



COMMONWEALTH OF VIRGINIA

Department of the Treasury

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October 1, 2014

The Honorable Terence R. McAuliffe
Governor of Virginia
Office of the Governor
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, Virginia 23219

The Honorable Walter A. Stosch
Chairman
Senate Finance Committee
Innsbrook Centre, 4551 Cox Road, Suite 110
Glen Allen, Virginia 23060-6740

The Honorable S. Chris Jones
Chairman
House Appropriations Committee
Post Office Box 5059
Suffolk, Virginia 23435-0059

The Honorable R. Lee Ware, Jr.
Chairman
House Finance Committee
Post Office Box 689
Powhatan, Virginia 23139

Dear Governor McAuliffe and Messrs. Chairmen:

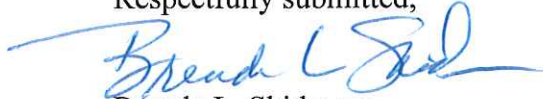
It is my pleasure to submit this report pursuant to §22.1-167.3 (C) of the *Code of Virginia* as enacted in 2001 (enclosed), concerning certain notes of the Virginia Public School Authority (VPSA) secured by a sum sufficient appropriation as provided in Items 139(C)(12) and 139(C)(13) of the 2013 Appropriation Act.

The School Educational Technology Notes Resolutions adopted on March 24, 2011 and March 29, 2012 and the School Educational Technology Notes and School Security Equipment Notes Resolutions adopted on March 28, 2013 and April 2, 2014 by the VPSA Board of Commissioners, utilized the additional security provided by the sum sufficient appropriation to achieve higher credit ratings for the VPSA's technology and security equipment notes issues from the three major credit rating agencies.

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During the fiscal year ended June 30, 2014, the VPSA issued an additional series of school educational technology and security equipment notes under the School Educational Technology Notes and School Security Equipment Notes Resolutions adopted on April 2, 2014. Accordingly, as of June 30, 2014, the total amount of the Authority's outstanding notes as described in §22.1-167.3 (C) of the *Code of Virginia* was \$174,975,000.

Respectfully submitted,



Brenda L. Skidmore
Chairman, Virginia Public School Authority

Enclosure

c: The Honorable Richard D. Brown
Secretary of Finance
Commissioners, Virginia Public School Authority

§ 22.1-167.3. Bonds or notes issued for the purpose of making grants; security for payment; appropriations.

A. The Authority is authorized to pledge to the bonds or notes of the Authority (i) authorized under the provisions of a resolution adopted subsequent to June 30, 2000, for the purpose described in § 22.1-166.2, (ii) issued subsequent to June 30, 2000, and (iii) not benefiting from the provisions of either clause (iii) or (iv) of § 22.1-168, or § 22.1-168.1, in addition to other sources available for such purpose, any funds in the general fund of the Commonwealth appropriated for such purpose.

B. The Governor's budget bill presented each year to the General Assembly pursuant to § 2.2-1509 shall include an appropriation to the Authority of a sum sufficient from the general fund of the Commonwealth to cure any shortfall in pledged primary revenues on any debt service payment date on the bonds or notes of the Authority described by this section. A shortfall in pledged primary revenues shall exist when the available moneys in the Literary Fund as of such date are less than the amount required to pay the debt service due on such bonds or notes on such date. For purposes of this subsection "available moneys in the Literary Fund" means moneys remaining after the payment, or provision for payment, of debt service on bonds or notes like those described in this section and payable from the Literary Fund, but issued prior to July 1, 2000.

C. On or before September 30 of each year, the Authority shall submit to the Governor and the chairmen of the House Appropriations Committee, House Finance Committee and the Senate Finance Committee a report as of the end of the prior fiscal year detailing the total amount of the Authority's outstanding bonds and notes secured by an appropriation of a sum sufficient from the general fund of the Commonwealth as described in subsection B. The report shall also describe any instances where any such appropriation has been used.

(2001, cc. 431, 456.)