

Massachusetts School Building Authority

Deborah B. Goldberg, State Treasurer and Receiver-General

Chairperson

Maureen Valente

Chief Executive Officer

Jack McCarthy

Executive Director



Board Meeting

November 18, 2015



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Project Votes



Invitation to Feasibility Study | Vote

District	School
Attleboro	Attleboro High School
Bristol County Agricultural RSD	Bristol County Agricultural High School
Clarksburg	Clarksburg Elementary School
Fall River	B.M.C. Durfee High School
Lowell	Lowell High School
Middleborough	Middleborough High School



PFA Accelerated Repair Program | **Vote**

District	School	Scope	Total Project Budget	Estimated Maximum Total Facilities Grant
Leicester	Leicester High School	Roof	\$2,529,730	\$1,431,958
		Total	\$2,529,730	\$1,431,958



Preferred Schematic Design | **Vote**

District	School	Project Scope	Estimated Total Construction	Estimated Total Project Costs
Quincy	Reay E. Sterling Middle School	New	\$39,710,902	\$49,638,628
		Total	\$39,710,902	\$49,638,628



Preferred Schematic Design | Quincy

Reay E. Sterling Middle School

- Year Opened: 1927
- Current Grade Configuration: 5-8
- Agreed Upon Grade Configuration: 5-8
- Agreed Upon Enrollment: 430 students
- Proposed Scope of Project: New Construction of the Reay E. Sterling Middle School on the existing site
- Existing Square Footage: 83,870
- Proposed Square Footage: 95,155
- Estimated Total Construction Cost of Preferred Schematic: \$39,710,902



Preferred Schematic Design | Quincy

Reay E. Sterling Middle School



Site Plan



Project Scope and Budget | **Vote**

District	School	Project Scope	Total Project Budget	Estimated Maximum Total Facilities Grant
Carver	Carver Elementary School	New	\$51,953,585	\$25,814,682
Narragansett RSD	Templeton Center Elementary School	New	\$47,563,184	\$22,256,637
		Total	\$99,516,769	\$48,071,319

*See district specific slides for conditional reimbursement rate incentive point information.



Project Scope and Budget | Carver

Carver Elementary School

- Year Opened: Erwin K. Washburn Primary School building (PK-2): 1975
Governor John Carver School building (3-5): 1951
- Current Grade Configuration: PK-5
- Agreed Upon Grade Configuration: PK-5
- Agreed Upon Enrollment: 750 students
- Scope of Project: New building on the existing site
- Existing Square Footage (both buildings): 99,010
- Proposed Square Footage: 112,278
- District Total Project Budget: \$51,953,585
- Estimated Basis Total Facilities Grant: \$43,407,906
- Reimbursement Rate*: 59.47%
- Estimated Maximum Total Facilities Grant: \$25,814,682

* The MSBA has provisionally included two (2) incentive points for energy efficiency, subject to the District meeting certain sustainability requirements for the project. If the District does not meet the requirements for the energy efficiency, the District will not qualify for these incentive points, and the MSBA will adjust the reimbursement rate accordingly.



Project Scope and Budget | Carver

Carver Elementary School



Perspective



Project Scope and Budget | Narragansett RSD

Templeton Center Elementary School

- Year Opened: 1942
- Current Grade Configuration: K-1
- Agreed Upon Grade Configuration: PK-5
- Agreed Upon Enrollment: 580 students for grades K-5
- Scope of Project: Replace the existing Templeton Center Elementary School and the Baldwinville Elementary School with a new school serving grades PK-5 on the Templeton Center Elementary School site.
- Existing Square Footage: 12,600
- Proposed Square Footage: 92,735
- District Total Project Budget: \$47,563,184
- Estimated Basis Total Facilities Grant: \$35,266,418
- Reimbursement Rate*: 63.11%
- Estimated Maximum Total Facilities Grant: \$22,256,637

* The MSBA has provisionally included two (2) incentive points for energy efficiency, subject to the District meeting certain sustainability requirements for the project. If the District does not meet the requirements for the energy efficiency, the District will not qualify for these incentive points, and the MSBA will adjust the reimbursement rate accordingly.



