



COMMONWEALTH OF VIRGINIA

Department of the Treasury

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October 30, 2020

Ms. Laura Wilborn
Division of Legislative Automated Systems
General Assembly Building
Richmond, VA 23219

Via Email

Dear Ms. Wilborn:

In accordance with the provisions of §§ 23.1-1216, 22.1-171 C, and 2.2-2263 of the Code of Virginia, I hereby submit the unaudited annual financial statements for the Virginia College Building Authority, the Virginia Public School Authority, and the Virginia Public Building Authority for the fiscal year ended June 30, 2020.

The financial statements are unaudited. The Auditor of Public Accounts has not completed the annual audit of these public bodies for the year ended June 30, 2020. Audited financial statements will be sent to you when completed.

The financial statements have been prepared by the Department of the Treasury, whose management is responsible for their integrity and objectivity. The financial statements are considered by management to fairly present these public bodies' financial position and results of operations. We believe the data presented is accurate in all material respects and that all disclosures necessary to enable the reader to obtain a thorough understanding of the financial statements have been included.

Sincerely,

Janet A. Aylor
Director of Debt Management

JAA:ja
Enclosures

VIRGINIA PUBLIC SCHOOL AUTHORITY
FINANCIAL STATEMENTS (Unaudited)
FOR THE YEAR ENDED JUNE 30, 2020



VIRGINIA PUBLIC SCHOOL AUTHORITY
FINANCIAL STATEMENTS (Unaudited)
FOR THE YEAR ENDING JUNE 30, 2020

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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, 2020. 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. During the fiscal year, the Authority issued a total of \$199,640,000 in bonds under the pooled bond program.

Also under its pooled bond program, the Authority has issued school tax credit bonds – Qualified School Construction Bonds (“QSCBs”) and Qualified Zone Academy Bonds (“QZABs”) – under a Master Indenture of Trust dated as of October 1, 2009. Qualified School Construction Bonds are tax credit bonds established under the American Recovery and Reinvestment Act of 2009 (“ARRA”) and Qualified Zone Academy Bonds are tax credit bonds established in the Internal Revenue Code of 1986. Both QSCBs and QZABs provide the bondholder 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. It should be noted that the Authority can no longer issue QSCBs or QZABs since the Tax Cuts and Jobs Act of 2017 (“TCJA”) repealed the ability to issue these types of bonds. The QSCBs and QZABs currently held by the Authority were issued under its 2009 Master Indenture of Trust prior to the TCJA.

In addition to its pooled bond program, the Authority also issues special obligation bonds under its stand-alone program and its technology and security program. Bonds issued under the stand-alone program are secured by the local school bonds purchased from one or more specific localities and by the State Aid Intercept Provision. The Authority acts as a conduit issuer under the stand-alone program. Under the School Technology and Security Notes Program, the Authority issues obligations to finance technology equipment purchases and fund a grant program for the purchase of security equipment 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 \$60,265,000 under the school technology and security note program. The Authority also issued \$171,080,000 under the stand-alone program during fiscal year 2020.

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

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 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 Position provides information about the nature and amounts of the Authority's cash, investments, and receivables (assets), deferred outflows of resources, 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 Position. 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 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.

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

Condensed Statement of Net Position
(in millions)

	Enterprise Fund	
	2020	2019
Current assets	\$ 28	\$ 27
Noncurrent assets	3,835	3,789
Total assets	3,863	3,816
Total deferred outflows	84	93
Current liabilities	505	495
Noncurrent liabilities	3,413	3,406
Total liabilities	3,918	3,901
Net position:		
Restricted for debt service	1	-
Unrestricted	28	8
Total net position (deficit)	\$ 29	\$ 8

Total assets increased during the year by \$47 million, or 1.2 percent. This is primarily due to a \$25 million increase due to principal payments received on Qualified School Construction Bonds (to be held for future payment on the Authority's bonds), an \$11 million increase in the fair value of long-term investments, and receipt of proceeds for new Educational Technology Notes of \$68 million. These receipts were offset by current year payments to localities from Educational Technology Notes' new and existing proceeds of \$57 million. Total liabilities increased by \$17 million, or 0.4 percent, during the same period as a result of an increase in net outstanding bonds and notes payable of \$30 million and an increase in amounts due to localities of \$11 million, offset by a decrease in outstanding premium on bonds sold of \$24 million. Additionally, the deferred outflow of resources decreased by \$9 million due to current year refunding activity and current year amortization of amounts deferred in prior years. Accordingly, an increase of \$21 million is reflected in net position.

