

The Commonwealth of Massachusetts  
Annual Financial Information

Special Obligation Refunding Notes  
(Federal Grant Anticipation Note Program), 2003 Series A  
(Senior Federal Highway Grant Anticipation Note Program), 2010 Series A

Federal Highway Grant Anticipation Notes  
(Accelerated Bridge Program), 2010 Series A  
(Accelerated Bridge Program), 2013 Series A

March 25, 2014

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 grant anticipation note program. Set forth below is certain financial information and operating data relating to the Commonwealth for the fiscal year ended June 30, 2013, updating the financial information presented in the Commonwealth’s statement of annual financial information for special obligation refunding notes and federal highway grant anticipation notes dated March 27, 2013 with respect to the fiscal year ended June 30, 2012. Specific reference is also made to the Official Statement dated June 19, 2003 relating to the Commonwealth’s Special Obligation Refunding Notes (Federal Grant Anticipation Note Program), 2003 Series A (the “2003 Official Statement”), to the Official Statement dated December 14, 2010 relating to the Commonwealth’s Special Obligation Refunding Notes (Senior Federal Highway Grant Anticipation Note Program), 2010 Series A (the “Senior GANs Official Statement”), to the Official Statement dated December 14, 2010 relating to the Commonwealth’s Federal Highway Grant Anticipation Notes (Accelerated Bridge Program), 2010 Series A (the “2010 Accelerated Bridge Program Official Statement”), and to the Official Statement dated November 6, 2013 relating to the Commonwealth’s Federal Highway Grant Anticipation Notes (Accelerated Bridge Program), 2013 Series A (the “2013 Accelerated Bridge Program Official Statement”) 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 respective 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 federal highway grant anticipation note program 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 federal grant anticipation notes. 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 Colin MacNaught, Assistant Treasurer for Debt Management, Office of the Treasurer and Receiver-General, One Ashburton Place, 12th floor, Boston, Massachusetts 02108, telephone (617) 367-9333, or to Scott Jordan, Undersecretary of the Executive Office for Administration and Finance, State House, Room 373, Boston, Massachusetts 02133, telephone (617) 727-2040.

1. Advance Construction Balance as of end of prior Commonwealth Fiscal Year. Pursuant to the Senior GANs Official Statement and the 2003 Official Statement.

**ADVANCE CONSTRUCTION BALANCE**  
as of June 30, 2013

	Advance Construction <u>Federal Funds</u>
Central Artery/Tunnel Project	\$379,958,304.13
Statewide Road and Bridge Program	<u>\$1,170,562,329.06</u>
Balance	\$1,550,520,633.19

SOURCE: Massachusetts Department of Transportation- Federal Aid and Program Office (FAPO).

2. Summary presentation of actual Gasoline Tax receipts on a ten-year comparative basis, concluding with the prior Commonwealth Fiscal Year. Pursuant to the Senior GANs Official Statement and the 2003 Official Statement.

A portion equal to ten cents per gallon of the Commonwealth Gasoline Tax collections for fiscal 2004 through fiscal 2013 was as follows:

<u>FY Ending</u>	<u>Amount</u>	<u>FY Ending</u>	<u>Amount</u>
June 30, 2004	\$286,265,173	June 30, 2009	\$275,866,651
June 30, 2005	286,017,685	June 30, 2010	275,019,964
June 30, 2006	281,179,688	June 30, 2011	276,619,936
June 30, 2007	283,707,856	June 30, 2012	277,152,942
June 30, 2008	283,939,943	June 30, 2013	272,063,768

SOURCES: Department of Revenue

3. Summary presentation of Obligation Authority made available to the Commonwealth and the amount of Obligation Authority actually obligated by the Commonwealth on a ten-year comparative basis, concluding with the prior Federal Fiscal Year. Pursuant to the Senior GANs Official Statement, the 2010 Accelerated Bridge Program Official Statement and the 2013 Accelerated Bridge Program Official Statement.

