

The Commonwealth of Massachusetts  
Annual Financial Information  
Commonwealth Transportation Fund Revenue Bonds  
(Accelerated Bridge Program)

March 27, 2015

The following annual financial information is provided by The Commonwealth of Massachusetts (the “Commonwealth”) pursuant to certain continuing disclosure undertakings entered into by the Commonwealth in connection with the Commonwealth’s Transportation Fund Revenue Bonds (Accelerated Bridge Program). Set forth below is certain financial information and operating data relating to the Commonwealth for the fiscal year ended June 30, 2014, updating the financial information presented in the Commonwealth’s statement of annual financial information for transportation fund revenue bonds dated March 25, 2014 with respect to the fiscal year ended June 30, 2013. Specific reference is also made to the Official Statement dated December 15, 2010 relating to the Commonwealth’s Transportation Fund Revenue Bonds (Accelerated Bridge Program) 2010 Series A (the 2010 Official Statement), the Official Statement dated May 8, 2012 relating to the Commonwealth’s Transportation Fund Revenue Bonds (Accelerated Bridge Program) 2012 Series A (the “2012 Official Statement”), the Official Statement dated November 5, 2013 relating to the Commonwealth’s Transportation Fund Revenue Bonds (Accelerated Bridge Program) 2013 Series A (the “2013 Official Statement”) and the Official Statement dated December 9, 2014 relating to the Commonwealth’s Transportation Fund Revenue Bonds (Accelerated Bridge Program) 2014 Series A (the “2014 Official Statement” and together with the 2010 Official Statement, the 2012 Official Statement and the 2013 Official Statement, the “Official Statements”), copies of which have been filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) system. Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Official Statements.

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

Questions regarding information contained in this statement may be directed to Sue Perez, Office of the Treasurer and Receiver-General, One Ashburton Place, 12th floor, Boston, Massachusetts 02108, telephone (617) 367-9333, or to Jennifer Sullivan, Assistant Secretary, Executive Office for Administration and Finance, State House, Room 373, Boston, Massachusetts 02133, telephone (617) 727-2040.

1. Summary presentation of actual gasoline sales on a ten-year comparative basis, concluding with the prior fiscal year. Pursuant to the 2010 Official Statement, the 2012 Official Statement, the 2013 Official Statement and the 2014 Official Statement.

### HISTORICAL GASOLINE SALES

Fiscal Year	Average Price of Gasoline <sup>(1)</sup>	Gasoline Consumed (millions of gallons) <sup>(2)</sup>	Percentage Change in Gasoline Consumed	Non-Farm Employment (thousands) <sup>(3)</sup>	Percentage Change in Non-Farm Employment
2014	\$3.613	2,733	0.45%	3,383	1.46%
2013	3.684	2,721	(1.84)	3,334	1.48
2012	3.652	2,772	0.19	3,285	1.61
2011	3.204	2,766	0.58	3,233	1.07
2010	2.694	2,750	(0.31)	3,199	(1.89)
2009	2.577	2,759	(2.84)	3,261	(1.61)
2008	3.147	2,839	0.08	3,314	0.97
2007	2.634	2,837	0.90	3,282	1.19
2006	2.583	2,812	(1.69)	3,244	0.89
2005	2.027	2,860	(0.09)	3,215	0.43

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

- (1) Reflects the Average Price of Gasoline in all of Massachusetts.
- (2) Based on Historical Gasoline Tax Collections pursuant to Chapter 64A, *except* Aviation Fuel. See the Official Statements under *Commonwealth Motor Fuels Tax - Refunds and Abatements from Gasoline Tax*.
- (3) Seasonally adjusted. Calculated as fiscal year average of monthly employment. Historical employment figures have recently been revised by the U.S. Bureau of Labor Statistics by a re-benchmarking process which is the Bureau goes through periodically.

2. Summary presentation of actual Pledged Motor Fuels Tax receipts on a ten-year comparative basis, concluding with the prior fiscal year. Pursuant to the 2010 Official Statement, the 2012 Official Statement, the 2013 Official Statement and the 2014 Official Statement.

### HISTORICAL ANNUAL COLLECTION OF PLEDGED MOTOR FUELS TAX

Fiscal Year	Gasoline and Special Fuels Tax Rate	Pledged Motor Fuels Tax Receipts (in thousands) <sup>(1)</sup>	Percentage Change in Motor Fuels Tax Receipts
2014	\$0.24 <sup>(2)</sup>	\$730,640	12.44%
2013	0.21	649,779	(1.57)
2012	0.21	660,177	0.15
2011	0.21	659,183	0.94
2010	0.21	653,045	0.14
2009	0.21	652,153	(2.80)
2008	0.21	670,940	(0.52)
2007	0.21	674,438	0.61
2006	0.21	670,377	(2.01)
2005	0.21	684,118	0.18

Sources: "Average Gasoline Tax Rate," Department of Revenue; "Pledged Motor Fuels Tax Receipts," Fiscal Years 2005-2012, Office of the Comptroller, and Fiscal Year 2013 and thereafter, Department of Revenue.