Audit Update



Audit Status Update

Former Program

■ Today's Vote

Completed Projects		Projects Currently Submitting for Reimbursement	Estimated Costs Remaining
787	1	0	
2*	0*	3*	
\$15.7 billion of costs <i>submitted and audited</i>		\$15.2 million of costs <i>submitted and audited</i>	Approx. \$13 million <i>of costs to be submitted**</i>

→ \$1.4 billion in audit savings

* Grant Conversion

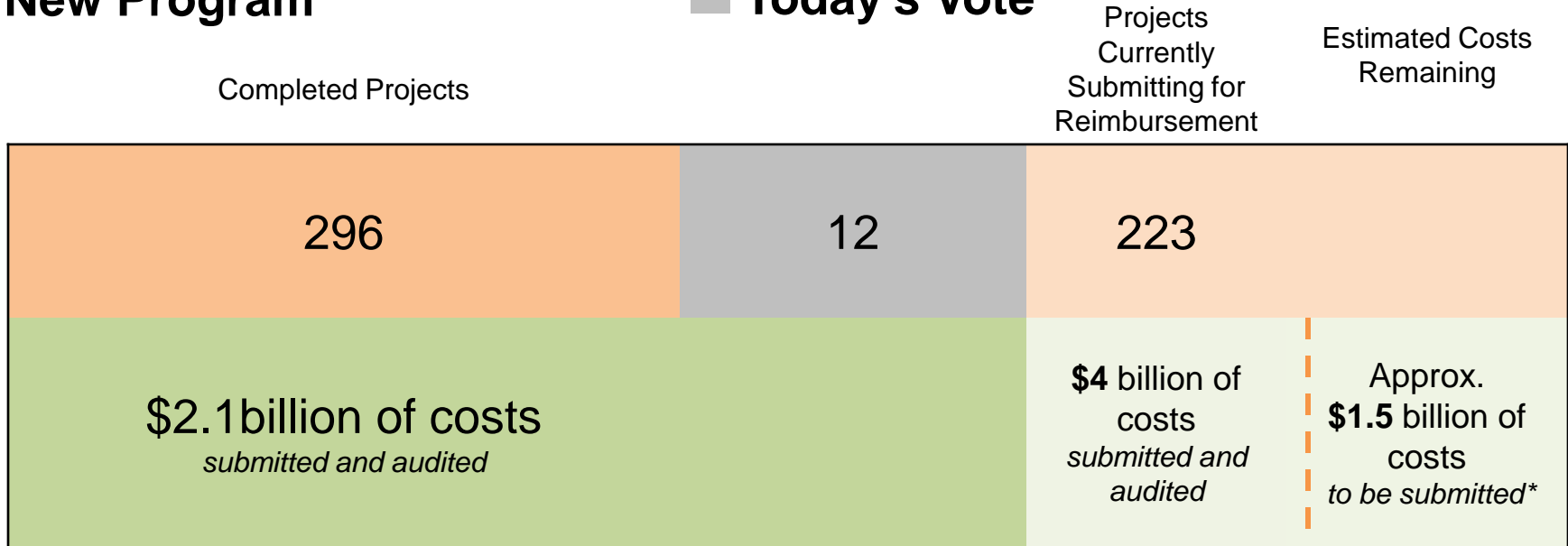
**Estimated based on Total Project Budgets from executed funding and submitted costs as of November 9, 2015.



Audit Status Update

New Program

■ Today's Vote

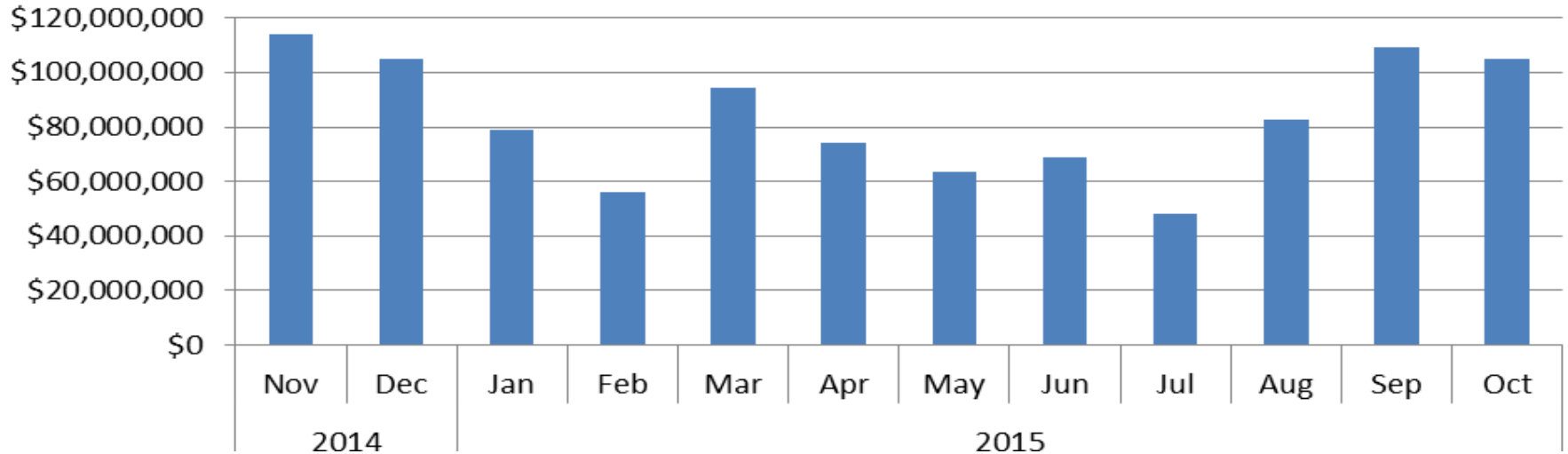


**Estimated based on Total Project Budgets from executed funding agreements and submitted costs as of November 9, 2015.*



New Program | Monthly Audited Project Costs

- Rolling 12 month submitted costs monthly average of \$83.4 million
- Total 12 Month Audited Costs = \$1billion





