



COMMONWEALTH of VIRGINIA
Office of the Governor

Richard D. Brown
Secretary of Finance

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October 13, 2009

MEMORANDUM

TO: The Honorable Timothy M. Kaine

THROUGH: The Honorable Wayne M. Turnage

FROM: Richard D. Brown 

SUBJECT: September Revenue Data

September completes the first quarter of fiscal year 2010 and is a significant month for revenue collections. Estimated payments from individuals, corporations, and insurance premiums are all due in September, along with regular monthly collections in withholding, sales, and other sources.

Total general fund revenue collections fell 7.5 percent in September compared with September 2008. All major sources except payroll withholding fell from last September, while individual refunds continued to run ahead of expectations. On a year-to-date basis, total revenues have declined 7.4 percent, trailing the annual forecast of a 1.6 percent decline (a 2.6 percent decline absent tax policy changes). All major sources are trailing their respective forecasts through the first quarter of fiscal year 2010.

National Economic Indicators

Most national indicators suggest the recession has likely ended, positioning the economy to grow in the third quarter.

- In the final report for the second quarter, real GDP was revised up from a 1.0 percent decline to a 0.7 percent decline.

- Labor market conditions continued to deteriorate in September. Payroll employment fell by 263,000 after falling by 201,000 in August. The services sector led the decline, falling by 94,000 jobs. The Labor Department reported that the unemployment rate rose by 0.1 to 9.8 in September.
- Initial claims for unemployment fell by 33,000 to 521,000 during the week ending October 3. The four-week moving average fell slightly from 549,000 to 539,000. The four-week average has fallen in each of the last five weeks, which suggests a gradual trend toward stability in the labor market.
- The Conference Board's index of leading indicators rose 0.6 percent to 102.5 in August, its fifth consecutive monthly increase. Seven of the ten components were either positive or neutral. Since hitting its low point in March, the index has regained two-thirds of its peak-to-trough decline, suggesting the economy is improving.
- Consumer confidence remains consistent with a downturn in the economy. The Conference Board's index of consumer confidence fell by 1.4 to 53.1 in September, after increasing by 7.1 points in August. The current conditions component led the decline, although the expectations component also fell modestly from its nearly two-year high in August.
- The recovery in the manufacturing sector slowed in September. The Institute of Supply Management index fell by 0.3 point in September, from 52.9 to 52.6. Although the index remains above the expansionary threshold of 50, the slight decline is indicative of slow, uneven growth.
- Inflation remains very low. The CPI rose 0.4 percent in August, driven by rising gasoline prices. Core inflation rose 0.1 percent in August and stands 1.5 percent above August of last year.
- The Federal Reserve kept the federal funds target rate in the 0.0 to 0.25 percent range at its September meeting, and expects to keep it there "for an extended period."

Virginia Economy

In Virginia, payroll employment fell by 3.0 percent in August, matching the revised decline in July. Employment in the Commonwealth has now fallen for twelve consecutive months. Northern Virginia posted a decline of 1.0 percent, Hampton Roads fell 1.1 percent, and employment in the Richmond-Petersburg area fell 3.7 percent in August. The unemployment rate in Virginia fell from 6.9 percent to 6.5 percent in August. As in the nation, the Virginia labor force contracted in August.

The Virginia Leading Index rose 0.6 percent in August for its fourth consecutive gain. All three components -- initial claims for unemployment, building permits and auto

registrations -- contributed positively to the index. The leading index rose in all eleven metropolitan areas in the Commonwealth in August.

September Revenue Collections

Total general fund revenue collections fell 7.5 percent in September compared with September 2008. On a year-to-date basis, total revenues fell 7.4 percent, trailing the annual forecast of a 1.6 percent decline. All major sources are trailing their forecasts through the first quarter of fiscal year 2010.

Net Individual Income Tax (66% of general fund revenues): Through the first quarter of the fiscal year, collections of net individual income tax fell by 6.9 percent from the same period last year, trailing the estimate of a 1.8 percent decline. Performance in each component of individual income tax is as follows:

Individual Income Tax Withholding (66% of general fund revenues): Collections of payroll withholding taxes grew 4.0 percent in September. Year-to-date withholding collections declined by 2.3 percent over the same period last year, trailing the projected annual growth rate of a 2.1 percent increase.

Individual Income Tax Nonwithholding (14% of general fund revenues): The first estimated payment in fiscal year 2010 was due in September. Year to date, collections through September were \$311.3 million compared with \$406.5 in the same period last year, falling 23.4 percent compared with the annual estimate of a 16.8 percent decline.

