

2023 Annual Report 2024



Massachusetts School Building Authority

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About the Cover

My Ideal School Contest

Since 2005, the MSBA has invited students to participate in the “My Ideal School” contest, an annual tradition that encourages Massachusetts first graders attending a public school and their teachers to talk about the ways thoughtful school design supports curiosity, creativity, and 21st-century learning.

Our front and back covers were designed by Hastings Elementary School student Riddhima Walavalkar, and East Taunton Elementary School student Alayna Lonerger, respectively.

Each year the contest draws hundreds of imaginative entries from across the Commonwealth, each reflecting the unique perspective of these young learners—full of color, care, and creativity. Regional winners are recognized at a special awards ceremony at the Massachusetts State House, and the grand prize winner has their artwork displayed on the MSBA Annual Report.

On the Front Cover



2023 Winner: **Riddhima Walavalkar**

Hastings Elementary School, Westborough

"The name of my ideal school is Nature Elementary School. I want to take friends, special days and Hastings HEART. Each letter in HEART stands for Honesty, Empathy, Acceptance, Responsibility, Teamwork. The kids will learn science when they will explore outside. The kids will feel calm and relaxed while seeing blue and green everywhere. Kids will be happy."



On the Back Cover

2024 Winner: **Alayna Lonerger**

East Taunton Elementary School, Taunton

"My favorite school is East Taunton Elementary school! I want my ideal school to have art, gym, cheer, football, drama, and library. Another thing I want in my ideal school is a gymnastics area. My school would be the best!"

Letter from the **Treasurer**

Dear **Partners**
and **Communities**,



I am pleased to present to you the Massachusetts School Building Authority's (MSBA's) 2023–2024 Annual Report. It highlights our continued commitment to investing in efficient, high-quality, and cost-effective educational facilities across the state.

Throughout Fiscal Years 2023 and 2024, the MSBA remained focused on its goal: to create learning environments that empower educators to provide the best possible education for our children. During this time, we issued nearly \$1.3 billion in payments to cities and towns for school construction, helping to ease the financial burden on local communities.

Since our founding in 2004, the MSBA has made over \$17.3 billion in reimbursements for 2,051 schools, including those inherited from the prior program, the School Building Assistance Program. Since 2007, we have approved \$7.85 billion in grant funding for 946 Accelerated Repair and Core Program projects, as of the end of Calendar Year 2024.

I am proud of the MSBA team and grateful for their dedication, collaboration, and commitment to transparency. Their work reflects our shared investment in the future of education, and in the success of every student across Massachusetts.

Sincerely,

Deborah B. Goldberg

Treasurer and Receiver General
Chair, Massachusetts School Building Authority

In FY23-24, we issued:

\$1.3 billion
in payments for school
construction projects

Letter from the **Executive Director**

Dear **Readers,**

At the Massachusetts School Building Authority (MSBA), we believe that access to high-quality learning environments is fundamental to student success. As we reflect on our efforts in this 2023-2024 Annual Report, I am proud to share the progress we've made in partnership with communities across the Commonwealth to build, renovate, and repair schools improving the learning environment for hundreds of thousands of students.



Over the course of Calendar Years 2023 and 2024, the MSBA has:

- Extended invitations to 41 schools across 40 districts through the Core Program, which supports new construction, major renovations, and additions;
 - Doubled the number of Accelerated Repair Program invitations in Calendar Year 2024;
 - Leveraged the legislative changes in 2023 to substantially increase funding caps to support increasing costs in construction and provide relief to 39 districts who experienced unprecedented escalating costs due to the impact of COVID;
- Increased incentive points in the MSBA Green Schools Program to strengthen our support of non-fossil fuel facilities and provide an emphasis on indoor air quality and healthy materials; and,
 - Funded 23 completed schools—including 15 elementary schools, four middle schools and three high schools.

Since our inception, the MSBA has participated in or is currently funding 1,149 school construction projects statewide. Each project represents more than a building—it reflects collaboration with local communities and a shared commitment to helping students thrive.

The work we do is about more than construction. It's about restoring community pride, advancing opportunity, and providing access to a modern, safe, and inspiring place to learn. I am grateful to our municipal and educational partners and to the MSBA staff for their continued partnership, problem-solving, and commitment to lasting impact.