New Program | Closeout Audits

Today's Vote: Exhibit C, Approval of Final Audits

District	School	MSBA Cx	Reimb. Rate	Total Project Budget	Final Costs Submitted	Basis for Final Total Facilities Grant	Final Total Facilities Grant
Springfield	Forest Park MS	x	90.00%	\$44,144,993	\$47,498,225	\$40,631,801	\$36,568,621
Total				\$44,144,993	\$47,498,225	\$40,631,801	\$36,568,621



New Program | Closeout Audits

Today's Vote: Exhibit D, Approval of Final Audits

District	School	MSBA Cx	Reimb. Rate	Total Project Budget	Final Costs Submitted	Basis for Final Total Facilities Grant	Final Total Facilities Grant
Ashland	Ashland MS	X	50.16%	\$3,325,396	\$2,001,574	\$1,801,996	\$903,881
Ashland	Henry E. Warren ES	X	50.16%	\$2,433,426	\$1,266,516	\$1,208,413	\$606,140
Beverly	Beverly HS	X	58.42%	\$80,155,000	\$93,265,943	\$77,196,785	\$45,098,362
Gardner	Gardner MS	X	78.95%	\$554,914	\$554,959	\$508,165	\$401,196
Melrose	Melrose HS	X	50.79%	\$5,243,905	\$5,067,998	\$4,779,695	\$2,427,607
Quincy	Central MS	X	80.00%	\$49,933,876	\$47,667,402	\$37,158,106	\$29,726,485
Rockland	Rogers MS	X	64.26%	\$85,770,882	\$85,078,146	\$75,904,650	\$48,776,328
Worcester	Chandler Magnet	X	80.00%	\$4,426,598	\$3,708,875	\$3,558,105	\$2,846,484
Worcester	Dr. James Caradonio Center	X	80.00%	\$1,330,553	\$1,258,859	\$1,199,695	\$959,756
Worcester	Hiatt Magnet	X	80.00%	\$451,022	\$437,406	\$385,600	\$308,480
Worcester	Lake View	X	80.00%	\$1,435,094	\$1,071,047	\$990,328	\$792,262
Worcester	May Street	X	80.00%	\$2,009,861	\$1,958,482	\$1,765,040	\$1,412,032

Total \$237,070,527 \$243,337,207 \$206,456,578 \$134,259,013



MSBA Updates

- **CEO Report**
- Executive Director's Report
- Project Overview Report



MSBA Updates

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Project Visits and Local Votes

- Since the September 30, 2015 Board meeting, the MSBA has visited 20 projects.
- Five Districts have voted affirmatively to appropriate feasibility funds.
- Three Districts have voted affirmatively to appropriate full project funds.

Project Visits			Local Votes
Assabet Valley RSD Athol-Royalston RSD Concord-Carlisle RSD Georgetown (M/HS) Georgetown (Penn Brook ES)	Haverhill Holbrook Lunenburg Lynn Newton North Adams North Middlesex RSD	Peabody Revere Wachusett RSD West Bridgewater Winchester Winthrop Worcester Worcester County RSD	Feasibility Funds Attleboro Bristol County Clarksburg Fall River Middleborough Full Project Funds Hopkinton Provincetown Woburn



Project Visits

Upcoming site visits anticipated in November, December, and January:

Project Visits		
Athol-Royalston RSD Georgetown (<i>M/HS</i>) Georgetown (<i>Penn Brook ES</i>) Gloucester Haverhill Lunenburg	Lynn Milford Newton Northborough North Adams North Middlesex RSD	Peabody Wachusett RSD Winchester Winthrop Worcester



Project Milestones

- Since the September 30, 2015 Board meeting, the MSBA has attended eight project milestone celebrations.

Ribbon Cutting Ceremonies

- Assabet Valley RSD, *Assabet Valley RTHS*
- Ayer-Shirley, *Ayer-Shirley RHS*
- Greenfield, *Greenfield HS*
- North Reading, *North Reading MS*
- South Hadley, *Plains ES*

Groundbreaking Ceremony

- New Bedford, *Taylor/Sealab*

Topping Off Ceremony

- Haverhill, *Caleb Dustin Hunking MS*

Dedication

- Revere, *Staff Sgt. James J. Hill School*



Executive Director Jack McCarthy signs the steel at the Topping Off Ceremony for the new Caleb Dustin Hunking Middle School project in Haverhill on October 13, 2015.