**The Commonwealth of Massachusetts**  
**History of Obligation Authority (“OA”) and Actual Obligations**  
**(in millions)**

FFY	Formula OA	Non-Formula OA (1)	Total OA	Actual Obligations
2004	\$528.7	\$62.6	\$591.3	\$563.8
2005	507.2	97.7	604.9	550.9
2006	531.0	102.2	633.2	567.9
2007	554.0	77.9	631.9	585.0
2008	548.1	75.2	623.3	590.0
2009	569.4	527.7 (2)	1,097.1	883.2
2010	625.1	29.9	655.0	813.4
2011	641.6	36.1	678.0	653.1
2012	585.7	24.3	610.0	597.5
2013	619.0	9.0	628.0	606.5
Average	571.0	104.3	675.3	641.1

SOURCES: Massachusetts Department of Transportation- Federal Aid and Program Office (FAPO).

(1) Includes amounts attributable to Redistribution, Minimum Guarantee, High Priority Funds and 1999 Omnibus Reconciliation Act (\$100.0 million in 1999 only).

(2) FFY 2009 Non-Formula OA includes \$437.9 million attributable to ARRA.

4. Summary presentation of apportionments received by the Commonwealth on a six-year comparative basis, concluding with the prior Federal Fiscal Year. Pursuant to the Senior GANs Official Statement, the 2010 Accelerated Bridge Program Official Statement and the 2013 Accelerated Bridge Program Official Statement.

**SAFETEA-LU Apportionments  
(in millions)**

FFY	2007	2008	2009	2010	2011	2012	Total	Average*
Apportionments-Formula	\$561.6	\$552.1	\$563.6	\$621.5	\$579.6	\$578.0	\$4,499.6	\$562.5
Minimum Guarantee/ Equity Bonus	13.2	10.9	11.8	11.8	11.6	11.8	128.3	16.0
High Priority/ DEMO/Other	70.4	68.2	64.6	6.7	4.4	3.8	384.6	48.1
ARRA	–	–	437.9	–	–	–	437.9	–
Total Apportionments	\$645.2	\$631.2	\$1,077.9	\$640.0	\$595.6	\$593.6	\$5,450.4	\$626.6

\* The Average Column does not include amounts received pursuant to the ARRA.  
SOURCE: MassDOT FAPO.

**MAP-21 Apportionments  
(in millions)**

FFY	2013
Apportionments-Formula	\$587
Minimum Guarantee/ Equity Bonus	12
High Priority/ DEMO/Other	10
Total Apportionments	\$609

SOURCE: MassDOT FAPO.

1. Actual CTF Pledged Funds and Net CTF Pledged Funds as of end of prior Commonwealth Fiscal Year. Pursuant to the 2010 Accelerated Bridge Program Official Statement and the 2013 Accelerated Bridge Program Official Statement.

<b>FY Ending <u>June 30</u></b>	<b>CTF <u>Pledged Funds</u></b>	<b>Less: Debt Service on 1994 Trust <u>Agreement Bonds</u></b>	<b>Less: Debt Service on Senior CTF <u>Obligations</u></b>	<b>Net CTF <u>Pledged Funds</u></b>
2013	\$1,503,218,506	\$58,921,684	\$58,108,496	\$1,386,188,326
2012	\$1,496,073,628	\$58,938,599	\$32,623,280	\$1,404,511,749

SOURCE: CTF Pledged Funds column, Office of the Comptroller; all other columns Office of the Treasurer and Receiver-General

2. Aggregate annual fiscal year debt service requirements for the Notes and Senior Federal Highway Notes issued under the Trust Agreement and Senior Federal Highway Notes Trust Agreement, respectively, beginning with the current Commonwealth Fiscal Year. Pursuant to the 2010 Accelerated Bridge Program Official Statement and the 2013 Accelerated Bridge Program Official Statement.

### **DEBT SERVICE REQUIREMENTS**

The following table sets forth the debt service requirements on the Senior Federal Highway Notes and the 2010 Trust Agreement Notes (the "Notes").