Sincerely,

Mary L. Pichetti

Executive Director/ Deputy Chief Executive Officer
Massachusetts School Building Authority

Since 2004, the MSBA
has participated in or is
currently funding:

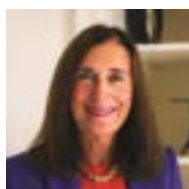
1,149

school construction
projects statewide

Meet Our **Board of Directors**

The MSBA is governed by a seven-member Board of Directors and Chaired by Treasurer and Receiver General of the Commonwealth Deborah B. Goldberg. The Board includes individuals who bring experience in educational facilities planning, school building construction, architecture and school design, educational standards, and finance.

The Board meets seven times a year to review progress, make funding decisions, and advance projects through the MSBA pipeline.



Deborah B. Goldberg

Treasurer and Receiver General of the Commonwealth



Anne Brockelman

Appointed Member; Principal and Director of Sustainability for Perry Dean Rogers Partners Architects (PDR)



Sean R. Cronin

Designee of the Secretary of Administration and Finance; Senior Deputy Commissioner for Local Services



Matthew J. Deninger

Designee of the Commissioner of Education



Terry Kwan

Appointed Member; Former Teacher and Brookline School Committee Member



Cassandra McKenzie

Appointed Member, Associate Vice President, Real Estate and Capital Projects, Northeastern University (Appointed: April 2024)



Sheila Vanderhoef

Appointed Member; Former Town Administrator for Eastham

The Board of Directors meets bi-monthly, and each board member also serves on a subcommittee of the Board, which meets throughout the year.

Currently, the MSBA has two subcommittees, each with a distinct purpose:

- The Administration and Finance Subcommittee meets to review budgetary and financing matters.
- The Facilities Assessment Subcommittee meets to hear district presentations regarding proposed projects and provide feedback to districts before the project is presented to the Board.



Supporting Our Communities

Investing in the Commonwealth's **351 Cities and Towns**

At the MSBA we believe every student, in every community, deserves access to a safe, modern, and inspiring learning environment. That belief continues to guide our investments in programs that support schools across the Commonwealth. From closing out legacy obligations, to expanding access to energy-efficient repairs, to providing reimbursements for innovation in school design, these efforts showcase the breadth and impact of our work statewide.

The MSBA commends the members of the Massachusetts legislature for their continuous support and their swift actions to secure additional funding opportunities for districts that were faced with unanticipated and unprecedented escalating costs due to COVID-19. In October 2023, MSBA action was taken in response to legislation passed regarding supplemental grants for school construction projects previously approved by the MSBA, and in conjunction with the increase to the annual cap effective in Fiscal Year 2023, providing the MSBA with resources and flexibility to further assist school construction.

Closing Out School Construction Commitments

In Fiscal Year 2024, the MSBA made its final Waitlist payment—formally completing all financial obligations inherited from the former School Building Assistance Program.

Before the MSBA was established in 2004 by the Massachusetts State Legislature, oversight of school construction projects fell under the Department of Education (now known as the Department of Elementary and Secondary Education). As part of its founding mission to bring reform, transparency, and fiscal discipline to the school building process, the MSBA assumed responsibility for these legacy projects and their associated costs.

Thanks to strong financial management, the MSBA has now fulfilled every remaining obligation tied to the prior program—clearing the way for full focus on current and future school building needs.

- In FY23, 9 Prior Grant projects received grant payments in total of \$7.3 million thereby completing full payment for Prior Grant projects. Additionally, 17 Waitlist projects received grants totaling \$10.7 million in payments.
- In FY24, 7 Waitlist projects received grant amounts in total of \$4.96 million thereby completing full payment for Waitlist projects.
- Approximately \$10 billion in project obligations have been eliminated.
- 793 outstanding final audits and all remaining payments for Prior program and Waitlist projects were completed.

This achievement represents not only sound stewardship of public funds, but also the fulfillment of our commitment to communities across the Commonwealth.

As of 2024, the MSBA has eliminated:
\$10 billion
in project obligations

And completed:
793
outstanding
final audits

Renewed **Investment** in **School Repairs**, Without Cap Constraints

First introduced in 2012, the MSBA's Accelerated Repair Program (ARP) has helped districts across the Commonwealth address critical infrastructure needs—supporting the completion of 195 roof replacements, 146 window upgrades, and 120 boiler projects to date. These targeted repairs improve building performance, safety, and student comfort, while helping schools reduce energy costs.

