

VIRGINIA PUBLIC SCHOOL AUTHORITY

FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDING JUNE 30, 2011



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VIRGINIA PUBLIC SCHOOL AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

This section of the annual financial report of the Virginia Public School Authority (the "Authority") presents an analysis of the Authority's financial performance during the fiscal year that ended on June 30, 2011. This information should be considered in conjunction with the information contained in the financial statements, which follow this section.

Authority Activities and Highlights

The Virginia Public School Authority, created by Chapter 11, Title 22.1, *Code of Virginia*, 1950, as amended, provides financing to localities under its pooled bond program. Under the program, the Authority issues its bonds and uses the proceeds to purchase a "pool" of general obligation bonds from localities (the "Local Issuers"). Each Local Issuer uses the proceeds for the purpose of financing capital projects for public schools.

The Authority's 1997 Resolution, adopted on October 23, 1997, serves as the primary instrument under which the Authority issues bonds for its pooled bond program. The 1997 Resolution bonds are secured first by payments from Local Issuers on their local school bonds; second, from amounts obtained under the State Aid Intercept Provision under which the Authority can intercept state appropriations to the locality; and third, from a sum sufficient appropriation. The sum sufficient appropriation is first from available Literary Fund monies and then from the Commonwealth's General Fund.

Also under its pooled bond program, the Authority has issued Qualified School Construction Bonds under a Master Indenture of Trust dated of October 1, 2009. Qualified School Construction Bonds are tax credit bonds established under the American Recovery and Reinvestment Act of 2009 (ARRA), under which the bondholder receives a federal tax credit in lieu of interest. These bonds are secured by payments from Local Issuers on their general obligation local school bonds, then from amounts obtained through the State Aid Intercept Provision, and then from any amounts received by the Authority pursuant to any current Appropriation Act Provision. During the fiscal year, the Authority issued a total of \$261,915,000 in pooled bonds under these two programs.

In addition to its pooled bond program, the Authority also issues special obligation bonds under its stand-alone program and its equipment program. Bonds issued under the stand-alone program are secured solely by the local school bonds purchased from one or more specific localities. The Authority acts as a conduit issuer under the stand-alone program. Under the Equipment Notes Program, the Authority issues obligations to finance technology equipment purchases for local public school systems within the Commonwealth. These obligations are payable from, or otherwise secured by, the assets and income of the Literary Fund and now benefit from a sum sufficient appropriation from the Commonwealth's General Fund. The Authority issued \$51,925,000 under the educational technology equipment note program. No stand-alone bonds were issued during the year.

Overview of the Financial Statements

This discussion and analysis is an introduction to the Authority's basic financial statements, which are comprised of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements. The Authority is not required to present government-wide financial statements since all of its activity is reported in an enterprise fund, which would not

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

change in measurement focus (economic resources) or basis of accounting (accrual) for government-wide statements.

The financial statements of the Authority offer short- and long-term financial information about its activities. The Statement of Net Assets provides information about the nature and amounts of the Authority's cash, investments, and receivables (assets) and its obligations to creditors (liabilities). All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Assets. This statement measures whether the Authority successfully recovered all its costs through investment earnings, bond proceeds, appropriations from the Commonwealth, and the collection of receivables. The Statement of Cash Flows provides information on the Authority's cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financial activities.

Financial Analysis of the Authority

The Authority provides a vehicle for financing capital projects for primary and secondary public schools in the Commonwealth's counties, cities and towns. On local school bonds held by the Authority that were issued prior to March 26, 2009, localities pay interest 10 basis points (0.10%) above the rates paid by the Authority on corresponding maturities of its bonds. As a result of a policy change made by the Authority on March 26, 2009, local school bonds held by the Authority issued subsequent to March 26, 2009 and through June 30, 2012, pay interest 5 basis points (0.05%) above the rates paid by the Authority on corresponding maturities of its bonds. This revenue is deposited to the Authority's General Fund and used to pay the operating costs attributable to its financing programs, including costs of issuance and administration, such as rebate compliance expenses. The Department of the Treasury provides staff support for the Authority. The Authority owns no capital assets.

**Condensed Statement of Net Assets
(in millions)**

	Enterprise Fund	
	2011	2010
Current assets	\$ 12	\$ 11
Noncurrent assets	3,477	3,504
Total Assets	3,489	3,515
Current Liabilities	407	388
Noncurrent liabilities	3,104	3,152
Total Liabilities	3,511	3,540
Net assets:		
Unrestricted	(22)	(25)
Total net assets	\$ (22)	\$ (25)

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

Total assets decreased during the year by \$26 million, or 0.7 percent. This is primarily due to a \$44 million decrease in local school bonds outstanding, a \$22 million increase in interest receivable, a \$4 million decrease in amounts due from the Literary Fund, and small increases in other categories. Total liabilities decreased by \$29 million, or 0.8 percent, during the same period as a result of a decrease in outstanding bonds and notes payable (\$24 million), a decrease in amounts due to localities (\$2 million), a decrease in interest payable (\$2 million), and small decreases in other categories. Accordingly, a decrease of \$3 million is reflected in net assets.

Deficit net assets on the Authority's statements result from the effect of passing on refunding savings to localities prior to the Authority's full realization of the savings from the refunding transaction. As further explained in the Notes to the Financial Statements, this situation has occurred as a result of Authority's desire to provide maximum benefit to the localities with minimal burden.

Condensed Statement of Changes in Net Assets
(in millions)

	Enterprise Fund	
	2011	2010
Revenues:		
Operating revenues:		
Charges for Services	\$ 148	\$ 143
Non-operating revenues:		
Investment earnings	2	1
Total revenues	150	144
Expenses:		
Interest on long-term debt	148	161
Other	4	4
Total expenses	152	165
Transfers	5	(4)
Change in net assets	3	(25)
Net assets July 1	(25)	-
Net assets June 30	\$ (22)	\$ (25)

Debt Administration

As a financing entity, the whole business of the Authority is debt administration. The Authority issues bonds, pursuant to its pooled bond programs, to finance capital projects approved by the local governing bodies of counties, cities, and towns of the Commonwealth of Virginia. Such bonds are secured by general obligation bonds of the participating local issuers, which provide payment of principal and interest when due. Obligations issued pursuant to the technology notes programs, in conjunction with the Board of Education, are paid from, and secured by, appropriations made from the Literary Fund. The following table summarizes bond issuance activity during the year under each program:

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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

**Summary of Authority Bond Obligations
(in millions)**

	Outstanding at 6/30/10 *	Issued During Year	Retired During Year	Outstanding at 6/30/11 *
Pooled Bond Programs	\$ 3,040	\$ 262	\$ (275)	\$ 3,027
Technology Notes Programs	169	52	(56)	165
Special Obligation Bonds	156	-	(5)	151
Total	\$ 3,365	\$ 314	\$ (336)	\$ 3,343

* Excludes deferral on debt defeasance.

