



COMMONWEALTH of VIRGINIA

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Secretary of Finance

February 13, 2019

P.O. Box 1475
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MEMORANDUM

TO: The Honorable Ralph S. Northam

THROUGH: The Honorable Clark Mercer

FROM: Aubrey L. Layne, Jr.

SUBJECT: January Revenue Report

January is a significant month for revenue collections. Besides the normal monthly payroll withholding and sales tax collections, estimated payments from individuals are due in January and refunds are issued to insurance companies. Total general fund revenues grew 0.4 percent in January, mainly due to a significant drop in individual nonwithholding and corporate income tax payments. In addition, the sources most closely tied to economic activity – payroll withholding and sales tax collections – posted weak but stable growth for the month.

On a fiscal year-to-date basis, total revenue collections rose 1.3 percent through January, trailing the annual forecast of 5.9 percent growth. Although collections are lagging the annual estimate, growth is expected to be higher in the second half of the fiscal year due to effects of the federal *Tax Cuts and Jobs Act*.

National Economic Indicators

Recent national indicators suggest the economy continues to grow at a solid pace.

- According to the third estimate, real GDP rose at an annualized rate of 3.4 percent in the third quarter, following 4.2 percent growth in the second quarter.
- Payroll employment rose by 304,000 jobs in January, well above expectations. December's gain was revised down from 312,000 to 222,000. As a result of the partial federal government shutdown, furloughed government workers were still counted as employed but their absence from their jobs did affect the unemployment rate, which is

measured in a separate survey. The unemployment rate increased from 3.9 percent to 4.0 percent in January.

- Initial claims for unemployment fell by 19,000 to 234,000 during the week ending February 2. The four-week moving average rose by 4,500 to 224,750. The level of claims is consistent with a healthy labor market.
- The Conference Board's index of leading indicators fell 0.1 percent in December following a 0.2 percent increase in November and a 0.3 percent decline in October, suggesting economic growth may have weakened.
- As the federal government shut down for 35 days, the Conference Board's index of consumer confidence fell 6.4 points to 120.2 in January. Both the expectations and present conditions components fell for the month although expectations had a more significant negative impact on the index.
- Conditions in the manufacturing sector improved in January. The Institute of Supply Management index rose from 54.3 to 56.6, a level consistent with continued growth.
- The CPI declined 0.1 percent in December after remaining flat in November. The index stands 1.9 percent above December of 2017. Core inflation (excluding food and energy prices) rose by 0.2 percent, and is 2.2 percent above a year ago.
- At its January meeting, the Federal Reserve left the federal funds target rate range unchanged at 2.25 to 2.5 percent.

Virginia Economy

In Virginia, payroll employment rose 1.8 percent in December from December of last year. Northern Virginia posted growth of 0.8 percent; Hampton Roads rose 1.7 percent; and Richmond-Petersburg rose 1.6 percent. The seasonally adjusted unemployment rate held steady at 2.8 percent in December, the lowest rate since April 2001.

The Virginia Leading Index was unchanged in December after declining 0.1 percent in November. Auto registrations and future employment improved in December while initial claims rose and the U.S. Leading Index decreased. The indexes for Roanoke, Richmond, and Lynchburg fell, and the indexes for Hampton Roads and Northern Virginia were unchanged in December. The remaining regional indexes increased for the month.

January Revenue Collections

Total general fund revenues grew 0.4 percent in January, mainly due to a significant drop in individual nonwithholding and corporate income tax payments. Sources most closely tied to economic activity – payroll withholding and sales tax collections – posted weak but stable growth

for the month. On a fiscal year-to-date basis, total revenue collections rose 1.3 percent through January, trailing the annual forecast of 5.9 percent growth.

Net Individual Income Tax (71% of general fund revenues): Through January, collections of net individual income tax rose 0.4 percent from the same period last year, lagging the annual estimate of 6.7 percent growth. As stated earlier, growth is expected to pick up in the second half of the fiscal year due to effects of the federal *Tax Cuts and Jobs Act*. Performance in each component of individual income tax is as follows:

Individual Income Tax Withholding (62% of general fund revenues): Collections of payroll withholding taxes rose 0.9 percent in January. The federal government shutdown did not have an effect this month because the shutdown ended and back pay was issued. Year-to-date, collections have grown 3.9 percent, close to the annual estimate of 3.8 percent growth.

Individual Income Tax Nonwithholding (19% of general fund revenues): Collections in nonwithholding were \$434.1 million compared with \$448.7 million in January of last year, a decline of 3.3 percent.

December and January are significant months for collections in this source, and receipts can be distorted by the timing of payments. Taxpayers have until January 15th to submit their fourth estimated payment for tax year 2018 and some of these payments are typically received in December so the two months must be considered together to assess growth. December payments were \$295.8 million below December of 2017. Receipts of nonwithholding for the two-month period of January-December decreased 36.4 percent from last year.

