

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

March 22, 2016

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, 2015, updating the financial information presented in the Commonwealth’s statement of annual financial information for transportation fund revenue bonds dated March 27, 2015 with respect to the fiscal year ended June 30, 2014. 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”) and the Official Statement dated November 6, 2015 relating to the Commonwealth’s Transportation Fund Revenue Bonds (Rail Enhancement Program) 2015 Series A (the “2015 Official Statement, and together with the 2010 Official Statement, the 2012 Official Statement, the 2013 Official Statement and the 2014 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, Assistant Treasurer, Office of the Treasurer and Receiver-General, 3 Center Plaza, Suite 430, 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, the 2014 Official Statement and the 2015 Official Statement.

HISTORICAL GASOLINE SALES

Fiscal Year	Average Price of Gasoline ⁽¹⁾	Gasoline Consumed (millions of gallons) ⁽²⁾	Percentage Change in Gasoline Consumed	Non-Farm Employment (thousands) ⁽³⁾	Percentage Change in Non-Farm Employment
2015	\$2.925	2,739	0.24%	3,466	2.07%
2014	3.613	2,733	0.45	3,396	1.71
2013	3.684	2,721	(1.84)	3,339	1.57
2012	3.652	2,772	0.19	3,287	1.53
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)
2008	3.147	2,839	0.08	3,320	0.98
2007	2.634	2,837	0.90	3,288	1.19
2006	2.583	2,812	(1.69)	3,249	0.90

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 2010 Official Statement, the 2012 Official Statement, the 2013 Official Statement, the 2014 Official Statement and the 2015 Official Statement.

HISTORICAL ANNUAL COLLECTION OF PLEDGED MOTOR FUELS TAX

Fiscal Year	Gasoline and Special Fuels Tax Rate ⁽²⁾	Pledged Motor Fuels Tax Receipts (in thousands) ⁽¹⁾	Percentage Change in Motor Fuels Tax Receipts
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)
2008	0.21	670,940	(0.52)
2007	0.21	674,438	0.61
2006	0.21	670,377	(2.01)

Sources: "Gasoline and Special Fuels Tax Rate," Department of Revenue; "Pledged Motor Fuels Tax Receipts," Fiscal Years 2006-2012, 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 2010 Official Statement, the 2012 Official Statement, the 2013 Official Statement, the 2014 Official Statement and the 2015 Official Statement.

**HISTORICAL MONTHLY COLLECTION OF MOTOR FUELS TAXES
MOST RECENT 24 MONTHS ENDING JUNE 2015**

<u>Month</u>	Gasoline Tax Receipts under Chapter 64A ⁽¹⁾⁽²⁾⁽³⁾	Special Fuels Tax Receipts under Chapter 64E ⁽¹⁾⁽³⁾	Motor Carrier Fuels Tax Receipts under Chapter 64F ⁽¹⁾⁽³⁾	<u>Total</u>
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
July, 2014	56,397,281	7,705,677	158,245	64,261,203
August, 2014	57,188,576	7,831,854	(79,182)	64,941,248
September, 2014	58,223,469	7,932,647	134,566	66,290,682
October, 2014	54,462,692	7,888,606	178,046	62,529,343
November, 2014	56,211,880	7,663,113	410,434	64,285,427
December, 2014	54,673,438	7,829,173	447,153	62,949,764
January, 2015	51,002,569	12,105,172	561,869	63,669,610
February, 2015	57,062,875	2,529,677	384,982	59,977,533
March, 2015	48,305,772	8,292,444	693,705	57,291,921
April, 2015	54,229,133	7,122,311	2,043,731	63,465,175
May, 2015	52,474,826	7,416,931	184,342	60,076,099
June, 2015	57,943,726	8,182,444	329,344	66,455,514

SOURCE: Department of Revenue, [unaudited].

- (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, 0.05% to 0.21% of total collections of the Gasoline Tax is from Aviation Fuel, and the average over this period is 0.11%.
- (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, the 2014 Official Statement and the 2015 Official Statement.

The following table shows the number of RMV transactions since fiscal year 2006 ⁽¹⁾.

Transaction	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Vehicle Registration Renewals or Modifications	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	3,208,001
License Duplicates	483,403	468,998	450,212	421,102	391,682	201,258	206,378	184,318	186,499	194,490
License Renewal	473,965	699,589	951,117	911,523	902,692	556,539	951,498	946,787	987,767	918,640
New License ⁽²⁾	241,831	238,993	236,269	227,098	213,416	222,157	224,365	230,148	231,807	207,191
New Vehicle Registrations	<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>	<u>1,250,330</u>
Total Transactions	<u>5,073,431</u>	<u>5,241,333</u>	<u>5,383,015</u>	<u>5,328,845</u>	<u>5,267,558</u>	<u>4,702,940</u>	<u>5,109,571</u>	<u>5,128,964</u>	<u>5,707,723</u>	<u>5,778,652</u>

Source: Massachusetts Department of Transportation

(1) Amounts are unaudited.