In a major policy update following the passage of the Commonwealth's FY2024 Budget, ARP grants will no longer count toward the MSBA's annual statutory funding cap—freeing up more capacity to fund school construction projects while continuing to address urgent repair needs.

After a temporary one-year pause in 2023, the MSBA Board of Directors voted to reopen the ARP in 2024, reinforcing its critical role in maintaining school infrastructure. With that vote, the Board also doubled the estimated program budget, approved additional scope for eligibility for accessibility improvements, and introduced heat pump conversions as part of the program.

In October 2024, the MSBA extended invitations to 70 of the 72 submitted ARP Statements of Interest (SOIs), including 57 potential roof projects and 17 potential window/door projects, underscoring the continued demand for timely and cost-effective school building improvements. ARP focuses on preserving existing assets through energy-efficient and cost-saving upgrades—improvements that not only protect facilities but also deliver meaningful operational savings to districts.

Looking ahead, the anticipated budget for future ARP SOI biennial openings will be informed by statewide sales tax collections—ensuring a sustainable, data-driven approach to long-term planning.

Since 2012, the MSBA has supported the completion of:

195

Roof Replacements

146

Window Upgrades

120

Boiler Projects to date

MSBA Green Schools Policy

Building for Health, Efficiency, and the Future

The MSBA has established several sustainable building programs for all MSBA-funded projects, reflecting a growing commitment to reducing energy consumption, improving indoor air quality, and minimizing exposure to hazardous materials. These programs include updated standards for both new construction and major renovations or additions.

Beyond improving energy efficiency and air quality, the MSBA's Green Schools Program encourages the sustainable use of materials and supports the creation of higher-quality educational environments. Beginning in June 2023, the MSBA issued Project Advisory 81, requiring compliance with the Green Schools Program Policy for all new construction and major renovation/addition Core Program projects.

Since the beginning, the MSBA has updated its Green Schools Program Policies to promote increasing levels of energy efficiency in school design in alignment with the state's goals to move toward net-zero buildings. Setting new base requirements and offering new incentives reinforces the MSBA's expectation that sustainable, energy-conscious design is now an essential component of every school project.

Amherst Elementary School,
Amherst Public Schools,
Groundbreaking | **2024**



Incentivizing Innovation Beyond Baseline Standards

While MSBA Core Program projects do not receive additional reimbursement for complying with Project Advisory 81's minimum requirements, the MSBA's Green Schools Program does offer incentive points for districts that exceed current sustainability standards.

Core Program projects that meet the minimum energy efficiency requirements described in the state's highest level of energy code, the DOER "Opt-In Specialized Code" standards, can receive an additional 3% reimbursement of the Estimated Basis of Total Facilities Grant. Projects may also receive an additional 1% reimbursement of the Estimated Basis of Total Facilities Grant if they achieve a minimum of five out of seven LEED indoor air quality points, or eight out of ten NE-CHPS indoor air quality points.

As Federal and State standards continue to require increasing levels of energy efficiency in line with Massachusetts's goal to reach 'Net-Zero Greenhouse Gas Emissions' by 2050, MSBA school projects have already made significant progress by utilizing sustainable energy systems.

Core Program projects have been incentivized to reduce reliance on fossil fuels, and many districts have responded by incorporating photovoltaic and/or geothermal energy systems.



MSBA Core Program Projects: Incentivizing **Innovation** Beyond **Baseline Standards**



Electric/Geothermal/Net Zero: Belmont Middle/High School, Belmont Public Schools, Ribbon Cutting with Jim MacDonald (CEO) | **2023**



Electric: William A. Welch Elementary School, Peabody Public Schools, Ribbon Cutting | **2024**

Heat Pump Program Accelerated Repair Program (ARP)

In support of the Commonwealth's goal to achieve net-zero carbon emissions by 2050, the MSBA researched, reviewed, and analyzed data regarding the potential formation of programs to facilitate the funding of sustainable energy systems like heat pumps. In June 2024, the MSBA began a study to examine the scope, schedule, and cost factors associated with converting existing public-school facilities to heat pump systems for heating and cooling. The findings will inform technical and programmatic recommendations for integrating heat pump conversions into the ARP. The final report was completed during the summer of 2025 and will inform the MSBA's approach to supporting districts' transition to cleaner, more efficient building systems.