Individual Income Tax Refunds: Through September, \$150.8 million in individual refunds have been issued, compared with \$127.2 million in the same period last year, exceeding expectations.

Sales Tax (21% of general fund revenues): Collections of sales and use taxes, reflecting August sales, fell 6.6 percent in September. Part of the decline in August sales is due to the late Labor Day this year that pushed last minute back to school shopping sales to September. On a year-to-date basis, collections have fallen 5.9 percent, lagging the annual estimate of a 0.4 percent decline and the policy adjusted forecast decline of 4.1 percent. (Major policy adjustments include amnesty and the new sales tax remittance program.)

Corporate Income Tax (5% of general fund revenues): The first estimated payment for the fiscal year was due in September. Collections in corporate income tax fell 10.6 percent in September. On a year-to-date basis, collections in this source have fallen 7.9 percent, lagging the forecast of 2.2 percent growth.

Wills, Suits, Deeds, Contracts (2% of general fund revenues): Collections of wills, suits, deeds, and contracts – mainly recordation tax collections – fell 13.6 percent in September and are down 10.9 percent on a year-to-date basis, near the forecast of a 9.6 percent decline.

Other Revenue Sources

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

	<u>Year-to-Date</u>	<u>Annual Estimate</u>
Insurance Premiums (2% GF revenues)*	0.0%	0.2%
Interest Income (1% GF revenues)	-45.9%	-3.3%
ABC Taxes (1% GF revenues)	-4.0%	4.5%

**Monthly collections of insurance premiums are being transferred to the Transportation Trust Fund per Chapter 896, 2007 Acts of the Assembly, until the required amount of \$129.1 million has been booked.*

All Other Revenue (3% of general fund revenues): Receipts in All Other Revenue grew 8.1 percent in September – \$30.1 million compared with \$27.8 million last September. Collections in fines, forfeitures, and fees drove the increase. For the fiscal year-to-date, collections of All Other Revenue rose 1.9 percent from the same period in fiscal year 2009, ahead of the annual estimate of a 9.8 percent decline.

Summary

Total general fund revenue collections fell 7.5 percent in September compared with September of last year. All major sources except payroll withholding were lower than last September, while individual refunds continued to exceed expectations. Year to date, total revenues fell 7.4 percent through September, trailing the annual forecast of a 1.6 percent decline (a 2.6 percent decline absent tax policy changes).

A meeting of the Governor's Advisory Board of Economists (GABE) is scheduled for October 14, 2009 to assess any changes in the economy since their meeting in July. This will be followed by a meeting on November 23 of the Governor's Advisory Council on Revenue Estimates (GACRE), which will evaluate both the GABE recommendations and revenue collections through October.

FY 2010 Revised Estimate
August 19, 2009

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2009 and 2010
(Dollars in Thousands)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			September			Year-To-Date			% Annual Growth Req By Est
Revenue	FY 2010 Estimate	As a % of Gen Fund Rev	FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change	
Individual Income Tax:									
Withholding	\$9,331,800	66.28	\$726,476	\$698,579	4.0	\$2,125,017	\$2,175,755	(2.3)	2.1
Tax Dues/Estimated Payments	1,923,400	13.66	239,577	330,522	(27.5)	311,312	406,452	(23.4)	(16.8)
Gross Individual Income Tax	\$11,255,200	79.94	\$966,053	\$1,029,101	(6.1)	\$2,436,329	\$2,582,207	(5.6)	(1.7)
Individual and Fiduciary Income (Refunds)	(1,944,400)	(13.81)	(37,885)	(33,094)	14.5	(150,835)	(127,165)	18.6	(1.2)
Net Individual Income Tax	\$9,310,800	66.13	\$928,168	\$996,007	(6.8)	\$2,285,494	\$2,455,042	(6.9)	(1.8)
Sales and Use Tax	\$2,892,000	20.54	\$230,731	\$247,063	(6.6)	\$724,735	\$769,917	(5.9)	(0.4)
Corporations Income Tax	662,200	4.70	148,645	166,238	(10.6)	176,287	191,438	(7.9)	2.2
Wills, Suits, Deeds, Contracts	284,000	2.02	24,205	28,011	(13.6)	80,459	90,337	(10.9)	(9.6)
Insurance Premiums	255,500	1.82	0	0	-	0	0	-	0.2
Interest Income (a)	100,800	0.72	13,621	22,721	(40.1)	40,349	74,551	(45.9)	(3.3)
Alcoholic Beverage Sales (b)	181,000	1.28	3,860	4,076	(5.3)	12,295	12,805	(4.0)	4.5
All Other Revenues	393,100	2.79	30,052	27,796	8.1	87,362	85,770	1.9	(9.8)
Total General Fund Revenues	\$14,079,400	100.00	\$1,379,282	\$1,491,912	(7.5)	\$3,406,981	\$3,679,860	(7.4)	(1.6)

