

VIRGINIA TOBACCO Indemnification and Community Revitalization COMMISSION



ANNUAL REPORT

Fiscal Year 2006





The Honorable Charles R. Hawkins
Chairman

The Honorable Terry G. Kilgore
Vice Chairman



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Virginia Tobacco Indemnification and Community Revitalization Commission

701 E. Franklin Street, Suite 501 • Richmond, Virginia 23219

October 1, 2006

To the Governor and Members of the General Assembly of Virginia:

This report covers the 7th fiscal year of the Virginia Tobacco Indemnification and Community Revitalization Commission. The tables, lists, and brief descriptions of our projects provide an overview of the broad scope of our charge. Since 1999, we have invested more than \$500 million in Virginia's tobacco region. These monies have indemnified growers and quota holders, enabled construction of educational and research facilities, financed critical infrastructure that supports community and economic growth, and directly supported expanded employment opportunities throughout the region. Clearly, our Commission continues to provide hope and assistance to a region in transformation.

The past year, the Commission received \$29.9 million from the Master Settlement Agreement (MSA). By your legislative mandate, these funds were used exclusively for two purposes: indemnification and economic revitalization. Over 13 percent of our total budget supported indemnification, with 22,614 claimants having received payments in 2005. Eighty-four percent was used for 182 revitalization projects, and two percent was used for administration. It is noteworthy that revitalization initiatives leveraged approximately \$773 million of other funding.

On behalf of our Commission, I am grateful for your continued support and understanding of our mission and look forward to continuing our partnership as we strive to bring prosperity to the Commonwealth. I truly appreciate the opportunity to serve our citizens.

Sincerely,

Charles R. Hawkins



Fund Descriptions / Priorities

Using proceeds from the annual Master Settlement Agreement and Tobacco Indemnification and Community Revitalization Endowment established from securitization proceeds, the Commission made available \$13.7 million for indemnification and awarded \$99.4 million for economic revitalization grants for the tobacco-growing region in fiscal year 2006. The revitalization aspect of the mission is accomplished through seven grant programs that make awards to local governments, government entities (such as Planning District Commissions and Industrial Development Authorities), and non-profit organizations. Awards are guided by the Long Range Plan, recommended by a standing Committee for each program, and monitored by Commission staff. The Plan's Funding Policies call for projects to maximize leveraging from applicants and other partner organizations, to give preference to projects that have regional participation, and to assist those projects that generate the most significant outcomes for the residents and localities in the tobacco region.

Technology

Technology grants are awarded to develop regional fiber-optic "backbone" networks that will provide open access to high-speed, redundant connectivity at an affordable cost to regional users. These networks will allow the tobacco region to grow businesses that require this connectivity and to more effectively market the region as a location for business development. Sixteen grants totaling \$43.2 million were awarded to build infrastructure in the tobacco region.

Education

Education funds are awarded for various projects that will create a world-class workforce in the tobacco region, including scholarships, community college programs, workforce training, and vocational and adult education programs. Seventeen grants totaling \$10.4 million were awarded this fiscal year for educational projects, including \$2.8 million to the tobacco region's seven community colleges for continuing programs, and \$7.6 million in scholarships for tobacco region residents who are attending four-year degree-granting institutions.

Regional Economic Development

Regional economic development funds for Southside and Southwest are designated for projects that will expand and diversify the economic base in the tobacco-dependent region, creating new employment opportunities and reducing dependence on tobacco-related activities. The funds are used to develop industrial sites, improve water and sewer infrastructure, establish training facilities, and develop tourism infrastructure. Southside localities and organizations received 30 grants totaling \$18.4 million, and Southwest received 42 grants totaling \$4.7 million.

Innovation

Innovation grants include three areas of funding: Special Projects, Tobacco Region Opportunity Fund (TROF), and Agribusiness.

Grants are awarded under the **Special Projects** fund for projects that benefit several localities within one region or have the potential to have a significant impact on the economy of the tobacco region as a whole. These funds are provided for projects such as research facilities and regional business development that impact the larger geographic area. Forty-four special projects totaling \$16.0 million were funded this fiscal year.

