

To: Administration, Operations and Finance Subcommittee,
Massachusetts School Building Authority

From: John K. McCarthy
Executive Director

Subject: Results of the MSBA's FY13 Audit

Date: November 13, 2013

I am pleased to report that the MSBA's external auditor, KPMG, has completed their audit of the MSBA's fiscal year 2013 financial statements. KPMG has issued a "clean opinion" in the audit of MSBA financial statements, as of and for the year ended June 30, 2013. KPMG has determined that the 2013 financial statements are presented fairly in accordance with GAAP (Generally Accepted Accounting Principles), and do not contain any material weaknesses.

KPMG's audit of the MSBA's financial statements has found:

- No material weaknesses involving internal control over financial reporting and its operation;
- No significant audit adjustments affecting the financial reporting process;
- No disagreements between management and KPMG and no difficulties encountered performing the audit, and
- No instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

KPMG presented the results of the fiscal year 2013 audit at the October 22, 2013 meeting of the Administration, Operations and Finance Subcommittee. Attached, please find a copy of the audited fiscal year 2013 financial statements.