Year-to-date collections fell 15.5 percent, trailing the annual estimate of 15.2 percent growth. However, given that some of the extremely large payments from individuals received last December were, in fact, a proxy for their May 1st final payment, it may be until May before a complete analysis can be done.

Individual Income Tax Refunds: In January, the Department of Taxation issued \$34.6 million in refunds compared with \$43.5 million in January of last year. The main income tax filing season begins in February.

Sales Tax (17% of general fund revenues): Collections of sales and use taxes, reflecting December sales, rose 0.8 percent in January. The combined December and January receipts, representing the bulk of the holiday shopping season, was 3.9 percent above the same period last year. On a year-to-date basis, collections have risen 4.0 percent, ahead of the annual estimate of 3.7 percent growth.

Corporate Income Tax (4% of general fund revenues): Collections of corporate income taxes were \$23.2 million in January, compared with receipts of \$35.4 million in January of last year.

Year-to-date collections have decreased 1.8 percent from the same period last year, trailing the forecast of 5.6 percent growth.

Wills, Suits, Deeds, Contracts (2% of general fund revenues): Collections of wills, suits, deeds, and contracts – mainly recordation tax collections – were \$27.2 million in January, compared with \$27.8 million in January of last year, a decline of 2.0 percent. On a year-to-date basis, collections are down 4.8 percent, slightly ahead of the annual forecast of a 6.7 percent decline.

Insurance Premiums (2% of general fund revenues): Chapter 896 of the 2007 Acts of the Assembly required that \$168.7 million of collections in this source be transferred to the Transportation Trust Fund in fiscal year 2019 before making any deposits to the general fund. The required transfer was completed in December.

January was a negative month in this source as refunds were issued to insurance companies. Year-to-date collections through January were \$51.4 million, compared with \$42.0 million in January 2018.

Other Revenue Sources

The following list provides data on January collections for other revenue sources:

	<u>Year-to-Date</u>	<u>Annual Estimate</u>
Interest Income (0.3% GF revenues)	30.4%	11.5%
ABC Taxes (1% GF revenues)	1.3%	3.5%

All Other Revenue (2% of general fund revenues): Receipts in All Other Revenue rose 5.4 percent in January, \$43.0 million compared with \$40.8 million a year ago. The bulk of the growth was in collections of fines and fees. On a year-to-date basis, collections of All Other Revenue rose 12.1 percent from the same period last year, compared to the annual estimate of 1.5 percent growth.

Summary

Total general fund revenues grew 0.4 percent in January, mainly due to a significant drop in individual nonwithholding and corporate income tax payments. In addition, the sources most closely tied to economic activity – payroll withholding and sales tax collections – posted weak growth for the month.

On a fiscal year-to-date basis, total revenue collections rose 1.3 percent through January, trailing the annual forecast of 5.9 percent growth. Although collections are lagging the annual estimate, growth is expected to be higher in the second half of the fiscal year due to effects of the federal *Tax Cuts and Jobs Act*.

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2018 and 2019
(Dollars in Thousands)

Revenue	(1)	(2)	(3) (4) (5)			(6) (7) (8)			(9)
	FY 2019 Estimate	As a % of Gen Fund Rev	January FY 2019	January FY 2018	January % Change	Year-To-Date FY 2019	Year-To-Date FY 2018	Year-To-Date % Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$13,013,900	61.82	\$1,241,710	\$1,230,737	0.9	\$7,421,943	\$7,145,662	3.9	3.8
Tax Dues/Estimated Payments	\$4,001,000	19.01	434,076	448,681	(3.3)	1,262,313	1,494,171	(15.5)	15.2
Gross Individual Income Tax	\$17,014,900	80.83	\$1,675,786	\$1,679,418	(0.2)	\$8,684,256	\$8,639,833	0.5	6.3
Individual and Fiduciary Income (Refunds)	(1,969,700)	(9.36)	(34,556)	(43,547)	(20.6)	(339,771)	(332,594)	2.2	3.3
Net Individual Income Tax	\$15,045,200	71.47	\$1,641,230	\$1,635,871	0.3	\$8,344,485	\$8,307,239	0.4	6.7
Sales and Use Tax	\$3,591,100	17.06	\$345,131	\$342,410	0.8	\$1,950,456	\$1,874,761	4.0	3.7
Corporations Income Tax	910,500	4.33	23,159	35,418	(34.6)	415,308	422,979	(1.8)	5.6
Wills, Suits, Deeds, Contracts	368,600	1.75	27,215	27,784	(2.0)	218,027	229,094	(4.8)	(6.7)
Insurance Premiums	395,300	1.88	(41,856)	(52,699)	20.6	51,365	41,978	22.4	17.0
Interest Income (a)	68,500	0.33	(9,231)	(8,521)	(8.3)	53,786	41,262	30.4	11.5
Alcoholic Beverage Sales (b)	240,000	1.14	3,266	3,202	2.0	74,804	73,877	1.3	3.5
All Other Revenues	431,400	2.04	42,978	40,763	5.4	222,354	198,282	12.1	1.5
Total General Fund Revenues	\$21,050,600	100.00	\$2,031,892	\$2,024,228	0.4	\$11,330,585	\$11,189,472	1.3	5.9

Percentage is greater than or equal to 1,000%.

