at beginning of year	11,212,074
Cash and cash equivalents at end of year	<u>\$ 13,702,424</u>

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

20. New Markets Tax Credit Program (NMTC)

The Agency receives an annual management fee for services related to managing the operations of the NMTC entities, including accounting, legal, management, technical and other services, as needed by the NMTC entities. Total management fees earned for fiscal year 2025 were \$0.2 million. As of June 30, 2025, management fees of approximately \$20,000 remain unpaid to the Agency and are included in accounts receivable and other assets on the statement of net position.

21. Assets Held for Sale

Devens

The Agency had one lot sale at Devens during fiscal year 2025. The sales were deferred and the gain on sale was reported as other liabilities at June 30, 2025 as the conditions in the repurchase clause had not been satisfied by year end. The sale resulted in gross sales proceeds of \$0.73 million and net gains of \$0.70 million.

Taunton

In January 2012, the Agency, in partnership with TDMDC, purchased from the Commonwealth the former Dever State School core campus in Taunton. The Agency has cumulative net redevelopment capital on the property of approximately \$1.9 million as of June 30, 2025 which is included in assets held for sale.

There were no lot sales at Taunton during fiscal year 2025.

22. Legal Matters

The Agency is subject to various legal proceedings and claims that arise in the ordinary course of business. Management believes that the final outcome of such matters will not have a material adverse effect on the financial position, results of operations or liquidity of the Agency.

23. Risk Management

The Agency is exposed to various risks of loss related to general property and casualty losses. Accordingly, the Agency carries general liability and property insurance policies. The Agency also carries insurance coverage for business automobiles, workers compensation, director and officer liability, professional liability, cyber liability, crime and special excess liability. There were no changes in coverage since last year and no settlements that exceeded insurance coverage for the past three fiscal years.

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Notes to Financial Statements
June 30, 2025

24. Accounting Changes - Restatement – Change in reporting entity

During 2025, pursuant to Chapter 238 of the Acts of 2024, Massachusetts Growth Capital Corporation (“MGCC”) was merged into the Massachusetts Development Finance Agency (“MassDevelopment”) under legislative authority granted by the Commonwealth of Massachusetts. As a result of this merger, all assets, liabilities, and operations of MGCC were transferred to the Agency.

The merger was accounted for as a government merger in accordance with GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, as one legally separate government ceased to exist and their operations were absorbed into, and provided by, one or more continuing governments. This became effective for MGCC and the Agency on February 18, 2025, but in accordance with the standard the merger date is considered to be the beginning of the reporting period in which the combination occurs. As a result, the beginning net position of the Agency for fiscal year 2025 was adjusted to include MGCC’s net position as of June 30, 2024.

The following is the impact of the restatement for the change in reporting entity:

<i>Statement of Revenues, Expenses, and Changes in Net Position</i>	
Net position - beginning of year, as previously reported	\$ 447,061,953
Change in reporting entity	56,069,206
Net position - beginning of year, as restated	\$ 503,131,159
<i>Statement of Cash Flows</i>	
Cash and cash equivalents at beginning of year, as previously reported	\$ 255,441,642
Change in reporting entity	24,298,680
Cash and cash equivalents at beginning of year, as restated	\$ 279,740,322
<i>Footnote Disclosures</i>	
Beginning Loans Receivables, as previously reported	\$ 130,188,079
Change in reporting entity	10,278,423
Beginning Loans Receivables, as restated	\$ 140,466,502
Beginning Capital Assets, as previously reported	\$ 104,572,291
Change in reporting entity	1,434,499
Beginning Capital Assets, as restated	\$ 106,006,790
Beginning Long-term Obligations, as previously reported	\$ 51,824,309
Change in reporting entity	1,149,259
Beginning Long-term Obligations, as restated	\$ 52,973,568