The Authority obtains bond ratings from Moody's Investors Service (Moody's), Standard and Poor's Rating Service (S&P) and Fitch Ratings, Inc. (Fitch). The table below summarizes the ratings on outstanding Authority bonds.

Virginia Public School Authority Bond Ratings

	Moody's	S&P	Fitch
Pooled Bond Programs ¹	Aa1	AA+	AA+
School Educational Technology Notes	Aa1	AA+	AA+

¹ 1997 Resolution Bonds

Since the Authority's bond programs are either backed by state appropriations (School Educational Technology Notes Program) or carry the credit support of the State Aid Intercept Provision (Pooled Bond Program), the bond ratings are a direct reflection of the Commonwealth's triple-A rating from each of the three rating agencies.

Future Impact to Financial Position

In October 2011, the Authority issued its \$85.7 million School Financing Series 2011 B bonds. The Authority also anticipates issuing its \$175 million School Tax Credit Qualified School Construction Bonds Series 2011-2 in November 2011 to purchase certain general obligation local school bonds to finance capital projects for public schools.

VIRGINIA PUBLIC SCHOOL AUTHORITY
STATEMENT OF NET ASSETS (Unaudited)
As of June 30, 2011

ASSETS

Current assets:

Cash and cash equivalents (Note 2A)	\$ 12,612,938
Interest receivable	<u>60</u>
Total current assets	<u>12,612,998</u>

Noncurrent assets:

Restricted cash and cash equivalents (Note 2A)	81,273,334
Loans to localities:	
Local school bonds (Note 2B)	3,163,740,757
Interest receivable	67,039,661
Due from Literary Fund (Note 2D)	<u>164,790,000</u>
Total noncurrent assets	<u>3,476,843,752</u>
Total assets	<u>3,489,456,750</u>

LIABILITIES

Current liabilities:

Accounts payable	<u>917,380</u>
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Current liabilities payable from restricted assets:

Interest payable	59,513,186
Accrued interest sold	20,387
Due to localities (Note 2D)	70,850,610
Notes payable (Notes 2C and 2D)	55,645,000
Bonds payable (net of interest deferral) (Notes 2C and 2G)	209,624,400
Premium on bonds sold	<u>10,823,333</u>
Total current liabilities payable from restricted assets	<u>406,476,916</u>

Noncurrent liabilities payable from restricted assets:

Notes payable (Notes 2C and 2D)	109,145,000
Bonds payable (net of interest deferral) (Notes 2C and 2G)	2,884,489,463
Premium on bonds sold	<u>110,511,031</u>
Total noncurrent liabilities payable from restricted assets	<u>3,104,145,494</u>

Total liabilities	<u>3,511,539,790</u>
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NET ASSETS

Unrestricted	<u>(22,083,040)</u>
Total net assets (Note 2J)	<u>\$ (22,083,040)</u>

The accompanying notes to the financial statements are an integral part of this statement.

VIRGINIA PUBLIC SCHOOL AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES (Unaudited)
IN FUND NET ASSETS
For the Year Ended June 30, 2011

Operating Revenues:	
Interest on:	
Local school bonds	\$ 148,198,131
Cash equivalents	174,514
Premium on bonds sold	225,099
Rebate and penalty payments received from the Literary Fund (Note 2I)	582,854
Other	<u>939,766</u>
Total Operating Revenues	<u>150,120,364</u>
Operating Expenses:	
Interest on bonds	148,379,773
Financial advisor fees	235,017
Legal fees	378,501
Bond rating fees	247,470
Printing and electronic distribution	20,960
Board expenses	602
Staffing expenses	135,381
Underwriters' discount	573,986
Rebate and penalty payments and calculation fees (Note 2I)	1,592,619
Other	<u>450,687</u>
Total Operating Expenses	<u>152,014,996</u>
Operating Loss	<u>(1,894,632)</u>
Nonoperating Transfers:	
Transfers from Literary Fund (Note 2H)	5,219,463
Transfer to the General Fund of the Commonwealth (Note 2H)	<u>(201,000)</u>
Total Nonoperating Transfers	<u>5,018,463</u>
Change in Net Assets	3,123,831
Net Assets, July 1, 2010	<u>(25,206,871)</u>
Net Assets, June 30, 2011 (Note 2J)	<u><u>\$ (22,083,040)</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

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STATEMENT OF CASH FLOWS (Unaudited)

For the Year Ended June 30, 2011

Cash flows from operating activities:	
Interest on cash equivalents	\$ 174,476
Purchase of local school bonds	(176,405,000)
Principal received on local school bonds	208,994,958
Interest received on local school bonds	137,122,408
Payments to vendors for goods and services	(1,486,664)
Payments received from the Literary Fund	63,510,236
Other operating revenues	<u>939,766</u>
Net cash used by operating activities	<u>232,850,180</u>
Cash flows from noncapital financial activities:	
Proceeds from the sale of bonds	313,840,000
Good faith deposit on future bond closing	(730,000)
Principal paid on VPSA bonds	(252,075,000)
Interest paid on VPSA bonds	(152,024,917)
Premium on bonds sold	17,322,133
Underwriters' discount	(662,259)
Accrued interest sold	18,162
Transfers from the Literary Fund	582,854
Transfer to the General Fund of the Commonwealth	(201,000)
Transfers to the Literary Fund	(2,580,492)
Payments to localities (Education Technology Notes)	(58,802,232)
Payments to escrow agent	(96,882,365)
Rebate and penalty payments and calculation fees	<u>(863,246)</u>
Net cash provided by noncapital financing activities	<u>(233,058,362)</u>
Cash flows from investing activities:	
Interest on investments	<u>21,321</u>
Net cash provided by investing activities	<u>21,321</u>
Net decrease in cash and cash equivalents	(186,861)
Cash and cash equivalents, July 1, 2010	<u>94,073,133</u>
Cash and cash equivalents, June 30, 2011	<u><u>\$ 93,886,272</u></u>

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Reconciliation of operating loss to net cash used by operating activities:

