

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

March 27, 2013

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, 2012, 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 26, 2012 with respect to the fiscal year ended June 30, 2011. 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”) and 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 “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, Assistant Secretary for Capital Finance and Intergovernmental Affairs, 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, 2012

	Advance Construction <u>Federal Funds</u>
Central Artery/Tunnel Project	\$543,346,191.47
Statewide Road and Bridge Program	<u>\$391,506,563.50</u>
Balance	\$934,852,754.97

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 2003 through fiscal 2012 was as follows:

<u>FY Ending</u>	<u>Amount</u>	<u>FY Ending</u>	<u>Amount</u>
June 30, 2003	283,134,708	June 30, 2008	283,939,943
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

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 and the Accelerated Bridge Program Official Statement.

**The Commonwealth of Massachusetts
History of OA and Actual Obligations
(in millions)**

FFY	Formula OA	Non-Formula OA(1)	Total OA	Actual Obligations
2003	467.9	68.7	536.6	533.4
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	11.6	653.2	631.7
2012	672.9	11.8	684.7	609.4
Average	564.6	106.5	671.1	632.9

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 and the Accelerated Bridge Program Official Statement.

FFY	SAFETEA-LU Apportionments						Total	Average
	2007	2008	2009	2010	2011	2012		
Apportionments- Formula	\$561.6	\$552.1	\$563.6	\$621.5	\$618.7	\$578.4	\$3,495.9	\$582.7
Minimum Guarantee/ Equity Bonus	13.2	10.9	11.8	11.8	11.6	11.8	\$71.1	\$11.9
High Priority/ DEMO/Other	70.4	68.2	64.6	6.7	4.4	14.6	\$228.9	\$38.2
ARRA			437.9				\$437.9	\$73.0
Total Apportionments	\$645.2	\$631.2	\$1,077.9	\$640.0	\$634.7	\$604.8	\$4,233.8	\$705.6

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

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

FY Ending <u>June 30</u>	CTF <u>Pledged Funds</u>	Less: Debt Service on 1994 Trust <u>Agreement Bonds</u>	Less: Debt Service on Senior CTF <u>Obligations</u>	Net CTF <u>Pledged Funds</u>
2012	\$1,496,073,628	\$58,938,599	\$32,623,280	\$1,404,511,749
2011	1,527,462,164	58,931,902	14,317,995	1,454,212,267

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 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 Notes.

SFY Ending June 30	Debt Service on Senior Federal Highway Notes	Principal	Debt Service on Notes Interest	Total	Total Debt Service on Senior Federal Highway Notes and Notes
2013	183,892,600		4,268,265	4,268,265	188,160,865
2014	183,892,425		4,268,265	4,268,265	188,160,690
2015	183,894,500	---	4,268,265	4,268,265	188,162,765
2016	---	\$11,390,000	4,098,383	15,488,383	15,488,383
2017		11,635,000	3,719,886	15,354,886	15,354,886
2018		11,925,000	3,276,587	15,201,587	15,201,587
2019		12,245,000	2,779,553	15,024,553	15,024,553
2020		12,600,000	2,234,649	14,834,649	14,834,649
2021		12,985,000	1,647,921	14,632,921	14,632,921
2022		13,390,000	1,020,044	14,410,044	14,410,044
2023		13,830,000	348,170	14,178,170	14,178,170

SOURCE: Office of the Treasurer and Receiver-General

The historical semi-annual collection of Gasoline Tax. Pursuant to 2003 Official Statement.

Historical Semi-Annual Collection of Gasoline Tax⁽¹⁾

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

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
12/15/2012	39,940,000	6,635,875	46,575,875	50,945,000	5,614,125	56,559,125	90,885,000	12,250,000	103,135,000
6/15/2013	-	5,637,375	5,637,375	70,400,000	4,720,225	75,120,225	70,400,000	10,357,600	80,757,600
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, 2012)

See Exhibit A attached hereto

Statement of Revenues, Expenditures and Changes in Fund Balance – Statutory Basis (Fiscal Year Ended June 30, 2012)

See Exhibit B attached hereto

Exhibit A

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

June 30, 2012
(Amounts in thousands)

	2012	2011
ASSETS		
Cash and short-term investments	\$ 855	\$ 24,603
Cash with fiscal agent	7,581	19,239
Total assets.....	\$ 8,436	\$ 43,842

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable.....	\$ 855	\$ 4,411
Accrued payroll.....	-	8,272
Total liabilities.....	855	12,683

Fund balance:

Reserved fund balance:		
Reserved for debt service	7,581	19,239
Unreserved fund balance:		
Undesignated.....	-	11,920
Total fund balance	7,581	31,159
Total liabilities and fund balance.....	\$ 8,436	\$ 43,842

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, 2012

(Amounts in thousands)				
	2012 Budget	2012 Actual	Variance Favorable (Unfavorable)	2011 Actual
REVENUES AND OTHER FINANCING SOURCES				
Revenues:				
Taxes	\$ 1,000,800	\$ 972,760	\$ 2,590	\$ 962,090
Assessments	-	21,511	13,370	13,370
Departmental	524,400	498,522	(15,261)	485,839
Miscellaneous.....	-	369	32	32
Total revenues	1,525,200	1,493,162	731	1,461,331
Other financing sources:				
Operating transfers in	-	12,314	5,405	5,405
Commonwealth transportation transfer	-	-	-	-
Total other financing sources	-	12,314	5,405	5,405
Total revenues and other financing sources	1,525,200	1,505,476	6,136	1,466,736
EXPENDITURES AND OTHER FINANCING USES				
Expenditures:				
Sheriff's Departments	-	-	-	-
Administration and finance	5,409	5,396	7	9,618
Energy and environmental affairs	-	-	-	-
Massachusetts department of transportation	160,000	160,000	-	160,000
Public safety and homeland security	-	-	-	-
Housing and economic development	-	-	-	-
Debt service:				
Principal retirement	482,093	459,645	18,379	386,783
Interest and fiscal charges	472,956	443,286	38,385	416,979
Total expenditures	1,120,458	1,068,327	56,771	973,380
Other financing uses:				
Fringe benefit cost assessment	-	-	-	-
Operating transfers out	356,453	375,740	(15,171)	386,143
Stabilization transfer	-	84,987	(86,901)	86,901
Total other financing uses	356,453	460,727	(102,072)	473,044
Total expenditures and other financing uses	1,476,911	1,529,054	(45,301)	1,446,424
Excess (deficiency) of revenues and other financing sources over / (under) expenditures and other financing uses ..	48,289	(23,578)	(39,165)	20,312
Fund balance (deficit) at beginning of year	31,159	31,159	-	10,847
Fund balance (deficit) at end of year	\$ 79,448	\$ 7,581	\$ (39,165)	\$ 31,159

See accountants' review report

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