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Required Supplementary Information
Schedule of Special Funding Amounts of the Net Pension Liability – Massachusetts State Employees' Retirement System
Last Ten Fiscal Years
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
MDFA's Proportion of the net pension liability	0.0302%	0.0289%	0.0271%	0.0278%	0.0277%	0.0277%	0.0287%	0.0308%	0.0304%	0.0299%
MDFA's Share of Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commonwealth's Share of the MDFA's Net Pension Liability	4,261,097	4,237,102	3,774,359	2,902,705	4,757,981	4,054,705	3,796,735	3,945,023	4,189,308	3,400,569
Total	<u>\$ 4,261,097</u>	<u>\$ 4,237,102</u>	<u>\$ 3,774,359</u>	<u>\$ 2,902,705</u>	<u>\$ 4,757,981</u>	<u>\$ 4,054,705</u>	<u>\$ 3,796,735</u>	<u>\$ 3,945,023</u>	<u>\$ 4,189,308</u>	<u>\$ 3,400,569</u>
MDFA's covered-employee payroll	\$ 2,645,372	\$ 2,121,240	\$ 1,816,815	\$ 1,705,867	\$ 1,692,730	\$ 1,699,280	\$ 1,650,861	\$ 1,649,729	\$ 1,756,429	\$ 1,703,736
Plan Fiduciary Net Position as a Percentage of Total Net Pension Liability	72.90%	70.71%	71.05%	77.54%	62.48%	66.28%	67.97%	67.21%	63.50%	67.90%

Notes:

Amounts presented were determined as of June 30 of the prior year

Massachusetts Development Finance Agency
(A Component Unit of the Commonwealth of Massachusetts)
Other Information
June 30, 2025
(Unaudited)

Schedules of Departmental Net Position

	General Operations	Brownfield Redevelopment	Emerging Technology	Cultural Facilities	Charter School Facilities	Site Readiness	Transformative Development Initiative	CARES Act	SSBCI Loans & Guarantees	Devens	Devens Electric Utility Division	Devens Gas, Water, Wastewater Utility Divisions	Growth Capital	Other	Taunton Corp.	Eliminations	Total
Current assets	\$ 72,029,244	\$ 24,196,775	\$ 38,814,364	\$ 10,125,017	\$ 39,758,948	\$ 10,017,603	\$ 13,989,655	\$ 961,041	\$ 10,072,004	\$ 29,138,310	\$ 12,737,489	\$ 16,884,644	\$ 59,327,430	\$ 94,700,120	\$ 8,383,145	\$ (5,506,158)	\$ 435,629,631
Noncurrent assets	93,071,949	941,426	10,964,403	-	-	-	-	1,948,739	14,470,830	12,383,453	6,441,281	10,061,500	11,250,152	502,668	-	(7,928,761)	154,107,640
Capital assets, net	6,060,632	-	-	-	-	-	41,489	-	-	55,354,710	14,105,433	45,420,181	1,212,403	-	1,907,504	-	124,102,352
Total assets	\$ 171,161,825	\$ 25,138,201	\$ 49,778,767	\$ 10,125,017	\$ 39,758,948	\$ 10,017,603	\$ 14,031,144	\$ 2,909,780	\$ 24,542,834	\$ 96,876,473	\$ 33,284,203	\$ 72,366,325	\$ 71,789,985	\$ 95,202,788	\$ 10,290,649	\$ (13,434,919)	\$ 713,839,623
Liabilities																	
Current liabilities	\$ 10,715,831	\$ 1,706,528	\$ 1,163	\$ 6,123,176	\$ -	\$ 4,127,630	\$ 2,300,660	\$ -	\$ 2,718,126	\$ 5,751,581	\$ 9,571,539	\$ 3,867,598	\$ 14,558,106	\$ 35,298,518	\$ 2,319,042	\$ (5,506,158)	\$ 93,553,340
Noncurrent liabilities	1,324,165	18,576,892	-	-	348,074	-	-	-	25,408	18,584,709	2,640,000	29,828,360	868,105	36,319,034	-	(7,928,761)	100,585,986
Total liabilities	12,039,996	20,283,420	1,163	6,123,176	348,074	4,127,630	2,300,660	-	2,743,534	24,336,290	12,211,539	33,695,958	15,426,211	71,617,552	2,319,042	(13,434,919)	194,139,326
Deferred inflows of resources																	
Leases deferred inflows of resources	-	-	-	-	-	-	-	-	-	4,401,174	-	-	-	-	-	-	4,401,174
Net position																	
Net investment in capital assets	(136,758)	-	-	-	-	-	-	-	-	37,786,897	10,614,180	14,239,062	700	-	-	7,928,761	70,432,842
Restricted	1,339,292	4,734,669	49,777,604	4,001,841	39,410,874	5,889,973	11,730,484	2,909,780	21,799,300	30,352,112	10,458,484	24,431,305	17,169,904	23,585,236	7,971,607	(7,928,761)	247,633,704
Unrestricted	157,919,295	120,112	-	-	-	-	-	-	-	-	-	-	39,193,170	-	-	-	197,232,577
Total net position	159,121,829	4,854,781	49,777,604	4,001,841	39,410,874	5,889,973	11,730,484	2,909,780	21,799,300	68,139,009	21,072,664	38,670,367	56,363,774	23,585,236	7,971,607	-	515,299,123
Total liabilities, deferred inflows of resources and net position	\$ 171,161,825	\$ 25,138,201	\$ 49,778,767	\$ 10,125,017	\$ 39,758,948	\$ 10,017,603	\$ 14,031,144	\$ 2,909,780	\$ 24,542,834	\$ 96,876,473	\$ 33,284,203	\$ 72,366,325	\$ 71,789,985	\$ 95,202,788	\$ 10,290,649	(13,434,919)	\$ 713,839,623