Operating loss	<u>\$ (1,894,632)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Increase in interest receivable	(22,155,608)
Increase in accounts payable	710,962
Decrease in interest payable	(2,375,866)
Rebate and penalty payments received from the Literary Fund	(582,854)
Payments from the Literary Fund	63,510,236
Principal received on local school bonds	208,994,958
Purchase of local school bonds	(176,405,000)
Rebate and penalty payments to the Internal Revenue Service	863,246
Amortization of premium	(11,907,578)
Underwriters' discount	573,986
Premium on bonds sold	(225,099)
Amortization of interest deferral	10,638,666
Interest paid on VPSA bonds	152,024,917
Refunding credit applied to local school bonds	<u>11,079,846</u>
Total adjustments	<u>234,744,812</u>
Net cash used by operating activities	<u><u>\$ 232,850,180</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

VIRGINIA PUBLIC SCHOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

AS OF JUNE 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Virginia Public School Authority (the “Authority” or “VPSA”) was created by Chapter 11, Title 22.1, *Code of Virginia* 1950, as amended (the “Enabling Act”). The Authority provides financing to localities through the sale of its bonds. With the proceeds of its bonds, the Authority purchases a predetermined number of general obligation bonds issued by localities. The Enabling Act authorizes the Authority to purchase local school bonds issued by counties, cities, and towns under the provisions of Section 15.2-2600, et seq., *Code of Virginia* (the “Public Finance Act of 1991”). The Enabling Act further authorizes the Authority to issue bonds which are payable from the funds of the Authority including:

- 1) principal and interest received on local school bonds held by the Authority;
- 2) proceeds from the sale of such local school bonds;
- 3) any moneys transferred from the Literary Fund or funds appropriated from the General Assembly; and
- 4) a reserve fund(s) created from bond proceeds pledged to secure designated bonds.

Currently, the Authority has pooled bonds outstanding under its 1997 Resolution. Bonds issued under the 1997 Resolution are secured by local school bonds purchased and a “sum sufficient appropriation,” first from available Literary Fund monies and then from the Commonwealth’s General Fund.

The Authority also has Qualified School Construction Bonds outstanding, which also fall under the pooled bond program. These bonds are taxable, but they receive a 100% interest rate subsidy from the federal government. They are secured by general obligation local school bonds in a pool pledged to their security.

In addition to its pooled bond program, the Authority also issues special obligation bonds under its stand-alone program. Bonds issued under the stand-alone program are secured solely by the local school bonds purchased from one or more specific localities. The Authority acts as a conduit issuer under the stand-alone program.

As directed by the General Assembly, the Authority has also issued obligations to finance technology equipment purchases for local public school systems within the Commonwealth. These obligations are payable from, or otherwise secured by, the assets and income of the Literary Fund.

A separate report is prepared for the Commonwealth of Virginia which includes all agencies, boards, commissions, and authorities over which the Commonwealth exercises or has the ability to exercise oversight authority. The Authority is a component unit of the Commonwealth of Virginia and is included in the basic financial statements of the Commonwealth.

VIRGINIA PUBLIC SCHOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

The accounting and reporting policies of the Authority conform to generally accepted accounting principles (GAAP) applicable to governmental units as prescribed by the Governmental Accounting Standards Board (GASB), the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Authority's significant policies.

B. Basis of Accounting

The accompanying financial statements are reported using the economic resources measurement focus and the accrual basis of accounting under which revenues are recognized when they are earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. The cash basis of accounting is used during the year. The financial statements are prepared on the accrual basis at the end of the fiscal year by the Authority.

C. Fund Accounting

The activities of the Authority are accounted for in an enterprise fund, used to account for governmental operations that are financed and operated in a manner similar to private business enterprises. Enterprise fund accounting is used where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate. All fund accounts of the Authority are presented in total on the financial statements.

D. Bond Issuance Costs, Discounts, and Premiums

Costs associated with issuing debt, which are either offset by fees collected over the life of the respective pooled bond issues from local issuers, reimbursed directly by localities participating in stand-alone issues, or paid from Literary Fund contributions, are expensed in the year incurred. The original issue discount or premium, for each bond issuance, is also expensed or recorded as revenue in the year incurred unless it exceeds 1% of the amount of bonds issued. In that case, the original issue discount or premium is deferred and amortized, on a straight-line basis, over the life of the outstanding debt.

2. DETAILED NOTES

A. Cash and Cash Equivalents (Unrestricted and Restricted)

Cash and cash equivalents of the Authority are held by the Treasurer of Virginia. Cash is defined as demand deposits, non-negotiable time deposits, and certificates of deposit in accordance with Section 2.2-4400 of the *Code of Virginia*. Cash equivalents are defined as investments with an original maturity of less than three months.

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act"). Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice will pledge collateral that

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NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

ranges in amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Section 2.2-4500 and Section 2.2-4501 of the *Code of Virginia* outline the instruments in which public sinking funds and other public funds may legally invest. The Authority adheres to these general guidelines unless bond resolutions require more restrictive investment policies. All investments of the Authority are held in the Authority's name. The Authority's investments are valued at fair value, which approximates market value. Details of cash and cash equivalents are presented below. Standard and Poor's ratings, where available, have also been presented below.

Summary of Cash and Cash Equivalents
As of June 30, 2011

	Fair Value	Rating
Non-Negotiable Certificates of Deposit	\$ 6,760,976	Not Rated
Short Term Investment Fund ¹	13,059,212	AAAm
State Non-Arbitrage Program ^{®2}	74,066,084	AAAm
Total cash, cash equivalents, and investments	\$ 93,886,272	

1 The Authority invests certain short-term cash balances held within its accounts in the JP Morgan US Govt Money Market Fund. This is a rated fund, which maintains a policy of investing all assets in U.S. Treasury obligations and repurchase agreements backed by those obligations.

2 The Virginia State Non-Arbitrage Program[®] ("SNAP[®]") offers a professionally-managed money market mutual fund, which provides issuers with a temporary pooled investment vehicle for proceeds pending expenditure, and with record keeping, depository and arbitrage rebate calculation services. SNAP[®] is an external investment pool registered under the Investment Company Act of 1940, as amended. Participants in the Authority's various bond programs are required to invest their bond proceeds in SNAP[®].

The Authority does not limit the amount that may be invested in any one issuer. The Authority had investments of five percent or more in the State Non-Arbitrage Program[®] (79%), the JP Morgan US Govt Money Market Fund (14%) and in Non-Negotiable Certificates of Deposit (7%).

B. Local School Bonds

The Authority purchases bonds from (makes loans to) various localities throughout the Commonwealth, which are issued to finance the construction of local public school facilities. These bonds are recorded at purchase price that is equal to the face value of the bonds. Local school bonds purchased under the 1997 Resolution are held in a pledge account of the General Pledge Fund established under its bond resolution. Local school bonds purchased under the stand-alone program are deposited in separate purchase funds established for each issue. Assets of the Authority that are held or received in purchase funds, pledge funds, or debt service funds are classified as restricted assets because their use is limited to the purpose of the funds in which they reside, in accordance with applicable bond resolutions. The local school bonds are held and pledged to repay the Authority's bonds.

