

MASSACHUSETTS SCHOOL BUILDING AUTHORITY

Annual Report For the Year ended June 30, 2012

The Massachusetts School Building Authority (the “Authority”) submits this Annual Report for the fiscal year ended June 30, 2012, pursuant to the following:

- Continuing Disclosure Agreement dated as of August 17, 2005,
- the Continuing Disclosure Agreement dated as of March 27, 2007,
- the Continuing Disclosure Agreement dated as of December 22, 2009,
- the Continuing Disclosure Agreement dated as of June 24, 2010,
- the Continuing Disclosure Agreement dated as of July 28, 2011,
- the Continuing Disclosure Agreement dated as of November 3, 2011,
- the Continuing Disclosure Agreement dated as of August 16, 2012, and
- the Continuing Disclosure Agreement dated as of October 30, 2012

(together, the “Continuing Disclosure Agreements”) as executed and delivered by the Authority and The Bank of New York Mellon Trust Company, N.A., as successor Trustee, in connection with the issuance of the Authority’s Dedicated Sales Tax Bonds:

- 2005 Series A (the “2005A Bonds”),
- 2007 Series A (the “2007A Bonds”),
- 2009 Series A (the “2009A Bonds”),
- 2009 Series B (the “2009B Bonds”),
- 2010 Series A (the “2010A Bonds”),
- 2011 Series A (the “2011A Bonds”),
- 2011 Series B (the “2011B Bonds”),
- 2012 Series A (the “2012A Bonds”), and
- 2012 Series B (the “2012B Bonds” and, together with the 2005A Bonds, 2007A Bonds, 2009A Bonds, 2009B Bonds, 2010A Bonds, 2011A Bonds, and the 2012A Bonds, the “Bonds”), respectively.

Pursuant to section 4(i) of the Continuing Disclosure Agreements, the following information is the quantitative information for the preceding fiscal year (FY12) of the type presented in the table titled “HISTORICAL COMMONWEALTH SALES TAX RECEIPTS”:

Fiscal Year	Sales Tax Receipts [1][2]	Applicable % of Sales Tax Receipts [2]	% Increase/ (Decrease)
FY2012	\$4,190,557,744	\$670,494,063	2.4

[1] Total sales tax receipts after reimbursements and abatement, less the Statutorily Exempted Revenue. See “DEDICATED SALES TAX REVENUE AMOUNT -- Dedicated Sales Tax Revenue Amount” in the Official Statement for the 2012B Bonds dated October 12, 2012 (the “Official Statement”). **Additionally, subsequent to the issuance of the 2012B Bonds, the Massachusetts Executive Office for Administration and Finance revised the estimated Fiscal Year 2013 Sales Tax Receipts as follows:**

Fiscal Year	Estimated Sales Tax Receipts [2][3]	Applicable % of Sales Tax Receipts [2][3]	% Increase/ (Decrease)
FY2013	\$4,264,399,387	\$682,303,902	1.8

[2] Source: Massachusetts Department of Revenue.

[3] Amounts for Fiscal Year 2013 are based on the Commonwealth’s tax revenue estimate of \$21.496 billion, which was revised from \$22.011 billion GAA estimate by Executive Office for Administration and Finance on December 4, 2012 (The GAA estimate of \$22.011 billion was reflecting the January 12, 2012 consensus tax revenue estimate of

\$21.950 billion, as adjusted for the impact of revenue initiatives included in the Commonwealth's Fiscal Year 2013 budget, including the impact of a subsequently enacted two-day sales tax holiday in August, 2012). Preliminary Fiscal Year-to-date collections through November 30, 2012 are approximately \$1.760 billion (unaudited), as compared to approximately \$1.722 billion (unaudited) for the same period in Fiscal Year 2012.

There is no change to the "AGGREGATE DEBT SERVICE REQUIREMENTS" table as it appears in the Official Statement relating to the 2012B Bonds, dated October 12, 2012, and the table, as it so appears, is incorporated in this Annual Report by reference.

Pursuant to section 4(ii) of the Continuing Disclosure Agreements, the audited financial statements of the Massachusetts School Building Authority for the fiscal year ended June 30, 2012 are attached hereto as **Exhibit A**.

CUSIP NUMBERS*

This Annual Report relates to Bonds issued by the Authority. The records available to the Authority indicate that the Bonds have the following six-digit issuer identification CUSIP number:

576000

* The Authority is not a subscriber to the CUSIP Service Bureau and has no means to verify the accuracy of these CUSIP numbers or to determine if such numbers have changed as a result of events in the secondary market. In accordance with the terms of the Bonds, failure to use CUSIP numbers in any notice to bondholders, or any error or omission with respect thereto, does not constitute an event of default or any similar violation by the Authority with respect to the Bonds.

The Authority acknowledges the copyright position of Standard & Poor's and the American Bankers Association with respect to CUSIP numbers and the CUSIP numbering system.

DISCLAIMER

All information contained herein has been furnished or obtained by the Authority from sources believed to be accurate and reliable. The information contained in this Annual Report is subject to change without notice and delivery of this information shall not, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof. Reference should be made to the Official Statement and the operative documents for the Bonds for a full and complete statement of the terms of the Bonds.

THIS IS NOT AN OFFERING DOCUMENT

The information in this Annual Report relates to the Authority's Bonds that have been sold and distributed in an underwritten public offering as described in the Official Statement. Each reader of the information contained herein acknowledges that (i) the Authority is not now by this report offering any bonds or other securities, nor soliciting an offer to buy any securities, (ii) this information is not to be construed as any description of the Authority or its programs in conjunction with any offering of bonds or securities of the Authority - such offerings are only made pursuant to the appropriate official statement of the Authority - nor shall anyone assume from the availability of the following information that the affairs of the Authority (or its programs) have not changed since the date of this information (iii) no representation is made as to the propriety or legality of any secondary market trading of the Bonds by anyone in any

jurisdiction and (iv) the Authority does not hereby obligate itself in any manner to periodically or otherwise update this information.