Executive Director Jack McCarthy, joined local and state officials at the Ribbon Cutting Ceremony for the new Staff Sgt. James J. Hill School in Revere on October 15, 2015.



MSBA Updates

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Summary of Bid Data

Year	Number of Projects	Design Basis for Enrollment	Project Budget	Construction Budget
2015	14	10,654	\$887.9 M	\$700.9 M
2016	9	5,500	\$539.4 M	\$444.9 M
Totals	23	16,154	\$1.43 B	\$1.15 B

Note: These numbers are based on preliminary information received from the District and are subject to further review and calculation.

Anticipated Bids in 2015:

- November – Chelsea (CMR), Holbrook (CMR)
- December – Boston (CMR), Scituate (DBB)

Anticipated Bids in 2016:

- January – N/A
- February – Westborough (CMR)



Core Program

Construction Estimate vs. 2015 Bid Amount

- Of the 14 bids and/or executions of a GMP in 2015, ten have been reported to date.
- Of the ten, seven bids came in within the estimated budget.

District	School	Scope	Project Type	Bid Date	Construction Estimate **	Bid Amount **	Variance from Construction Estimate	Reim. Rate	Potential Grant Variance *
Gloucester	West Parish ES	New	CMR	Jan-15	\$29,995,466	\$29,995,466	\$0	59.73%	\$0
Milford	Woodland ES	New	CMR	Jan-15	\$48,381,844	\$48,375,101	\$6,743	59.94%	\$4,042
Georgetown	Georgetown MS/HS	Repair	DBB	Mar-15	\$5,861,090	\$5,407,622	\$453,468	52.13%	\$236,393
Winthrop	Winthrop MS/HS	New	CMR	Apr-15	\$63,542,179	\$63,542,179	\$0	59.97%	\$0
Northborough	Lincoln St. ES	Add/Reno	DBB	May-15	\$18,224,600	\$18,450,000	\$0	52.88%	\$0
North Middlesex RVTSHS	North Middlesex RVTSHS	New	DBB	May-15	\$68,829,726	\$64,995,000	\$3,834,726	60.63%	\$2,324,994
Plymouth	Plymouth SHS	New	DBB	Jul-15	\$83,765,059	\$84,925,700	\$0	53.37%	\$0
Haverhill	Caleb Dustin Hunking ES	New	CMR	Jul-15	\$49,998,830	\$49,544,770	\$454,060	78.93%	\$358,390
Abington	Frolio MS	New	DBB	Oct-15	\$77,210,111	\$76,890,000	\$320,111	58.97%	\$188,769
New Bedford	Taylor School/Sea Lab	Add/Reno	DBB	Nov-15	\$8,769,008	\$8,965,000	\$0	90.00%	\$0

Totals \$454,577,913 \$451,090,838 \$5,069,108 - \$3,112,588

*These numbers are based on preliminary information received from the district and are subject to further review and calculation.

**The construction estimate and bid amount do not include pre-construction services and alternatives.



Construction Estimate vs. Bid Amount

2014 Accelerated Repair Program

- 93% of the 28 reported projects came within the estimated budget
- 16 additional projects are scheduled to be reported prior to the January 27, 2016 Board of Directors meeting
- After the January 27, 2016 Board of Directors meeting, the final two projects will be bid in February 2016.



Finance Update

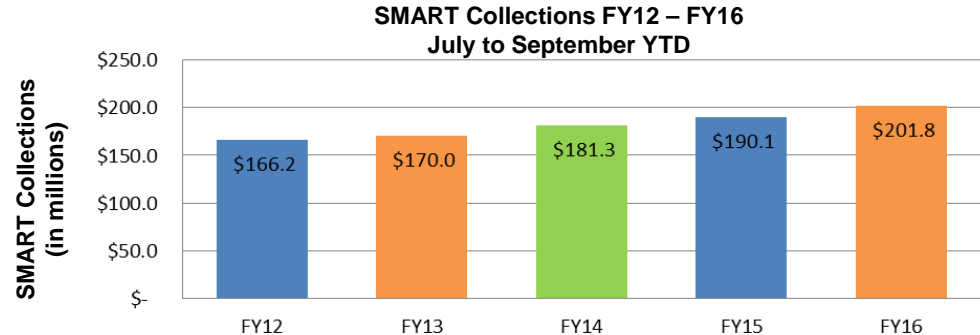
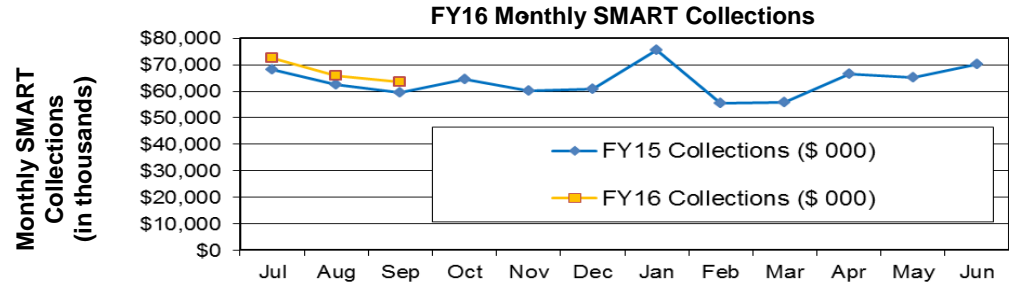
- **Sales Tax Collection Update**
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FY2016 SMART Collections Update