- (a) Interest Income for the October - December quarter attributable to nongeneral funds was transferred this month resulting in negative Interest Income for the month of January.
- (b) Includes Beer and Beverage Excise Tax and Alcoholic Beverage State Tax.

Commonwealth of Virginia/Department of Accounts
General Fund Statement of Revenue Collections and Estimates
For the Fiscal Years 2018 and 2019
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2019 Estimate	As a % of Total Gen Fund Rev	January FY 2019	January FY 2018	% Change	Year-To-Date FY 2019	Year-To-Date FY 2018	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$13,013,900	61.82	\$1,241,710	\$1,230,737	0.9	\$7,421,943	\$7,145,662	3.9	3.8
Tax Dues/Estimated Payments	4,001,000	19.01	434,076	448,681	(3.3)	1,262,313	1,494,171	(15.5)	15.2
Gross Individual Income Tax	\$17,014,900	80.83	\$1,675,786	\$1,679,418	(0.2)	\$8,684,256	\$8,639,833	0.5	6.3
Individ and Fiduc Income (Refunds)	(1,969,700)	(9.36)	(34,556)	(43,547)	(20.6)	(339,771)	(332,594)	2.2	3.3
Net Individual Income Tax	\$15,045,200	71.47	\$1,641,230	\$1,635,871	0.3	\$8,344,485	\$8,307,239	0.4	6.7
Sales and Use Tax	3,591,100	17.06	345,131	342,410	0.8	1,950,456	1,874,761	4.0	3.7
Corporations Income	910,500	4.33	23,159	35,418	(34.6)	415,308	422,979	(1.8)	5.6
Public Service Corporations	98,700	0.47	8,543	8,892	(3.9)	51,320	48,687	5.4	0.0
Insurance Premiums	395,300	1.88	(41,856)	(52,699)	20.6	51,365	41,978	22.4	17.0
Alcoholic Beverage Excise	199,100	0.95	0	0	-	50,311	49,038	2.6	4.3
Beer and Beverage Excise	40,900	0.19	3,266	3,202	2.0	24,493	24,839	(1.4)	0.1
Wills, Suits, Deeds, Contracts	368,600	1.75	27,215	27,784	(2.0)	218,027	229,094	(4.8)	(6.7)
Inheritance, Gift, and Estate	0	0.00	0	114	(100.0)	43	932	(95.4)	(100.0)
Bank Franchise	24,000	0.11	0	0	-	52	229	(77.3)	0.2
Other Taxes	13,000	0.06	760	369	106.0	10,682	9,988	6.9	(15.8)
Total Taxes	\$20,686,400	98.27	\$2,007,448	\$2,001,361	0.3	\$11,116,542	\$11,009,764	1.0	5.9
Rights and Privileges:									
Licenses and Permits	\$4,100	0.02	\$192	\$179	7.3	\$2,200	\$2,227	(1.2)	2.3
Corp. Franchise and Charters	53,700	0.26	11,839	11,609	2.0	14,829	14,610	1.5	0.1
Fees for Misc. Privileges & Services	11,000	0.05	2,403	2,181	10.2	7,227	6,441	12.2	(10.4)
Total Rights and Privileges	\$68,800	0.33	\$14,434	\$13,969	3.3	\$24,256	\$23,278	4.2	(1.6)
Other Revenues:									
Sales of Property & Commodities	\$0	0.00	\$0	\$0	-	\$412	\$5,389	(92.4)	(100.0)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	4	10	(60.0)	193	362	(46.7)	(31.4)
Institutional Revenue	2,600	0.01	44	221	(80.1)	1,464	1,526	(4.1)	(5.7)
Interest (a)	68,500	0.33	(9,231)	(8,521)	(8.3)	53,786	41,262	30.4	11.5
Dividends and Rent	300	0.00	11	19	(42.1)	247	331	(25.4)	(7.4)
Fines, Forfeitures & Fees	219,000	1.04	19,187	16,532	16.1	131,559	117,057	12.4	2.5
Other Revenue	4,800	0.02	(284)	542	(152.4)	2,252	(8,443)	126.7	178.9
Excess Fees	(7,600)	(0.04)	(413)	(498)	17.1	(4,270)	(4,917)	13.2	0.8
Private Donations, Gifts & Cont.	0	0.00	2	0	-	2	1	100.0	(100.0)
Cities, Counties, and Towns	7,400	0.04	690	593	16.4	4,142	3,862	7.3	1.7
Total Other Revenues	\$295,400	1.40	\$10,010	\$8,898	12.5	\$189,787	\$156,430	21.3	6.4
Total General Fund Revenues	\$21,050,600	100.00	\$2,031,892	\$2,024,228	0.4	\$11,330,585	\$11,189,472	1.3	5.9