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NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

The interest rates on the local school bonds are determined by the Authority and fixed at the time of sale of the Authority bonds issued to fund the acquisition of the local school bonds. On local school bonds held by the Authority that were issued prior to March 26, 2009, the interest rate on each maturity of the local bonds is ten basis points (0.10%) higher than the interest rate paid by the Authority on the corresponding maturity on its bonds. As a result of a policy change made by the Authority on March 26, 2009, local school bonds issued by localities subsequent to March 26, 2009 and through June 30, 2012, and held by the Authority, will pay interest 5 basis points (0.05%) above the rates paid by the Authority on corresponding maturities of its bonds.

Shown below are the local school bonds held by the Authority as of June 30, 2011.

Local school bonds:	
Held in 1997 Pledge Account	\$ 2,817,808,920
Held in 1999 Purchase Fund	
(Northampton County Qualified Zone Academy Bond)	175,000
Held in 2001 Purchase Fund	
(Northampton County Qualified Zone Academy Bond)	206,278
Held in 2002 Purchase Fund	
(Accomack County Qualified Zone Academy Bond)	677,613
Held in 2004 Purchase Fund	
(Chesterfield County Stand Alone)	39,760,000
Held in 2008 Purchase Fund	
(Henrico County Stand Alone)	39,990,000
Held in 2008 Purchase Fund	
(Fluvanna County Stand Alone)	67,525,000
Held in 2009 Purchase Fund	
(Qualified School Construction Bonds)	59,417,946
Held in 2010 Purchase Fund	
(Qualified School Construction Bonds)	70,780,000
Held in 2011 Purchase Fund	
(Qualified School Construction Bonds)	67,400,000
Total local school bonds	<u><u>\$ 3,163,740,757</u></u>

VIRGINIA PUBLIC SCHOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

C. Long-Term Indebtedness

1. Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the Authority for the year ended June 30, 2011.

	Current Liability	Long-Term Liability	Total
Balance July 1, 2010	\$ 252,075,000	\$ 3,112,857,063	\$ 3,364,932,063
Issued during fiscal 2011	10,720,000	303,120,000	313,840,000
Retired during fiscal 2011	(252,075,000)	-	(252,075,000)
Defeased during fiscal 2011	(2,110,000)	(81,255,000)	(83,365,000)
Maturing in fiscal 2012	267,130,000	(267,130,000)	-
Subtotal	275,740,000	3,067,592,063	3,343,332,063
Less: Deferral on debt defeasance	(10,470,600)	(73,957,600)	(84,428,200)
Balance June 30, 2011	<u>\$ 265,269,400</u>	<u>\$ 2,993,634,463</u>	<u>\$ 3,258,903,863</u>

2. Annual Requirements to Amortize Bonds Payable and Notes Payable

The following schedule provides the annual funding requirements necessary to amortize long-term debt of the Authority outstanding at June 30, 2011.

Year Ending June 30	Principal	Interest	Total
2012	\$ 275,740,000	\$ 151,232,819	\$ 426,972,819
2013	255,535,000	139,022,976	394,557,976
2014	241,810,000	127,206,488	369,016,488
2015	227,430,000	115,814,369	343,244,369
2016	216,559,060	104,662,057	321,221,117
2017-2021	915,793,003	379,977,841	1,295,770,844
2022-2026	665,570,000	190,678,254	856,248,254
2027-2031	494,465,000	47,084,114	541,549,114
2032-2036	48,330,000	5,919,050	54,249,050
2037	2,100,000	88,394	2,188,394
Subtotal	3,343,332,063	1,261,686,362	4,605,018,425
Less: Deferral on debt defeasance	(84,428,200)	-	(84,428,200)
Total	<u>\$ 3,258,903,863</u>	<u>\$ 1,261,686,362</u>	<u>\$ 4,520,590,225</u>

VIRGINIA PUBLIC SCHOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

D. Equipments Notes

Periodically, the Authority issues Equipment Financing Notes, the proceeds of which are used to make grants to school divisions for the purchase of educational technology equipment. The proceeds are invested in the Virginia State Non-Arbitrage Program[®] until requisitioned by localities. The following schedule details the notes that have been issued which still have either bonds outstanding or funds remaining to be disbursed to localities as of June 30, 2011.

Educational Technology Notes			Outstanding	Remaining
<u>Issue</u>	<u>Description</u>	<u>Amount Issued</u>	<u>Balance</u>	<u>Available for Disbursement</u>
Ed Tech Series VII	2007 Notes	56,765,000	12,360,000	267,081
Ed Tech Series VIII	2008 Notes	56,475,000	23,445,000	690,519
Ed Tech Series IX	2009 Notes	55,395,000	33,740,000	1,694,465
Ed Tech Series X	2010 Notes	54,110,000	43,320,000	22,776,647
Ed Tech Series XI	2011 Notes	51,925,000	51,925,000	45,421,898
		<u>\$ 274,670,000</u>	<u>\$ 164,790,000</u>	<u>\$ 70,850,610</u>

E. Qualified Zone Academy Bonds

On October 29, 1999, the Authority issued \$2,100,000 in Special Obligations School Financing Bond (County of Northampton Qualified Zone Academy Financing) Series of 1999 as a Qualified Zone Academy Bond (“QZAB”). On December 21, 2001, the Authority issued \$419,060 in Special Obligations School Financing Bond (County of Northampton Qualified Zone Academy Financing) Series 2001 as a QZAB. Also, on December 31, 2002, the Authority issued \$1,433,003 in Special Obligations School Financing Bond (County of Accomack Qualified Zone Academy Financing) Series 2002 as a QZAB. These bonds were issued pursuant to Section 1297E of the Internal Revenue Code of 1986, as amended, and the Authority purchased certain general obligation school bonds of Northampton County and Accomack County to finance capital projects for public schools.

The localities will make annual principal payments to the Authority on the anniversary date of each issuance. Such payments received by the Authority will be held in trust and invested in certificates of deposit maturing on the next anniversary date of each issuance in accordance with the funding agreements. The agreements provide that maturing certificate of deposit proceeds will be combined with the current annual payment and reinvested to the next anniversary date. The final annual principal payments on the 1999 QZAB, the 2001 QZAB and the 2002 QZAB are due October 29, 2011, December 21, 2015, and December 31, 2016, respectively, at which dates the QZABs will mature.