TROF was created to revitalize the economies of the tobacco region through incentive grants to companies that will create new jobs and bring new private capital investment of at least \$1 million to localities within the region. This fund is successfully assisting communities by diversifying their economic base and reducing dependency on tobacco-related employment. The Commission works closely with the Virginia Economic Development Partnership to leverage the Governor's Opportunity Fund. The Commission made \$5.8 in commitments to help attract 30 new companies, create 3,583 new jobs, and provide \$555.9 million in capital investment to the tobacco region.

Agribusiness grants are awarded to assist tobacco producers and the tobacco region's agricultural community in diversifying into new production opportunities and developing value-added enterprises. Three agribusiness projects received grants totaling \$900,000 for programs and facilities.

Indemnification

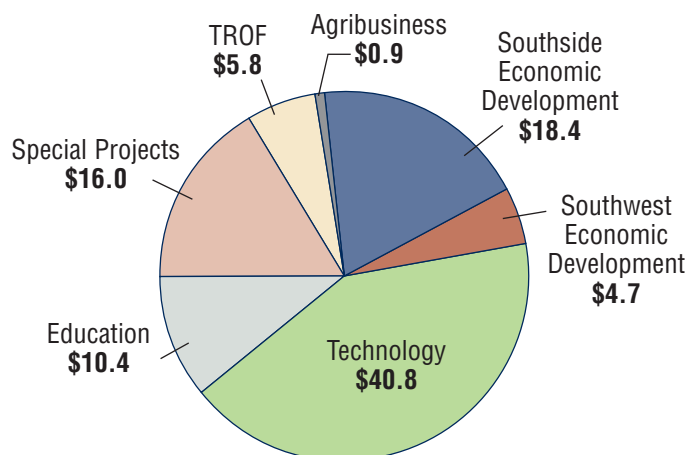
Total quota losses for a given year are calculated to be the difference between that year and the average quota for 1995-98. According to the Code of Virginia, the total value of quota in Virginia is estimated to be \$1.2 billion, and the Commission has adopted a rate of \$12 per pound to compensate for those losses (to be divided between producers and quota owners). Annually, the Commission determines an amount to be made available for indemnification of these losses. From its inception through the end of fiscal year 2006, the Commission has made available for indemnification \$211.8 million, leaving a remaining obligation of \$96.4 million for losses through 2002, the effective year of the federal tobacco quota buyout. Actual amounts paid are determined by verification forms submitted to the Commission by producers and quota owners.

Economic Revitalization Grant Awards



Fiscal Year 2006 Grant Awards

(in \$ millions)



Organization	Grant Amount
Project Description	

Agribusiness

Abingdon Feeder Cattle Association, Inc.	\$350,000
<i>Southwest Beef Improvements</i>	
Amelia County	\$300,000
<i>Southside Value-Added Beef Initiative Expansion</i>	
Virginia State University	\$250,000
<i>Rural Va Agribusiness Initiative: New Directions and Profits for a New Generation</i>	
Total Agribusiness	\$900,000

Economic Development-Southside

Amelia County	\$150,657
<i>Amelia County Business Park Expansion</i>	
Bedford County Economic Development Authority	\$250,550
<i>"New London Business and Technology Center - Phase 1, Construction"</i>	
Brunswick County IDA	\$546,500
<i>I-85 Business Center Park Improvement</i>	
Brunswick County	\$400,000
<i>Roanoke River Regional Business Park Wastewater Conveyance System</i>	
Brunswick County/Lake Gaston Tourism Association, Inc.	\$30,000
<i>Fort Christanna Signage and Kiosk/Information Station</i>	
Charlotte County	\$55,251
<i>Charlotte County Water and Sewer Study and Master Plan</i>	