(1) Includes all Pledged Motor Fuels Tax collected by the Commonwealth pursuant to Chapters 64A, 64E and 64F of the Massachusetts General Laws and credited to various budgeted funds, but *excludes* the tax on Aviation Fuel as Aviation Fuel is not a Pledged Motor Fuel. See the Official Statements under *Commonwealth Motor Fuels Tax – Crediting of Receipts*. Net of refunds and abatements from Gasoline Tax. See the Official Statements under *Commonwealth Motor Fuels Tax – Refunds and Abatements from Gasoline Tax*. The table above reflects tax rates of 21¢ per gallon Gasoline Tax in effect prior to July 31, 2013. The table above reflects tax rates of 21¢ per gallon on fuel (other than liquefied gas), 19.1% of the average price per gallon on liquefied gas and 23.964¢ of the 24¢ per gallon Gasoline Tax in effect after July 31, 2013.

(2) The tax per gallon has been 24¢ effective July 31, 2013.

3. Summary presentation of actual monthly Motor Fuels Tax receipts for the two most recently completed fiscal years. Pursuant to the 2010 Official Statement, the 2012 Official Statement, the 2013 Official Statement and the 2014 Official Statement.

**HISTORICAL MONTHLY COLLECTION OF MOTOR FUELS TAXES  
MOST RECENT 24 MONTHS ENDING JUNE 2014**

<u>Month</u>	<u>Gasoline Tax Receipts under Chapter 64A<sup>(1)(2)(3)</sup></u>	<u>Special Fuels Tax Receipts under Chapter 64E<sup>(1)(3)</sup></u>	<u>Motor Carrier Fuels Tax Receipts under Chapter 64F<sup>(1)(3)</sup></u>	<u>Total</u>
July, 2012	\$50,569,305	\$6,442,681	\$246,216	\$57,258,203
August, 2012	49,938,118	6,720,090	(23,932)	56,634,275
September, 2012	51,273,580	6,915,194	63,642	58,252,415
October, 2012	46,947,395	6,257,727	215,047	53,420,169
November, 2012	49,714,074	7,131,407	(80,193)	56,765,288
December, 2012	46,745,540	6,763,252	111,212	53,620,005
January, 2013	47,675,803	6,140,452	172,517	53,988,771
February, 2013	46,000,799	6,255,053	(63,390)	52,192,463
March, 2013	40,536,337	6,103,529	169,453	46,809,319
April, 2013	47,045,454	6,183,683	231,066	53,460,204
May, 2013	46,626,298	6,173,694	(14,531)	52,785,461
June, 2013	49,256,410	7,143,385	44,878	56,444,673
July, 2013	49,844,387	6,660,457	176,993	56,681,837
August, 2013	49,719,253	6,377,700	(20,651)	56,076,303
September, 2013	60,642,361	7,987,050	50,363	68,679,774
October, 2013	53,828,705	7,405,820	227,539	61,462,064
November, 2013	56,335,258	8,229,934	(10,599)	64,554,593
December, 2013	54,092,264	7,378,622	84,589	61,555,475
January, 2014	54,989,408	7,468,645	141,624	62,599,676
February, 2014	51,392,037	7,687,221	(20,394)	59,058,865
March, 2014	47,775,981	6,825,327	149,594	54,750,902
April, 2014	54,107,902	7,418,603	155,965	61,682,470
May, 2014	52,724,735	7,161,251	(7,337)	59,878,650
June, 2014	57,083,066	8,321,649	88,115	65,492,830

SOURCE: Department of Revenue.

- (1) Net of applicable refunds, abatements and adjustments, if any. See the Official Statements under Commonwealth Motor Fuels Tax – Refunds and Abatements from Gasoline Tax.
- (2) Includes Aviation Fuel tax receipts. For the period indicated on the table above, 0.07% to 0.24% of total collections of the Gasoline Tax is from Aviation Fuel, and the average over this period is 0.13%.
- (3) Effective July 31, 2013, the Motor Fuels Tax was increased from 21¢ to 24¢ per gallon. Such increase is reflected in Pledged Funds beginning September, 2013.

4. Summary presentation of actual RMV transactions on a ten-year comparative basis, concluding with the prior fiscal year. Pursuant to the 2010 Official Statement, the 2012 Official Statement, the 2013 Official Statement and the 2014 Official Statement.