F. Qualified School Construction Bonds

On July 8, 2010, the Authority issued \$72,655,000 in School Tax Credit Bonds (Qualified School Construction Bonds) Series 2010-1. Additionally, on June 28, 2011, the Authority issued \$67,400,000 in School Tax Credit Bonds (Qualified School Construction Bonds) Series 2011-1. The proceeds of these bonds were used to purchase general obligation school bonds issued by certain localities. The bonds have been issued

VIRGINIA PUBLIC SCHOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

as “qualified school construction bonds” in accordance with Section 54F of the Internal Revenue Code of 1986, as amended. The Authority had also issued bonds under this program in the previous fiscal year, bringing the total Qualified School Construction Bonds outstanding as of June 30, 2011 to \$201,175,000. These bonds are non-interest bearing; however, a taxpayer who holds such bonds during a taxable year will be allowed a federal income tax credit for such taxable year in accordance with the structure established at issuance.

G. Defeasance of Debt

From time to time, when interest rates indicate that it would be favorable to do so, the Authority has issued refunding bonds to defease outstanding bonds. These refundings have placed the proceeds of the new bonds in irrevocable trusts with escrow agents to provide for all future debt service on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the Authority’s financial statements.

The Authority issued one series of refunding bonds during fiscal year 2011. The proceeds of the refunding bonds were placed with an escrow agent to provide for all future debt service on the defeased bonds. Accordingly, the liability for the defeased bonds is not included on the Authority’s financial statements. Any savings realized as a result of these refundings will be passed through, on a pro rata basis, to the issuers of the related underlying local school bonds in accordance with the Authority’s Enabling Legislation. The following table reflects the refunding activity during the year.

Refunding Bonds Issued During Fiscal Year 2011

Refunding Issue	Refunded Issue	Maturities Defeased	Amount Defeased
2010C	2004A	2011, 2016-24	\$ 53,880,000
2010C	2004B	2011, 2016-19	29,485,000
Total Defeased, FY 2011			\$ 83,365,000

The issuance under the 1997 Resolution of the Authority’s Series 2010 C bonds refunded certain outstanding bonds under the 1997 resolution. This debt defeasance resulted in an accounting loss of \$13,517,000. Total debt service payments over the next 14 years will be reduced by \$3,455,433 resulting in a present value savings of \$3,419,233 discounted at the rate of 2.38 percent.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 23, “Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities,” the difference between the reacquisition price and the net carrying amount of the bonds defeased with refunding debt is amortized as a component of Interest on Bonds over the remaining life of the refunded debt. Therefore, Bonds Payable has been reduced by \$84,428,200 to reflect the remaining deferral on debt defeasance at June 30, 2011.

At June 30, 2011, \$560,910,000 of bonds outstanding are considered defeased for financial reporting purposes.

VIRGINIA PUBLIC SCHOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

H. Transfers

In May 2011, after final rebate computation and payment on the Educational Technology Notes Issue VI, the residual earnings of \$2,425,773 on the related bond proceeds were transferred to the Literary Fund, which had been the source of the debt service appropriation for these Notes.

The Authority received \$7,645,236 from the Literary Fund to pay interest on the various outstanding Educational Technology Notes.

Finally, in June 2011, the Authority transferred \$201,000 to the General Fund of the Commonwealth pursuant to Section 3-3.01 of Chapter 890 of the 2011 Virginia Acts of Assembly.

I. Arbitrage Earnings

The Tax Reform Act of 1986 requires that governmental entities issuing tax-exempt debt subsequent to August 1986 calculate and rebate arbitrage earnings to the federal government. The U.S. Treasury has issued regulations on calculating the rebate amount and complying with the provisions of the Tax Reform Act of 1986. The Authority and the issuers of local school bonds purchased by the Authority must comply with the rebate regulations in order for the Authority's bonds to maintain a tax-exempt status. The regulations require the excess of the aggregate amount earned on investments purchased with the bond proceeds over the amount that would have been earned if the proceeds were invested at a rate equal to the bond yield to be rebated to the federal government.

Income earned on excess earnings is also subject to rebate. Rebate payments, if required, are due at least every five years over the life of the bonds. Some Authority bonds may be exempt from the rebate requirement if they meet statutory exceptions per the rebate regulations. The Authority may also elect, on or before the date of the bond issue, to pay a penalty in lieu of rebate if it does not meet certain expenditure schedules. If such an election is made and if the Authority (local issuer) meets the expenditure schedule, the Authority (local issuer) retains any arbitrage earnings. The Authority, to date, has not elected penalty in lieu of rebate due to the difficulty in estimating local issuer's expenditure schedules. Rebate and penalty payments are calculated and paid by the Authority as required by law on bond issues that do not meet the statutory exceptions. Rebate installments must be paid no later than 60 days after the computation date.

In most cases, rebate liability is payable by local issuers whose local school bonds were purchased by the Authority. During the year, the Authority's rebate calculation agent, or the locality's rebate calculation agent in the case of special obligation stand-alone bonds, calculate rebate liability or penalty in lieu of rebate if selected by a locality. The Authority paid liability, if applicable, on the following bond issues:

VIRGINIA PUBLIC SCHOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

Bond Issue	Computation Initial 5-Year or Final	Computation Date	Liability
(97 Resolution) 2000 Series A	10 year	5/18/2010	\$ -
(97 Resolution) 2005 Series D	5 year	11/10/2010	166,342
(97 Resolution) 2006 Series A	5 year	5/11/2011	766,772
Ed. Technology Notes Series VI	Final*	4/15/2010	582,658

* Reports prepared as of the final redemption of the bonds

The Authority paid \$87,350 to its rebate calculation agent for services provided in connection with the above rebate calculations.

The Series 2000A (1997 Resolution) had an installment computation date of May 18, 2010 and no rebate was owed.

J. Deficit Net Assets

In fiscal year 2010, pursuant to Section 22.1-167.1 of the *Code of Virginia*, the Authority transferred the allocable savings generated from the 2009C Refunding Bonds of \$4,497,137 to the Literary Fund and accrued a credit to localities of \$24,224,935 against future debt service payments on Local School Bonds that were due on July 15, 2010. This was done to provide maximum savings benefits to the localities up front without the added burden of localities issuing their own refunding bonds.