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

**Condensed Statement of Revenues, Expenses,
and Changes in Net Position (in millions)**

	Enterprise Fund	
	2020	2019
Revenues:		
Operating revenues:		
Charges for services	\$ 132	\$ 137
Other	12	8
Total revenues	144	145
Expenses:		
Interest on long-term debt	121	126
Other	2	1
Total expenses	123	127
Payments to Literary Fund	-	-
Change in net position	21	18
Net position (deficit), July 1	8	(10)
Net position (deficit), June 30	\$ 29	\$ 8

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 school technology and security 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:

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

	Outstanding at 6/30/19	Issued During Year	Retired During Year	Outstanding at 6/30/20
Pooled Bond Programs ¹	\$ 2,682	\$ 200	\$ (232)	\$ 2,650
Technology and Security				
Notes Programs	190	60	(63)	187
Special Obligation Bonds	689	171	(106)	754
Total	\$ 3,561	\$ 431	\$ (401)	\$ 3,591

¹ Includes 1997 Resolution and School Tax Credit bonds.

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

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

Virginia Public School Authority Bond Ratings

	<u>Moody’s</u>	<u>S&P</u>	<u>Fitch</u>
Pooled Bond Programs ¹	Aa1	AA+	AA+
School Technology and Security Notes	Aa1	AA+	AA+

¹ 1997 Resolution Bonds

Since the Authority’s bond programs are either backed by state appropriations (School Technology and Security 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

On October 15, 2020, the Authority issued \$106,510,000 Special Obligation School Financing Bonds, Prince William County Series 2020A. The Bonds will be used by the County to finance the costs of various school capital improvement projects for the County.

On November 10, 2020, the Authority plans to issue \$142,195,000 School Financing Bonds (1997 Resolution), Series 2020B, to purchase certain general obligation local school bonds to finance capital projects for schools and to refund certain previously issued Authority Bonds, and \$320,840,000 School Financing Refunding Bonds (1997 Resolution), Series 2020C (Taxable), to refund certain previously issued Authority Bonds.

VIRGINIA PUBLIC SCHOOL AUTHORITY

STATEMENT OF NET POSITION (Unaudited)

As of June 30, 2020

ASSETS

Current assets:

Cash and cash equivalents (Note 2A)	\$	28,655,658
Interest receivable		1,928
Total current assets		<u>28,657,586</u>

Noncurrent assets:

Restricted cash and cash equivalents (Note 2A)		203,585,857
Restricted long-term investments (Note 2A)		92,800,913
Local school bonds (Note 2B)		3,295,743,971
Interest receivable		55,368,503
Due from Literary Fund		187,175,000
Total noncurrent assets		<u>3,834,674,244</u>

Total assets		<u>3,863,331,830</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred charge on refunding		84,650,400
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Total deferred outflows of resources		<u>84,650,400</u>
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LIABILITIES

Current liabilities:

Accounts payable		<u>191,371</u>
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Current liabilities payable from restricted assets:

Interest payable		54,684,020
Due to localities (Note 2D)		113,239,375
Notes payable (Note 2C)		62,085,000
Bonds payable (Note 2C)		252,965,000
Premium on bonds sold (Note 2C)		22,100,413

Total current liabilities payable from restricted assets		<u>505,073,808</u>
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Noncurrent liabilities payable from restricted assets:

Notes payable (Note 2C)		125,090,000
Bonds payable (Note 2C)		3,150,386,000
Premium on bonds sold (Note 2C)		137,916,459

Total noncurrent liabilities payable from restricted assets		<u>3,413,392,459</u>
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Total liabilities		<u>3,918,657,638</u>
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NET POSITION

Restricted for debt service		858,377
Unrestricted		28,466,215

Total net position (deficit)	\$	<u>29,324,592</u>
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The accompanying notes to the financial statements are an integral part of this statement.

VIRGINIA PUBLIC SCHOOL AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION (Unaudited)
For the Year Ended June 30, 2020

Operating Revenues:	
Interest on:	
Local school bonds	\$ 122,546,551
Cash equivalents and investments	2,931,727
Payments received from Literary Fund (Note 2J)	7,321,218
Premium on bonds sold	178,493
Net increase in fair value of investments	11,403,121
Other	<u>361,460</u>
Total operating revenues	<u>144,742,570</u>
Operating Expenses:	
Interest on bonds	120,933,234
Financial advisor fees	211,683
Bond Counsel	468,503
Bond rating fees	155,000
Printing and electronic distribution	2,000
Board expenses	111
Staffing expenses	466,538
Underwriters' discount	130,686
Rebate and penalty payments and calculation fees	116,462
Other	<u>472,142</u>
Total operating expenses	<u>122,956,359</u>
Operating Gain	<u>21,786,211</u>
Nonoperating Payments	
Payment to Literary Fund (Note 2J)	<u>(340,682)</u>
Total nonoperating revenues (expenses)	<u>(340,682)</u>
Change in net position	21,445,529
Net position (deficit), July 1, 2019	<u>7,879,063</u>
Net position (deficit), June 30, 2020	<u>\$ 29,324,592</u>

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

VIRGINIA PUBLIC SCHOOL AUTHORITY

STATEMENT OF CASH FLOWS (Unaudited)