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

(a) Interest will be allocated in accordance with Section 3-3.04 of Chapter 781, 2009 Virginia Acts of Assembly.

(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 2009 and 2010
(Dollars in Thousands)

Revenue	(1)	(2)	(3) (4)		(5)	(6) (7)		(8)	(9)
	FY 2010 Estimate	As a % of Total Gen Fund Rev	FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$9,331,800	66.28	\$726,476	\$698,579	4.0	\$2,125,017	\$2,175,755	(2.3)	2.1
Tax Dues/Estimated Payments	1,923,400	13.66	239,577	330,522	(27.5)	311,312	406,452	(23.4)	(16.8)
Gross Individual Income Tax	\$11,255,200	79.94	\$966,053	\$1,029,101	(6.1)	\$2,436,329	\$2,582,207	(5.6)	(1.7)
Individ and Fiduc Income (Refunds)	(1,944,400)	(13.81)	(37,885)	(33,094)	14.5	(150,835)	(127,165)	18.6	(1.2)
Net Individual Income Tax	\$9,310,800	66.13	\$928,168	\$996,007	(6.8)	\$2,285,494	\$2,455,042	(6.9)	(1.8)
Sales and Use Tax	2,892,000	20.54	230,731	247,063	(6.6)	724,735	769,917	(5.9)	(0.4)
Corporations Income	662,200	4.70	148,645	166,238	(10.6)	176,287	191,438	(7.9)	2.2
Public Service Corporations	93,900	0.67	7,328	7,301	0.4	23,712	21,048	12.7	2.8
Insurance Premiums	255,500	1.82	0	0	-	0	0	-	0.2
Alcoholic Beverage Excise	136,700	0.97	0	0	-	108	467	(76.9)	5.5
Beer and Beverage Excise	44,300	0.31	3,860	4,076	(5.3)	12,187	12,338	(1.2)	1.6
Wills, Suits, Deeds, Contracts	284,000	2.02	24,205	28,011	(13.6)	80,459	90,337	(10.9)	(9.6)
Inheritance, Gift, and Estate	0	0.00	1,256	713	76.2	1,495	3,138	(52.4)	(100.0)
Bank Franchise	13,700	0.10	0	0	-	(1,139)	0	-	(39.0)
Other Taxes	5,900	0.04	323	175	84.6	1,659	1,922	(13.7)	2.3
Total Taxes	\$13,699,000	97.30	\$1,344,516	\$1,449,584	(7.2)	\$3,304,997	\$3,545,647	(6.8)	(1.5)
Rights and Privileges:									
Licenses and Permits	\$4,600	0.03	\$474	\$467	1.5	\$1,153	\$1,162	(0.8)	7.0
Corp. Franchise and Charters	44,400	0.32	501	541	(7.4)	1,555	1,726	(9.9)	(10.1)
Fees for Misc. Privileges & Services	16,100	0.11	613	748	(18.0)	1,827	2,165	(15.6)	17.4
Total Rights and Privileges	\$65,100	0.46	\$1,588	\$1,756	(9.6)	\$4,535	\$5,053	(10.3)	(3.4)
Other Revenues:									
Sales of Property & Commodities	\$1,700	0.01	(\$8)	\$0	-	\$1	\$1	0.0	#
Assessmts & Rcpts for Support of Special Svcs	400	0.00	18	26	(30.8)	51	82	(37.8)	1.0
Institutional Revenue	7,500	0.06	621	595	4.4	1,668	1,822	(8.5)	17.2
Interest (a)	100,800	0.72	13,621	22,721	(40.1)	40,349	74,551	(45.9)	(3.3)
Dividends and Rent	300	0.00	41	35	17.1	143	128	11.7	(11.8)
Fines, Forfeitures & Fees	206,000	1.46	18,769	17,436	7.6	55,794	54,222	2.9	(4.3)
Other Revenue	2,500	0.02	115	474	(75.7)	1,448	1,665	(13.0)	(90.8)
Excess Fees	(15,700)	(0.11)	(811)	(1,547)	47.6	(4,172)	(5,491)	24.0	8.4
Private Donations, Gifts & Cont.	1,700	0.01	5	0	-	21	0	-	#
Cities, Counties, and Towns	10,100	0.07	807	832	(3.0)	2,146	2,180	(1.6)	(1.6)
Total Other Revenues	\$315,300	2.24	\$33,178	\$40,572	(18.2)	\$97,449	\$129,160	(24.6)	(9.1)
Total General Fund Revenues	\$14,079,400	100.00	\$1,379,282	\$1,491,912	(7.5)	\$3,406,981	\$3,679,860	(7.4)	(1.6)