<b>SFY Ending June 30</b>	<b>Debt Service on Senior Federal Highway Notes<sup>1</sup></b>	<b>Debt Service on 2010A Notes</b>	<b>Debt Service on 2013A Notes</b>			<b>Total Debt Service on Senior Federal Highway Notes and the Notes</b>
			<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2014	\$ 183,892,425	\$ 4,268,265	-	\$ 7,047,057	\$ 7,047,057	\$ 195,207,747
2015	183,894,500	4,268,265	-	11,966,700	11,966,700	200,129,465
2016	---	15,488,383	\$ 19,405,000	11,966,700	31,371,700	46,860,083
2017	---	15,354,886	20,130,000	11,240,500	31,370,500	46,725,386
2018	---	15,201,587	20,885,000	10,485,300	31,370,300	46,571,887
2019	---	15,024,553	21,880,000	9,491,050	31,371,050	46,395,603
2020	---	14,834,649	22,940,000	8,432,600	31,372,600	46,207,249
2021	---	14,632,921	24,085,000	7,286,450	31,371,450	46,004,371
2022	---	14,410,044	25,275,000	6,096,250	31,371,250	45,781,294
2023	---	14,178,170	26,535,000	4,836,350	31,371,350	45,549,520
2024			27,840,000	3,533,700	31,373,700	31,373,700
2025			14,200,000	2,147,250	16,347,250	16,347,250
2026			14,490,000	1,447,850	15,937,850	15,937,850
2027			14,880,000	730,750	15,610,750	15,610,750

SOURCE: Office of the Treasurer and Receiver-General

(1) The 2003A Senior Notes and the 2010A Senior Notes are the only Senior Federal Highway Notes outstanding.

The historical semi-annual collection of Gasoline Tax. Pursuant to 2003 Official Statement.
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**Historical Semi-Annual Collection of Gasoline Tax<sup>(1)</sup>**

<u>Six-Month Period Ending</u>	<u>Amount</u>	<u>Six-Month Period Ending</u>	<u>Amount</u>
December 31, 1990	\$123,671,256	June 30, 2002	\$136,732,921
June 30, 1991	111,596,957	December 31, 2002	144,968,938
December 31, 1991	118,484,873	June 30, 2003	138,165,770
June 30, 1992	114,518,247	December 31, 2003	146,500,770
December 31, 1992	122,014,532	June 30, 2004	139,764,403
June 30, 1993	117,567,045	December 31, 2004	146,396,638
December 31, 1993	121,951,317	June 30, 2005	139,621,047
June 30, 1994	117,577,452	December 31, 2005	143,950,450
December 31, 1994	124,506,607	June 30, 2006	137,229,238
June 30, 1995	119,999,097	December 31, 2006	144,205,316
December 31, 1995	131,187,212	June 30, 2007	139,502,540
June 30, 1996	122,108,239	December 31, 2007	145,825,464
December 31, 1996	129,542,061	June 30, 2008	138,114,479
June 30, 1997	125,620,466	December 31, 2008	140,887,621
December 31, 1997	132,847,378	June 30, 2009	134,979,030
June 30, 1998	127,644,849	December 31, 2009	140,372,901
December 31, 1998	135,776,180	June 30, 2010	134,647,063
June 30, 1999	132,108,619	December 31, 2010	142,643,843
December 31, 1999	139,701,697	June 30, 2011	133,976,093
June 30, 2000	133,194,122	December 31, 2011	140,896,330
December 31, 2000	140,846,617	June 30, 2012	136,256,612
June 30, 2001	134,315,950	December 31, 2012	140,273,790
December 31, 2001	142,504,848	June 30, 2013	131,789,978

SOURCE: Department of Revenue.

(1) Ten-cent share of \$0.21 state gasoline tax.



Principal and interest payments on the Commonwealth's Federal Highway Grant Anticipation Notes to be paid from the GAN Trust Fund. Pursuant to 2003 Official Statement.

**Debt Service Requirements – GAN Trust Fund**

Date	<u>2003 Series A Debt Service</u>			<u>2010 Series A Debt Service</u>			<u>Total Debt Service</u>		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
12/15/2013	\$125,060,000	\$5,637,375	\$130,697,375	\$37,195,000	\$2,980,250	\$40,175,250	\$162,255,000	\$8,617,625	\$170,872,625
6/15/2014	-	2,510,875	2,510,875	8,455,000	2,053,925	10,508,925	8,455,000	4,564,800	13,019,800
12/15/2014	100,435,000	2,510,875	102,945,875	32,115,000	1,884,825	33,999,825	132,550,000	4,395,700	136,945,700
6/15/2015	-	-	-	45,840,000	1,108,800	46,948,800	45,840,000	1,108,800	46,948,800