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
FY15 Collections (\$ 000)	68,214	62,366	59,553	64,652	60,072	60,703	75,691	55,434	55,661	66,538	65,063	70,079	764,026
FY16 Collections (\$ 000)	72,473	65,832	63,453										201,757
Change (\$ 000)	4,259	3,466	3,900										11,625
% Change	6.2%	5.6%	6.5%										

- FY16 SMART collections through September were approximately \$11.6 million (6.1%) greater than FY15 collections during the same period.
- Collections through September for each of the most recent three fiscal years have exhibited average year-over-year growth of 5.0%.





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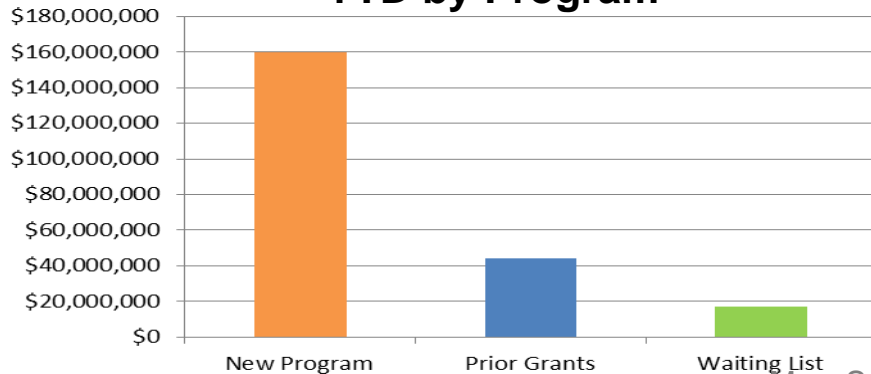
Grant Payments | FY2016 YTD Update

FY2016 YTD Grant Payments Summary*

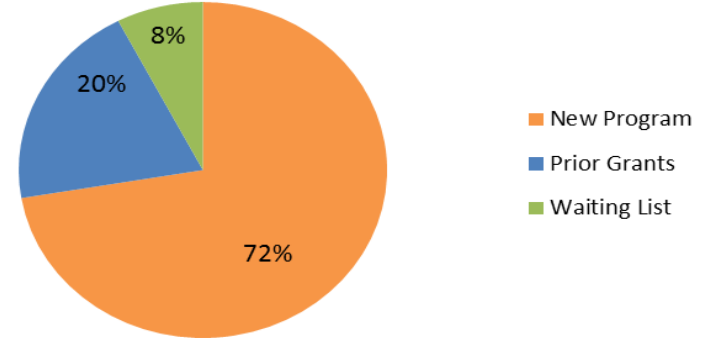
Program	Grant Payments	# Projects	# Districts
New Program	\$ 159,852,804	108	79
Prior Grants	\$ 44,341,367	64	50
Waiting List	\$ 16,802,386	28	21
Total	\$ 220,996,557	200	133

* Reflects grant payments as of October 29, 2015.

FY2016 Grant Payments – YTD by Program



FY2016 Grant Payments – YTD % by Program





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Finance Update

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Finance Update

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MSBA FY2015 Financial Statements

- As a result of the 2015 Audit, KPMG has issued an unmodified (i.e. clean) opinion
- Report on compliance and internal controls:
 - No material weaknesses involving internal control over financial reporting and its operation
 - No instances of non-compliance



MSBA FY2015 Financial Statements

KPMG Areas of Emphasis

- Grants Payable – accounting, disclosure, valuation
- Debt Financing – arbitrage, disclosures, new issuances, bond covenants, outstanding balances
- Investments – reviewed for impairment, balances per financial institutions, income, independent pricing of securities, required disclosures
- Other – conformity with GASB* and industry practice, legal letter, disclosure, form & content of MD&A, minutes of Board meetings