Organization	Grant Amount
Project Description	
City of Danville	\$1,000,000
<i>Institute for Advanced Learning and Research - Debt Service</i>	
Danville-Pittsylvania Regional Facilities Authority	\$578,068
<i>City of Danville/Pittsylvania County Regional Industrial Park "Cane Creek Centre"</i>	
Danville-Pittsylvania Regional Facilities Authority	\$2,000,000
<i>Institute for Advanced Learning and Research - Debt Service</i>	
Franklin County	\$421,378
<i>Franklin County Workforce Center Initiative</i>	
Greensville County	\$120,022
<i>Southside Virginia Workforce Development Center</i>	
Halifax County IDA	\$545,407
<i>Halifax County General Industrial Site Purchase</i>	
Halifax County IDA	\$1,000,000
<i>Building One in Riverstone Technology Park - Debt Service</i>	
Halifax County IDA	\$4,100,000
<i>Project Mentor</i>	
Town of Kenbridge	\$726,798
<i>Kenbridge Community Center - Phase II</i>	
Mecklenburg County	\$1,151,215
<i>Roanoke River Regional Business Park Wastewater Conveyance System</i>	
Mecklenburg County	\$662,995
<i>Roanoke River Regional Wastewater Treatment Plant Expansion</i>	
Nottoway County	\$10,000
<i>Piedmont Park Development</i>	
Nottoway County	\$35,500
<i>American Velvet Company Expansion</i>	
Patrick County Board of Supervisors	\$20,000
<i>Raven Den Arts Centre Feasibility Study</i>	
Patrick County Board of Supervisors	\$60,000
<i>Patrick County Covered Bridge Restoration</i>	
Patrick County Board of Supervisors	\$40,000
<i>Patrick County Wireless Broadband Initiative</i>	
Pittsylvania County	\$1,000,000
<i>Institute for Advanced Learning and Research - Debt Service</i>	
Pittsylvania County	\$1,826,340
<i>Pittsylvania County/City of Danville Regional Industrial Park (Cane Creek Centre) - Water Tank and Onsite Water Improvements</i>	
Pittsylvania County	\$500,000
<i>Pittsylvania County/City of Danville Regional Industrial Park (Cane Creek Centre) - Sanitary Sewer Extension - Phase II</i>	

