

Attachment C represents the projects that have closed and for which full payment from the Literary Fund has been made since the last Board meeting.

Superintendent's Recommendation:

The Superintendent of Public Instruction recommends approval of the financial report (including all statements) on the status of the Literary Fund as of September 30, 2008.

Impact on Resources:

As funds become available in the Literary Fund, recommendations will be made to the Board for funding priority projects and those projects at the top of the First Priority Waiting List, with the cash balance reduced as loan requests are processed.

Timetable for Further Review/Action:

The Department staff will prepare a quarterly financial report on this fund for Board approval. Information also will be presented each quarter, as part of another agenda item, regarding those projects on the two waiting lists.

BOARD OF EDUCATION
STATEMENT OF THE FINANCIAL POSITION OF THE LITERARY FUND
(as of September 30, 2008)

| Line Reference | PRINCIPAL BALANCE | <u>September 30, 2008</u> | <u>June 30, 2008</u> | <u>Increase/(Decrease)</u> |
|--|---|---------------------------|----------------------|----------------------------|
| 1. | Cash and investments maintained by State Treasurer | 162,381,902 | 151,091,810 | 11,290,092 |
| 2. | Temporary loans received from local school boards (secured by promissory notes) | 20,000,000 | 3,907,075 | 16,092,925 |
| 3. | Cash and investments in custody of Virginia Public School Authority (VPSA) | 0 | 0 | 0 |
| 4. | Long-term loans in custody of Virginia Public School Authority (VPSA) | 295,861,366 | 305,754,974 | (9,893,608) |
| 5. | Total Principal of Literary Fund | 478,243,268 | 460,753,859 | 17,489,409 |
| CURRENT COMMITMENTS AGAINST LITERARY FUND REVENUE | | | | |
| 6. | Balance due on active projects (Attachment B) | 39,820,034 | 57,532,159 | (17,712,125) |
| 7. | Debt service on VPSA equipment notes ¹ | 64,582,338 | 0 | 64,582,338 |
| 8. | Interest rate subsidy ² | 30,000,000 | 0 | 30,000,000 |
| 9. | Trigon Reserve | 5,657,429 | 5,657,429 | 0 |
| 10. | Transfer for Teacher Retirement ³ | 186,128,935 | 0 | 186,128,935 |
| 11. | Other Encumbrances held by Treasurer of Virginia | 10,234 | 10,234 | 0 |
| 12. | Required Carry Forward Balance | 64,469,470 | 64,582,338 | (112,868) |
| 13. | Total of Literary Fund Commitments | 390,668,440 | 127,782,159 | 262,886,280 |
| FUNDS AVAILABLE FOR CURRENT COMMITMENTS AND NEW LOANS | | | | |
| 14. | Cash and investments maintained by State Treasurer (Line 1) | 162,381,902 | 151,091,810 | |
| 15. | Less commitments against Literary Fund Revenues (Line 13) | (390,668,440) | (127,782,159) | |
| 16. | Balance Available to Fund New Projects Currently on Waiting List - (Additional Funds Needed to Meet Commitments) | (228,286,538) | 23,309,651 | |

NOTES:

¹Chapter 879 requires \$64,582,338 to be set aside for debt service on VPSA equipment notes.

²Chapter 879 requires \$30,000,000 to be set aside for an interest rate subsidy program.

³Chapter 879 requires \$186,128,935 to be transferred from the Literary Fund to pay teacher retirement in fiscal year 2009.

