

The Commonwealth of Massachusetts  
Annual Financial Information  
Commonwealth Transportation Fund Revenue Bonds  
(Rail Enhancement and Accelerated Bridge Programs)

March 22, 2019

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 (Rail Enhancement and Accelerated Bridge Programs). Set forth below is certain financial information and operating data relating to the Commonwealth for the fiscal year ended June 30, 2018, updating the financial information presented in the Commonwealth’s statement of annual financial information for transportation fund revenue bonds dated March 23, 2018 with respect to the fiscal year ended June 30, 2017. 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”), 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”), the Official Statement dated November 6, 2015 relating to the Commonwealth’s Transportation Fund Revenue Bonds (Rail Enhancement Program) 2015 Series A, the Official Statement dated September 29, 2016 relating to the Commonwealth’s CTF Revenue Bonds (Rail Enhancement & Accelerated Bridge Programs), 2016 Series A, and CTF Revenue Refunding Bonds, 2016 Series A (the “2016 Series A Official Statement”), the Official Statement dated November 15, 2016 relating to the Commonwealth’s CTF Revenue Bonds (Rail Enhancement & Accelerated Bridge Programs), 2016 Series B (the “2016 Series B Official Statement”), the Official Statement dated November 8, 2017 relating to the Commonwealth’s CTF Revenue Bonds (Rail Enhancement & Accelerated Bridge Programs), 2017 Series A, and CTF Revenue Refunding Bonds, 2017 Series A (the “2017 Official Statement”), and the Official Statement dated June 20, 2018 relating to the Commonwealth’s CTF Revenue Bonds (Rail Enhancement & Accelerated Bridge Programs), 2018 Series A (the “2018 Official Statement,” and together with the 2010 Official Statement, the 2012 Official Statement, the 2013 Official Statement, the 2014 Official Statement, the 2015 Official Statement, the 2016 Series A Official Statement, the 2016 Series B Official Statement, and the 2017 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, Deputy Treasurer, Office of the Treasurer and Receiver-General, One Center Plaza, Suite 430, Boston, Massachusetts 02108, telephone (617) 367-9333, or to Mark Attia, Director of Debt Management, 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 Official Statements.

### 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
2018	\$2.708	2,787	0.33%	3,633	1.18%
2017	2.347	2,796	0.53	3,590	1.64
2016	2.282	2,781	1.54	3,533	1.88
2015	2.925	2,739	0.24	3,468	2.12
2014	3.613	2,733	0.45	3,396	1.72
2013	3.684	2,721	(1.84)	3,339	1.56
2012	3.652	2,772	0.19	3,287	1.55
2011	3.204	2,766	0.58	3,237	1.03
2010	2.694	2,750	(0.31)	3,204	(1.93)
2009	2.577	2,759	(2.84)	3,267	(1.60)

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 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 Official Statements.

**HISTORICAL ANNUAL COLLECTION OF PLEDGED MOTOR FUELS TAX**

Fiscal Year	Gasoline and Special Fuels Tax Rate <sup>(2)</sup>	Pledged Motor Fuels Tax Receipts (in thousands) <sup>(1)</sup>	Percentage Change in Motor Fuels Tax Receipts
2018	\$0.24	\$767,519	(0.04%)
2017	0.24	767,855	0.39
2016	0.24	764,848	1.39
2015	0.24	754,392	3.25
2014	0.24	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)

Sources: "Gasoline and Special Fuels Tax Rate," Department of Revenue; "Pledged Motor Fuels Tax Receipts," Fiscal Years 2009-2012, 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 24¢ per gallon on special 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 rate 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 Official Statements.