Economic Revitalization Grant Awards

Organization Project Description	Grant Amount	Organization Project Description	Grant Amount
Pittsylvania County <i>Pittsylvania County/City of Danville Regional Industrial Park - Sanitary Sewer Extension (Supplemental Request)</i>	\$202,500	Lincoln Theatre, Inc. <i>Live from the Lincoln Theatre: Song of the Mountains</i>	\$95,000
Prince Edward County IDA <i>Prince Edward County Shell Building</i>	\$600,000	Town of Marion <i>Water Treatment System Improvements</i>	\$144,612
Town of South Boston <i>The Crossing of the Dan Historical Exhibit</i>	\$27,000	Mount Rogers PDC <i>Carroll County Long Range Water Plan</i>	\$261,250
Virginia Motorsports Coalition <i>Virginia Motorsports Park - NHRA Improvements</i>	\$350,000	Mountain Empire Older Citizens, Inc. <i>Program of All Inclusive Care for the Elderly</i>	\$65,000
Total Economic Development-Southside	\$18,410,181	Mountain Empire Regional Business Incubator, Inc. <i>Pioneer Center - Videoconferencing for Economic Development</i>	\$25,000
Economic Development-Southwest		National Council for the Traditional Arts <i>Blue Ridge Music Center: Exhibit Completion and First-Year Operations</i>	\$150,000
Town of Abingdon <i>Town of Abingdon Regional Farmers Market</i>	\$66,500	City of Norton <i>Storm Drainage Improvements Project</i>	\$150,000
Appalachian Sustainable Development <i>Training and Infrastructure Development to Meet Organic Market Demand</i>	\$66,500	City of Norton <i>Country Cabin Water Extension</i>	\$47,500
The Barter Foundation, Inc. <i>Construction of the Barter Theatre Scene Shop</i>	\$71,250	Old High School Renovation, Inc. <i>Old Chilhowie High School Renovation</i>	\$23,750
Town of Big Stone Gap <i>Regional Dam Replacement</i>	\$250,000	Oxbow Corporation <i>Kitchen Business Incubator Implementation</i>	\$25,000
Bristol Historical Association <i>Robert Preston Living History Museum</i>	\$30,000	Town of Pennington Gap <i>Downtown Revitalization</i>	\$30,000
Burley Tobacco Festival and Farm Show <i>Washington County Fairground Road</i>	\$95,000	Town of Saint Paul <i>West Hills Economic Development Infrastructure Expansion</i>	\$166,250
Cove Ridge Center Foundation <i>Appalachian Heritage RV and Motorcycle Tour</i>	\$20,000	Saltville Foundation <i>Project "Mammoth": Museum of the Middle Appalachians Exhibit</i>	\$100,000
Cumberland Plateau Planning District Commission <i>Appalachian Authors Guild and Associates On-Line Bookstore</i>	\$25,000	Town of Saltville <i>Tourism Signage Project</i>	\$54,910
Dickenson County Board of Supervisors <i>Coalfields Agricultural Marketing Center</i>	\$28,500	Scott County Economic Development Authority <i>eCorridor Park-Southwest Expansion Master Plan</i>	\$50,000
Friends of the Wilderness Road State Park <i>Wilderness Road State Park Learning Center of Frontier History and Culture</i>	\$200,000	Scott County Economic Development Authority <i>Regional Technology Frontier</i>	\$10,000
Town of Fries <i>Fries Cultural Heritage Village and Small Business Incubator</i>	\$190,000	Scott County Economic Development Authority <i>Pioneer Center Improvements</i>	\$114,000
Historic Crab Orchard Museum and Pioneer Park <i>Development of the Farm Heritage and Events Center</i>	\$192,500	Scott County Economic Development Authority <i>eCorridor Park - Phase II Design</i>	\$161,500
Town of Lebanon <i>Industrial/Commercial Water Improvements</i>	\$285,000	Scott County Public Service Authority <i>Natural Tunnel State Park Water Extension</i>	\$250,000
Lee County IDA <i>Constitutional Oaks Phase 1-A Development</i>	\$400,000	Scott County Schools <i>Rye Cove Water Extension</i>	\$190,000
Lenowisco PDC <i>Regional Virtual Data Center</i>	\$32,500		