(2) New license transactions totals for fiscal years 2006 – 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, the 2014 Official Statement and the 2015 Official Statement.

The following table shows the historical collection of Registry Fees since fiscal year 2006.

HISTORICAL ANNUAL COLLECTION OF REGISTRY FEES

<u>Fiscal Year</u>	<u>Pledged Registry Fee Receipts (in thousands) ⁽¹⁾</u>	<u>Percentage Change in Registry Fee Receipts</u>
2015	\$581,686	9.09%
2014	533,194	2.11
2013	522,199	2.67
2012	508,608 ⁽²⁾	2.53
2011	496,034 ⁽²⁾	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)

SOURCES: Fiscal years 2006-2014, Office of the Comptroller and fiscal year 2015, Massachusetts Department of Transportation, unaudited.

(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, the 2014 Official Statement and the 2015 Official Statement.

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

Fiscal Year Ending June 30	<u>Chapter 64A Receipts</u> ⁽²⁾	<u>Chapter 64E and 64F Receipts</u>	<u>Registry Fees</u> ⁽³⁾	<u>Total</u>
2015 ⁽⁴⁾	\$656,445	\$97,947	\$581,686	\$1,336,078
2014	640,702 ⁽⁵⁾	89,938 ⁽⁵⁾	533,194	1,263,834
2013	570,477	79,302	522,199	1,171,978
2012	581,148	79,028	508,608 ⁽⁶⁾	1,168,784
2011	580,031	79,152	496,034 ⁽⁶⁾	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

SOURCE: Fiscal years 2006-2013, 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"), unaudited.

- (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) Amounts are unaudited.
- (5) Historical receipts revised due to tax rate per gallon increase from 21¢ to 24¢, effective July 31, 2013.
- (6) 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, 2015) *

See Exhibit A attached hereto

Statement of Revenues, Expenditures and Changes in Fund Balance – Statutory Basis (Fiscal Year Ended June 30, 2015) *

See Exhibit B attached hereto

*Not required by the Official Statements but voluntary disclosure.

EXHIBIT A

Commonwealth Transportation Fund
Balance Sheet - Statutory Basis

June 30, 2015

(Amounts in thousands)

	2015	2014
ASSETS		
Cash and short-term investments.....	\$ 428	\$ 608
Cash with fiscal agent.....	13,903	14,384
Total assets.....	\$ 14,331	\$ 14,992
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable.....	\$ 428	\$ 608
Total liabilities.....	428	608
Fund balance:		
Reserved fund balance:		
Reserved for debt service.....	13,903	14,384
Total fund balance.....	13,903	14,384
Total liabilities and fund balance.....	\$ 14,331	\$ 14,992

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, 2015
(Amounts in thousands)

	2015 Budget	2015 Actual	Variance Favorable (Unfavorable)	2014 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes	\$ 1,296,700	\$ 1,265,166	\$ (31,534)	\$ 1,231,994
Assessments	23,578	22,178	(1,400)	22,211
Departmental	652,570	645,810	(6,760)	522,364
Miscellaneous	—	225	225	2,430
Total revenues	1,972,848	1,933,379	(39,469)	1,778,999
Other financing sources:				
Operating transfers in	75,000	—	(75,000)	11,428
Other fund deficit support	—	71,485	71,485	102,495
Total other financing sources	75,000	71,485	(3,515)	113,923
Total revenues and other financing sources	2,047,848	2,004,864	(42,984)	1,892,922
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Massachusetts Department of Transportation	122,553	122,553	—	275,200
Debt service:				
Principal retirement	748,804	735,408	13,396	616,364
Interest and fiscal charges	486,315	460,888	25,427	456,853
Total expenditures	1,357,672	1,318,849	38,823	1,348,417
Other financing uses:				
Operating transfers out	660,155	655,328	4,827	515,089
State Retiree Benefits transfer	—	31,168	(31,168)	29,064
Total other financing uses	660,155	686,496	(26,341)	544,153
Total expenditures and other financing uses	2,017,827	2,005,345	12,482	1,892,570
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses	30,021	(481)	(30,502)	352
Fund balance (deficit) at beginning of year	14,384	14,384	—	14,032
Fund balance (deficit) at end of year	\$ 44,405	\$ 13,903	\$ (30,502)	\$ 14,384

SOURCE: Office of the Comptroller

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