Percentage is greater than or equal to 1,000%.

(a) Interest Income for the October - December quarter attributable to nongeneral funds was transferred this month resulting in negative Interest Income for the month of January.

**Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2018 and 2019
(Dollars in Thousands)**

	FY 2019 Estimate	January			Year-To-Date			% Annual Growth Required By Estimate
		(a)	FY 2019 (b)	FY 2018 (c)	% Change	FY 2019 (b)	FY 2018 (c)	
Lottery Collections								
Total Lottery Sales	\$2,266,318	\$190,457	\$180,195	5.7	\$1,352,922	\$1,230,518	9.9	5.9
Other Income	1,041	70	91	(23.1)	1,463	715	104.6	9.6
Total Income	<u>\$2,267,359</u>	<u>\$190,527</u>	<u>\$180,286</u>	<u>5.7</u>	<u>\$1,354,385</u>	<u>\$1,231,233</u>	<u>10.0</u>	<u>5.9</u>
Less:								
Prize Expenses	\$1,398,356	\$115,304	\$104,550	10.3	\$837,104	\$740,941	13.0	6.9
Retailer Commissions	128,217	10,613	10,067	5.4	76,032	70,258	8.2	5.7
Operating Expenses	117,950	9,714	8,294	17.1	64,922	62,306	4.2	11.7
Total Expenses	<u>\$1,644,523</u>	<u>\$135,631</u>	<u>\$122,911</u>	<u>10.3</u>	<u>\$978,058</u>	<u>\$873,505</u>	<u>12.0</u>	<u>7.2</u>
Net Proceeds from Operations								
Net Lottery Ticket Profits	\$622,836	\$54,896	\$57,375	(4.3)	\$376,327	\$357,728	5.2	4.4
Prior Year Residual Profit Transfer	9,563	0	0	-	9,563	11,819	(19.1)	-
Available to Lottery Proceeds Fund	<u>\$632,399</u>	<u>\$54,896</u>	<u>\$57,375</u>	<u>(4.3)</u>	<u>\$385,890</u>	<u>\$369,547</u>	<u>4.4</u>	<u>3.9</u>

Percentage is greater than or equal to 1,000%.

- (a) Estimate established by House Bill 1700, December 18, 2018. The Prior Year Residual Profit Transfer of \$9,563,109 was made on August 13, 2018, and is included in the total revenue estimate.
- (b) Amounts reported are accrual-based estimates (unaudited closing).
- (c) The current year figures on this chart, including growth percentages, are not an indicator of the probable outcome for the fiscal year. Lottery revenues can have dramatic swings up and down month to month depending on the lotto jackpots, prize expense, and game related administrative expenses.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Selected Revenue Estimates & Collections
For the Fiscal Years 2018 and 2019
(Dollars in Thousands)

Revenue	FY 2019 Estimate	As a % of Total Fund	January			Year-To-Date			% Annual Growth Required By Estimate
			FY 2019	FY 2018	% Change	FY 2019	FY 2018	% Change	
Motor Fuel Taxes	\$905,500	17.11	\$99,984	\$75,911	31.7	\$505,444	\$471,009	7.3	5.6
Priority Transportation Fund (PTF)	168,655	3.19	0	0	-	168,655	168,018	0.4	0.4
Motor Vehicle Sales and Use Tax	958,200	18.10	91,168	84,852	7.4	598,321	573,929	4.3	(2.6)
State Sales and Use Tax	1,073,600	20.29	105,345	104,122	1.2	598,152	568,310	5.3	2.9
Motor Vehicle License Fees	258,600	4.88	22,856	19,481	17.3	152,272	141,399	7.7	(0.1)
International Registration Plan	67,600	1.28	2,763	3,740	(26.1)	33,064	33,555	(1.5)	(2.3)
Recordation Tax	43,600	0.82	3,316	3,379	(1.9)	26,678	27,790	(4.0)	(8.7)
Interest Earnings	3,800	0.07	3,613	2,037	77.4	6,667	4,053	64.5	(57.2)
Misc. Taxes, Fees, and Revenues	17,900	0.34	1,584	1,505	5.2	11,360	10,330	10.0	(8.7)
Total State Taxes and Fees	<u>\$3,497,455</u>	<u>66.08</u>	<u>\$330,629</u>	<u>\$295,027</u>	<u>12.1</u>	<u>\$2,100,613</u>	<u>\$1,998,393</u>	<u>5.1</u>	<u>1.2</u>