Economic Revitalization Grant Awards

Organization Project Description	Grant Amount	Organization Project Description	Grant Amount
Smyth County Chamber of Commerce <i>H.L. Bonham Regional Development and Tourism Center</i>	\$154,234	Southwest Virginia Higher Education Center <i>2005-06 Southside Virginia Tobacco Scholarship/Loan Program</i>	\$2,800,000
Smyth County School Board <i>21st Century Careers Program</i>	\$223,010	Southwest Virginia Higher Education Center <i>2005-06 Southwest Burley Scholarship Program</i>	\$1,000,000
Tazewell County IDA <i>Eastern Tazewell County Regional Revenue Sharing Industrial Park</i>	\$67,500	Southwest Virginia Higher Education Center <i>2006-07 Southside Virginia Tobacco Scholarship/Loan Program</i>	\$2,800,000
Washington County Habitat for Humanity <i>Habitat for Humanity ReStore Start-Up</i>	\$50,000	Southwest Virginia Higher Education Center <i>2006-07 Southwest Burley Scholarship Program</i>	\$1,000,000
Wayne Henderson Festival, Inc. <i>Wayne Henderson Appalachian Music Performance Center and Youth Education Program</i>	\$25,000	Southwest Virginia Higher Education Center <i>Tobacco Scholarship Loan Software</i>	\$10,000
Town of Wytheville <i>Meeting Center</i>	\$95,000	Virginia Highlands Community College <i>FY06 Tobacco Scholarships & AIMS Higher Programs</i>	\$400,000
Total Economic Development-Southwest	\$4,681,266	Total Education	\$10,410,000
Education		Special Projects	
Central Virginia Community College <i>Altavista Center Expansion</i>	\$25,000	Town of Abingdon <i>Southwest Virginia Artisan's Center</i>	\$150,000
Central Virginia Community College <i>Tobacco Scholarship Program</i>	\$60,000	Amelia County <i>John Tyler Community College/Education and Workforce Training Center</i>	\$165,313
Central Virginia Community College <i>Bedford Center Campaign</i>	\$35,000	Blue Ridge Foundation <i>Improvements to Virginia's State Center for Blue Ridge Folklore</i>	\$300,000
Central Virginia Community College Educational Foundation, Inc. <i>Appomattox Center</i>	\$165,000	Center for Advanced Engineering/IMT <i>Region 2000 Center for Advanced Engineering and Research</i>	\$100,000
Central Virginia Community College Educational Foundation, Inc. <i>Regional Outreach</i>	\$115,000	Corporation for Jefferson's Poplar Forest <i>Acquisition of Jefferson's Tobacco Land for Tourism Infrastructure</i>	\$300,000
Danville Community College <i>Allied Health and Entrepreneurship Program Support/Tobacco Scholarships</i>	\$400,000	Crater Regional Partnership <i>Skill Streams for Success-A Workforce Development Program</i>	\$75,000
Mountain Empire Community College <i>Scholarships for Tobacco Families and 06 Cohort of AIMS Higher Scholarship Recipients</i>	\$400,000	The Crooked Road, Virginia's Heritage Music Trail <i>The Crooked Road Expands Its Horizons</i>	\$475,000
Patrick Henry Community College <i>The PHCC Plan for Recovery: Building a Competitive Workforce & Revitalizing the Community</i>	\$400,000	Cumberland County <i>Regional Reservoir Siting Project - Phase III and Permit Submittal</i>	\$200,000
Southside Virginia Community College Foundation <i>Tobacco Scholarship Program</i>	\$125,000	City of Danville <i>Klaft Brownfield Restoration and Southside Riverfront Trail</i>	\$400,000
Southside Virginia Community College Foundation <i>Expansion of the Pickett Park Occupational/Technical Center</i>	\$275,000		
Southwest Virginia Community College <i>Tobacco Outreach Scholarship Program</i>	\$400,000		



