EXHIBIT 3
SAMPLE

GREAT FALLS PUBLIC SCHOOL (GFPS)
NARRATIVE OF FINANCIAL PRO FORMA METHODOLOGY
AS OF FEBURARY 15, 2011

Objective of pro forma analysis
Determine how much capital each of the two districts (High School and Elementary) within GFPS could afford to borrow based on 10yr and 15yr repayment terms; the 10- and 15-yr repayment terms reflect current and potential (pending legislation) future statutory restrictions, respectively.

Assumptions
Project cost – as a result of completing an Investment Grade Analysis (IGA), McKinstry has furnished GFPS with a Guaranteed Maximum (GMAX) cost contract; these figures were included in the financial pro forma
Guaranteed cost savings – following completion of the IGA, McKinstry's mechanical and energy engineers calculated the resulting cost savings GFPS will realize associated with each Energy Conservation Measure (ECM); McKinstry guarantees projected energy savings will materialize
Interest rate – determined based on actual proposal provided by several lenders that responded to a competitive finance RFP; because the envisioned debt vehicle is subsidized by the Federal government, GFPS will benefit from a very low interest rate (effectively, ~1-2%)
Amortization – given the high likelihood that energy costs will escalate, GFPS chose to escalate repayment terms over time to more closely resemble the savings they will realize relative to baseline energy consumption; as energy costs rise, GFPS will benefit (ie – save more money) from escalating energy prices as a result of saving energy.
GFPS capital contributions – GFPS is prepared to contribute up to $3.5M from its General Fund towards retrofitting numerous buildings through both School Districts to replace failing infrastructure

Methodology
Uses – it is contemplated that GFPS will issue Qualified School Construction Bonds (QSCBs) via Montana Board of Investment (BOI) to pay McKinstry for retrofitting its facilities
Sources – several sources were identified to repay debt obligations including energy (both operational and utility) savings (to repay debt), District capital contributions from any legally available funds (to repay debt), and the District's operating budget (to pay the annual Measurement and Verification costs to validate savings and maintain McKinstry's savings guarantee).

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Project	Great Falls Public Schools
Customer	Cheryl Crawley - Superintendent
Scenario	ESPC Projects - 15 Years
Date	1/7/2011

Table 4.2 - ECM Summary Report

ECM Name	GMAX Cost *	Annual Utility Savings	Annual Operational Savings **	Potential Incentives ***	Net Customer Cost (after Incentives)	Capital Infusion	Simple Payback (after capital infusion)	Return on Investment (1/SPB)
ECM 1 GFPS: Lighting	$1,246,669	$53,512	$8,447	$58,413	$1,188,256			
ECM 2 GFPS: Water	$798,211	$45,444	$3,050	$0	$798,211			
ECM 3 GFPS: Digital Control Additions	$3,377,992	$89,137	$27,952	$7,452	$3,370,540			
ECM 4 GFPS: Dual Duct Conversions	$625,003	$17,851	$0	$28,463	$596,541			
ECM 5 GFPS: Boiler Optimization	$184,630	$9,942	$0	$0	$184,630			
ECM 6 GFPS: Boiler Additions	$0	$0	$0	$0	$0			
ECM 7 GFPS: Window/Glazing/Shade Upgrades	$0	$0	$0	$0	$0			
ECM 8 GFPS: Heating & Ventillation Improvements to Introduce Outside Air	$1,577,786	$2,028	$0	$0	$1,577,786			
ECM 9 GFPS: East Middle School D-Wing Insulation	$0	$0	$0	$0	$0			
ECM 10 GFPS: Weather-Stripping on Exterior Doors	$98,381	$4,236	$0	$0	$98,381			
ECM 11 GFPS: Pipe & Tank Insulation	$290,559	$15,828	$0	$0	$290,559			
ECM 12 GFPS: Pool Cover - Chemical	$62,708	$8,365	$0	$0	$62,708			
ECM 13 GFPS: PC Power Management	$11,547	$10,585	$0	$0	$11,547			
Grand Total	**$8,273,487**	**$256,928**	**$39,449**	**$94,328**	**$8,179,160**	**$3,475,155**	**15.87**	**6.30%**

* Since professional services and other costs are distributed among the ECMs, the total project cost will not go up or down by exactly the amounts shown here if the final ECM selection is
** Operational savings are included in the cash flows (Tables 4.3a and 4.3b) for only 5 years.
*** Incentives are contingent on final approval of the project by the utility company and McKinstry does not guarantee the value of utility incentives