Access to **External Funding** Without Reducing MSBA Support

The MSBA first implemented its Third-Party Funding Policy in 2011, applying a broad approach in which all forms of third-party funding reduced the project cost basis and, in turn, the MSBA grant amount. As the program evolved, policy updates in 2018 and 2022 excluded certain types of grants and rebates from these reductions.

Given the increasing availability of federal and state grants, rebates, and other funding sources to support school construction and renovation, the MSBA undertook a review to make it easier for districts to take advantage of these resources. Following a June 21, 2023 vote by the MSBA Board of Directors, rebates, grants, state or federal funding, donations, or other sources of project income that MSBA program participants may receive will not lower the project cost basis or reduce the amount of grant funding for Districts; provided that a district is not receiving more than its share of project costs from a third party source or the district is not being reimbursed or paid more than once through an MSBA grant for any cost incurred in connection with the school project for which a participant has received funding from a third-party.

These changes give districts the flexibility to fully leverage third-party funding sources without supplanting their MSBA grant support.

Investing in Career **Technical Education** Across the Commonwealth

At the close of Calendar Year 2024, the MSBA has partnered with 28 of the 29 Regional Vocational School Districts across Massachusetts, providing more than \$766 million in funding to support facility improvements. These investments help ensure that vocational, technical, and agricultural schools can offer high-quality, hands-on learning environments that prepare students for in-demand careers. At the end of 2024, the MSBA is actively working on projects with 12 vocational/technical/agricultural schools:

- Blackstone Valley Regional Vocational Technical School (*Accelerated Repair Program: Roof*)
- Bristol-Plymouth Vocational Technical School (*Core Program: New Construction*)
- Diman Regional Vocational Technical High School (*Core Program: New Construction*)
- Franklin County (*Core Program: TBD*)
- Greater Lawrence Regional Vocational Technical High School (*Accelerated Repair Program: Roof*)
- Northeast Metro Regional Vocational Technical School (*Core Program: New Construction*)
- Northern Berkshire Regional Vocational Technical (Charles McCann) (*Accelerated Repair Program: Roof, Windows/ Doors*)
- Shawsheen Valley Vocational Technical High School (*Core Program: TBD*)
- South Middlesex Regional Vocational Technical (Joseph P. Keefe Technical High School) (*Core Program: TBD*)
- Tri-County Regional Vocational Technical School (*Core Program: New Construction*)
- Upper Cape Cod Regional Vocational Technical School (*Core Program: TBD*)
- Whittier Regional Vocational School (*Core Program: TBD*)

Note: The only Regional Vocational School District the MSBA has not partnered with to date is Montachusett Regional Vocational Technical High School. Northampton-Smith Vocational and Agricultural High School was invited into the capital pipeline in 2009; however, at the district's request, the proposed project was withdrawn in March 2012.

Investing in Career **Technical Education** Across the Commonwealth



Bristol Plymouth Regional Vocational Technical School,
Topping Off Event | **2023**



Northeast Regional Metropolitan Vocational Technical
High School, Topping Off Event | **2024**



Tri-County Regional Vocational Technical High School,
Groundbreaking | **2024**

Providing **Additional Funding** to Offset Rising Construction Costs

Thanks to our partnership with the Legislature and their continued advocacy on behalf of the MSBA, the Commonwealth's Fiscal Year 2024 Budget allocated \$100 million to the MSBA. The MSBA also allocated an additional \$170 million in supplemental grants. The \$270 million was designed to assist school districts with managing the impact of unanticipated, pandemic-related, and escalating construction costs while maintaining progress on approved school building projects. On October 25, 2023, the MSBA Board of Directors authorized the Executive Director to adjust the Maximum Total Facilities Grants for 39 projects. This responsive action ensured that ongoing MSBA projects would be eligible for additional financial support by increasing the funding limits for building costs and sitework, respectively.

These supplemental grants allowed districts to have the ability to move forward with their projects despite market volatility, protecting the integrity and timeline of vital school construction and renovation work. While many of the projects listed below are still under construction, the majority of the projects have achieved substantial completion thanks to the additional support.