For the Year Ended June 30, 2020

Cash flows from operating activities:	
Interest on cash equivalents	\$ 3,167,490
Purchase of local school bonds	(348,430,000)
Principal received on local school bonds	279,365,806
Interest received on local school bonds	125,048,987
Payments to vendors for goods and services	(1,656,555)
Payments received from the Literary Fund	69,000,854
Other operating revenues	<u>361,460</u>
Net cash provided by operating activities	<u>126,858,042</u>
Cash flows from noncapital financing activities:	
Proceeds from the sale of bonds and notes	430,985,000
Principal paid on VPSA bonds and notes	(314,775,000)
Interest paid on VPSA bonds and notes	(133,086,341)
Premium on bonds sold	8,195,973
Underwriters' discount	(148,765)
Payments to localities (School Technology and Security Notes)	(56,570,998)
Payments to escrow agent	(21,955,952)
Rebate and penalty payments and calculation fees	(114,861)
Due to Localities (Note 2D)	(9,242)
Interest on investments	<u>(86,025)</u>
Net cash used by noncapital financing activities	<u>(87,566,211)</u>
Net increase in cash and cash equivalents	39,291,831
Cash and cash equivalents, July 1, 2019	<u>192,949,684</u>
Cash and cash equivalents, June 30, 2020	<u><u>\$ 232,241,515</u></u>

VIRGINIA PUBLIC SCHOOL AUTHORITY

Reconciliation of operating income to net cash provided by operating activities:

Operating Gain	<u>\$ 21,786,211</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in interest receivable	2,652,173
Increase in accounts payable	120,940
Increase in interest payable	709,397
Payments from the Literary Fund	61,679,636
Principal received on local school bonds	279,365,806
Purchase of local school bonds	(348,430,000)
Rebate and penalty payments to the Internal Revenue Service	114,861
Amortization of premium	(23,705,372)
Underwriters' discount	130,686
Premium on bonds sold	(178,494)
Amortization of interest deferral	10,842,952
Interest paid on VPSA bonds	133,086,341
Increase in fair value of investments	(11,403,120)
Interest on investments	<u>86,025</u>
Total adjustments	<u>105,071,831</u>
Net cash provided by operating activities	<u><u>\$ 126,858,042</u></u>

Non-Cash Investing and Financing Activities:

Amortization of bond premium/discount on bonds	\$ 23,705,372
Amortization of gain/loss on debt refinancing	(10,842,952)
Loss to be amortized from new refunding activity	1,905,000
Changes in fair value of investments recognized as a component of interest income	11,403,120

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, 2020

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, the State Aid Intercept Provision, 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 and Qualified Zone Academy Bonds outstanding, which also fall under the pooled bond program. These bonds are taxable, but they expect to 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. As a result of the Federal Sequestration, the actual December 15, 2019 and June 15, 2020 payments were reduced by 5.9%. Therefore, the localities are not receiving the full benefit of the tax credit.

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 by the local school bonds purchased from one or more specific localities and by the State Aid Intercept Provision. 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 and security 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 the VPSA General 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

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

Commonwealth of Virginia and is included in the basic financial statements of the Commonwealth.

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, or reimbursed directly by localities participating in stand-alone issues, are expensed in the year incurred. The net original issue discount or premium (after distributing the allocable share to various participating localities), 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 net 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, Cash Equivalents and Investments (Unrestricted and Restricted)

Cash and Cash equivalents of \$147,605,895 are held by the Treasurer of Virginia. Cash equivalents of \$84,635,621 and investments of \$92,800,913 are held by U.S. Bank. Cash is defined as demand deposits, non-negotiable time deposits, and certificates of deposit. Cash equivalents are defined as investments with an original maturity of less than three months.

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

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 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.

Custodial credit risk for cash equivalents and investments is the risk that, in the event of a failure of the counterparty, the Authority will not be able to recover the value of its cash equivalents and investments. All cash equivalents and investments of the Authority are held in the Authority’s name and are therefore not exposed to custodial credit risk.

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The Authority has elected to disclose the risk for its debt investments using the segmented time distribution method.

The Authority’s cash equivalents are valued at amortized cost, which approximates fair value, and its investments are valued at fair value. Fair values are based upon quoted market prices (level 1 inputs, in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*). Details of cash equivalents and investments are presented below.

Summary of Cash, Cash Equivalents, and Investments
(Dollars in Thousands)

Investment Type	June 30, 2020	Investment Maturities (in years)				S&P Rating
		Less Than 1	1-5	6-10	More Than 10	
Cash	\$ 94	\$ 94	\$ -	\$ -	\$ -	N/A
U.S. Treasury Securities	92,801	-	582	62,007	30,212	N/A
Money Market Accounts ¹	113,198	113,198	-	-	-	AAAm
State Non-Arbitrage Program ²	118,949	118,949	-	-	-	AAAm
Total cash, cash equivalents, and investments	<u>\$ 325,042</u>	<u>\$ 232,241</u>	<u>\$ 582</u>	<u>\$ 62,007</u>	<u>\$ 30,212</u>	

1 The Authority invests certain short-term cash balances held within its accounts in the JP Morgan US Government 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. The Authority also invests certain short-term cash balances held within the First American Government Obligation Fund which seeks to provide maximum current income and daily liquidity by purchasing U.S. government securities and repurchase agreements collateralized by such 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 in compliance with all of the standards of GASB Statement No. 79 and elects to report its investments for financial reporting at amortized cost. Participants in SNAP[®] should also report their investments in SNAP[®] at amortized cost.