The savings to be realized by the issuance of the 2009C Refunding Bonds will be generated over time as a result of the differential in the debt service payments due from the localities and the debt service payments that will be made by the Authority over the life of the refunded bonds (the debt service coverage table reflecting this is shown in the Supplementary Information on page 21). The Authority generated sufficient cash flow to make the savings available to the localities on the front end by restructuring the timing of its own bond payments through the refunding bonds. Since the Authority chose to provide the full savings benefit to the localities prior to achieving the full savings benefit from the refunding, the Authority's Statement of Net Assets reflects deficit net assets in the amount of \$22,083,040. It is anticipated that absent any additional transactions of a similar nature, the deficit will continue to decline as the savings are actually realized in the future.

K. Subsequent Events

In October 2011, the Authority issued its \$85.7 million School Financing Series 2011 B bonds. The Authority also anticipates issuing its \$175 million School Tax Credit Qualified School Construction Bonds Series 2011-2 in November 2011 to purchase certain general obligation local school bonds to finance capital projects for public schools.

VIRGINIA PUBLIC SCHOOL AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

L. Risk Management

The Authority is exposed to various risks of loss related to torts; theft or, damage to, and destruction of assets; errors and omissions; non-performance of duty; injuries to employees; and natural disasters. The Department of the Treasury participates in insurance plans maintained by the Commonwealth of Virginia on behalf of the Authority. The risk management insurance plans are administered by the Department of Treasury, Division of Risk Management. Risk management insurance includes property, general liability, medical malpractice, faithful performance of duty bond, automobile, and air and watercraft plans. The Department of the Treasury pays premiums to this Department for its insurance coverage. Information relating to the Commonwealth's insurance plans is available at the statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

**VIRGINIA PUBLIC SCHOOL AUTHORITY
SUPPLEMENTARY INFORMATION**

**Detail of Long-Term Indebtedness
June 30, 2011
(Dollars in Thousands)**

Detail of Long-Term Indebtedness by Series

	Dated	Bond	True Interest	Amount	Local	Outstanding	Issued	Outstanding	Original
	Date	Resolution	Cost ("TIC")	Issued (a)	School Bonds Purchased	July 1, 2010	(Retired) During Year	June 30, 2011 (b)	Maturity
Series 1997 I	11/01/97	1997	4.92%	\$ 224,285	\$ 140,818	\$ 14,550	\$ (14,550)	\$ -	08/01/17
Series 1998 A	04/01/98	1997	4.71%	130,715	50,730	5,190	(5,190)	-	08/01/18
Series 1999 QZAB, Northampton County	10/29/99	Stand Alone	0.00%	2,100	2,100	2,100	-	2,100	10/29/11
Series 2000 A	05/01/00	1997	5.38%	100,175	100,175	9,940	(5,035)	4,905	08/01/20
Series 2000 B	11/01/00	1997	5.11%	106,200	106,197	5,240	(5,240)	-	08/01/20
Series 2001 A	05/01/01	1997	4.84%	153,940	153,940	10,105	(2,580)	7,525	08/01/21
Series 2001 B	11/01/01	1997	4.87%	142,400	142,400	17,935	(3,250)	14,685	08/01/21
Series 2001 C	11/01/01	1997	4.87%	41,500	41,500	1,010	-	1,010	08/01/26
Series 2001 QZAB, Northampton County	12/21/01	Stand Alone	0.00%	419	419	419	-	419	12/21/15
Series 2002 A	05/01/02	1997	4.70%	111,510	111,510	13,405	(2,425)	10,980	08/01/22
Series 2002 B	11/01/02	1997	4.12%	155,545	155,545	20,640	(4,575)	16,065	08/01/22
Series 2002 QZAB, Accomack County	12/31/02	Stand Alone	0.00%	1,433	1,433	1,433	-	1,433	12/31/16
Series 2003 A	05/01/03	1997	4.00%	113,155	113,155	34,315	(4,100)	30,215	08/01/28
Series 2003 B	05/01/03	1997	2.93%	74,850	74,850	23,840	(7,620)	16,220	08/01/13
Series 2003 C	11/01/03	1997	4.39%	190,645	190,645	27,445	(3,925)	23,520	08/01/28
Series 2003 D	12/11/03	1997	3.23%	286,670	-	94,895	(20,585)	74,310	08/01/19
2004 Series Chesterfield County	02/15/04	Stand Alone	3.80%	56,825	56,825	42,600	(2,840)	39,760	01/15/25
Series 2004 A	05/01/04	1997	4.33%	123,585	123,585	100,425	(58,715)	41,710	08/01/29
Series 2004 B	11/01/04	1997	3.91%	145,340	145,337	113,265	(36,185)	77,080	08/01/29
Series 2004 C	12/08/04	1997	3.34%	156,125	-	92,690	(14,190)	78,500	08/01/16
Series 2005 A	03/15/05	1997	3.64%	55,200	-	35,895	(4,315)	31,580	08/01/17
Series 2005 B	04/20/05	1997	4.07%	230,580	-	220,195	(7,505)	212,690	08/01/20
Series 2005 C	05/01/05	1997	4.13%	134,360	134,360	111,555	(5,875)	105,680	08/01/30
Series 2005 D	11/01/05	1997	4.19%	199,345	199,341	166,405	(8,650)	157,755	08/01/30
Series 2006 A	05/01/06	1997	4.39%	202,175	202,175	178,835	(8,065)	170,770	08/01/31
Series 2006 Ed Tech Series VI	05/25/06	Equip. Notes	3.71%	56,620	-	12,215	(12,215)	-	04/15/11

(a) Includes refunding bonds issued.

(b) Excludes deferral on debt defeasance.

**VIRGINIA PUBLIC SCHOOL AUTHORITY
SUPPLEMENTARY INFORMATION**

**Detail of Long-Term Indebtedness
June 30, 2011
(Dollars in Thousands)**

Detail of Long-Term Indebtedness by Series (continued)