**HISTORICAL MONTHLY COLLECTION OF MOTOR FUELS TAXES  
MOST RECENT 24 MONTHS ENDING JUNE 2017**

<u>Month</u>	<u>Gasoline Tax Receipts under Chapter 64A<sup>(1)(2)</sup></u>	<u>Special Fuels Tax Receipts under Chapter 64E<sup>(1)</sup></u>	<u>Motor Carrier Fuels Tax Receipts under Chapter 64F<sup>(1)</sup></u>	<u>Total</u>
July, 2016	58,479,326	8,063,338	414,560	66,957,224
August, 2016	59,110,574	7,670,903	385,309	67,166,786
September, 2016	59,469,711	8,120,997	714,589	68,305,297
October, 2016	56,599,192	7,838,365	550,712	64,988,269
November, 2016	56,965,377	7,775,974	139,939	64,881,289
December, 2016	55,604,788	7,893,226	584,592	64,082,605
January, 2017	58,498,695	7,803,126	998,331	67,300,152
February, 2017	51,847,874	6,912,354	290,038	59,050,265
March, 2017	48,084,736	6,583,466	292,307	54,960,509
April, 2017	55,176,021	7,567,576	589,514	63,333,111
May, 2017	53,857,863	6,928,094	441,739	61,227,696
June, 2017	57,985,580	8,681,569	521,795	67,188,944
July, 2017	58,889,106	8,258,531	541,417	67,689,054
August, 2017	57,898,907	7,443,540	292,487	65,634,933
September, 2017	58,971,269	8,160,445	585,813	67,717,527
October, 2017	55,731,913	7,616,114	490,704	63,838,731
November, 2017	57,826,611	8,200,186	363,429	66,390,226
December, 2017	55,888,432	8,101,199	524,062	64,513,693
January, 2018	56,798,949	7,993,471	787,469	65,579,889
February, 2018	51,047,215	8,043,044	187,038	59,277,298
March, 2018	51,970,835	6,307,290	366,638	58,644,763
April, 2018	54,610,753	7,945,702	666,602	63,223,057
May, 2018	52,936,138	7,527,905	179,445	60,643,488
June, 2018	56,919,994	8,498,192	573,241	65,991,427

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, 0.04% to 0.12% of total collections of the Gasoline Tax is from Aviation Fuel, and the average over this period is 0.08%.

4. Summary presentation of actual RMV transactions on a ten-year comparative basis, concluding with the prior fiscal year. Pursuant to the Official Statements.

The following table shows the number of RMV transactions since fiscal year 2009 <sup>(1)</sup>.

Transaction	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Vehicle Registration Renewals or Modifications	2,685,700	2,640,476	2,643,757	2,552,172	2,644,174	3,097,268	3,208,001	3,206,242	3,021,320	3,267,124
License Duplicates	421,102	391,682	201,258	206,378	184,318	186,499	194,490	210,267	233,338	216,538
License Renewal	911,523	902,692	556,539	951,498	946,787	987,767	918,640	602,081	790,989	948,738
New License <sup>(2)</sup>	227,098	213,416	222,157	224,365	230,148	231,807	207,191	158,807	152,968	160,191
New Vehicle Registrations	<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>	<u>1,250,330</u>	<u>1,315,621</u>	<u>1,302,777</u>	<u>1,299,835</u>
<b>Total Transactions</b>	<b><u>5,328,845</u></b>	<b><u>5,267,558</u></b>	<b><u>4,702,940</u></b>	<b><u>5,109,571</u></b>	<b><u>5,128,964</u></b>	<b><u>5,707,723</u></b>	<b><u>5,778,652</u></b>	<b><u>5,493,018</u></b>	<b><u>5,501,392</u></b>	<b><u>5,892,426</u></b>

Source: Massachusetts Department of Transportation

(1) Amounts are unaudited.

(2) New license transactions totals for fiscal years 2009 – 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 Official Statements.

The following table shows the historical collection of Registry Fees since fiscal year 2009.

**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>
2018	\$612,780	2.35%
2017	598,683	3.15
2016	580,426	(0.22)
2015	581,686	9.09
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

SOURCES: Fiscal years 2009-2015, Office of the Comptroller and fiscal years 2016 and after, Massachusetts Department of Transportation.

(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 Official Statements.