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

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[®] (37%), the First American Government Obligation Fund (26%), US Government Treasury Strips (28%), and the JP Morgan US Government Money Market Fund (9%).

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 a 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.

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 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.

Local school bonds held by the Authority as of June 30, 2020 are shown on the following page.

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

Local school bonds:

Held in 1997 Pledge Account	\$ 2,337,026,714
Held in 2009 Purchase Fund (Qualified School Construction Bonds)	28,744,415
Held in 2010 Purchase Fund (Qualified School Construction Bonds)	32,720,000
Held in 2011-1 Purchase Fund (Qualified School Construction Bonds)	36,876,953
Held in 2011 Purchase Fund (Prince William County Stand Alone)	2,325,000
Held in 2011 Purchase Fund (Montgomery County Stand Alone)	4,290,000
Held in 2011-2 Purchase Fund (Qualified School Construction Bonds)	85,135,192
Held in 2012 Purchase Fund (Prince William County Stand Alone)	6,570,000
Held in 2012-1 Purchase Fund (Qualified School Construction Bonds)	17,090,697
Held in 2013 Purchase Fund (Prince William County Stand Alone)	12,000,000
Held in 2014 Purchase Fund (Prince William County Stand Alone)	53,645,000
Held in 2014 Purchase Fund (Warren County Stand Alone)	37,330,000
Held in 2014-1 Purchase Fund (Qualified Zone Academy Bonds)	2,195,000
Held in 2015 Purchase Fund (Prince William County Stand Alone)	59,100,000
Held in 2016 Purchase Fund (Prince William County Stand Alone)	153,115,000
Held in 2016 Purchase Fund (Montgomery County Stand Alone)	63,880,000
Held in 2016 Purchase Fund (Qualified Zone Academy Bonds)	1,880,000
Held in 2017 Purchase Fund (Prince William County Stand Alone)	66,005,000
Held in 2017 Purchase Fund (King George County Stand Alone)	20,425,000
Held in 2018 Purchase Fund (Prince William County Stand Alone)	104,310,000
Held in 2019 Purchase Fund (Montgomery County Stand Alone)	27,315,000
Held in 2019-1 Purchase Fund (Prince William County Stand Alone)	109,155,000
Held in 2019-2 Purchase Fund (Prince William County Stand Alone)	34,610,000

Total local school bonds	<u>\$ 3,295,743,971</u>
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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, 2020.

	Current Liability	Long-Term Liability	Total
Balance July 1, 2019	\$ 314,775,000	\$ 3,246,041,000	\$ 3,560,816,000
Issued during fiscal 2020	20,995,000	409,990,000	430,985,000
Retired during fiscal 2020	(314,775,000)	-	(314,775,000)
Defeased during fiscal 2020		(86,500,000)	(86,500,000)
Maturing in fiscal 2021	294,055,000	(294,055,000)	-
Subtotal	315,050,000	3,275,476,000	3,590,526,000
Add: Unamortized Premium	22,100,413	137,916,459	160,016,872
Balance June 30, 2020	<u>\$ 337,150,413</u>	<u>\$ 3,413,392,459</u>	<u>\$ 3,750,542,872</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, 2020.

Year Ending June 30	Principal	Interest	Total
2021	\$ 315,050,000	\$ 145,269,713	\$ 460,319,713
2022	298,130,000	130,400,062	428,530,062
2023	273,945,000	116,127,523	390,072,523
2024	254,475,000	102,992,585	357,467,585
2025	241,001,000	90,738,784	331,739,784
2026-2030	1,150,465,000	289,249,179	1,439,714,179
2031-2035	720,660,000	103,962,673	824,622,673
2036-2040	282,555,000	27,464,964	310,019,964
2041-2045	35,460,000	5,359,673	40,819,673
2046-2050	18,785,000	1,296,638	20,081,638
Subtotal	3,590,526,000	1,012,861,794	4,603,387,794
Add: Unamortized Premium	160,016,872	-	160,016,872
Total	<u>\$ 3,750,542,872</u>	<u>\$ 1,012,861,794</u>	<u>\$ 4,763,404,666</u>

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D. Technology and Security Notes

Periodically, the Authority issues Technology and Security Notes, the proceeds of which are used to make grants to school divisions for the purchase of educational technology and security 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, 2020.