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

(a) Interest will be allocated in accordance with Section 3-3.04 of Chapter 781, 2009 Virginia Acts of Assembly.

Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2009 and 2010
(Dollars in Thousands)

	FY 2010 Estimate (a)	September			Year-To-Date			% Annual Growth Required By Estimate
		FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change (b)	
Lottery Collections								
Win for Life	\$34,900	\$2,712	\$2,442	11.1	\$8,198	\$8,262	(0.8)	8.6
Cash 5	29,000	2,414	2,323	3.9	7,351	7,134	3.0	(0.9)
Pick 4	191,400	15,588	14,165	10.0	47,183	44,734	5.5	3.2
Pick 3	277,200	19,896	19,055	4.4	60,939	61,134	(0.3)	10.6
Mega Millions	137,500	13,592	9,617	41.3	57,078	37,484	52.3	(15.2)
Fast Play	10,900	565	525	7.6	1,909	2,410	(20.8)	60.9
Raffle	10,600	0	1,132	(100.0)	0	1,132	(100.0)	19.0
Scratch	699,800	57,089	55,082	3.6	175,155	165,461	5.9	1.4
Gross Lottery Revenue	<u>1,391,300</u>	<u>111,856</u>	<u>104,341</u>	<u>7.2</u>	<u>357,813</u>	<u>327,751</u>	<u>9.2</u>	<u>1.9</u>
Expenses (c)	<u>961,100</u>	<u>77,546</u> (d)	<u>69,716</u>	<u>11.2</u>	<u>243,558</u> (d)	<u>219,359</u>	<u>11.0</u>	<u>3.7</u>
Net Lottery Ticket Profits	<u>\$430,200</u>	<u>\$34,310</u> (d)	<u>\$34,625</u>	<u>(0.9)</u>	<u>\$114,255</u> (d)	<u>\$108,392</u>	<u>5.4</u>	<u>(2.0)</u>

(a) Estimate established in Chapter 781, 2009 Acts of Assembly.

(b) 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.

(c) "Expenses" includes prizes to winners, compensation to retailers, instant and online gaming costs, Lottery operating expenses, and net other income/expense.

(d) Current month includes operating expenses estimated (unaudited closing).

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 2009 and 2010
(Dollars in Thousands)

Revenue	FY 2010 Estimate	As a % of Total Fund	September			Year-To-Date			% Annual Growth Required By Estimate
			FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change	
Motor Fuel Taxes	\$828,600	25.53	\$73,439	\$73,235	0.3	\$146,359	\$155,818	(6.1)	(1.3)
Priority Transportation Fund (PTF)	149,100	4.59	98,327	100,082	(1.8)	105,674	107,764	(1.9)	(2.1)
Motor Vehicle Sales and Use Tax	401,100	12.36	47,443	44,183	7.4	129,927	133,832	(2.9)	(9.3)
State Sales and Use Tax	478,400	14.74	39,794	42,592	(6.6)	124,081	132,403	(6.3)	(4.2)
Motor Vehicle License Fees	241,900	7.45	19,963	20,639	(3.3)	59,713	64,156	(6.9)	0.1
International Registration Plan	59,000	1.81	2,621	2,648	(1.0)	11,031	10,946	0.8	0.3
Recordation Tax	33,500	1.04	3,265	2,293	42.4	10,329	9,593	7.7	(6.2)
Interest Earnings	41,200	1.26	153	19	705.3	220	67	228.4	48.5
Misc. Taxes, Fees, and Revenues	13,200	0.40	954	1,177	(18.9)	2,878	3,421	(15.9)	2.1
Total State Taxes and Fees	\$2,246,000	69.18	\$285,959	\$286,868	(0.3)	\$590,212	\$618,000	(4.5)	(2.8)