SOURCE: Office of the Treasurer and Receiver-General

**GRANT ANTICIPATION NOTE TRUST FUND**  
**Pursuant to 2003 Official Statement**

**Balance Sheet** – Statutory Basis (June 30, 2013)

See Exhibit A attached hereto

**Statement of Revenues, Expenditures and Changes in Fund Balance** – Statutory Basis (Fiscal Year Ended June 30, 2013)

See Exhibit B attached hereto

Exhibit A

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

June 30, 2013  
(Amounts in thousands)

	2013	2012
<b>ASSETS</b>		
Cash and short-term investments .....	\$ -	\$ 855
Cash with fiscal agent .....	13,932	7,581
Receivables, net of allowance for uncollectibles:		
Other receivable.....	45,512	-
<b>Total assets.....</b>	<b>\$ 59,444</b>	<b>\$ 8,436</b>

**LIABILITIES AND FUND BALANCE**

Liabilities:

Deficiency in cash and short-term investments.....	\$ 44,867	\$ -
Accounts payable.....	545	855
<b>Total liabilities.....</b>	<b>45,412</b>	<b>855</b>

Fund balance:

Reserved fund balance:		
Reserved for continuing appropriations.....	100	-
Reserved for debt service .....	13,932	7,581
<b>Total fund balance .....</b>	<b>14,032</b>	<b>7,581</b>
<b>Total liabilities and fund balance.....</b>	<b>\$ 59,444</b>	<b>\$ 8,436</b>

See accountants' review report

Note: During fiscal 2010, Highway Fund operations were succeeded by the Commonwealth Transportation Fund and the Massachusetts Department of Transportation.

Exhibit B

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

Fiscal Year Ended June 30, 2013

(Amounts in thousands)				
	2013 Budget	2013 Actual	Variance Favorable (Unfavorable)	2012 Actual
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Revenues:				
Taxes .....	\$ 998,300	\$ 968,615	\$ (29,685)	\$ 972,760
Assessments .....	-	21,791	21,791	21,511
Departmental .....	535,900	557,684	21,784	498,522
Miscellaneous.....	-	666	666	369
<b>Total revenues .....</b>	<b>1,534,200</b>	<b>1,548,756</b>	<b>14,556</b>	<b>1,493,162</b>
Other financing sources:				
Operating transfers in .....	-	11,779	11,779	12,314
<b>Total other financing sources .....</b>	<b>-</b>	<b>11,779</b>	<b>11,779</b>	<b>12,314</b>
<b>Total revenues and other financing sources .....</b>	<b>1,534,200</b>	<b>1,560,535</b>	<b>26,335</b>	<b>1,505,476</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Expenditures:				
Administration and finance .....	1,129	-	1,129	5,396
Massachusetts department of transportation .....	160,000	160,000	-	160,000
Debt service:				
Principal retirement .....	555,530	551,762	3,768	459,645
Interest and fiscal charges .....	480,958	463,885	17,073	443,286
<b>Total expenditures .....</b>	<b>1,197,617</b>	<b>1,175,647</b>	<b>21,970</b>	<b>1,068,327</b>
Other financing uses:				
Operating transfers out .....	332,168	335,079	(2,911)	375,740
Stabilization transfer .....	-	43,358	(43,358)	84,987
<b>Total other financing uses .....</b>	<b>332,168</b>	<b>378,437</b>	<b>(46,269)</b>	<b>460,727</b>
<b>Total expenditures and other financing uses .....</b>	<b>1,529,785</b>	<b>1,554,084</b>	<b>(24,299)</b>	<b>1,529,054</b>
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses ..	4,415	6,451	2,036	(23,578)
Fund balance (deficit) at beginning of year .....	7,581	7,581	-	31,159
<b>Fund balance (deficit) at end of year .....</b>	<b>\$ 11,996</b>	<b>\$ 14,032</b>	<b>\$ 2,036</b>	<b>\$ 7,581</b>

See accountants' review report

Note: During fiscal 2010, Highway Fund operations were succeeded by the Commonwealth Transportation Fund and the Massachusetts Department of Transportation.