



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

The Honorable Harry R. Purkey
Chairman
House Finance Committee
2352 Leeward Shore Drive
Virginia Beach, Virginia 23451

Dear Governor Kaine and Messrs. Chairmen:

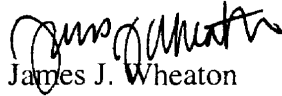
It is my pleasure to submit this report pursuant to §22.1-167.3 (C) of the *Code of Virginia* as enacted in 2001 (enclosed), concerning certain notes of the Virginia Public School Authority (VPSA) secured by a sum sufficient appropriation as provided in Item 135(C)(14) of the 2006 Appropriation Act.

The School Educational Technology Notes Resolutions adopted on March 19, 2001, March 18, 2002, March 19, 2003, March 17, 2004 March 16, 2005 and March 17, 2006 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 notes issues from the three major credit rating agencies.

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During the fiscal year ended June 30, 2006, the VPSA issued an additional series of school educational technology notes under the School Educational Technology Notes Resolution adopted on March 17, 2006. Accordingly, as of June 30, 2006, the total amount of the Authority's outstanding bonds as described in §22.1-167.3 (C) of the Code of Virginia was \$170,385,000.

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