

**LOCAL GOVERNMENT INVESTMENT POOL  
VIRGINIA COLLEGE BUILDING AUTHORITY  
VIRGINIA PUBLIC BUILDING AUTHORITY  
VIRGINIA PUBLIC SCHOOL AUTHORITY**

**REPORT ON AUDIT  
FOR THE YEAR ENDED  
JUNE 30, 2011**



## **AUDIT SUMMARY**

We have audited the basic financial statements of the following entities as of and for the year ended June 30, 2011, and have issued our reports thereon dated November 28, 2011. Our reports, included in the Entities' Annual Reports, are available at the Auditor of Public Accounts' website at [www.apa.virginia.gov](http://www.apa.virginia.gov) and at the Department of the Treasury's website at [www.trs.virginia.gov](http://www.trs.virginia.gov).

- Local Government Investment Pool
- Virginia College Building Authority
- Virginia Public Building Authority
- Virginia Public School Authority

The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing. Our audit of the Entities found:

- the financial statements are presented fairly, in all material respects;
- no material weaknesses in internal control over financial reporting; and
- no instances of noncompliance or other matters required to be reported under Government Auditing Standards.

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# Commonwealth of Virginia

## Auditor of Public Accounts

Walter J. Kucharski  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

November 28, 2011

The Honorable Robert F. McDonnell  
Governor of Virginia

The Virginia Treasury Board and Local  
Government Investment Pool Participants

The Honorable Charles J. Colgan  
Chairman, Joint Legislative Audit  
And Review Commission

Board of Directors of:  
Virginia College Building Authority  
Virginia Public Building Authority  
Virginia Public School Authority

### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

We have audited the basic financial statements of the following entities as of and for the year ended June 30, 2011, and have issued our reports thereon dated November 28, 2011.

- Local Government Investment Pool
- Virginia College Building Authority
- Virginia Public Building Authority
- Virginia Public School Authority

Our reports, included in the Entities' Annual Reports, are available at the Auditor of Public Accounts' website at [www.apa.virginia.gov](http://www.apa.virginia.gov) and at the Department of the Treasury's website at [www.trs.virginia.gov](http://www.trs.virginia.gov). We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

Management of the Department of the Treasury is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered each Entity's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entities' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Entities' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of control deficiencies,

in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether each Entity's financial statements are free of material misstatement, we performed tests of each Entity's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

#### Report Distribution and Exit Conference

The "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters" is intended solely for the information and use of the Governor and General Assembly of Virginia, the Entities' Boards and management, and Local Government Investment Pool participants, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

We discussed this report with management on December 1, 2011, with a formal exit conference to be held at a later date.

AUDITOR OF PUBLIC ACCOUNTS

EMS:alh

## BOARD OFFICIALS

As of June 30, 2011

### VIRGINIA COLLEGE BUILDING AUTHORITY

Anne C. H. Conner, Chairman  
Jefferson S. Cooper, Vice-Chairman  
Vinod B. Agarwal  
Allison Cryor DiNardo  
Bryce E. Reeves  
Joseph S. Testa  
John R. Vogt

#### EX-OFFICIO

Manju S. Ganeriwala, State Treasurer  
David A. Von Moll, State Comptroller  
Daniel S. Timberlake, Director, Department of Planning and Budget  
Peter A. Blake, Interim Executive Director, State Council of Higher Education for Virginia

### VIRGINIA PUBLIC BUILDING AUTHORITY

Sara B. Williams, Chairman  
Sharon M. McDonald, Vice-Chairman  
James H. Flinchum  
F. Dudley Fulton  
Robert C. Maddux

#### EX-OFFICIO

Manju S. Ganeriwala, State Treasurer  
David A. Von Moll, State Comptroller

### VIRGINIA PUBLIC SCHOOL AUTHORITY

Brenda L. Skidmore, Chairman  
Woodrow W. Mullins, Jr., Vice-Chairman  
Ben Loyola  
Kanchana K. Thamodaran

#### EX-OFFICIO

Manju S. Ganeriwala, State Treasurer  
David A. Von Moll, State Comptroller  
Dr. Patricia I. Wright, Superintendent of Public Instruction