Pine Hill Elementary School,
Westwood Public Schools,
Ribbon Cutting | **2024**



MSBA Projects Awarded **Supplemental Grants**

City/Town	School Name
Andover	West Elementary School
Ashland	David Mindess Elementary School
Boston	William E. Carter School
Boston	Josiah Quincy Upper School
Bristol-Plymouth Regional Vocational	Bristol-Plymouth Regional Vocational Technical High School
Fitchburg	Crocker Elementary School
Gloucester	East Veterans Elementary School
Greater Fall River Regional Vocational	Diman Regional Vocational Technical High School
Groton-Dunstable	Florence Roche Elementary School
Hingham	William L. Foster Elementary School
Lawrence	Oliver Partnership School
Lawrence	Francis M. Leahy Elementary School
Lowell	Lowell High School
Nauset Regional	Nauset Regional High School
Northeast Metropolitan Regional Vocational	Northeast Metropolitan Regional Vocational Technical High School
Norwood	Dr. Philip O. Coakley Middle School
Peabody	William A. Welch Elementary School
Randolph	Elizabeth G. Lyons Elementary School
Somerset	Somerset Middle School
Spencer-East Brookfield	David Prouty High School
Stoneham	Stoneham High School
Swampscott	Hadley Elementary School
Tyngsborough	Tyngsborough Middle School
Walpole	Bird Middle School
Watertown	Watertown High School
Webster	Bartlett High School
Wellesley	John D. Hardy/Ernest F. Upham Elementary School
Westfield	Franklin Avenue Elementary School
Westwood	Pine Hill/Paul Hanlon Elementary School
Worcester	Doherty Memorial High School

Non-Legislative Districts that Received Increased Funding from the MSBA

City/Town	School Name
Amherst	Fort River Elementary School
Brookline	Pierce K-8
Haverhill	Consentino Middle School
Holyoke	Peck Middle School
Maynard	Green Meadow Elementary School
Nashoba	Nashoba Regional High School
Tri-County	Tri-County Regional Vocational Technical High School
Wakefield	Wakefield High School
Winchester	Lynch Elementary School

Dr. Philip O. Coakley Middle School, Norwood Public Schools, Groundbreaking | 2023



Supplemental Grants



East Veterans Elementary School, Gloucester Public Schools, Ribbon Cutting | **2023**



Somerset Middle School, Somerset Public Schools, Topping Off Event with Mary Pichetti (Executive Director) | **2023**



Doherty Memorial High School, Worcester Public Schools, Ribbon Cutting | **2024**

Increased Funding for **Core Program** Projects

In the Commonwealth's FY24 Budget, the legislature took action to increase the Annual Cap to \$1.2 billion and removed grants related to the Accelerated Repair Program from the Annual Cap retroactive to FY23. As a result of this action, in August 2024, the MSBA Board of Directors voted to change the Authority's funding policy by increasing the eligible project costs to most effectively meet the needs of districts across the Commonwealth.



Financial Overview FY2023

For fiscal year 2023, the Authority's primary funding sources were the portion of the Commonwealth's state-wide sales tax revenue dedicated to the MSBA, interest and grant income.

The primary component of the Authority's expenditures for fiscal year 2023 was grant payments to cities, towns and regional school districts. On a cash basis, these grant payments totaled approximately \$580 million. The other major component of the Authority's expenditures resulted from the approximately \$588 million expended, on a cash basis, on debt service.

At the end of fiscal year 2004, according to data maintained under the former program and furnished to the Authority, the Commonwealth was reimbursing cities, towns and regional school districts for 728 previously approved projects, with the Commonwealth's estimated share of the borrowing and construction costs for these projects totaling approximately \$5.1 billion. In addition, according to data compiled under the former program and furnished to the Authority, approximately 428 school projects were maintained on a Waiting List for funding ("Waiting List projects"), with the Commonwealth's estimated share of the borrowing and construction costs for these projects totaling approximately \$5.5 billion. The amounts the Authority will ultimately fund for approved eligible project costs will be determined through an audit of the completed project conducted by the MSBA. These audits may increase or decrease the project cost estimates and will determine the actual amount to be reimbursed.

During fiscal year 2023, the Authority paid off the remaining balance of approximately \$7 million in Prior Grant projects. At the end of fiscal year 2023, the Authority's estimated remaining liabilities and commitments

totaled approximately \$5 million for Waiting List projects. The MSBA expects to fund its remaining share of approved eligible project costs for Annual Waiting List projects as scheduled through fiscal year 2024.