Technology and Security Notes				
Issue	Description	Amount Issued	Outstanding Balance	Remaining Available for Disbursement
Ed Tech XIV	2014 Notes	\$ 57,625,000	\$ -	\$ -
School Technology				
Ed Tech XV	2015 Notes	60,050,000	-	2,029,680
School Technology				
and Security Series III	2015 Notes	5,415,000	-	-
Ed Tech XVI	2016 Notes	59,820,000	13,100,000	5,936,736
School Technology				
and Security Series IV	2016 Notes	5,370,000	1,175,000	-
Educ Tech XVII	2017 Notes	60,710,000	25,945,000	9,908,849
School Technology				
and Security Series V	2017 Notes	5,425,000	2,320,000	1,126
Educ Tech XVIII	2018 Notes	54,265,000	33,965,000	8,309,213
School Technology				
and Security Series VI	2018 Notes	5,540,000	3,470,000	73,021
Educ Tech XIX	2019 Notes	52,110,000	42,465,000	23,001,694
School Technology				
and Security Series VII	2019 Notes	5,485,000	4,470,000	2,505,788
Educ Tech XX	2020 Notes	49,670,000	49,670,000	49,473,268
School Technology				
and Security Series VIII	2020 Notes	10,595,000	10,595,000	12,000,000
		<u>\$ 432,080,000</u>	<u>\$ 187,175,000</u>	<u>\$ 113,239,375</u>

E. Qualified Zone Academy Bonds

On October 31, 2012, the Authority issued \$2,014,104 for the City of Roanoke as a QZAB, as part of the School Tax Credit Bonds (Direct Payment) Series 2012-1. On December 30, 2014, the Authority issued \$3,816,000 for the Cities of Franklin and Petersburg as QZABs, as part of the School Tax Credit Bonds (Direct Payment) Series 2014-1. On November 30, 2016, the Authority issued \$2,350,000 for the Cities of Covington and Danville as QZABs, as part of the School Tax Credit Bonds (Direct Payment) Series 2016. These bonds were issued pursuant to Section 1297E of the Internal Revenue Code of 1986, as amended, and

VIRGINIA PUBLIC SCHOOL AUTHORITY
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the Authority purchased certain general obligation school bonds of the Cities of Roanoke, Franklin, Petersburg, Covington, and Danville 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 accordance with the funding agreements, until the QZABs mature. The final annual principal payments on the 2012 QZAB, the 2014 QZABs, and the 2016 QZABs are due December 15, 2034, December 1, 2024, and December 1, 2031, respectively, at which dates the QZABs will mature.

F. Qualified School Construction Bonds

In prior years, the Authority has issued Qualified School Construction Bonds and has used the proceeds to purchase general obligation school bonds issued by certain localities. The bonds have been issued as “qualified school construction bonds” in accordance with Section 54F of the Internal Revenue Code of 1986, as amended. The total amount outstanding under this program as of June 30, 2020 is \$353,400,000 (which includes the 2012 QZAB detailed under Note 2E that was issued as part of the 2012 School Tax Credit Bonds). 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. Direct Placement Bonds

The Authority has issued the 2014-1 Qualified Zone Academy Bond (QZAB) in the amount of \$3,816,000, and the 2016 QZAB, in the amount of \$2,350,000, as direct placement bonds. These bonds were issued as QZABs within the meaning of Sections 54A and 54E of the Internal Revenue Code of 1986, as amended.

The bonds are non-interest bearing bonds. The owner of the bonds is entitled to a tax credit on each tax credit allowance date equal to one-fourth of the product of the principal amount of the bonds owned, times the applicable tax credit rate.

Should the 2014-1 QZAB become disqualified as a QZAB, it shall bear interest at the tax credit rate on each tax credit allowance date, beginning on the first such date after the disqualification date. Not later than 60 days after the disqualification date, the Authority shall pay to the owner of the 2014-1 Bonds the amount which, after taking into account all penalties, fines, interest and additions to federal income tax (including lost tax credits) that are imposed on the owner of the 2014-1 Bonds as a result of the determination of disqualification, would restore the owner of the 2014-1 Bonds to the same after-tax yield on the 2014-1 Bonds that the owner would have realized had the determination of disqualification not occurred.

From and after an event of default under the Master Indenture, the 2014-1 Bonds shall bear interest at the default rate, payable on demand by the owner of the 2014-1 Bonds.

The 2016 Bonds shall be subject to extraordinary mandatory redemption prior to their fixed maturity date, in whole or in relevant part, within ninety (90) days after the disqualification

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

notice date, at a redemption price equal to 100% of the principal amount of the Bonds called for redemption, plus the redemption premium, plus the amount which, after taking into account all penalties, fines, interest and additions to federal income tax (including lost tax credits taken by the owner prior to the disqualification notice date) that are imposed on the owner of this Bond as a result of the determination of disqualification, would restore the owner of this Bond to the same after-tax yield on this Bond that the owner would have realized had the determination of disqualification not occurred.

The Authority also issued its Series 2020A Pooled Bonds as direct placement bonds. These bonds are secured by the State Aid Intercept Provision and a sum sufficient appropriation from the Commonwealth. Therefore, there are no other default provisions related to these bonds.