Economic Revitalization Grant Awards

Organization Project Description	Grant Amount	Organization Project Description	Grant Amount
Danville-Pittsylvania Regional Facilities Authority <i>Cane Creek Centre Regional Industrial Park</i>	\$1,700,000	Southside Business Technology Center <i>Expansion of the Southside Business Technology Center</i>	\$75,000
Town of Farmville <i>Poplar Hill Inn and Conference Center</i>	\$1,000,000	Southside Planning District Commission <i>Regional Workforce Development Initiative</i>	\$300,000
Franklin County <i>Pigg River Power Dam Removal and Whitewater/Fish Passage Construction</i>	\$60,000	Tobacco Region Automotive Corridor Consortium <i>Feasibility Study for a Mega Industrial Site in Virginia</i>	\$100,000
Future of the Piedmont Foundation <i>Virginia Institute for Performance Engineering and Research (VIPER)</i>	\$1,362,500	The University of Virginia's College at Wise Foundation <i>Essential Technology Infrastructure Renovation for Regional Prosperity</i>	\$550,000
Halifax County Department of Tourism <i>Southern Virginia on the Move</i>	\$150,000	Virginia Department of Housing and Community Development <i>Southwest Virginia's Artisans Network</i>	\$85,185
Halifax County IDA <i>Project Mentor</i>	\$1,900,000	Virginia Foundation for Agriculture Innovation and Rural Sustainability <i>New Multipurpose Laboratory Building for Southern Piedmont Agricultural Research and Extension Center-Phase I</i>	\$300,000
Hampton Roads Maritime Association <i>Port Trucking and Trade Expansion Project</i>	\$320,000	Virginia Museum of Natural History Foundation <i>Permanent Exhibits in the New VMNH Facility</i>	\$350,000
Lake Country Development Corporation <i>Tier II Regional GIS Services</i>	\$47,100	Virginia Polytechnic Institute and State University-Office of Sponsored Programs <i>Innovation Center for Biotechnology-based Economic Development at the Institute for Advanced Learning and Research</i>	\$893,856
Lenowisco PDC <i>Return to Roots</i>	\$135,000	Virginia Tech Foundation, Inc. <i>Bio-based Energy and Products Research and Development Center</i>	\$1,200,000
Lincoln Theatre, Inc. <i>Song of the Mountains - A Syndicated Television Program to Promote Economic Development in Southwestern Virginia</i>	\$125,000	Virginia's Heartland Regional Industrial Facilities Authority <i>Virginia's Heartland Regional Displaced Workforce Training and Technology Center</i>	\$1,160,000
Martinsville-Henry County Chamber of Commerce <i>An Economic Impact Analysis on the Development of I-73 in Southside Virginia</i>	\$42,500	VNA Horticulture Research Foundation, Inc. <i>Virginia Ornamental Plant Introduction Program</i>	\$145,000
Mecklenburg County <i>Roanoke River Regional Wastewater Treatment Plant Expansion</i>	\$513,500	William King Regional Arts Center <i>Cultural Campus Expansion Project</i>	\$500,000
Mount Rogers PDC <i>Mount Rogers Loan Fund</i>	\$250,000	Total Special Projects	\$15,964,454
Mountain Empire Older Citizens, Inc. <i>Program of All Inclusive Care for the Elderly</i>	\$64,500	Technology	
National Council for the Traditional Arts <i>Blue Ridge Music Center: Exhibit Completion and First-Year Operations</i>	\$150,000	Bristol Virginia Utilities <i>Commercial and Residential Telecom Infrastructure Expansion in Washington County</i>	\$4,676,912
Radford University <i>International Trade Initiative: New Tools for a New Economy</i>	\$35,000	Bristol Virginia Utilities <i>Fiber Optic Infrastructure Extension - Jonesboro Rd</i>	\$376,210
Roanoke River Rails to Trails, Inc. <i>Tobacco Heritage Trail-Master Plan & Economic Impact Study</i>	\$100,000	Bristol Virginia Utilities <i>Town of Abingdon - Commercial</i>	\$400,325
Scott County Economic Development Authority <i>MERBI Prospect</i>	\$185,000		