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

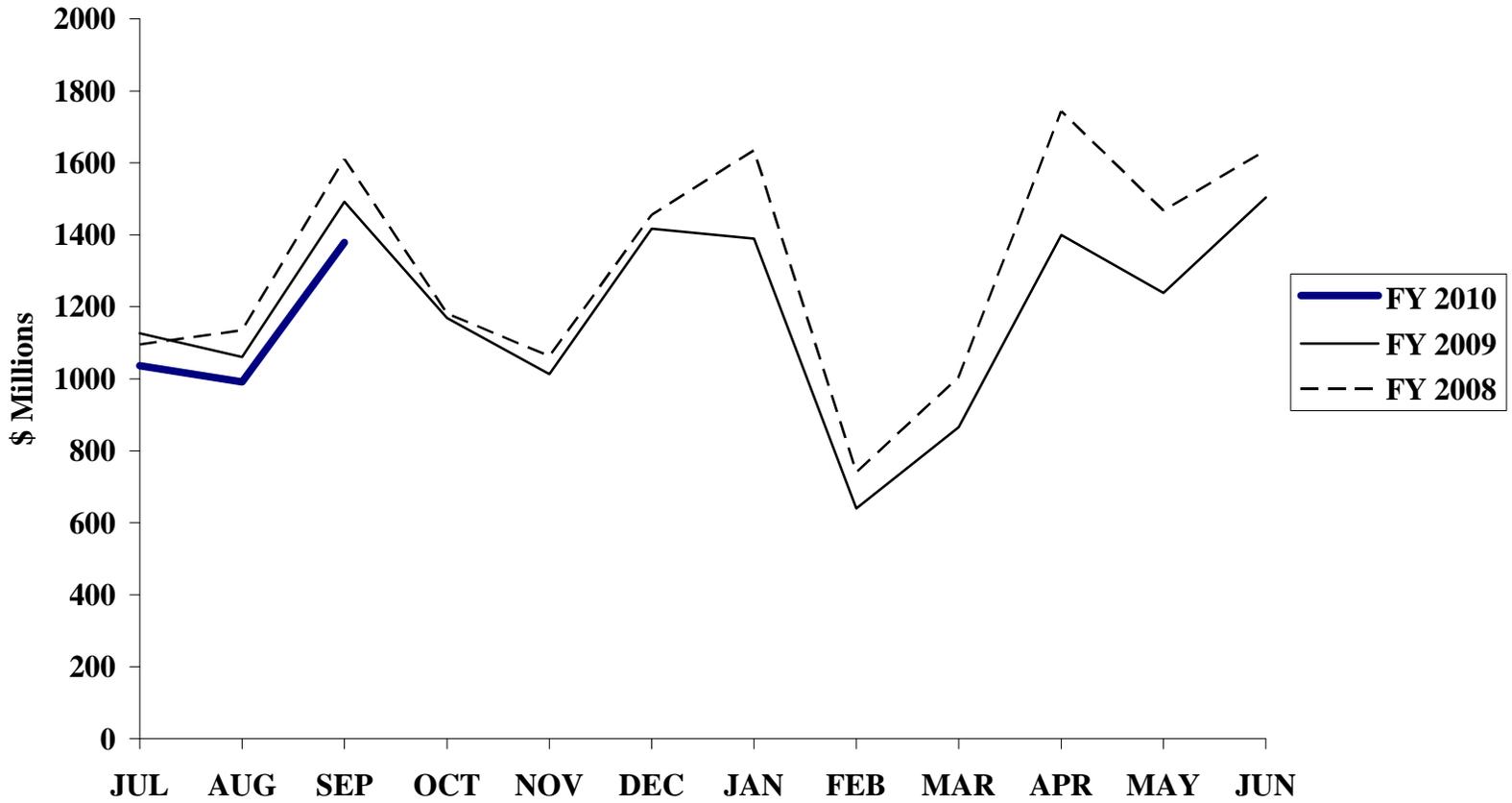
Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2009 and 2010
(Dollars in Thousands)