With the creation of the MSBA, new grant programs for school construction, renovation and repairs were established through which communities submit monthly requests for reimbursement in order to receive grants for approved projects. These "New Program" projects are funded via a progress payment method, and a liability is generally recognized once a grantee requests reimbursement from the MSBA. Outstanding grants for projects that have approved funding agreements with the MSBA, but for which eligible project costs have not been submitted, are considered commitments of the MSBA. As of June 30, 2023, MSBA had an outstanding liability of approximately \$210 million, and approximately \$1.7 billion in outstanding commitments, for the New Program projects. The Commonwealth dedicates a portion, or 1%, of the statewide sales tax (drawn from the existing statewide 6.25% sales tax), excluding sales tax revenues on meals and from certain additional statutorily exempted revenues from sales, to the School Modernization and Reconstruction Trust Fund (the "SMART Fund"), in support of these grant programs and for all other operations of the MSBA, including debt service.

*** The information above was derived from the Authority's audited financial statements for the fiscal year ending June 30, 2023. This information is provided for general information purposes only and is not intended to be the basis of and should not be relied upon in making an investment in the Authority's Bonds. The information set forth above is dated as of a certain date and has not been updated since that date, and the Authority disclaims any duty to provide an update of any information contained in this section.*

Financial Report Overview FY2023

Condensed Statement of Activities & Statement of Net Position*
(Amounts in thousands)

Condensed Statement of Activities

Revenues

Dedicated sales tax	\$	1,264,674
Intergovernmental revenues		1,283
Other income		66,821
Total revenues		1,332,778

Expenses

Grant payments to cities, towns and regional school districts		580,108
Operations, amortization and other expenses		15,927
Debt service interest		210,534
Pension expense		1,283
Total expenses		807,852

Change in Net Position	\$	524,926
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Condensed Statement of Net Position

Assets

Cash, cash equivalents and short-term investments	\$	1,185,108
Restricted funds and funds held by bond trustee		637,306
Sales tax due from Commonwealth		161,866
Interest receivable		4,778
Grant receivable		3,507
Loan receivable		56,175
Other assets		12,461
Total assets		2,061,201

Deferred outflows of resources

OPEB related		961
Loss on bond refunding		68,472
Total deferred outflows of resources		69,433

Total assets and deferred outflows of resources	\$	2,130,634
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Liabilities

Accounts payable	\$	928
Grants payable to cities, towns and regional school districts		209,682
Bonds payable and accrued interest		5,684,574
Bond premium		294,977
Other liabilities		11,900
Total liabilities		6,202,061

Deferred inflows of resources

OPEB related		1,652
Gain on bond refunding		18,077
Total deferred inflows of resources		19,729

Total liabilities and deferred inflows of resources		6,221,790
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Net deficit		(4,091,156)
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Total liabilities, deferred inflows of resources and net position	\$	2,130,634
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Waiting List and Prior Grants Project Summary

Total outstanding estimated Waiting List Grants as of July 1, 2022	\$	(15,698)
Total outstanding estimated Prior Grants as of July 1, 2022		(7,349)
Total outstanding Waiting List and Prior Grants as of July 1, 2022		(23,047)
Waiting List Grant payments/audit adjustments		10,729
Prior Grant payments/audit adjustments		7,349
Total grant payments/audit adjustments processed during FY2023		18,078
Total outstanding estimated Waiting List Grants as of June 30, 2023		(4,969)
Total outstanding estimated Prior Grants as of June 30, 2023		-
Total outstanding Waiting List and Prior Grants as of June 30, 2023		(4,969)

* - The Statement of Activities and Statement of Net Position are prepared on the full accrual basis of accounting, which focuses on changes in total economic resources. Under the full accrual basis of accounting, all long-term assets and long-term liabilities are incorporated into the financial statements.

Financial Overview FY2024

For fiscal year 2024, the Authority's primary funding sources were the portion of the Commonwealth's state-wide sales tax revenue dedicated to the MSBA, interest and grant income.

The primary component of the Authority's expenditures for fiscal year 2024 was grant payments to cities, towns and regional school districts. On a cash basis, these grant payments totaled approximately \$810 million. The other major component of the Authority's expenditures resulted from the approximately \$384 million expended, on a cash basis, on debt service.