ACTIVE LITERARY FUND PROJECTS AS OF December 31, 2008

| Application Number | School Division | School | Release Date | Funds Approved for Release | Actual Funds Disbursed | Balance Due | Percent Drawn |
|-----------------------|--------------------|------------------------------|---------------|----------------------------|------------------------|----------------------|---------------|
| Literary Loans | | | | | | | |
| 11221 | Culpeper County | Culpeper County High | January, 2008 | \$ 7,500,000 | \$ - | \$ 7,500,000 | 0.00% |
| 11254 | Southampton County | Riverdale Elementary | January, 2008 | \$ 7,500,000 | \$ - | \$ 7,500,000 | 0.00% |
| 11259 | Greensville County | E. W. Wyatt Middle | January, 2008 | \$ 7,500,000 | \$ - | \$ 7,500,000 | 0.00% |
| 11261 | Culpeper County | New Elementary | January, 2008 | \$ 7,500,000 | \$ - | \$ 7,500,000 | 0.00% |
| | | | | \$ 30,000,000 | \$ - | \$ 30,000,000 | |
| Subsidy Grants | | | | | | | |
| 11062 | Chesapeake City | Butts Road Intermediate | 2001 Subsidy | \$ 85,594 | \$ (77,881) | \$ 7,713 | 90.99% |
| 11096 | Washington County | Abingdon High | 2003 Subsidy | 34,943 | \$ - | 34,943 | 0.00% |
| 11098 | Washington County | Holston High | 2003 Subsidy | 20,949 | \$ - | 20,949 | 0.00% |
| 11097 | Washington County | John S. Battle High | 2003 Subsidy | 30,210 | \$ - | 30,210 | 0.00% |
| 11099 | Washington County | Patrick Henry High | 2003 Subsidy | 30,181 | \$ - | 30,181 | 0.00% |
| 11100 | Washington County | Valley Institute | 2003 Subsidy | 5,861 | \$ - | 5,861 | 0.00% |
| 11151 | Nottoway County | Blackstone Primary | 2004 Subsidy | 54,632 | \$ (40,393) | 14,239 | 73.94% |
| 11150 | Nottoway County | Crewe Primary | 2004 Subsidy | 191,790 | \$ (161,572) | 30,218 | 84.24% |
| 11181 | Grayson County | Grayson Middle | 2005 Subsidy | 138,831 | \$ - | 138,831 | 0.00% |
| 11143 | Franklin County | Windy Gap Elementary | 2006 Subsidy | 745,557 | \$ (600,911) | 144,646 | 80.60% |
| 11201 | Portsmouth City | Park View Elementary | 2006 Subsidy | 1,331,227 | \$ (6,500) | 1,324,727 | 0.49% |
| 11210 | Halifax County | Halifax Middle | 2006 Subsidy | 1,331,227 | \$ (1,097,125) | 234,102 | 82.41% |
| 11121 | Henry County | G. W. Carver Elementary | 2006 Subsidy | 624,720 | \$ (617,153) | 7,567 | 98.79% |
| 11220 | Halifax County | South Boston Elementary | 2006 Subsidy | 641,739 | \$ (227,676) | 414,063 | 35.48% |
| 11222 | Henry County | Campbell Court Elementary | 2006 Subsidy | 706,533 | \$ (679,795) | 26,738 | 96.22% |
| 11212 | Washington County | Abingdon Elementary | 2007 Subsidy | 201,358 | \$ (6,500) | 194,858 | 3.23% |
| 11213 | Washington County | High Point Elementary | 2007 Subsidy | 154,739 | \$ - | 154,739 | 0.00% |
| 11214 | Washington County | Valley Institute Elementary | 2007 Subsidy | 123,197 | \$ - | 123,197 | 0.00% |
| 11215 | Washington County | E. B. Stanley Middle | 2007 Subsidy | 149,896 | \$ - | 149,896 | 0.00% |
| 11256 | Henry County | Drewry Mason Elementary | 2007 Subsidy | 648,523 | \$ (231,843) | 416,680 | 35.75% |
| 11209 | New Kent County | New Kent High School | 2007 Subsidy | 214,640 | \$ (6,500) | 208,140 | 3.03% |
| 11228 | Roanoke County | Northside High School | 2007 Subsidy | 798,438 | \$ - | 798,438 | 0.00% |
| 11258 | Gloucester County | Abingdon Elementary School | 2007 Subsidy | 798,438 | \$ - | 798,438 | 0.00% |
| 11262 | Wise County | Coeburn Middle School | 2008 Subsidy | 631,973 | \$ - | 631,973 | 0.00% |
| 11263 | Wise County | Powell Valley Primary School | 2008 Subsidy | 726,322 | \$ - | 726,322 | 0.00% |
| 11260 | Powhatan County | New Elementary School | 2008 Subsidy | 1,006,140 | \$ (999,640) | 6,500 | 99.35% |
| 11255 | Roanoke City | William Fleming High School | 2008 Subsidy | 1,006,140 | \$ - | 1,006,140 | 0.00% |
| 11272 | Town of West Point | West Point High School | 2008 Subsidy | 64,219 | \$ (6,500) | 57,719 | 10.12% |
| 11273 | Town of West Point | West Point Middle School | 2008 Subsidy | 41,984 | \$ - | 41,984 | 0.00% |