The following table shows the number of RMV transactions since fiscal year 2005.

<b>Transaction</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
Vehicle Registration Renewals or Modifications	2,518,179	2,513,848	2,554,736	2,531,974	2,685,700	2,640,476	2,643,757	2,552,172	2,644,174	3,097,268
License Duplicates	486,344	483,403	468,998	450,212	421,102	391,682	201,258	206,378	184,318	186,499
License Renewal	901,467	473,965	699,589	951,117	911,523	902,692	556,539	951,498	946,787	987,767
New License <sup>(1)</sup>	498,858	495,824	489,611	533,339	539,247	524,761	481,889	358,863	342,456	231,807
New Vehicle Registrations	<u>1,425,710</u>	<u>1,360,384</u>	<u>1,279,017</u>	<u>1,213,443</u>	<u>1,083,422</u>	<u>1,119,292</u>	<u>1,079,229</u>	<u>1,175,158</u>	<u>1,123,537</u>	<u>1,204,382</u>
<b>Total Transactions</b>	<b><u>5,830,558</u></b>	<b><u>5,327,424</u></b>	<b><u>5,491,951</u></b>	<b><u>5,680,085</u></b>	<b><u>5,640,994</u></b>	<b><u>5,578,903</u></b>	<b><u>4,962,672</u></b>	<b><u>5,244,069</u></b>	<b><u>5,241,272</u></b>	<b><u>5,707,723</u></b>

Source: Massachusetts Department of Transportation

(1) New license transactions totals for fiscal years 2005 – 2013 have been restated due to a calculation error when recording new license transactions. Revenue attributable to the transactions has not changed.

5. Summary presentation of Registry Fee receipts on a ten-year comparative basis, concluding with the prior fiscal year. Pursuant to the 2012 Official Statement, the 2013 Official Statement and the 2014 Official Statement.

The following table shows the historical collection of Registry Fees since fiscal year 2005.

**HISTORICAL ANNUAL COLLECTION OF REGISTRY FEES**

<u>Fiscal Year</u>	<u>Pledged Registry Fee Receipts (in thousands) <sup>(1)</sup></u>	<u>Percentage Change in Registry Fee Receipts</u>
2014	\$533,194	2.11%
2013	522,199	2.67
2012	508,608 <sup>(2)</sup>	2.53
2011	496,034 <sup>(2)</sup>	2.11
2010	485,789	20.31
2009	403,780	1.73
2008	396,904	2.16
2007	388,496	3.41
2006	375,670	(9.14)
2005	413,481	7.04

SOURCES: Office of the Comptroller.

(1) Certain prior years have been adjusted to reflect a reclassification of certain revenues as Pledged Registry Fees.

(2) Fiscal years 2011 and 2012 do not include \$1 million and \$2 million, respectively, of the Registry Fees which represented civil motor infraction fees collected in such fiscal years and transferred to the Commonwealth Transportation Fund in fiscal year 2013. See the Official Statements under *Commonwealth Registry Fees - Crediting of Receipts*.

6. Summary presentation of actual Commonwealth Transportation Fund revenues on a ten-year comparative basis, concluding with the prior fiscal year. Pursuant to the 2010 Official Statement, the 2012 Official Statement, the 2013 Official Statement and the 2014 Official Statement.

**Historic Pro Forma Commonwealth Transportation Fund Pledged Funds  
(in thousands)**

<u>Pledged Motor Fuels Tax <sup>(1)</sup></u>				
Fiscal Year Ending June 30	Chapter 64A Receipts <sup>(2)</sup>	Chapter 64E and 64F Receipts	Registry Fees <sup>(3)</sup>	Total
2014	\$642,643	\$87,997	\$533,194	\$1,263,834
2013	570,477	79,302	522,199	1,171,978
2012	581,148	79,028	508,608 <sup>(4)</sup>	1,168,784
2011	580,031	79,152	496,034 <sup>(4)</sup>	1,155,217
2010	576,676	76,369	485,789	1,138,834
2009	578,691	73,462	403,780	1,055,933
2008	595,380	75,560	396,904	1,067,844
2007	594,892	79,545	388,496	1,062,934
2006	589,591	80,785	375,670	1,046,046
2005	599,736	84,382	413,481	1,097,599

SOURCE: Office of the Comptroller of the Commonwealth.