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Table 4.3a - Cash Flow Analysis (Upfront Payment)

Project	Great Falls Public Schools
Customer	Cheryl Crawley - Superintendent
Scenario	ESPC Projects - 15 Years
Date	1/7/2011

QSCB Financing Assumptions:		Project Assumptions		Other Assumptions:	
Total Project Cost	$8,273,487	Total Contributed Capital	$3,475,155	Annual Utility Rate Increase	3.5%
Financed Project Cost	$4,751,045	Total Rebate	$94,328	Annual Operational Savings Increase	3.0%
Rate of Financing	*1.00%*	Total Financing Costs	$47,040	Service Agreement/M&V Cost Increases	3.0%

Year:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
Operational Sources Available to Repay Obligation:																
Estimated Project Savings																
Energy Savings	$ 256,616	$ 265,598	$ 274,894	$ 284,515	$ 294,473	$ 304,780	$ 315,447	$ 326,488	$ 337,915	$ 349,742	$ 361,983	$ 374,652	$ 387,765	$ 401,337	$ 415,383	$ 4,951,586
Operational Savings - Capital Cost Avoidance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operational Savings - Repair Parts	$ 39,449	$ 40,632	$ 41,851	$ 43,107	$ 44,400	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 209,439
Op. Svgs. - Continuous Commissioning (KRC)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Project Savings	$ 296,065	$ 306,230	$ 316,745	$ 327,622	$ 338,873	$ 304,780	$ 315,447	$ 326,488	$ 337,915	$ 349,742	$ 361,983	$ 374,652	$ 387,765	$ 401,337	$ 415,383	$ 5,161,025
Less: Est. M&V Cost	*Incl.*	*Incl.*	*Incl.*	*Incl.*	*$ 40,000*	*$ 41,200*	*$ 42,436*	*$ 43,709*	*$ 45,020*	*$ 46,371*	*$ 47,762*	*$ 49,195*	*$ 50,671*	*$ 52,191*	*$ 53,757*	$ 512,312
Add: Customer Contribution	$ -	$ -	$ -	$ -	$ 40,000	$ 41,200	$ 42,436	$ 43,709	$ 45,020	$ 46,371	$ 47,762	$ 49,195	$ 50,671	$ 52,191	$ 53,757	$ 512,312
Total Operational Sources Available to Repay Obligation	$ 296,065	$ 306,230	$ 316,745	$ 327,622	$ 338,873	$ 304,780	$ 315,447	$ 326,488	$ 337,915	$ 349,742	$ 361,983	$ 374,652	$ 387,765	$ 401,337	$ 415,383	$ 5,161,025
Financing 1 - QSCB:																
Estimated Interest Rate *1.00%* *eff. int. rate*	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
Beginning Balance	$ 4,751,045	$ 4,502,490	$ 4,241,285	$ 3,966,953	$ 3,679,001	$ 3,376,918	$ 3,105,907	$ 2,821,519	$ 2,523,247	$ 2,210,565	$ 1,882,929	$ 1,539,776	$ 1,180,521	$ 804,562	$ 411,271	
Interest	$ 47,510	$ 45,025	$ 42,413	$ 39,670	$ 36,790	$ 33,769	$ 31,059	$ 28,215	$ 25,232	$ 22,106	$ 18,829	$ 15,398	$ 11,805	$ 8,046	$ 4,113	$ 409,980
Principal	$ 248,555	$ 261,205	$ 274,332	$ 287,952	$ 302,083	$ 271,010	$ 284,388	$ 298,272	$ 312,682	$ 327,636	$ 343,153	$ 359,254	$ 375,960	$ 393,291	$ 411,271	$ 4,751,045
Total Payments	$ 296,065	$ 306,230	$ 316,745	$ 327,622	$ 338,873	$ 304,780	$ 315,447	$ 326,488	$ 337,915	$ 349,742	$ 361,983	$ 374,652	$ 387,765	$ 401,337	$ 415,383	
Ending Balance	$ 4,502,490	$ 4,241,285	$ 3,966,953	$ 3,679,001	$ 3,376,918	$ 3,105,907	$ 2,821,519	$ 2,523,247	$ 2,210,565	$ 1,882,929	$ 1,539,776	$ 1,180,521	$ 804,562	$ 411,271	$ -	