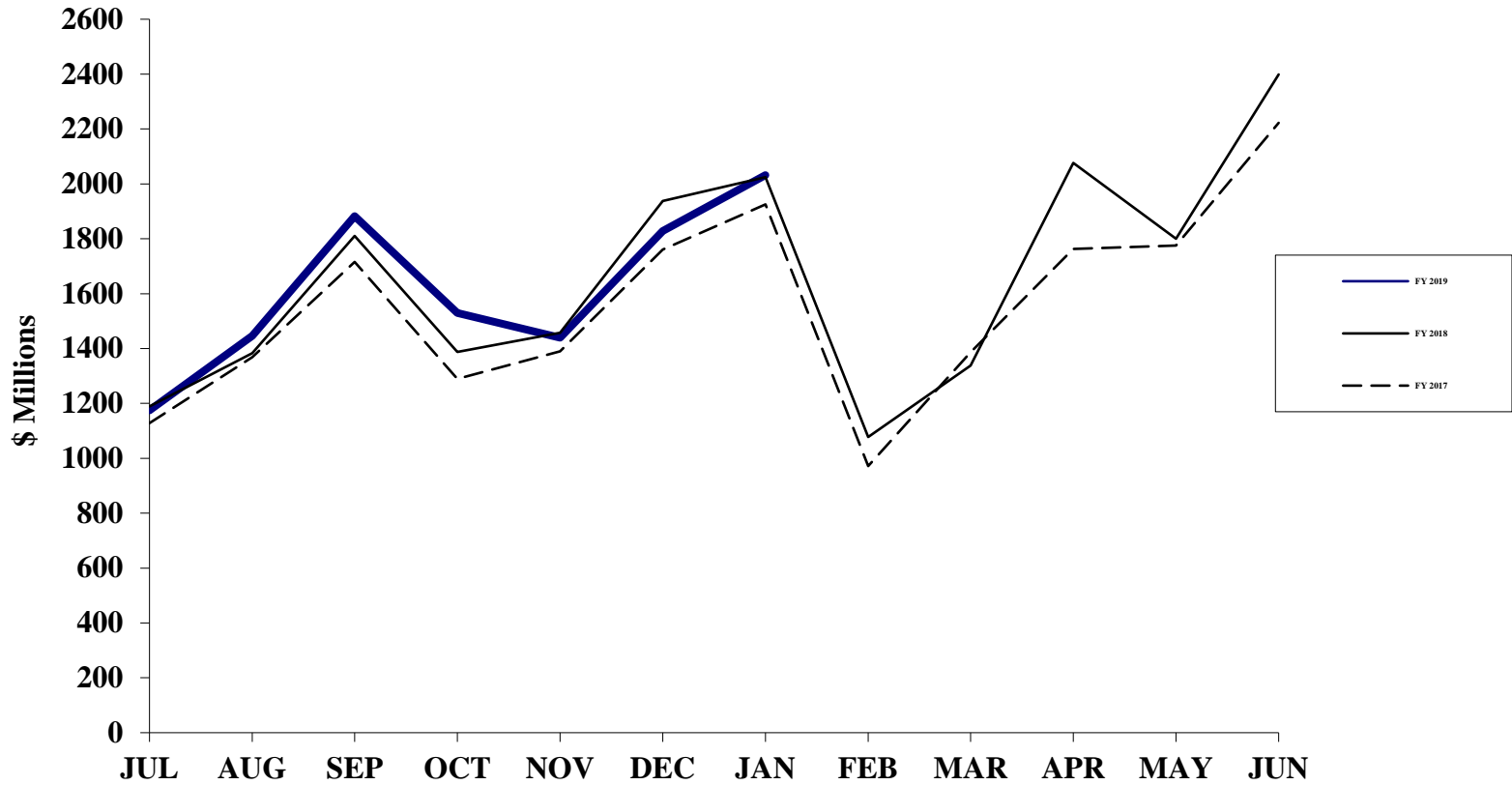
Percentage is greater than or equal to 1,000%.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2018 and 2019
(Dollars in Thousands)