**Implementation of GASB 68*



MSBA FY2015 Financial Statements

Auditors' Required Communications

Topic	Auditors' Response
Our responsibilities under generally accepted auditing standards and <i>Government Auditing Standards</i>	<ul style="list-style-type: none"> ▪ Our audit was designed to obtain reasonable assurance that basic financial statements are free of material misstatement
Management judgments and accounting estimates, including: <ul style="list-style-type: none"> ▪ Grants payable ▪ OPEB liability 	<ul style="list-style-type: none"> ▪ Accounting estimates are an integral part of the financial statements ▪ We evaluated key factors and assumptions used to develop management's estimates and found them reasonable in relation to the financial statements taken as a whole.
Significant audit adjustments affecting the financial reporting process	<ul style="list-style-type: none"> ▪ No significant audit adjustments were identified affecting the financial reporting process
Other information in documents containing audited financial statements	<ul style="list-style-type: none"> ▪ Evaluated form and content of MD&A
Uncorrected audit misstatements	<ul style="list-style-type: none"> ▪ None
Disagreements with management	<ul style="list-style-type: none"> ▪ None
Difficulties encountered in performing the audit	<ul style="list-style-type: none"> ▪ No difficulties were noted



Finance Update

- Sales Tax Collection Update
- Grants Payments | FY2016 YTD Updated
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- **Budget Update**



MSBA Administrative Operations & Grant Programs Budget

Expense Category	FY15			FY16		
	FY15 Budget	FY15 Expenditures (7/1-6/30)	% Expended (FY15 Budget)	FY16 Budget	FY16 YTD Expenditures (7/1-9/30)	% (FY16 Budget)
Administrative Expense Budget						
Salaries & Benefits ¹	\$6,820,548	\$5,771,037	84.6%	\$6,766,138	\$1,429,578	21.1%
General & Administrative Office Expenses ²	\$356,729	\$232,517	65.2%	\$314,711	\$52,550	16.7%
Occupancy & Utilities ³	\$1,295,038	\$652,516	50.4%	\$1,005,314	\$248,120	24.7%
Consulting & Professional Support Services ⁴	\$287,061	\$252,937	88.1%	\$215,000	\$93,683	43.6%
Information Technology ⁵	\$157,246	\$143,785	91.4%	\$179,445	\$40,883	22.8%
Total Administrative Expense Budget⁶	\$8,916,623	\$7,052,793	79.1%	\$8,480,608	\$1,864,813	22.0%
Other Post Employment Benefits (OPEB)⁷	\$100,000	\$100,000	100.0%	\$100,000	-	0.0%
Capital Pipeline Professional Support Services & Issuance Related Costs						
Project Related, Legal, Audit, & Professional Support Services ⁸	\$7,710,000	\$6,219,824	80.7%	\$8,049,184	\$769,520	9.6%
Cost of Issuance ⁹	\$1,000,000	\$932,954	93.3%	\$2,650,500	\$835,939	31.5%
Total Capital Program Professional Support Services	\$8,710,000	\$7,152,778	82.1%	\$10,699,684	\$1,605,459	15.0%
Arbitrage Rebate¹⁰	\$1,500,000	\$1,226,558	81.8%	-	\$11,842,422	N/A
Grant Program						
Prior Grants ¹¹	\$197,511,285	\$197,946,924	100.2%	\$185,093,670	\$44,341,367	24.0%
Waiting List ¹²	\$42,131,684	\$26,534,249	63.0%	\$25,489,887	\$16,802,386	65.9%
New Program Grants ¹³	\$610,598,153	\$544,518,569	89.2%	\$585,000,000	\$86,627,175	14.8%
Total Grant Program	\$850,241,122	\$768,999,742	90.4%	\$795,583,557	\$147,770,928	18.6%
Grand Total Operating Budget	\$869,467,745	\$784,531,871	90.2%	\$814,863,849	\$163,083,622	20.0%



MSBA Administrative Operations & Grant Programs Budget

[1] Total headcount as of June 30, 2014 was 65. Total headcount as of June 30, 2015 was 58. Total headcount as of September 30, 2015 was 61.

FY16 Budget assumes headcount of 77 at June 30, 2016, and includes the transition of 2 information technology and 2 capital planning staff extensions to MSBA payroll by the close of FY16.

[2] FY15 Budget included one-time expenses associated with the transition to new phone system, and that expense is now anticipated to be incurred during FY16. FY16 budgeted amounts include approximately \$65K for training and professional development.

[3] FY15 Budget included funding for procurement for leased office space to be completed before Q3 of FY15. The new lease for MSBA space at 40 Broad Street was signed by the MSBA in January 2015, and resulted in significantly reduced costs for FY15. FY16 Budget reflects full year annualizing of new lease executed during FY15.

[4] FY15 expenditures include annual audited financial statements, arbitrage rebate analysis, and labor market analysis study. FY16 budget amount continues funding for annual audited financial statements, arbitrage rebate analysis, and includes funding for an update of analysis of the economic impact of MSBA's capital program.

[5] FY16 Budget reflects transition of two consulting staff extension positions to permanent positions following the close of Q1.