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Table 4.3b - Cash Flow Analysis (Balloon Payment)

Project	Great Falls Public Schools
Customer	Cheryl Crawley - Superintendent
Scenario	ESPC Projects - 15 Years
Date	1/7/2011

QSCB Financing Assumptions:		Project Assumptions		Other Assumptions:	
Total Project Cost	$8,273,487	Total Contributed Capital		Annual Utility Rate Increase	3.5%
Financed Project Cost	$8,260,951	Total Rebate	$94,328	Annual Operational Savings Increase	3.0%
Rate of Financing	*1.00%*	Total Financing Costs	$81,792	Service Agreement/M&V Cost Increases	3.0%

Year:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
Operational Sources Available to Repay Obligation:																
Estimated Project Savings																
Energy Savings	$ 256,616	$ 265,598	$ 274,894	$ 284,515	$ 294,473	$ 304,780	$ 315,447	$ 326,488	$ 337,915	$ 349,742	$ 361,983	$ 374,652	$ 387,765	$ 401,337	$ 415,383	$ 4,951,586
Operational Savings - Capital Cost Avoidance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operational Savings - Repair Parts	$ 39,449	$ 40,632	$ 41,851	$ 43,107	$ 44,400	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 209,439
Op. Svgs. - Continuous Commissioning (KRC)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Project Savings	$ 296,065	$ 306,230	$ 316,745	$ 327,622	$ 338,873	$ 304,780	$ 315,447	$ 326,488	$ 337,915	$ 349,742	$ 361,983	$ 374,652	$ 387,765	$ 401,337	$ 415,383	$ 5,161,025
Less: Est. M&V Cost	*Incl.*	*Incl.*	*Incl.*	*Incl.*	*$ 40,000*	*$ 41,200*	*$ 42,436*	*$ 43,709*	*$ 45,020*	*$ 46,371*	*$ 47,762*	*$ 49,195*	*$ 50,671*	*$ 52,191*	*$ 53,757*	$ 512,312
Add: Customer Contribution	$ -	$ -	$ -	$ -	$ 40,000	$ 41,200	$ 42,436	$ 43,709	$ 45,020	$ 46,371	$ 47,762	$ 49,195	$ 50,671	$ 52,191	$ 53,757	$ 512,312
Total Operational Sources Available to Repay Obligation	$ 296,065	$ 306,230	$ 316,745	$ 327,622	$ 338,873	$ 304,780	$ 315,447	$ 326,488	$ 337,915	$ 349,742	$ 361,983	$ 374,652	$ 387,765	$ 401,337	$ 415,383	$ 5,161,025
Financing 1 - QSCB:																
Estimated Interest Rate *1.00%* *eff. int. rate*	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
Beginning Balance	$ 8,260,951	$ 8,047,496	$ 7,821,741	$ 7,583,213	$ 7,331,424	$ 7,065,865	$ 6,831,744	$ 6,584,614	$ 6,323,973	$ 6,049,298	$ 5,760,049	$ 5,455,667	$ 5,135,572	$ 4,799,163	$ 4,445,818	
Interest	$ 82,610	$ 80,475	$ 78,217	$ 75,832	$ 73,314	$ 70,659	$ 68,317	$ 65,846	$ 63,240	$ 60,493	$ 57,600	$ 54,557	$ 51,356	$ 47,992	$ 44,458	$ 974,966
Principal	$ 213,455	$ 225,755	$ 238,528	$ 251,790	$ 265,559	$ 234,121	$ 247,129	$ 260,641	$ 274,675	$ 289,249	$ 304,382	$ 320,095	$ 336,409	$ 353,345	$ 370,925	$ 4,186,059
Total Payments	$ 296,065	$ 306,230	$ 316,745	$ 327,622	$ 338,873	$ 304,780	$ 315,447	$ 326,488	$ 337,915	$ 349,742	$ 361,983	$ 374,652	$ 387,765	$ 401,337	$ 415,383	
Ending Balance	$ 8,047,496	$ 7,821,741	$ 7,583,213	$ 7,331,424	$ 7,065,865	$ 6,831,744	$ 6,584,614	$ 6,323,973	$ 6,049,298	$ 5,760,049	$ 5,455,667	$ 5,135,572	$ 4,799,163	$ 4,445,818	$ 4,074,893	