- (1) Includes all Pledged Motor Fuels Tax collected by the Commonwealth pursuant to Chapters 64A, 64E and 64F of the Massachusetts General Laws and credited to various budgeted funds, but *excludes* the tax on Aviation Fuel as Aviation Fuel is not a Pledged Motor Fuel.
- (2) Equal to 20.9685¢ per gallon of the 21¢ per gallon Gasoline Tax imposed under Chapter 64A *prior to July 31, 2013*, and equal to 23.964¢ per gallon of the 24¢ per gallon Gasoline Tax imposed under Chapter 64A *after July 31, 2013*; prior to the Transportation Reform Act and the establishment of the Commonwealth Transportation Fund effective fiscal year 2010, the Gasoline Tax imposed under Chapter 64A was credited to the Highway Fund (84.85%), the General Fund (15.0%) and to the Inland Fisheries and Game Fund (0.15%).
- (3) Certain prior years have been adjusted to reflect reclassification of RMV revenues.
- (4) Fiscal years 2011 and 2012 do not include \$1 million and \$2 million, respectively, of the Registry Fees which represented civil motor infraction fees collected in such fiscal years and transferred to the Commonwealth Transportation Fund in fiscal year 2013. See the Official Statements under *Commonwealth Registry Fees - Crediting of Receipts*.

**COMMONWEALTH TRANSPORTATION FUND**

**Balance Sheet** – Statutory Basis (June 30, 2014)

See Exhibit A attached hereto

**Statement of Revenues, Expenditures and Changes in Fund Balance** – Statutory Basis (Fiscal Year Ended June 30, 2014)

See Exhibit B attached hereto



EXHIBIT A

**Commonwealth Transportation Fund  
Balance Sheet - Statutory Basis**

June 30, 2014  
(Amounts in thousands)

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 608	\$ -
Cash with fiscal agent.....	14,384	13,932
Receivables, net of allowance for uncollectibles:		
Other receivable.....	-	45,512
Total assets.....	<u>\$ 14,992</u>	<u>\$ 59,444</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Deficiency in cash and short-term investments.....	\$ -	\$ 44,867
Accounts payable.....	608	545
Total liabilities.....	<u>608</u>	<u>45,412</u>
Fund balance:		
Reserved fund balance:		
Reserved for continuing appropriations.....	-	100
Reserved for debt service.....	14,384	13,932
Total fund balance.....	<u>14,384</u>	<u>14,032</u>
Total liabilities and fund balance.....	<u>\$ 14,992</u>	<u>\$ 59,444</u>

See accountants' review report

SOURCE: Office of the Comptroller

## EXHIBIT B

### Commonwealth Transportation Fund Statement of Revenues, Expenditures And Changes In Fund Balance - Statutory Basis

Fiscal Year Ended June 30, 2014  
(Amounts in thousands)

	2014 Budget	2014 Actual	Variance Favorable (Unfavorable)	2013 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes.....	\$ 1,217,400	\$ 1,231,994	\$ 14,594	\$ 968,615
Assessments.....	22,460	22,211	(249)	21,791
Departmental.....	523,795	522,364	(1,431)	557,684
Miscellaneous.....	1,410	2,430	1,020	666
Total revenues.....	<u>1,765,065</u>	<u>1,778,999</u>	<u>13,934</u>	<u>1,548,756</u>
Other financing sources:				
Operating transfers in.....	-	11,428	11,428	11,779
Other fund deficit support.....	-	102,495	102,495	-
Total other financing sources.....	-	<u>113,923</u>	<u>113,923</u>	<u>11,779</u>
Total revenues and other financing sources.....	<u>1,765,065</u>	<u>1,892,922</u>	<u>127,857</u>	<u>1,560,535</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Massachusetts Department of Transportation.....	275,300	275,200	100	160,000
Debt service:				
Principal retirement.....	637,447	616,364	21,083	551,762
Interest and fiscal charges.....	470,315	456,853	13,462	463,885
Total expenditures.....	<u>1,383,062</u>	<u>1,348,417</u>	<u>34,645</u>	<u>1,175,647</u>
Other financing uses:				
Operating transfers out.....	512,079	515,089	(3,010)	335,079
State Retiree Benefits transfer.....	-	29,064	(29,064)	-
Stabilization transfer.....	-	-	-	43,358
Total other financing uses.....	<u>512,079</u>	<u>544,153</u>	<u>(32,074)</u>	<u>378,437</u>
Total expenditures and other financing uses.....	<u>1,895,141</u>	<u>1,892,570</u>	<u>2,570</u>	<u>1,554,084</u>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses.....	(130,076)	352	130,428	6,451
Fund balance (deficit) at beginning of year.....	14,032	14,032	-	7,581
Fund balance (deficit) at end of year.....	<u>\$ (116,044)</u>	<u>\$ 14,384</u>	<u>\$ 130,428</u>	<u>\$ 14,032</u>

See accountants' review report

SOURCE: Office of the Comptroller

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