

To: Board of Directors  
Massachusetts School Building Authority

From: John K. McCarthy  
Executive Director

Subject: Results of the MSBA's FY12 Audit

Date: November 8, 2012

I am pleased to report that the MSBA's external auditor, KPMG, has completed their audit of the MSBA's fiscal year 2012 financial statements. KPMG has issued a "clean opinion" in the audit of MSBA financial statements, as of and for the year ended June 30, 2012. KPMG has determined that the 2012 financial statements are presented fairly in accordance with GAAP (Generally Accepted Accounting Principles), and do not contain any material weaknesses. The auditors will not be issuing a management letter.

Each year since the MSBA's inception in 2004, KPMG has issued a clean opinion on the MSBA's financial statements. Each annual audit of the MSBA's financial statements has found:

- No material weaknesses involving internal control over financial reporting and its operation;
- No disagreements between management and KPMG, and
- No significant audit adjustments affecting the financial reporting process.

KPMG will present the results of the fiscal year 2012 audit at the next meeting of the Administration, Operations and Finance Subcommittee. This presentation will include certain required communications to the Board. Attached, please find a copy of the audited fiscal year 2012 financial statements.