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

Fiscal Year Ending June 30	<u>Pledged Motor Fuels Tax</u> <sup>(1)</sup>			
	Chapter 64A Receipts <sup>(2)</sup>	Chapter 64E and 64F Receipts	Registry Fees <sup>(3)</sup>	Total
2018	\$667,866	\$99,654	\$612,780	\$1,380,300
2017	670,093	97,762	598,683	1,366,538
2016	666,539	98,309	580,426	1,345,274
2015	656,445	97,947	581,686	1,336,078
2014	640,702 <sup>(4)</sup>	89,938 <sup>(4)</sup>	533,194	1,263,834
2013	570,477	79,302	522,199	1,171,978
2012	581,148	79,028	508,608 <sup>(5)</sup>	1,168,784
2011	580,031	79,152	496,034 <sup>(5)</sup>	1,155,217
2010	576,676	76,369	485,789	1,138,834
2009	578,691	73,462	403,780	1,055,933

SOURCE: Fiscal years 2009-2013, Office of the Comptroller of the Commonwealth and fiscal years 2014 and after, Department of Revenue (“Pledged Motor Fuels Tax”) and Massachusetts Department of Transportation (“Registry Fees”).

- (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) Historical receipts revised due to tax rate per gallon increase from 21¢ to 24¢, effective July 31, 2013.
- (5) 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 (Fiscal Year Ended June 30, 2018) \*

See Exhibit A attached hereto

**Statement of Revenues, Expenditures and Changes in Fund Balance** – Statutory Basis (Fiscal Year Ended June 30, 2018) \*

See Exhibit B attached hereto

\*Not required by the Official Statements but voluntary disclosure.



EXHIBIT A

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

As of June 30, 2018  
 (Amounts in thousands)

	2018	2017
<b>ASSETS</b>		
Cash and short-term investments.....	\$ 693	\$ 482
Cash with fiscal agent.....	19,373	18,080
Total assets.....	<u>\$ 20,066</u>	<u>\$ 18,562</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable.....	\$ 693	\$ 482
Total liabilities.....	<u>693</u>	<u>482</u>
Fund balance:		
Reserved fund balance:		
Reserved for debt service.....	19,373	18,080
Total fund balance.....	<u>19,373</u>	<u>18,080</u>
Total liabilities and fund balance.....	<u>\$ 20,066</u>	<u>\$ 18,562</u>

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, 2018  
 (Amounts in thousands)

	2018 Budget	2018 Actual	Variance Favorable (Unfavorable)	2017 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes .....	\$ 1,302,000	\$ 1,331,772	\$ 29,772	\$ 1,316,807
Assessments .....	23,947	22,204	(1,743)	22,464
Departmental .....	675,756	684,374	8,618	666,638
Miscellaneous .....	—	702	702	240
Total revenues .....	<u>2,001,703</u>	<u>2,039,052</u>	<u>37,349</u>	<u>2,006,149</u>
Other financing sources:				
Operating transfers in .....	40,000	43,762	3,762	40,000
Total other financing sources .....	<u>40,000</u>	<u>43,762</u>	<u>3,762</u>	<u>40,000</u>
Total revenues and other financing sources .....	<u>2,041,703</u>	<u>2,082,814</u>	<u>41,111</u>	<u>2,046,149</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Treasurer and Receiver-General .....	—	5,723	(5,723)	—
Massachusetts Department of Transportation .....	127,000	127,000	—	140,250
Post employment benefits .....	—	45,059	(45,059)	15,948
Debt service:				
Principal retirement .....	668,753	641,016	27,737	595,516
Interest and fiscal charges .....	511,442	498,221	13,221	499,592
Total expenditures .....	<u>1,307,195</u>	<u>1,317,019</u>	<u>(9,824)</u>	<u>1,251,306</u>
Other financing uses:				
Operating transfers out .....	630,650	634,676	(4,026)	793,453
Stabilization transfer .....	—	129,826	(129,826)	—
Total other financing uses .....	<u>630,650</u>	<u>764,502</u>	<u>(133,852)</u>	<u>793,453</u>
Total expenditures and other financing uses .....	<u>1,937,845</u>	<u>2,081,521</u>	<u>(143,676)</u>	<u>2,044,759</u>
Excess/(deficiency) of revenues and other financing sources over/(under) expenditures and other financing uses .....	<u>\$ 103,858</u>	<u>1,293</u>	<u>\$ (102,565)</u>	<u>1,390</u>
Fund balance/(deficit) at beginning of year .....		<u>18,080</u>		<u>16,690</u>
Fund balance/(deficit) at end of year .....		<u>\$ 19,373</u>		<u>\$ 18,080</u>

SOURCE: Office of the Comptroller

84734472v.4