Revenue	FY 2010 Estimate	As a % of Total Fund	September			Year-To-Date			% Annual Growth Required By Est
			FY 2010	FY 2009	% Change	FY 2010	FY 2009	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$714,800	22.02	\$62,020	\$64,542	(3.9)	\$125,349	\$135,054	(7.2)	(1.1)
Motor Vehicle Sales and Use Tax	241,100	7.43	27,932	26,995	3.5	78,084	81,557	(4.3)	(10.6)
Motor Vehicle License Fees	221,000	6.81	17,963	18,706	(4.0)	54,196	58,378	(7.2)	0.4
International Registration Plan	59,000	1.81	2,621	2,648	(1.0)	11,031	10,946	0.8	0.3
Recordation Tax (1 cent)	11,200	0.35	1,088	764	42.4	3,443	3,198	7.7	(5.9)
Misc. Taxes, Fees, and Revenues	13,200	0.40	954	1,177	(18.9)	2,878	3,421	(15.9)	2.1
Total State Taxes and Fees	\$1,260,300	38.82	\$112,578	\$114,832	(2.0)	\$274,981	\$292,554	(6.0)	(2.8)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$3,579	\$1,227	191.7	\$5,517	\$7,315	(24.6)	(100.0)
Miscellaneous Revenues	10,543	0.33	862	1,665	(48.2)	2,654	4,593	(42.2)	(23.8)
Transfer (to) / from Transportation Trust Fund	523,898	16.14	100,000	120,000	(16.7)	150,000	220,000	(31.8)	43.6
Total Highway Maintenance and Operating Fund	\$1,794,741	55.29	\$217,019	\$237,724	(8.7)	\$433,152	\$524,462	(17.4)	5.9
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$113,800	3.51	\$11,419	\$8,693	31.4	\$21,010	\$20,764	1.2	(2.6)
PTF Motor Fuels	20,000	0.62	2,000	0	-	2,000	2,000	0.0	0.0
PTF Insurance Premiums Tax	129,100	3.97	96,327	100,082	(3.8)	103,674	105,764	(2.0)	(2.4)
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	160,000	4.93	19,511	17,188	13.5	51,843	52,275	(0.8)	(7.3)
State Sales and Use Tax	478,400	14.74	39,794	42,592	(6.6)	124,081	132,403	(6.3)	(4.2)
Motor Vehicle License Fees	20,900	0.64	2,000	1,933	3.5	5,517	5,778	(4.5)	(3.2)
Recordation Tax (2 cents)	22,300	0.69	2,177	1,529	42.4	6,886	6,395	7.7	(6.3)
Interest Earnings	41,200	1.26	153	19	705.3	220	67	228.4	48.5
Total State Taxes and Fees	\$985,700	30.36	\$173,381	\$172,036	0.8	\$315,231	\$325,446	(3.1)	(2.8)
Other Revenues:									
Federal Grants and Contracts	\$812,448	25.03	\$133,876	\$63,834	109.7	\$261,094	\$210,481	24.0	3.0
Receipts from Cities/Counties	109,510	3.37	(2,677)	(11,135)	76.0	2,941	9,896	(70.3)	133.9
Toll Revenues (Includes Route 28) (a)	52,309	1.61	1,411	6,391	(77.9)	4,971	19,073	(73.9)	(32.9)
Miscellaneous Revenues	15,436	0.48	1,012	516	96.1	5,411	3,995	35.4	(15.8)
Total Other Revenues	\$989,703	30.49	\$133,622	\$59,606	124.2	\$274,417	\$243,445	12.7	6.2
Transfer (to) / from Highway Maintenance and Operating Fund									
Maintenance and Operating Fund	(\$523,898)	(16.14)	(\$100,000)	(\$120,000)	16.7	(\$150,000)	(\$220,000)	31.8	(43.6)
Total Transportation Trust Fund	\$1,451,505	44.71	\$207,003	\$111,642	85.4	\$439,648	\$348,891	26.0	(8.2)
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,246,246	100.00	\$424,022	\$349,366	21.4	\$872,800	\$873,353	(0.1)	(0.9)