Schedules of Departmental Revenues, Expenses and Changes in Net Position

	General Operations	Brownfield Redevelopment	Emerging Technology	Cultural Facilities	Charter School Facilities	Site Readiness	Transformative Development Initiative	CARES Act	SSBCI Loans & Guarantees	Devens	Devens Electric Utility Division	Devens Gas, Water, Wastewater Utility Divisions	Growth Capital	Other	Taunton Corp.	Eliminations	Total
Operating revenues	16,190,619	39,894	343,349	1,356	108,790	10,000	24,913	57,873	760,871	23,211,646	30,622,747	14,292,734	2,478,371	366,860	(188,275)	(1,406,279)	86,915,469
Operating expenses	(14,502,527)	(246,313)	(1,411,332)	(750,000)	(64,574)	(1,845,422)	(4,469,252)	396,619	(616,042)	(23,153,048)	(27,880,626)	(15,932,545)	(4,749,579)	(4,436,550)	(66,208)	641,198	(99,086,201)
Operating income (loss)	1,688,092	(206,419)	(1,067,983)	(748,644)	44,216	(1,835,422)	(4,444,339)	454,492	144,829	58,598	2,742,121	(1,639,811)	(2,271,208)	(4,069,690)	(254,483)	(765,081)	(12,170,732)
Nonoperating revenues (expenses)	1,010,848	(32,776)	1,490,232	1,099,860	1,797,273	2,238,046	876,735	19,920	2,842,254	788,732	513,085	407,555	2,500,776	2,738,426	(2,300,000)	765,081	16,756,047
Transfers in (out)	(133,014)	-	-	-	68,014	-	-	-	-	-	-	-	65,000	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-	-	2,122,649	-	5,460,000	-	-	-	-	7,582,649
Increase (decrease) in net position	2,565,926	(239,195)	422,249	351,216	1,909,503	402,624	(3,567,604)	474,412	2,987,083	2,969,979	3,255,206	4,227,744	294,568	(1,331,264)	(2,554,483)	-	12,167,964
Net position-beginning of year, as restated	156,555,903	5,093,976	49,355,355	3,650,625	37,501,371	5,487,349	15,298,088	2,435,368	18,812,217	65,169,030	17,817,458	34,442,623	56,069,206	24,916,500	10,526,090	-	503,131,159
Net position-end of year	\$ 159,121,829	\$ 4,854,781	\$ 49,777,604	\$ 4,001,841	\$ 39,410,874	\$ 5,889,973	\$ 11,730,484	\$ 2,909,780	\$ 21,799,300	\$ 68,139,009	\$ 21,072,664	\$ 38,670,367	\$ 56,363,774	\$ 23,585,236	\$ 7,971,607	\$ -	\$ 515,299,123