ACTIVE LITERARY FUND PROJECTS AS OF December 31, 2008

| Application Number | School Division | School | Release Date | Funds Approved for Release | Actual Funds Disbursed | Balance Due | Percent Drawn |
|-------------------------------|------------------------|----------------------------------|---------------------|---------------------------------------|-----------------------------------|------------------------|--------------------------|
| 11270 | Rockingham County | New Elementary School in Elkton | 2008 Subsidy | 1,006,140 | \$ - | 1,006,140 | 0.00% |
| 11271 | Rockingham County | New High School in Elkton | 2008 Subsidy | 999,640 | \$ - | 999,640 | 0.00% |
| 11293 | Tazewell County | Richlands Elementary School | 2008 Subsidy | 446,045 | \$ - | 446,045 | 0.00% |
| 11294 | Tazewell County | Tazewell Elementary School | 2008 Subsidy | 483,392 | \$ - | 483,392 | 0.00% |
| 11295 | Tazewell County | Springville Elementary School | 2008 Subsidy | 243,178 | \$ - | 243,178 | 0.00% |
| 11296 | Tazewell County | North Tazewell Elementary School | 2008 Subsidy | 324,368 | \$ - | 324,368 | 0.00% |
| 11297 | Tazewell County | Cedar Bluff Elementary School | 2008 Subsidy | 327,724 | \$ - | 327,724 | 0.00% |
| | | | | \$ 46,370,486 | \$ (4,759,988) | \$ 41,610,498 | |

January, 2009

LITERARY FUND PROJECT REIMBURSEMENTS COMPLETED AS OF December 31, 2008

| Application Number | School Division | School | Release Date | Funds Approved for Release | Actual Funds Disbursed | Funds Returned | Balance Due | Percent Drawn |
|--------------------|---------------------|---------------------------------|---------------|----------------------------|------------------------|----------------|-------------|---------------|
| 11203 | Staunton City | A. R. Ware Elementary | July, 2007 | 7,500,000 | (7,500,000) | 0.00 | 0.00 | 100.00% |
| 11202 | Staunton City | T. C. McSwain Elementary | January, 2008 | 7,500,000 | (7,500,000) | 0.00 | 0.00 | 100.00% |
| 11231 | Patrick County | Blue Ridge Elementary | January, 2008 | 151,618 | (151,618) | 0.00 | 0.00 | 100.00% |
| 11232 | Patrick County | Hardin Reynolds Memorial School | January, 2008 | 105,406 | (105,406) | 0.00 | 0.00 | 100.00% |
| 11233 | Patrick County | Meadows of Dan Elementary | January, 2008 | 105,217 | (105,217) | 0.00 | 0.00 | 100.00% |
| 11234 | Patrick County | Patrick County High | January, 2008 | 275,324 | (275,324) | 0.00 | 0.00 | 100.00% |
| 11235 | Patrick County | Patrick Springs Primary | January, 2008 | 195,976 | (195,976) | 0.00 | 0.00 | 100.00% |
| 11236 | Patrick County | Stuart Elementary | January, 2008 | 304,878 | (304,878) | 0.00 | 0.00 | 100.00% |
| 11237 | Patrick County | Woolwine Elementary | January, 2008 | 361,581 | (361,581) | 0.00 | 0.00 | 100.00% |
| 11244 | Galax City | Galax High School | January, 2008 | 5,000,000 | (5,000,000) | 0.00 | 0.00 | 100.00% |
| | | | | \$ 21,500,000 | \$ (21,500,000) | \$ - | \$ - | |
| 11225 | Hanover County | Hanover Elementary | 2007 Subsidy | 214,640 | (214,640) | 0.00 | 0.00 | 100.00% |
| 11223 | Essex County | Essex Intermediate School | 2007 Subsidy | 214,640 | (214,640) | 0.00 | 0.00 | 100.00% |
| 11226 | Hanover County | Trades Based Center | 2007 Subsidy | 208,140 | (208,140) | 0.00 | 0.00 | 100.00% |
| 11230 | Augusta County | Wilson Memorial High School | 2007 Subsidy | 791,938 | (791,938) | 0.00 | 0.00 | 100.00% |
| 11257 | Rockingham County | Montevideo Elementary School | 2007 Subsidy | 798,438 | (798,438) | 0.00 | 0.00 | 100.00% |
| 11269 | Radford City | Belle Heth Elementary School | 2008 Subsidy | 1,579,985 | (1,579,985) | 0.00 | 0.00 | 100.00% |
| 11277 | Virginia Beach City | Virginia Beach Middle School | 2008 Subsidy | 1,006,140 | (1,006,140) | 0.00 | 0.00 | 100.00% |
| | | | | \$ 26,313,921 | \$ (26,313,921) | \$ - | \$ - | |

January, 2009