



COMMONWEALTH of VIRGINIA

Department of the Treasury

J. BRAXTON POWELL
TREASURER OF VIRGINIA

September 30, 2006

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The Honorable Timothy M. Kaine
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 Kaine 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 153(C)(13) of the 2006 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, 2006, the VPSA issued two additional series of school financing bonds under the 1997 Resolution. Accordingly, as of June 30, 2006, the total amount of the Authority's outstanding bonds as described in §22.1-167.2(D) of the Code of Virginia was \$2,615,040,000.

Respectfully submitted,



James J. Wheaton
Chairman, Virginia Public School Authority

Enclosure

c: The Honorable Jody M. Wagner
Secretary of Finance
Commissioners, Virginia Public School Authority