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

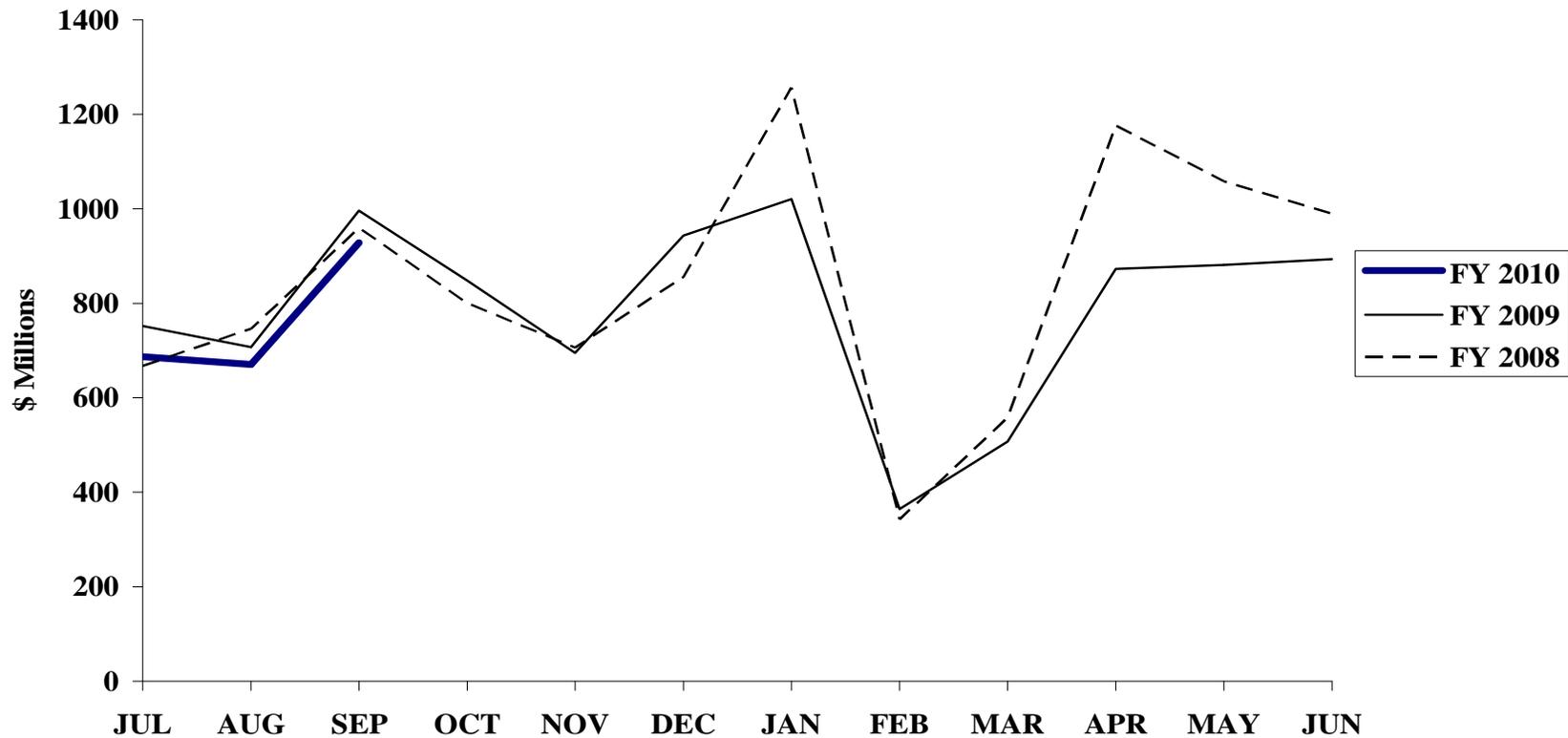
(a) The Dulles Toll Road was transferred to the Metropolitan Washington Airport Authority effective November 1, 2008. No toll revenues will be recorded for the Dulles Toll Road after November 1, 2008.