Revenue	FY 2019 Estimate	As a % of Total Fund	January			Year-To-Date			% Annual Growth Required By Est
			FY 2019	FY 2018	% Change	FY 2019	FY 2018	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$723,900	13.68	\$85,235	\$61,010	39.7	\$411,526	\$380,233	8.2	5.4
Motor Vehicle Sales and Use Tax	688,300	13.00	65,927	61,768	6.7	432,362	414,159	4.4	(3.2)
State Sales and Use Tax	300,900	5.68	29,143	28,835	1.1	166,076	160,351	3.6	2.9
Motor Vehicle License Fees	236,600	4.47	20,156	17,784	13.3	136,831	129,075	6.0	(0.3)
International Registration Plan	67,600	1.28	2,763	3,740	(26.1)	33,064	33,555	(1.5)	(2.3)
Misc. Taxes, Fees, and Revenues	17,900	0.34	1,584	1,505	5.2	11,360	10,330	10.0	(8.7)
Total State Taxes and Fees	\$2,035,200	38.45	\$204,808	\$174,642	17.3	\$1,191,219	\$1,127,703	5.6	0.9
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$2,962	\$2,130	39.1	\$18,010	\$24,268	(25.8)	(100.0)
Miscellaneous Revenues	275,947	5.21	1,782	2,255	(21.0)	278,562	20,220	#	(7.6)
Transfer (to) / from Transportation Trust Fund	181,785	3.44	0	0	-	113,616	84,832	33.9	28.1
Total Highway Maintenance and Operating Fund	\$2,492,932	47.10	\$209,552	\$179,027	17.1	\$1,601,407	\$1,257,023	27.4	(0.2)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$181,600	3.43	\$14,749	\$14,901	(1.0)	\$93,918	\$90,776	3.5	6.7
PTF Insurance Premiums Tax	168,655	3.19	0	0	-	168,655	168,018	0.4	0.4
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	269,900	5.10	25,241	23,084	9.3	165,959	159,770	3.9	(1.1)
State Sales and Use Tax	772,700	14.61	76,202	75,287	1.2	432,076	407,959	5.9	2.9
Motor Vehicle License Fees	22,000	0.41	2,700	1,697	59.1	15,441	12,324	25.3	1.7
Recordation Tax	43,600	0.82	3,316	3,379	(1.9)	26,678	27,790	(4.0)	(8.7)
Interest Earnings	3,800	0.07	3,613	2,037	77.4	6,667	4,053	64.5	(57.2)
Total State Taxes and Fees	\$1,462,255	27.63	\$125,821	\$120,385	4.5	\$909,394	\$870,690	4.4	1.5
Other Revenues:									
Federal Grants and Contracts	\$1,044,332	19.73	\$72,273	\$34,688	108.4	\$850,289	\$781,818	8.8	4.2
Receipts from Cities/Counties	150,600	2.85	32,241	29,400	9.7	137,561	157,757	(12.8)	(38.8)
Toll Revenues (Includes Route 28)	44,727	0.84	2,544	2,580	(1.4)	21,602	9,953	117.0	36.2
Miscellaneous Revenues	279,829	5.29	23,323	5,297	340.3	295,866	30,873	858.3	(21.4)
Total Other Revenues	\$1,519,488	28.71	\$130,381	\$71,965	81.2	\$1,305,318	\$980,401	33.1	(7.2)
Transfer (to) / from Highway Maintenance and Operating Fund									
Maintenance and Operating Fund	(\$181,785)	(3.44)	\$0	\$0	-	(\$113,616)	(\$84,832)	(33.9)	(28.1)
Total Transportation Trust Fund	\$2,799,958	52.90	\$256,202	\$192,350	33.2	\$2,101,096	\$1,766,259	19.0	(4.6)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$5,292,890	100.00	\$465,754	\$371,377	25.4	\$3,702,503	\$3,023,282	22.5	(2.6)