[6] FY15 Expenditures variance from FY15 Budget reflects actual costs of new lease executed during Q3 that were less than anticipated in the original FY15 forecast. FY15 expenditures variance from budget also reflect staff departures that will result in a lower headcount at June 30, 2015 than anticipated in the FY15 Budget. FY16 Budget reflects full annualization of new lease, and anticipation of phased hiring throughout the fiscal year to arrive at an employee headcount of 77 at June 30, 2016.

[7] FY15 Budget included a transfer of an additional \$100K to the MSBA's OPEB Trust in order to mitigate the potential budgetary impacts of future actuarial valuations, and the FY16 Budget includes an additional transfer for the same purpose.

[8] FY15 Budget and Expenditures include commissioning of MSBA projects, project management services, information systems development, and architectural technical services that support the MSBA's Capital Pipeline. FY16 Budget includes funding for an update of the MSBA's Needs Survey; a statewide assessment of the condition of public school facilities.

[9] FY15 Expenditures variance from FY15 Budget reflect the execution of a refunding transaction of the 2005 series A Bonds that was not anticipated in the original budget. FY16 Budget reflects annualization of the commercial paper program established during FY15 Q3, and assumes the execution of two bond issuances during the fiscal year.

[10] Reflects actual arbitrage rebate made in FY15 related to earnings on the 2009 Series A bonds, and actual arbitrage rebate made in FY16 for the 2005 Series A Bonds.

[11] FY16 Budget reflects annual estimate of audited payments scheduled through June 30, 2016.

[12] FY15 Expenditures reflect updated estimates of payments and timing of closeouts for two final projects in project closeout audit phase. FY16 Budget includes funding for the annual payments, and anticipates the remaining project in closeout receives a final payment prior to June 30, 2016.

[13] FY16 Budget reflects estimate of grant payments based on cash flows for projects progressing through the MSBA's Capital Pipeline.



Capital Pipeline | Project Related Support Services Detail

Project Related Support Services	FY15			FY16		
	FY15 Budget	FY15 Expenditures (7/1-6/30)	% Expended (FY15 Budget)	FY16 Budget	FY16 YTD Expenditures (7/1-9/30)	% (FY16 Budget)
Commissioning Consultants ¹	\$4,000,000	\$4,150,823	103.8%	\$3,800,000	\$455,383	12.0%
Project Management Services ²	\$2,300,000	\$1,519,176	66.1%	\$1,250,000	\$243,269	19.5%
Architectural Services ³	\$650,000	\$371,594	57.2%	\$680,000	\$67,480	9.9%
Cost Estimating Services ⁴	\$200,000	\$1,384	0.7%	\$100,000	-	0.0%
Audit & Other Compliance ⁵	\$50,000	-	0.0%	-	-	N/A
Capital Program Information Systems ⁶	\$135,000	\$176,504	130.7%	\$43,184	\$3,388	7.8%
Cost of Issuance ⁷	\$1,000,000	\$932,954	93.3%	\$2,650,500	\$835,939	31.5%
Needs Survey ⁸	-	-	-	\$2,000,000	-	0.0%
Other ⁹	\$250,000	\$344	0.1%	\$176,000	-	0.0%
Legal ¹⁰	\$125,000	-	0.0%	-	-	N/A
Total Capital Program Support Services	\$8,710,000	\$7,152,778	82.1%	\$10,699,684	\$1,605,459	15.0%



Capital Pipeline | Project Related Support Services Detail

[1] Reflects anticipated costs associated with active projects and additional commissioning contracts anticipated to be executed prior to June 30, 2016.

[2] Project Management Services are estimated based on anticipated schedules of active projects in the Capital Pipeline. FY15 expenditures reflect staff extension services supporting the MSBA's oversight of the Capital Pipeline, and funding for OPM services for the Essex North Shore Agricultural and Technical School projects. These services are anticipated to decline during FY16.

[3] Architectural Services are allocated on a project specific basis as necessary for projects progressing through the Capital Pipeline. FY16 Budget reflects anticipated support services for schematic design, construction document, and architectural reviews, and also includes anticipated expenditures for senior studies related to the review process for the 2015 Statement of Interest (SOI) submittals.

[4] This category provides funds for any project specific cost estimates which may be necessary during the fiscal year, or for additional review of data related to the Capital Pipeline.

[5] This category provides funding which may be allocated on a project specific basis to external audit firms, or temporary auditors, to assist on project audits conducted under current MSBA audit policy.

[6] This category includes expenditures for development of Capital Pipeline support applications, including MSBA's Progress Payment System, Project Management application, and OPM Report system. FY15 Budget anticipated conversion of consultant staff extensions to permanent positions during Q3, however, that transition has been re-scheduled to occur following the close of FY16 Q1. FY16 Budget reduction reflects the reallocation of these resources to permanent staff following Q1.