H. 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 2020. 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 this refunding 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 2020

Refunding Issue	Refunded Issue	Maturities Defeased	Amount Defeased
Prince William 2019B	2011	2027, 2030-2031	\$ 6,960,000
Prince William 2019B	2012	2030-2032	9,840,000
Prince William 2019B	2013	2029-2033	14,990,000
2019D	2013B	2027-2040	19,815,000
Total Defeased, FY 2020			\$ 51,605,000

The issuance under the 1997 Resolution of the Authority's Series 2019D bonds refunded certain outstanding bonds under the 1997 resolution. This debt defeasance resulted in an accounting loss of \$1,905,000. Total debt service payments over the next 21 years will be reduced by \$1,368,833. Present value savings of \$1,130,466 reflect the True Interest Cost of each component of the refunding at the discount rate.

On October 29, 2019, under the Authority's stand-alone program, Prince William County issued \$34,610,000 of its school financing and refunding bonds, a portion of which was used to refund \$31,790,000 of the Authority's 2011, 2012, and 2013 Series Prince William County bonds. Total debt service payments over the next 15 years will be reduced by

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NOTES TO THE FINANCIAL STATEMENTS (Unaudited)

\$3,485,184 resulting in a present value savings of \$2,953,220 discounted at the rate of 2.6384485 percent.

On June 18, 2020, Prince William County issued its own refunding bonds. Some of the proceeds were used to refund selected maturities of the Authority's 2011, 2014 and 2015 Series Prince William County bonds in a total of 34,895,000.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 23, "Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities," as amended by GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," the difference between the reacquisition price and the net carrying amount of the bonds defeased with refunding debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of Interest and Fiscal Charges over the shorter of the remaining life of the refunded debt or the life of the new debt.

At June 30, 2020, \$324,420,000 of bonds outstanding are considered defeased for financial reporting purposes.

I. Local School Bond Credits

Beginning in fiscal year 2015, the Authority modified its process for returning refunding savings to localities. Previously, these savings had been returned to localities in the form of lump sum payment when refunding bonds were issued. This process negatively impacted the Authority's net position. Under the current process, the Authority has calculated credit amounts to be returned to each locality annually as savings are actually achieved. The savings accrue to the Authority over time and the return of refunding savings to localities is now consistent with the timeframe in which the savings are earned by the Authority. As of June 30, 2020, the total remaining credits to be paid to the impacted localities over the next eighteen years is \$62 million.

J. Payments to/from the Literary Fund

In fiscal year 2020, after final rebate computations on the School Educational Technology Notes XIV, the residual earnings of \$340,682 on the related bond proceeds were paid to the Literary Fund, which had been the source of the debt service appropriation for these Notes.

The Authority received \$7,321,218 from the Literary Fund to pay interest on the various outstanding Educational Technology and Security Notes.

K. 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

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

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. Rebate calculations were performed for the following issues during the year:

Bond Issue	Computation Time Frame	Computation Date	Liability	Fee
(97 Resolution) 2003D	Final	8/1/2019	\$ -	\$ -
(97 Resolution) 2009A	Final	8/1/2019	-	400
(97 Resolution) 2009B	Final	8/1/2019	-	-
(97 Resolution) 2009C	Final	8/1/2019	-	1,875
(97 Resolution) 2009D	Final	8/1/2019	-	1,875
(97 Resolution) 2010A	10 Year	5/13/2020	-	800
(97 Resolution) 2010B	10 Year	5/13/2020	-	800
(97 Resolution) 2014C	5 Year	8/1/2019	-	1,875
(97 Resolution) 2015A	5 Year	8/1/2019	-	1,875
(97 Resolution) 2015B	5 Year	8/1/2019	-	1,875
School Tax Credit Bonds				
(Qualified School Construction Bonds) 2009-1	10 Year	9/15/2019	-	1,900
School Tax Credit Bonds				
(Qualified Zone Academy Bonds) 2014-1	5 Year	12/15/2019	-	1,875
Educational Technology and				
School Security Notes Series III	Final	4/15/2020	*	2,400

* VPSA's Series 2015 Notes (Series III) did not have a rebate liability, but did owe a yield reduction payment in the amount of \$98,911.94. This amount was reimbursed to VPSA from DOE in August 2020.

The Authority paid \$17,550 to its rebate calculation agent for services provided in connection with the above rebate calculations.

L. Subsequent Events

On October 15, 2020, the Authority issued \$106,510,000 Special Obligation School Financing Bonds, Prince William County Series 2020A. The Bonds will be used by the County to finance the costs of various school capital improvement projects for the County.

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

On November 10, 2020, the Authority plans to issue \$142,195,000 School Financing Bonds (1997 Resolution), Series 2020B, to purchase certain general obligation local school bonds to finance capital projects for schools and to refund certain previously issued Authority Bonds, and \$320,840,000 School Financing Refunding Bonds (1997 Resolution), Series 2020C (Taxable), to refund certain previously issued Authority Bonds.

