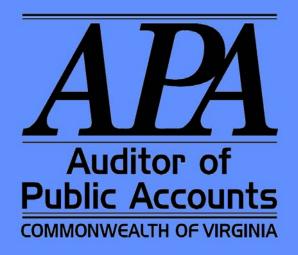
VIRGINIA COLLEGE BUILDING AUTHORITY VIRGINIA PUBLIC BUILDING AUTHORITY VIRGINIA PUBLIC SCHOOL AUTHORITY

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 and at the Department of the Treasury's website at 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 <u>Government Auditing Standards</u>.

-TABLE OF CONTENTS-

AUDIT SUMMARY	Pages
INDEPENDENT AUDITOR'S REPORT Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters BOARD OFFICIALS	1-2



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 Honorable Charles J. Colgan Chairman, Joint Legislative Audit And Review Commission The Virginia Treasury Board and Local Government Investment Pool Participants

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 and at the Department of the Treasury's website at 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 <u>Government Auditing Standards</u>.

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