	Dated Date	Bond Resolution	True Interest Cost ("TIC")	Amount Issued (a)	Local School Bonds Purchased	Outstanding July 1, 2010	Issued (Retired) During Year	Outstanding June 30, 2011 (b)	Original Maturity
Series 2006 B	11/01/06	1997	4.22%	240,955	240,954	213,750	(9,770)	203,980	08/01/32
Series 2007 A	05/01/07	1997	4.24%	112,235	112,235	102,605	(4,885)	97,720	08/01/32
Series 2007 Ed Tech Series VII	05/24/07	Equip. Notes	3.70%	56,765	-	24,135	(11,775)	12,360	04/15/12
Series 2007 B	11/01/07	1997	4.28%	223,080	223,076	203,485	(10,035)	193,450	08/01/32
Series 2008 A	05/01/08	1997	4.22%	134,950	134,950	129,985	(5,110)	124,875	08/01/37
Series 2008 Ed Tech Series VIII	05/22/08	Equip. Notes	2.88%	56,475	-	34,335	(10,890)	23,445	04/15/13
2008 Series Henrico County	07/17/08	Stand Alone	4.12%	44,400	44,440	42,215	(2,225)	39,990	07/15/28
Series 2008 B	12/01/08	1997	4.75%	118,930	118,927	114,000	(5,115)	108,885	08/01/33
2008 Series Fluvanna County	12/22/08	Stand Alone	5.95%	67,525	67,525	67,525	-	67,525	12/01/35
Series 2009 A	03/12/09	1997	2.60%	114,180	-	114,180	(7,745)	106,435	08/01/20
Series 2009 B	05/01/09	1997	3.69%	200,435	200,435	200,435	(8,900)	191,535	08/01/29
Series 2009 Ed Tech Series IX	05/21/09	Equip. Notes	1.60%	55,395	-	43,935	(10,195)	33,740	04/15/14
Series 2009 C	10/27/09	1997	2.85%	481,285	-	481,285	-	481,285	08/01/28
Series 2009-1 QSCB	11/13/09	School Tax Cr.	0.63%	61,120	61,120	61,120	-	61,120	09/15/26
Series 2009 D	11/30/09	1997	3.48%	11,645	11,645	11,645	(375)	11,270	08/01/29
Series 2010 A	05/13/10	1997	3.01%	45,805	45,805	45,805	-	45,805	08/01/30
Series 2010 B	05/13/10	1997	5.09%	63,840	63,840	63,840	-	63,840	08/01/30
Series 2010 C	10/19/10	1997	2.49%	85,510	-	-	85,510	85,510	08/01/24
Series 2010 D	11/10/10	1997	2.98%	9,975	9,975	-	9,975	9,975	08/01/30
Series 2010 Ed Tech Series X	05/18/10	Equip. Notes	1.37%	54,110	-	54,110	(10,790)	43,320	04/15/15
Series 2010-1 QSCB	07/08/10	School Tax Cr.	0.06%	72,655	72,655	-	72,655	72,655	06/15/27
Series 2011 A	05/05/11	1997	3.72%	26,375	26,375	-	26,375	26,375	08/01/36
Series 2011 Ed Tech Series XI	06/02/11	Equip Notes	0.98%	51,925	-	-	51,925	51,925	04/15/16
Series 2011-1 QSCB	06/28/11	School Tax Cr.	0.05%	67,400	67,400	-	67,400	67,400	06/15/27
Total				<u>\$ 5,652,667</u>	<u>\$ 3,748,397</u>	<u>\$ 3,364,932</u>	<u>\$ (21,600)</u>	<u>\$ 3,343,332</u>	

Detail of Long-Term Indebtedness by Resolution

	Amount Issued (a)	Local School Bonds Purchased	Outstanding July 1, 2010	Issued (Retired) During Year	Outstanding June 30, 2011 (b)
1997 Resolution	\$ 4,947,500	\$ 3,374,480	\$ 2,978,790	\$ (152,650)	\$ 2,826,140
Stand Alone Issues	172,702	172,742	156,292	(5,065)	151,227
Equipment Notes	331,290	-	168,730	(3,940)	164,790
School Tax Credit	201,175	201,175	61,120	140,055	201,175
Total	<u>\$ 5,652,667</u>	<u>\$ 3,748,397</u>	<u>\$ 3,364,932</u>	<u>\$ (21,600)</u>	<u>\$ 3,343,332</u>

(a) Includes refunding bonds issued.

(b) Excludes deferral on debt defeasance.