Economic Revitalization Grant Awards



Organization Project Description	Grant Amount	Organization Project Description	Grant Amount
Bristol Virginia Utilities <i>Chilhowie and Saltville Fiber Optic Infrastructure Extensions</i>	\$795,300	City of Danville <i>Unarco Industries Inc.</i>	\$300,000
Bristol Virginia Utilities <i>Mountain Empire Industrial Park - Atkins</i>	\$353,100	City of Danville <i>Arista Tubes Ltd.</i>	\$300,000
Bristol Virginia Utilities <i>Fiber-Optic Backbone Infrastructure - Rural Retreat to Bluefield</i>	\$1,200,000	Franklin County <i>McAirLaid's Incorporated</i>	\$500,000
Citizens Telephone Cooperative <i>Tobacco Region Access Connection (TRAC)</i>	\$3,700,500	Franklin County <i>MW Manufacturers Inc.</i>	\$100,000
Cumberland Plateau Company, Inc. <i>Installation of Distribution and Last-Mile Infrastructure</i>	\$2,068,000	Galax County <i>Turman Hardwood Flooring, Inc.</i>	\$50,000
Lenowisco Inc. I <i>Installation of Distribution and Last-Mile Infrastructure</i>	\$1,500,000	Halifax County IDA <i>ADI Motorsports</i>	\$50,000
Mid-Atlantic Broadband Cooperative, Inc. <i>Regional Backbone Initiative</i>	\$8,100,000	Town of Lebanon <i>Clinch Mountain Finishing and Logistics, Inc.</i>	\$250,000
Mid-Atlantic Broadband Cooperative, Inc. <i>Regional Backbone Initiative - Phase II</i>	\$9,797,000	Lunenburg County <i>Concept 1 Academics</i>	\$125,000
Scott County Telephone Cooperative <i>FTTP - Gate City, Virginia</i>	\$3,302,756	Mecklenburg County <i>American Industrial Heat Transfer</i>	\$300,000
Southwest Virginia Education and Training Network <i>SVETN Broadband Utilization: Educational Telecommunications for Economic Development</i>	\$1,500,000	Russell County Industrial Development Authority <i>CGI - AMS</i>	\$700,000
Virginia Coalfield Coalition <i>Southwest Virginia Fiber Optic Backbone Project</i>	\$3,000,000	Town of Saltville <i>Engineered Products of Virginia</i>	\$35,000
Virginia Community Capital, Inc. <i>Rural Economic Revitalization Loan Fund</i>	\$2,000,000	Town of Saltville <i>Reline America</i>	\$50,000
Virginia Electronic Commerce Technology Center at Christopher Newport University <i>Expanding E-C Support to Southside & Southwest VA</i>	\$400,000	Scott County Economic Development Authority <i>Tempur Productions</i>	\$50,000
Total Technology	\$43,170,103	Smyth County Industrial Development <i>U. S. Solutions Group, Inc.</i>	\$100,000
TROF		Tazewell County IDA <i>Frank Calandra Incorporated</i>	\$60,000
Amelia County <i>Old River Cabinets, Inc.</i>	\$104,000	Washington County Industrial Development Authority <i>Universal Fibers</i>	\$200,000
Bland County <i>ABB Inc</i>	\$75,000	Wythe County <i>Amcor, PET Packaging, Inc.</i>	\$300,000
City of Bristol <i>Prime Choice Foods</i>	\$75,000	Committed funds for projects not yet announced	\$1,815,000
Campbell County <i>The Timken Company</i>	\$125,000	Total TROF	\$5,814,000
Campbell County <i>Banker Steel Company, LLC</i>	\$150,000	Grand Total	\$99,350,004
		<i>Certain grants reflect multiple awards from restricted and unrestricted funds.</i>	

Statement of Activities

The Southern Virginia Higher Education Center in South Boston is using Economic Development grants to add classrooms in unfinished space that formerly housed tobacco and furniture operations.



REVENUES:

	FY06	FY05
Master settlement agreement payments	\$29,907,557	\$65,157,743
Proceeds from securitization		389,776,674
Other income	60,554	9,661
Interest, dividends, and other investment income	12,550,659	2,784,779
Total revenues	\$42,518,770	\$457,728,857

EXPENDITURES:

Tobacco Settlement Expense

Administration	\$1,962,565	\$2,142,467
Indemnification payments	11,719,091	22,900,412
Community revitalization	62,170,893	38,011,870
Payments for securities lending transactions	629,706	512,027
Unrealized loss on investments	6,776,209	
Depreciation	2,292	3,587
Total expenditures	\$83,260,756	\$63,570,363