M. 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, 2020
(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	July 1,	(Retired)	June 30,	Maturity
					Purchased	2019	During	2020	
Series 2003 D	12/11/03	1997	3.23%	\$ 286,670	\$ -	\$ 4,725	\$ (4,725)	\$ -	08/01/19
Series 2005 B	04/20/05	1997	4.07%	230,580	-	19,215	(13,885)	5,330	08/01/20
Series 2009 A	03/12/09	1997	2.60%	114,180	-	6,300	(6,300)	-	08/01/20
Series 2009 B	05/01/09	1997	3.69%	200,435	200,435	9,830	(9,830)	-	08/01/29
Series 2009 C	10/27/09	1997	2.85%	481,285	-	47,325	(47,100)	225	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	495	(495)	-	08/01/29
Series 2010 A	05/13/10	1997	3.01%	45,805	45,805	2,070	(1,020)	1,050	08/01/30
Series 2010 B	05/13/10	1997	5.09%	63,840	63,840	54,900	(4,490)	50,410	08/01/30
Series 2010-1 QSCB	07/08/10	School Tax Cr.	0.06%	72,655	72,655	72,655	-	72,655	06/15/27
Series 2010 C	10/19/10	1997	2.49%	85,510	-	44,745	(13,325)	31,420	08/01/24
Series 2010 D	11/10/10	1997	2.98%	9,975	9,975	885	(440)	445	08/01/30
Series 2011 A	05/05/11	1997	3.72%	26,375	26,375	3,500	(1,145)	2,355	08/01/36
Series 2011-1 QSCB	06/28/11	School Tax Cr.	0.05%	67,400	67,400	67,400	-	67,400	06/15/27
Series 2011 Prince William County	08/04/11	Stand Alone	3.15%	46,445	46,445	18,570	(16,245)	2,325	07/15/31
Series 2011 B	11/01/11	1997	3.37%	85,730	85,730	10,910	(3,515)	7,395	08/01/36
Series 2011 Montgomery County	12/06/11	Stand Alone	3.59%	86,115	86,115	8,630	(4,340)	4,290	01/15/32
Series 2011-2 QSCB	12/15/11	School Tax Cr.	0.00%	128,960	128,960	128,960	-	128,960	12/15/30
Series 2012 A	03/08/12	1997	2.28%	282,230	-	220,185	(17,020)	203,165	08/01/30
Series 2012 B	05/10/12	1997	2.85%	63,945	63,945	11,860	(2,835)	9,025	08/01/32
Series 2012 Prince William County	08/15/12	Stand Alone	2.61%	65,675	65,675	19,695	(13,125)	6,570	07/15/32
Series 2012-1 QTCB	10/31/12	School Tax Cr.	0.01%	23,265	23,265	23,265	-	23,265	12/15/34
Series 2012 C	11/15/12	1997	2.67%	65,950	65,950	54,565	(2,595)	51,970	08/01/41
Series 2012 D	12/20/12	1997	2.68%	66,120	66,120	62,480	(2,630)	59,850	08/01/35
Series 2013 A	05/09/13	1997	2.57%	141,840	141,840	113,875	(7,660)	106,215	08/01/33
Series 2013 Prince William County	07/31/13	Stand Alone	3.30%	59,990	59,990	29,990	(17,990)	12,000	07/15/33
Series 2013 B	11/21/13	1997	3.45%	45,075	45,075	37,205	(21,705)	15,500	08/01/40
Series 2014 A	05/15/14	1997	3.03%	51,510	51,510	44,270	(2,400)	41,870	08/01/39
Series 2014 B	05/15/14	1997	2.21%	215,405	-	175,750	(19,920)	155,830	08/01/26
Series 2014 Prince William County	10/07/14	Stand Alone	2.62%	82,545	82,545	66,025	(12,380)	53,645	07/15/34
Series 2014 C	11/20/14	1997	2.76%	81,265	81,265	66,990	(3,590)	63,400	08/01/35
Series 2014 Warren County	12/09/14	Stand Alone	3.42%	42,440	42,440	38,490	(1,160)	37,330	07/15/39
Series 2014-1 QZAB	12/30/14	School Tax Cr.	0.00%	3,816	3,816	3,816	-	3,816	12/15/24
Series 2015 A	02/17/15	1997	2.20%	435,715	-	419,855	(26,600)	393,255	08/01/37
Series 2015 B	05/14/15	1997	3.11%	33,820	33,820	31,685	(1,080)	30,605	08/01/38

(a) Includes refunding bonds issued.