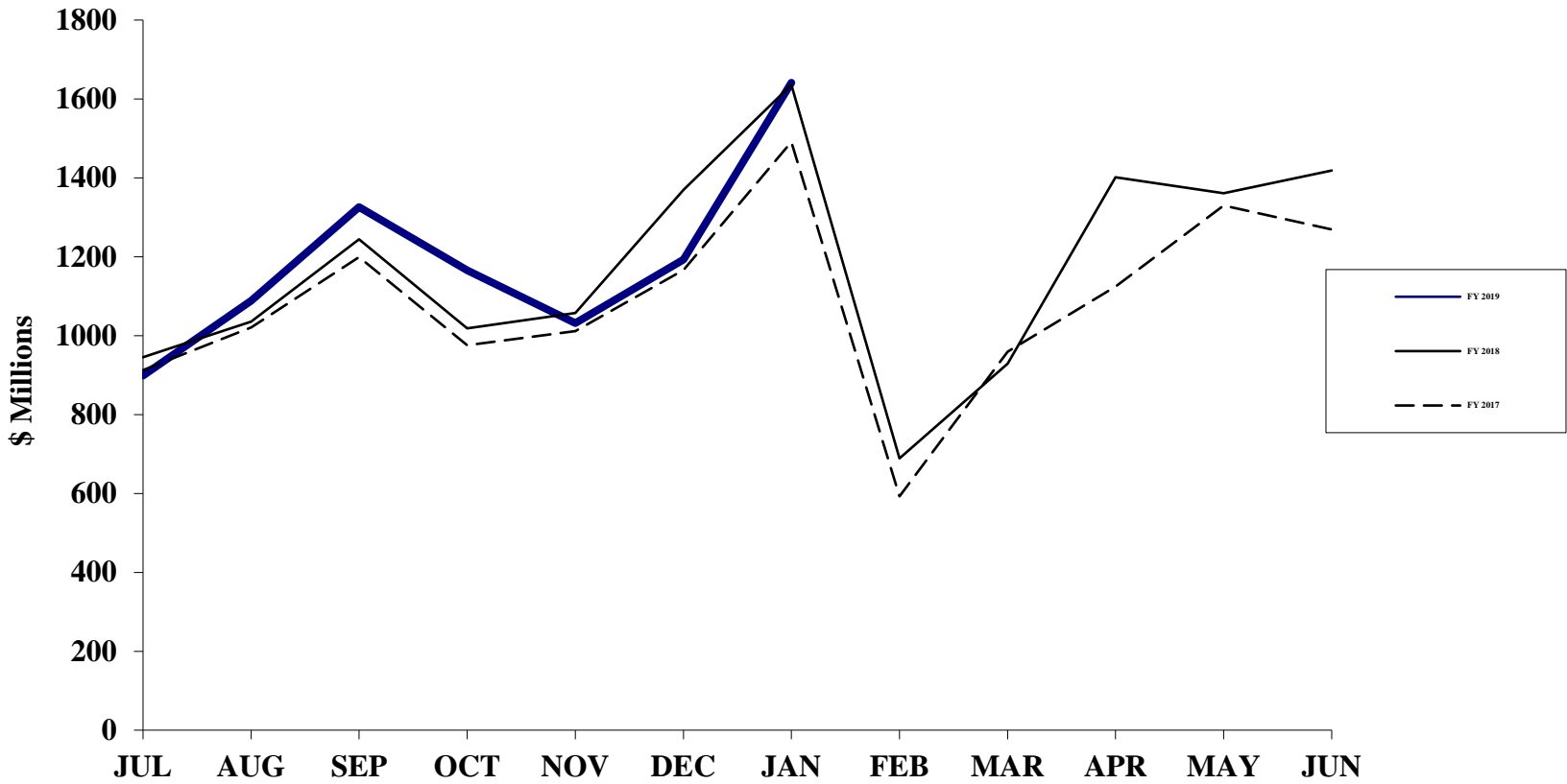
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