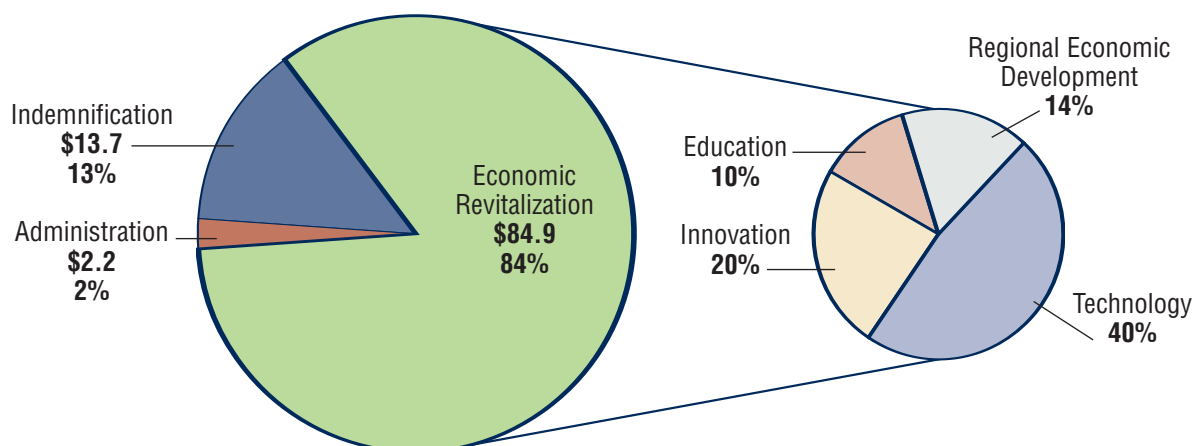
OTHER FINANCING SOURCES (USES):

Transfers In	31,670,000	38,977,667
Transfers Out	-31,670,000	-38,977,667
Total other financing sources (uses)	0	0

Change in net assets	-40,741,986	394,158,494
Net assets, July 1	477,836,882	83,678,388
Net assets, June 30	\$437,094,896	\$477,836,882

Fiscal Year 2006 Budget

(in \$ millions)



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Dallas-based TelVista continues to hire for more than 400 full time and 200 part time positions at its new facility in Danville's Airside Industrial Park. The company, which received a TROF grant of \$300,000 in 2004, requires applicants to have a GED.

The ribbon is cut in Lebanon for CGI-AMS, which received a \$700,000 TROF to create 300 software development jobs at its site in the Russell Regional Business Technology Park. Northrop Grumman will locate next door, creating an additional 250 software jobs.

COMMISSION MEMBERS As of June 30, 2006

House of Delegates Members

The Honorable Kathy J. Byron	Lynchburg
The Honorable Allen W. Dudley	Rocky Mount
The Honorable Clarke N. Hogan	Keysville
The Honorable Joseph P. Johnson	Abingdon
The Honorable Terry G. Kilgore, <i>Vice-Chairman</i>	Gate City
The Honorable Thomas C. Wright, Jr.	Victoria

Senate Members

The Honorable Charles Hawkins, <i>Chairman</i>	Chatham
The Honorable Phillip Puckett	Lebanon
The Honorable Frank M. Ruff	Clarksville
The Honorable William Wampler, Jr.	Bristol

Secretary of Commerce and Trade

The Honorable Patrick O. Gottschalk	Richmond
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Secretary of Finance

The Honorable Jody Wagner	Richmond
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Commissioner of Agriculture and Consumer Services

J. Carlton Courter, III	Richmond
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Active Flue-Cured Tobacco Producers

Mr. Clarence D. Bryant, III	Blairs
Mr. Buddy Mayhew	Blairs
Mr. Thomas E. West	Nathalie

Active Burley Tobacco Producers

Mr. Stephen S. Banner	Castlewood
Mr. Fred M. Fields	Pennington Gap
Mr. John M. Stallard	Nickelsville

Virginia Farm Bureau Federation Representative

Mr. Jordon M. Jenkins, Jr	Blackstone
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Citizens

Mr. Thomas Arthur	Blairs
The Honorable Barnie K. Day	Meadows of Dan
Mr. L. Jackson Hite	Clarksville
Mr. Scott M. Harwood, Sr.	Farmville
Ms. Minnie B. Lane	Altavista
Mr. H. Ronnie Montgomery	Jonesville
The Honorable Harrison A. Moody	Blackstone
Ms. Connie Lee Greene Nyholm	Alton
The Honorable Edward Owens	South Boston
Mr. Bryant L. Stith	Lawrenceville
Mr. James C. Thompson	Tazewell



Virginia Tobacco Indemnification and Community Revitalization Commission

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