**VIRGINIA PUBLIC SCHOOL AUTHORITY
SUPPLEMENTARY INFORMATION**

**Schedule of Debt Service Coverage - 1997 Resoultion
Cumulative Data Upto and Including the 2011A Issuance**

(A) <u>Income Available to Pay Debt Service</u>				(B) <u>Outstanding Debt Service</u>						
	Local School Bond Income	LSB Income Reserved for Carryforward	LSB Income Carryforward	Income Available for Debt Service	Outstanding Bonds	Series 2011 A Bonds	Total Debt Requirements	Semi-Annual Coverage	Annual Coverage	(A) / (B)
2/1/2012	\$ 74,685,776.97	\$ -	\$ -	\$ 74,685,776.97	\$ 71,402,356.92	\$ 860,493.75 ⁽¹⁾	\$ 72,262,850.67	\$ 2,422,926.30	\$ -	103.35%
8/1/2012	265,678,204.99	-	-	265,678,204.99	263,517,838.17	1,648,662.50	265,166,500.67	511,704.32	2,934,630.62	100.19%
2/1/2013	63,725,274.69	-	-	63,725,274.69	60,041,506.92	562,912.50	60,604,419.42	3,120,855.27	-	105.15%
8/1/2013	260,356,015.94	-	-	260,356,015.94	258,136,169.42	1,642,912.50	259,779,081.92	576,934.02	3,697,789.28	100.22%
2/1/2014	55,225,389.80	-	-	55,225,389.80	52,752,538.17	546,712.50	53,299,250.67	1,926,139.13	-	103.61%
8/1/2014	252,378,689.80	-	-	252,378,689.80	250,078,338.17	1,641,712.50	251,720,050.67	658,639.14	2,584,778.27	100.26%
2/1/2015	49,725,541.75	-	-	49,725,541.75	47,435,388.17	524,812.50	47,960,200.67	1,765,341.08	-	103.68%
8/1/2015	247,060,794.75	-	-	247,060,794.75	244,665,388.17	1,634,812.50	246,300,200.67	760,594.09	2,525,935.17	100.31%
2/1/2016	44,318,131.53	-	-	44,318,131.53	42,587,163.17	497,062.50	43,084,225.67	1,233,905.87	-	102.86%
8/1/2016	235,076,668.53	-	-	235,076,668.53	232,877,163.17	1,627,062.50	234,504,225.67	572,442.86	1,806,348.73	100.24%
2/1/2017	39,476,966.52	-	-	39,476,966.52	37,889,075.67	468,812.50	38,357,888.17	1,119,078.34	-	102.92%
8/1/2017	224,138,124.52	-	-	224,138,124.52	222,094,075.67	1,613,812.50	223,707,888.17	430,236.34	1,549,314.69	100.19%
2/1/2018	34,826,326.79	-	-	34,826,326.79	33,323,241.99	440,187.50	33,763,429.49	1,062,897.29	-	103.15%
8/1/2018	208,937,267.79	-	-	208,937,267.79	206,988,242.00	1,600,187.50	208,588,429.50	348,838.29	1,411,735.58	100.17%
2/1/2019	30,428,992.56	-	-	30,428,992.56	29,157,774.12	411,187.50	29,568,961.62	860,030.94	-	102.91%
8/1/2019	199,311,538.56	-	-	199,311,538.56	197,387,774.13	1,586,187.50	198,973,961.63	337,576.93	1,197,607.88	100.17%
2/1/2020	26,255,864.50	-	-	26,255,864.50	25,150,534.98	381,812.50	25,532,347.48	723,517.03	-	102.83%
8/1/2020	184,528,252.50	-	-	184,528,252.50	182,670,534.98	1,576,812.50	184,247,347.48	280,905.03	1,004,422.05	100.15%
2/1/2021	22,440,659.54	-	-	22,440,659.54	21,415,752.48	351,937.50	21,767,689.98	672,969.57	-	103.09%
8/1/2021	171,645,694.54	-	-	171,645,694.54	169,880,752.48	1,571,937.50	171,452,689.98	193,004.56	865,974.13	100.11%
2/1/2022	18,755,871.10	-	-	18,755,871.10	17,859,579.33	321,437.50	18,181,016.83	574,854.28	-	103.16%
8/1/2022	154,264,140.10	-	-	154,264,140.10	152,569,579.33	1,561,437.50	154,131,016.83	133,123.27	707,977.55	100.09%
2/1/2023	15,478,729.33	-	-	15,478,729.33	14,687,108.45	290,437.50	14,977,545.95	501,183.38	-	103.35%
8/1/2023	139,086,195.33	-	-	139,086,195.33	137,452,108.45	1,555,437.50	139,007,545.95	78,649.38	579,832.76	100.06%
2/1/2024	12,482,322.87	-	-	12,482,322.87	11,808,968.80	258,812.50	12,067,781.30	414,541.57	-	103.44%
8/1/2024	126,562,498.87	-	-	126,562,498.87	124,958,968.80	1,548,812.50	126,507,781.30	54,717.57	469,259.14	100.04%
2/1/2025	9,712,568.41	-	-	9,712,568.41	9,204,029.95	233,012.50	9,437,042.45	275,525.96	-	102.92%
8/1/2025	116,313,348.41	-	-	116,313,348.41	114,694,029.95	1,543,012.50	116,237,042.45	76,305.95	351,831.91	100.07%
2/1/2026	7,210,944.24	-	-	7,210,944.24	6,816,726.08	206,812.50	7,023,538.58	187,405.67	-	102.67%
8/1/2026	97,478,780.24	-	-	97,478,780.24	95,871,726.08	1,536,812.50	97,408,538.58	70,241.67	257,647.33	100.07%
2/1/2027	4,971,061.98	-	-	4,971,061.98	4,674,210.38	180,212.50	4,854,422.88	116,639.11	-	102.40%
8/1/2027	73,893,970.98	-	-	73,893,970.98	72,304,210.38	1,535,212.50	73,839,422.88	54,548.10	171,187.21	100.07%
2/1/2028	3,295,060.91	-	-	3,295,060.91	3,059,779.73	153,112.50	3,212,892.23	82,168.68	-	102.56%
8/1/2028	56,309,212.91	-	-	56,309,212.91	54,744,779.73	1,533,112.50	56,277,892.23	31,320.68	113,489.36	100.06%
2/1/2029	2,005,316.95	-	-	2,005,316.95	1,844,748.20	125,512.50	1,970,260.70	35,056.25	-	101.78%
8/1/2029	39,220,316.95	-	-	39,220,316.95	37,654,748.20	1,530,512.50	39,185,260.70	35,056.25	70,112.50	100.09%
2/1/2030	1,139,256.73	-	-	1,139,256.73	1,021,287.35	96,534.38	1,117,821.73	21,435.00	-	101.92%
8/1/2030	21,499,256.73	-	-	21,499,256.73	19,951,287.35	1,526,534.38	21,477,821.73	21,435.00	42,870.00	100.10%
2/1/2031	649,585.00	-	-	649,585.00	570,259.38	66,146.88	636,406.25	13,178.75	-	102.07%
8/1/2031	13,309,585.00	-	-	13,309,585.00	11,770,259.38	1,526,146.88	13,296,406.25	13,178.75	26,357.50	100.10%
2/1/2032	359,020.00	-	-	359,020.00	316,684.38	35,121.88	351,806.25	7,213.75	-	102.05%
8/1/2032	7,509,020.00	-	-	7,509,020.00	7,191,684.38	310,121.88	7,501,806.25	7,213.75	14,427.50	100.10%
2/1/2033	190,441.88	-	-	190,441.88	157,800.00	28,934.38	186,734.38	3,707.50	-	101.99%
8/1/2033	3,895,441.88	-	-	3,895,441.88	3,572,800.00	318,934.38	3,891,734.38	3,707.50	7,415.00	100.10%
2/1/2034	100,274.38	-	-	100,274.38	75,937.50	22,409.38	98,346.88	1,927.50	-	101.96%
8/1/2034	1,190,274.38	-	-	1,190,274.38	860,937.50	327,409.38	1,188,346.88	1,927.50	3,855.00	100.16%
2/1/2035	75,090.00	-	-	75,090.00	58,275.00	15,356.25	73,631.25	1,458.75	-	101.98%
8/1/2035	1,220,090.00	-	-	1,220,090.00	883,275.00	335,356.25	1,218,631.25	1,458.75	2,917.50	100.12%
2/1/2036	48,635.00	-	-	48,635.00	39,712.50	7,956.25	47,668.75	966.25	-	102.03%
8/1/2036	1,243,635.00	-	-	1,243,635.00	899,712.50	342,956.25	1,242,668.75	966.25	1,932.50	100.08%
2/1/2037	20,815.00	-	-	20,815.00	20,362.50	-	20,362.50	452.50	-	102.22%
8/1/2037	925,815.00	-	-	925,815.00	925,362.50	-	925,362.50	452.50	905.00	100.05%
Total	\$ 3,620,636,752.08	\$ -	\$ -	\$ 3,620,636,752.08	\$ 3,557,972,547.92	\$ 40,263,650.00	\$ 3,598,236,197.92	\$ 22,400,554.16	\$ 22,400,554.16	

(1) Net of accrued interest and funded interest in the aggregate amount of \$ 63,740.28

VIRGINIA PUBLIC SCHOOL AUTHORITY
Richmond, Virginia

BOARD OF COMMISSIONERS

As of June 30, 2011

Brenda L. Skidmore, Chairman

Woodrow W. Mullins, Jr., Vice Chairman

Ben Loyola

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