

September 20, 2004

The Honorable Mark R. Warner
Governor of Virginia
Office of the Governor
State Capitol, Third Floor
Richmond, Virginia 23219

The Honorable John H. Chichester
Chairman
Senate Finance Committee
Post Office Box 904
Fredericksburg, Virginia 22404

The Honorable Vincent F. Callahan, Jr.
Chairman
House Appropriations Committee
Post Office Box 1173
McLean, Virginia 22101

Dear Governor Warner and Messrs. Chairmen:

It is my pleasure to submit this report pursuant to §22.1-167.2 (D) of the *Code of Virginia* as enacted in 1998 (enclosed), concerning certain bonds of the Virginia Public School Authority (VPSA) secured by a sum sufficient appropriation as provided in Item 158(D)(1)(a) of the 2004 Appropriation Act.

The 1997 Bond Resolution adopted on October 23, 1997, by the VPSA Board of Commissioners, utilized the additional security provided by the sum sufficient appropriation to achieve greater flexibility for localities participating in pooled bond sales and higher credit ratings for the VPSA's pooled bonds from the three major credit rating agencies.

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During the fiscal year ended June 30, 2004, the VPSA issued three additional series of school financing bonds under the 1997 Resolution. Accordingly, as of June 30, 2004, the total amount of the Authority's outstanding bonds as described in §22.1-167.2(D) of the *Code of Virginia* was \$2,002,490,000.

Respectfully submitted,

James J. Wheaton
Chairman, Virginia Public School Authority

Enclosure

c: The Honorable John M. Bennett
Secretary of Finance
Commissioners, Virginia Public School Authority