At the end of fiscal year 2004, according to data maintained under the former program and furnished to the Authority, the Commonwealth was reimbursing cities, towns and regional school districts for 728 previously approved projects, with the Commonwealth's estimated share of the borrowing and construction costs for these projects totaling approximately \$5.1 billion. In addition, according to data compiled under the former program and furnished to the Authority, approximately 428 school projects were maintained on a Waiting List for funding ("Waiting List projects"), with the Commonwealth's estimated share of the borrowing and construction costs for these projects totaling approximately \$5.5 billion. The amounts the Authority will ultimately fund for approved eligible project costs will be determined through an audit of the completed project conducted by the Authority. These audits may increase or decrease the project cost estimates and will determine the actual amount to be reimbursed.

At the end of fiscal year 2024, the Authority has paid off the remaining balance of approximately \$5 million in Waiting List Projects.

With the creation of the MSBA, new grant programs for school construction, renovation and repairs were established through which communities submit monthly requests for reimbursement in order to receive grants for approved projects. These "New Program" projects are funded via a progress payment method, and a liability is generally recognized once a grantee requests reimbursement from the MSBA. Outstanding grants for projects that have approved funding agreements with the MSBA, but for which eligible project costs have not been submitted, are considered commitments of the MSBA.

As of June 30, 2024, MSBA had an outstanding liability of \$272 million, and \$2.5 billion commitments outstanding, for the New Program projects. The Commonwealth dedicates a portion, or 1%, of the statewide sales tax (drawn from the existing statewide 6.25% sales tax), excluding sales tax revenues on meals and from certain additional statutorily exempted revenues from sales, to the School Modernization and Reconstruction Trust Fund (the "SMART Fund"), in support of these grant programs and for all other operations of the MSBA, including debt service.

*** The information above was derived from the Authority's audited financial statements for the fiscal year ending June 30, 2024. This information is provided for general information purposes only and is not intended to be the basis of and should not be relied upon in making an investment in the Authority's Bonds. The information set forth above is dated as of a certain date and has not been updated since that date, and the Authority disclaims any duty to provide an update of any information contained in this section.*

Financial Report Overview FY2024

Condensed Statement of Activities & Statement of Net Position*
(Amounts in thousands)

Condensed Statement of Activities

Revenues

Dedicated sales tax	\$	1,247,278
Supplemental grant revenues		100,000
Intergovernmental revenues		2,028
Other income		101,060
Total revenues		1,450,366

Expenses

Grant payments to cities, towns and regional school districts		810,758
Operations, amortization and other expenses		17,455
Debt service interest and issuance related costs		190,027
Pension expense		2,028
Total expenses		1,020,268

Change in Net Position	\$	430,098
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Condensed Statement of Net Position

Assets

Cash, cash equivalents and short-term investments	\$	1,488,798
Restricted funds and funds held by bond trustee		644,649
Sales tax due from Commonwealth		156,030
Interest receivable		3,727
Grant receivable		3,507
Loan receivable		50,553
Other assets		21,738
Total assets		2,369,002

Deferred outflows of resources

OPEB related		1,412
Loss on bond refunding		64,424
Total deferred outflows of resources		65,836

Total assets and deferred outflows of resources	\$	2,434,838
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Liabilities

Accounts payable	\$	1,257
Grants payable to cities, towns and regional school districts		272,019
Bonds payable and accrued interest		5,508,497
Bond premium		274,516
Other liabilities		21,250
Total liabilities		6,077,539

Deferred inflows of resources

OPEB related		1,629
Gain on bond refunding		16,728
Total deferred inflows of resources		18,357

Total liabilities and deferred inflows of resources		6,095,896
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Net deficit		(3,661,058)
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Total liabilities, deferred inflows of resources and net position	\$	2,434,838
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Waiting List Grants Project Summary

Total outstanding estimated Waiting List Grants as of July 1, 2023	\$	(4,969)
Waiting List Grant payments/audit adjustments		4,969
Total outstanding estimated Waiting List Grants as of June 30, 2024		-

* - The Statement of Activities and Statement of Net Position are prepared on the full accrual basis of accounting, which focuses on changes in total economic resources. Under the full accrual basis of accounting, all long-term assets and long-term liabilities are incorporated into the financial statements.

MSBA Mission:

The Massachusetts School Building Authority partners with Massachusetts communities to support the design and construction of educationally appropriate, flexible, sustainable, and cost-effective public school facilities.



Massachusetts School Building Authority

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