Total General Fund Revenues



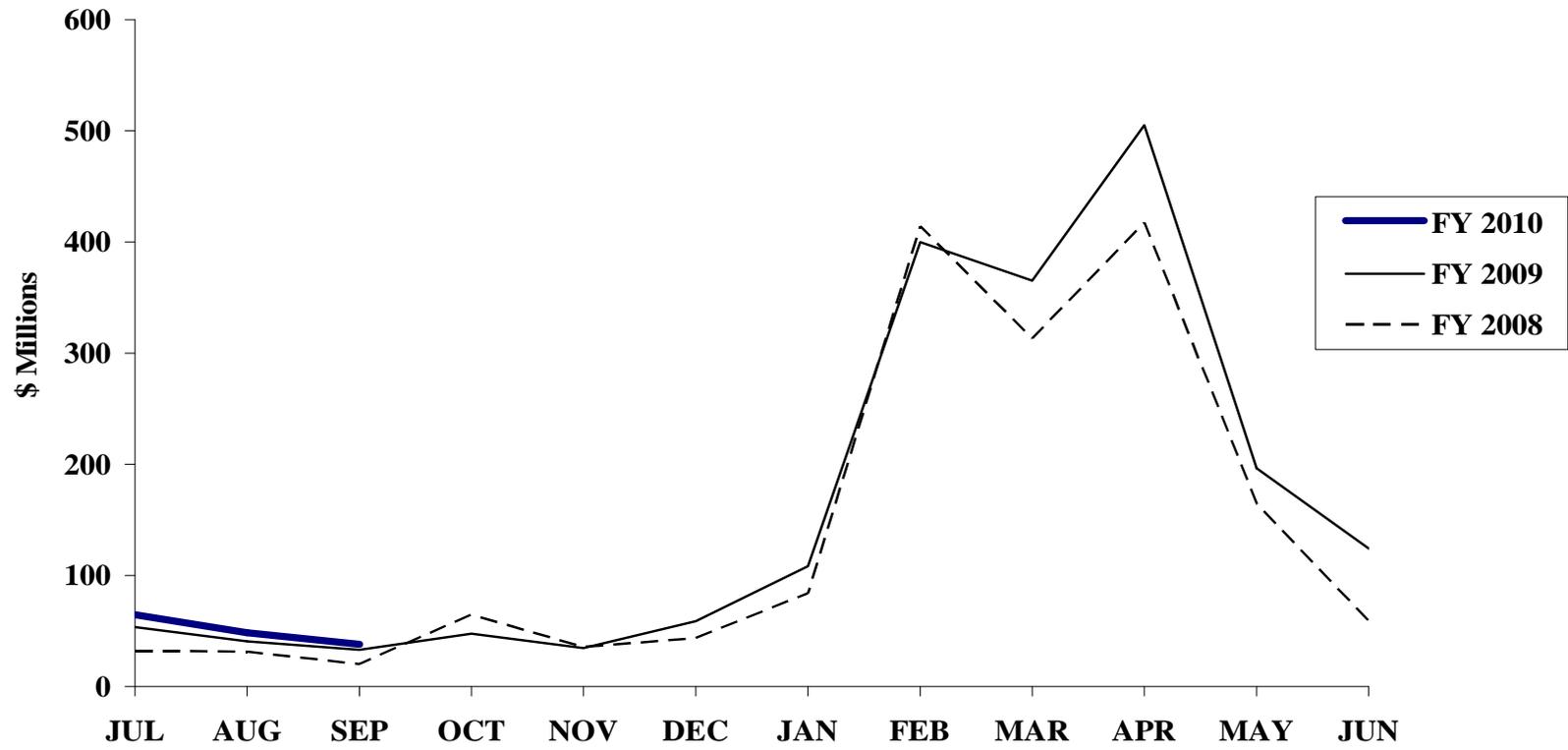
FY 2008 Actual = \$15,766.9 Million
FY 2009 Actual = \$14,315.1 Million
FY 2010 Estimate = \$14,079.4 Million

Net Individual Income Tax



FY 2008 Actual = \$10,114.8 Million
FY 2009 Actual = \$9,481.1 Million
FY 2010 Estimate = \$9,310.8 Million

Individual and Fiduciary Income Tax Refunds



FY 2008 Actual = \$1,679.9 Million
FY 2009 Actual = \$1,967.4 Million
FY 2010 Estimate = \$1,944.4 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio

Monthly Average Balances and Rates

For the Fiscal Year 2010

(Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE	
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate
July, 2009	\$2,788.6	1.50%	\$1,621.9 ¹	21.42%	\$4,410.5 ¹	8.83% ¹
August	\$2,359.4	1.81%	\$1,597.4	12.94%	\$3,956.8	6.30%
September	\$2,575.3	1.34%	\$1,568.6	11.71%	\$4,143.9	5.27%
October						
November						
December						
January, 2010						
February						
March						
April						
May						
June						
Year-to-Date Average	\$2,574.4	1.55%	\$1,596.0	15.45%	\$4,170.4	6.87%

- Performance on the extended duration portion of the General Account is now 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 Revised July External Manager Average Balance, Composite Average Balance and Rate.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2010**

<u>Month</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Allocated (A)</u>	<u>Ending Balance</u>
July	\$575,063,868	\$0	\$0	\$0	\$575,063,868
August	\$575,063,868	\$0	\$0	\$0	\$575,063,868
September	\$575,063,868	\$0	\$0	\$0	\$575,063,868
October					
November					
December					
January					
February					
March					
April					
May					
June					

Notes: (A) Interest is earned monthly but credited to nongeneral funds on a quarterly basis.