[7] FY15 Budget reflects 2014 Series A, 2015 Series A, 2015 Series B, and establishment of a \$450 million commercial paper program. FY16 Budget includes funding for annualization of commercial paper program, and anticipated new money and refunding transactions to support the Capital Pipeline.

[8] Reflects anticipated costs associated with the procurement for the MSBA's next Needs Survey assessment of public school facilities across the Commonwealth.

[9] For Capital Pipeline professional support services which may not be specifically allocated through other cost categories. FY15 Expenditures reflect anticipated expenditures for business intelligence software during Q4 that will assist in data analysis of the MSBA's Capital Pipeline.

[10] This expenditure category includes funding for the costs, if any, that the MSBA may incur associated with litigation regarding projects in the Capital Pipeline. There is no litigation currently pending against the Authority.



MSBA Sources and Uses

MSBA Sources and Uses	FY15 Final	FY16 Revised Est.
Beginning Fund Balance*		
Restricted Debt Service Funds Beginning Balance **	\$181,721,630	\$171,349,054
Restricted Debt Proceeds Beginning Balance ¹	\$10,325,703	\$38,198,727
Restricted Arbitrage Rebate Beginning Balance ²	\$10,032,438	\$11,756,742
Unrestricted Beginning Fund Balance ³	\$139,600,319	\$42,836,073
Total Beginning Fund Balance	\$341,680,090	\$264,140,596
General Revenues/Financing Sources		
Dedicated Sales Tax ⁴	\$758,266,776	\$800,804,492
Debt Issuance Proceeds ⁵	\$443,920,000	\$465,000,000
Interest Income ⁶	\$25,495,263	\$23,946,802
Grant Income ⁷	\$22,453,492	\$22,526,688
Loan Program ⁸	\$8,918,519	\$8,536,251
Total Revenues/Financing Sources	\$1,259,054,050	\$1,320,814,233
Expenditures/Expenses		
Grant Payments ⁹	\$768,999,742	\$795,583,557
Debt Service ¹⁰	\$390,562,009	\$433,851,554
Operations	\$7,052,793	\$8,480,608
Capital Pipeline Support Services	\$3,001,955	\$6,899,684
Commissioning	\$4,150,823	\$3,800,000
Arbitrage Rebate ¹¹	\$1,226,558	\$11,842,422
Loan Program	-	-
Other Postemployment Benefits	\$100,000	\$100,000
Total Expenditures/Expenses	\$1,175,093,880	\$1,260,557,825
Uses: Arbitrage Rebate Set-Aside¹¹	\$2,929,522	\$185,345
Year End Fund Balance *		
Year End Restricted Debt Service Funds Balance **	\$171,349,054	\$167,860,610
Year End Restricted Debt Proceeds Balance ¹²	\$38,198,727	\$35,000,000
Year End Restricted Arbitrage Rebate Balance ¹³	\$11,756,742	\$1,947,295
Year End Unrestricted Fund Balance ¹⁴	\$42,836,073	\$119,594,308
Total Year End Balance	\$264,140,596	\$324,402,213

*Beginning and Year End fund balances do not include debt service reserve funds held by the trustee. All information is presented on a cash basis.

**Reflects restricted Debt Service Funds held by the trustee, and available only for debt service payments made by the trustee to bondholders.

[1] Reflects remaining CP proceeds from initial \$135 million in FY 16.

[2] Reflects balances in MSBA's dedicated fund for anticipated arbitrage rebate payments.

[3] Reflects balances in non-trusteed funds.

[4] FY16 reflects Commonwealth's DOR SMART Fund estimate updated in Oct. 2015.

[5] Reflects receipt of proceeds from new money issuance during FY 16, including utilization of \$315 million CP program capacity and projected \$150 million new money.

[6] Includes estimated earnings on debt service reserve funds held by the Trustee and unrestricted funds.

[7] Reflects impact of sequestration on annual interest subsidies estimated to be received from the federal government related to the 2009 Series A (Build America Bonds), and 2010 Series A and 2011 Series A (Qualified School Construction Bonds).

[8] Includes principal and interest received annually in November for executed loans, as well as one grant recapture payment.

[9] Includes grant payments made from bond proceeds as well as unrestricted sales tax revenues.

[10] Reflects gross debt service on outstanding debt including sinking fund deposits. FY16 estimate does not assume any savings that may result from advance refunding or defeasance of outstanding debt.

[11] Reflects arbitrage rebate payment made in FY15 related to earnings on the 2009 Series A bonds, and payment made in FY15 related to earnings on the 2005 Series A bonds.

[12] Reflects the issuance of \$315 million in Q1 of FY 16, and projected \$150 million of new money expected in Q3.

[13] Reflects arbitrage rebate set asides in FY 15 and planned for FY 16.

[14] Reflects approximately 20% Pay-Go for new money, but does not reflect impact of potential defeasance.