**VIRGINIA PUBLIC SCHOOL AUTHORITY
SUPPLEMENTARY INFORMATION**

**Detail of Long-Term Indebtedness
June 30, 2020
(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, 2019	Issued (Retired) During Year	Outstanding June 30, 2020	Original Maturity
Series 2015 School Technology and Security Series III	05/19/15	Equip. Notes	1.20%	65,465	-	14,335	(14,335)	-	04/15/20
Series 2015 Prince William County	07/30/15	Stand Alone	2.89%	98,485	98,485	83,710	(24,610)	59,100	08/01/35
Series 2015 C	11/19/15	1997	2.91%	49,350	49,350	43,700	(1,830)	41,870	08/01/45
Series 2016 Prince William County	04/27/16	Stand Alone	2.38%	171,160	171,160	159,130	(6,015)	153,115	08/01/36
Series 2016 A	05/17/16	1997	2.40%	101,770	90,970	94,265	(3,940)	90,325	08/01/36
Series 2016 School Technology and Security Series IV	05/19/16	Equip. Notes	0.90%	65,190	-	27,870	(13,595)	14,275	04/15/21
Series 2016 Montgomery County	11/10/16	Stand Alone	2.22%	64,605	64,605	63,880	-	63,880	02/01/32
Series 2016 B	11/17/16	1997	2.49%	90,080	83,665	85,105	(3,180)	81,925	08/01/36
Series 2016-1 QZAB	11/30/16	School Tax Cr.	0.00%	2,350	2,350	2,350	-	2,350	12/15/31
Series 2017 Prince William County	03/09/17	Stand Alone	2.88%	77,660	77,660	69,890	(3,885)	66,005	03/01/37
Series 2017 A	05/16/17	1997	2.93%	18,470	18,470	17,890	(605)	17,285	08/01/37
Series 2017 School Technology and Security Series V	05/23/17	Equip. Notes	1.27%	66,135	-	41,395	(13,130)	28,265	04/15/22
Series 2017 B	08/22/17	1997	2.37%	106,075	-	105,990	-	105,990	08/01/36
Series 2017 C	11/07/17	1997	2.99%	115,820	115,820	114,090	(2,850)	111,240	08/01/47
Series 2017 King George County	11/09/17	Stand Alone	2.97%	20,840	20,840	20,740	(315)	20,425	02/01/38
Series 2018 A	05/15/18	1997	3.12%	63,920	63,920	63,920	(1,590)	62,330	08/01/38
Series 2018 School Technology and Security Series VI	05/22/18	Equip. Notes	2.02%	59,805	-	48,740	(11,305)	37,435	04/15/23
Series 2018 Prince William County	05/24/18	Stand Alone	2.97%	115,895	115,895	110,105	(5,795)	104,310	03/01/38
Series 2018 B	11/06/18	1997	3.36%	109,070	109,070	109,070	(4,090)	104,980	08/01/38
Series 2019 A	05/21/19	1997	2.89%	88,250	88,250	88,250	-	88,250	08/01/49
Series 2019 B	05/21/19	1997	1.69%	156,560	-	156,560	-	156,560	08/01/28
Series 2019 School Technology and Security Series VII	05/23/19	Equip. Notes	1.63%	57,595	-	57,595	(10,660)	46,935	04/15/24
Series 2019 Montgomery County	10/24/19	Stand Alone	2.21%	27,315	27,315	-	27,315	27,315	02/01/40
Series 2019 A Prince William County	10/29/19	Stand Alone	2.18%	109,155	109,155	-	109,155	109,155	10/01/39
Series 2019 B Prince William County	10/29/19	Stand Alone	2.67%	34,610	34,610	-	34,610	34,610	07/15/33
Series 2019 C	11/12/19	1997	2.36%	88,360	88,360	-	88,360	88,360	08/01/39
Series 2019 D	11/12/19	1997	2.72%	22,290	-	-	22,290	22,290	08/01/40
Series 2020 A	05/08/20	1997	2.85%	88,990	88,990	-	88,990	88,990	08/01/40
Series 2020 School Technology and Security Series VIII	06/09/20	Equip. Notes	0.34%	60,265	-	-	60,265	60,265	04/15/25
Total				\$ 6,060,866	\$ 3,252,696	\$ 3,560,816	\$ 29,710	\$ 3,590,526	

Detail of Long-Term Indebtedness by Resolution

	Amount Issued (a)	Local School Bonds Purchased	Outstanding July 1, 2019	Issued (Retired) During Year	Outstanding June 30, 2020
1997 Resolution	\$ 4,223,910	\$ 1,790,195	\$ 2,322,460	\$ (32,750)	\$ 2,289,710
Stand Alone Issues	1,102,935	1,102,935	688,855	65,220	754,075
Technology and Security Notes	374,455	-	189,935	(2,760)	187,175
School Tax Credit	359,566	359,566	359,566	-	359,566
Total	\$ 6,060,866	\$ 3,252,696	\$ 3,560,816	\$ 29,710	\$ 3,590,526

(a) Includes refunding bonds issued.

VIRGINIA PUBLIC SCHOOL AUTHORITY
Richmond, Virginia

BOARD OF COMMISSIONERS

As of June 30, 2020

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Honorable Cardell C. Patillo Jr., Vice Chairman

Betty J. Burrell

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Jay Bhandari

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