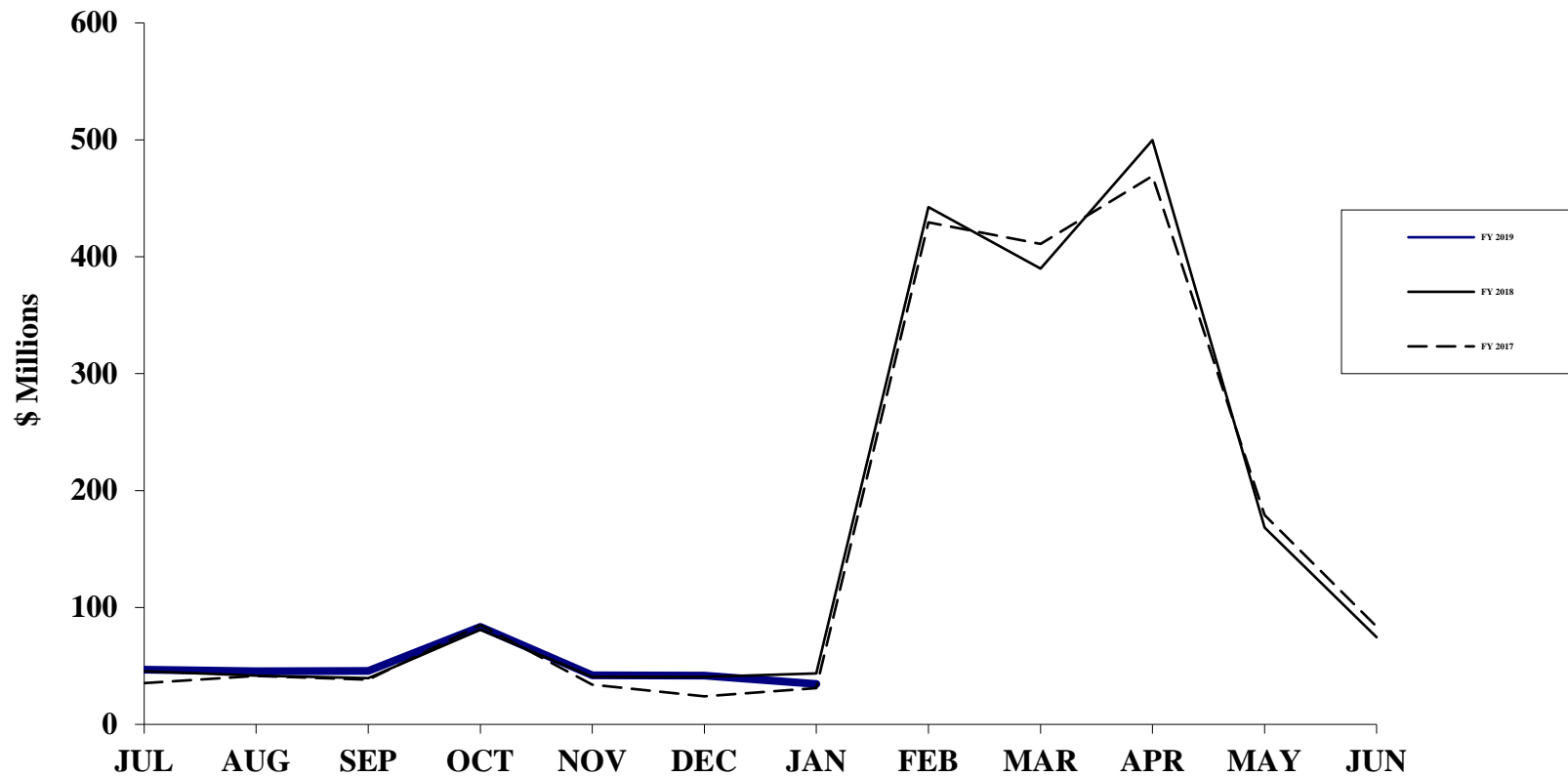
FY 2017 Actual = \$18,695.1 Million
FY 2018 Actual = \$19,880.8 Million
FY 2019 Estimate = \$21,050.6 Million

Net Individual Income Tax



FY 2017 Actual = \$13,052.9 Million
FY 2018 Actual = \$14,105.8 Million
FY 2019 Estimate = \$15,045.2 Million

Individual and Fiduciary Income Tax Refunds



FY 2017 Actual = \$1,861.0 Million
FY 2018 Actual = \$1,907.6 Million
FY 2019 Estimate = \$1,969.7 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio

Monthly Average Balances and Rates

For the Fiscal Year 2019

(Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE		TREASURY 1 YR. CONSTANT MATURITY ¹
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate	Yield
July, 2018	\$5,881.1	2.12%	\$1,264.1	0.55%	\$7,145.2	1.84%	2.39%
August	\$5,225.6	2.12%	\$1,267.0	6.90%	\$6,492.6	3.05%	2.45%
September	\$5,777.9	2.17%	\$1,268.5	-4.34%	\$7,046.4	1.00%	2.56%
October	\$6,209.6	2.31%	\$1,264.2	-3.78%	\$7,473.8	1.28%	2.65%
November	\$6,034.2	2.40%	\$1,264.9	5.73%	\$7,299.1	2.98%	2.70%
December	\$5,761.6	2.47%	\$1,276.0	15.60%	\$7,037.6	4.85%	2.66%
January, 2019	\$6,148.6	2.56%	\$1,289.0	10.49%	\$7,437.6	3.93%	2.58%
February							
March							
April							
May							
June							
Year-to-Date Average	\$5,862.7	2.31%	\$1,270.5	4.51%	\$7,133.2	2.70%	2.57%

▪ Performance on the extended duration portion of the General Account is reported on an annualized total return basis. Total return includes unrealized gains and losses, which in the short term can make returns more volatile. Over an extended time period the fluctuations average out and total return approaches the portfolio yield.

▪ Unaudited.

¹ Federal Reserve Bank H.15 Release.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2019**

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$283,274,671	\$0	\$0	\$0	\$283,274,671
August	\$283,274,671	\$0	\$0	\$0	\$283,274,671
September	\$283,274,671	\$0	\$0	\$0	\$283,274,671
October	\$283,274,671	\$0	\$0	\$1,385,406	\$284,660,077
November	\$284,660,077	\$0	\$0	\$0	\$284,660,077
December	\$284,660,077	\$0	\$0	\$0	\$284,660,077
January	\$284,660,077	\$0	\$0	\$1,230,090	\$285,890,167
February					
March					
April					
May					
June					

Notes: (A) Interest is earned monthly but credited to the Revenue Stabilization Fund on a quarterly basis.