



COMMONWEALTH of VIRGINIA

Office of the Governor

Richard D. Brown
Secretary of Finance

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January 13, 2011

MEMORANDUM

TO: The Honorable Robert F. McDonnell

THROUGH: The Honorable Martin Kent

FROM: Richard D. Brown 

SUBJECT: December Revenue Data

This month's revenue report contains general fund revenue collections for the first six months of fiscal year 2011. The report incorporates the revised general fund revenue forecast included in the budget introduced on December 17. With the upward revision in December, total general fund revenues are now projected to grow by 3.5 percent in fiscal year 2011.

Total general fund revenue collections rose 2.0 percent in December. Adjusted for the 2009 amnesty program, collections grew 9.5 percent over December of last year. The monthly increase was driven by solid growth in withholding, sales taxes, and corporate income taxes, which continue to post modest monthly increases. On a year-to-date basis, total revenue collections rose 1.5 percent, trailing the annual forecast of 3.5 percent growth. Adjusting for the accelerated sales tax program in June 2010, total revenues grew 4.1 percent through December, lagging the economic-base forecast of 5.2 percent growth.

December and January are significant months for revenue collections. However, growth can be distorted during this time of year due to several timing issues. In December, along with normal monthly collections of withholding and holiday sales taxes, quarterly estimated payments are due from most corporations and some fourth quarter individual estimated payments due January 15 are received. Also, some withholding payments can be delayed by a larger volume of mail over the holidays, pushing some December payments into January. In addition, the bulk of sales tax collections from the holiday shopping season will be received in January. Due to all of these factors, the months of December and January must be analyzed together to form a complete and

accurate assessment of revenue growth. Finally, the tax amnesty program, which ended in December 2009, makes year-over-year comparisons difficult in some major sources.

National Economic Indicators

Most national indicators suggest the economy is poised for faster growth in 2011.

- According to the final estimate, real GDP in the third quarter of 2010 grew 2.6 percent at an annualized rate, substantially stronger than the initial estimate of 2.0 percent. This marked the fifth consecutive quarter of growth since the recession officially ended in June 2009.
- Although the labor market remains weak, modest gains have been reported in recent months. Payroll employment rose by 103,000 jobs in December, the third consecutive monthly increase. In a separate report, the unemployment rate fell to 9.4 percent in December, largely due to a reduced labor force.
- Initial claims for unemployment increased by 18,000 to 409,000 during the week ending January 1, while the four-week moving average fell from 414,000 to 411,000. The initial claims data are consistent with a stagnant job market.
- The Conference Board's index of leading indicators rose 1.1 percent in November, its fifth consecutive monthly increase. Nine of the index's 10 components increased in November, while building permits were a drag on growth. The small gain in the index suggests the pace of the recovery will pick up in coming months.
- The Conference Board's index of consumer confidence unexpectedly dropped 1.8 points in December to 52.5. Both the expectations and current conditions components declined. Although the index remains at a very low level, it remains above its September 2010 low.
- The expansion in the manufacturing sector picked up in December. The Institute of Supply Management index rose from 56.6 to 57.0 in December. This is the second increase in the past three months and marks the highest level since May. This month's report suggests solid growth continues in the manufacturing industry and that economic growth accelerated in the fourth quarter.
- Inflation remains low – the CPI increased 0.1 percent in November from the previous month. Core inflation (excluding food and energy prices) rose 0.1 percent in November after three consecutive months of zero inflation. The index stands 1.1 percent above November of last year.
- The Federal Reserve announced at its November meeting that it will keep the federal funds rate target unchanged at 0.0 to 0.25 percent. In addition, quantitative easing will be expanded by purchasing long-term treasury securities.

Virginia Economy

In Virginia, employers added jobs for the fifth consecutive month in November. Payroll employment in the Commonwealth grew 1.4 percent in November from November of last year. The pace of growth was modest in Northern Virginia and Hampton Roads, while job losses are slowing in Richmond-Petersburg. Compared with November of last year, Northern Virginia posted a gain of 0.4 percent, Hampton Roads grew 1.1 percent, and Richmond-Petersburg fell 0.1 percent. The unemployment rate rose from 6.5 percent to 6.6 percent in November, but remains well below the peak of 7.8 percent in February.

The Virginia Leading Index rose 0.6 percent in November, and has increased in eight of the last twelve months. As with the U.S. leading index, all of the components improved in November except for building permits. The Leading Index rose in all eleven Virginia metro areas in November.

December Revenue Collections

December and January are significant months for revenue collections and seasonal factors often distort growth. In addition, the tax amnesty program in December of last year is affecting growth in some major sources.

Total general fund revenue collections rose 2.0 percent in December. Adjusted for the amnesty program, December growth was 9.5 percent. On a year-to-date basis, total revenue collections rose 1.5 percent, behind the annual forecast of 3.5 percent growth. Adjusting for the accelerated sales tax program in June 2010, total revenues grew 4.1 percent through December, lagging the economic-base forecast of 5.2 percent growth.

Net Individual Income Tax (66% of general fund revenues): Through the first six months of the fiscal year, collections of net individual income tax rose 5.2 percent from the same period last year, trailing the annual estimate of 6.5 percent growth. Performance in each component of individual income tax is as follows:

Individual Income Tax Withholding (64% of general fund revenues): Collections of payroll withholding taxes grew 3.9 percent in December. This marked the eighth consecutive month of growth in this source. Year-to-date withholding collections grew 5.1 percent compared with the same period last year, ahead of the projected annual growth rate of 3.4 percent.

Individual Income Tax Nonwithholding (14% of general fund revenues): Collections in this source fell 10.5 percent in December. Adjusted for amnesty, nonwithholding receipts grew 7.0 percent for the month. Year-to-date, collections through the first half of the fiscal year declined 6.0 percent from the same period last year, compared with the revised annual estimate of 10.9 percent growth.

December and January are significant months for collections in this source, and results can be distorted by the timing of payments. Taxpayers have until January 15 to submit

their fourth estimated payment for tax year 2010. A clearer assessment of growth in this source will occur at the end of January, when all quarterly payments have been received.

Individual Income Tax Refunds: TAX issued \$47.1 million in refunds in December compared with \$58.4 million last December. Over the first six months of the fiscal year, refunds have fallen 14.8 percent from the same period last year, compared with the annual estimate of a 3.6 percent decline.

Sales Tax (20% of general fund revenues): Collections of sales and use taxes, reflecting November sales, fell 3.3 percent in December. Adjusted for amnesty, receipts increased 8.6 percent for the month. On a year-to-date basis, collections have fallen 8.6 percent. The large year-to-date decline is due to the accelerated sales tax program in fiscal year 2010, which required dealers to remit July payments in June. Adjusting for this policy initiative, sales tax collections have grown by 4.0 percent year-to-date, lagging the economic-base forecast of a 5.5 percent increase.

Corporate Income Tax (5% of general fund revenues): December is a significant month for collections in this source as quarterly estimated payments are due from most corporations. Collections of corporate income tax were \$142.8 million in December, compared with \$138.1 million last December, a 3.4 percent increase. Adjusted for amnesty, corporate collections grew 41.2 percent from December 2009. On a year-to-date basis, collections in this source have fallen 3.9 percent, behind the estimate of a 3.1 percent decline.

Wills, Suits, Deeds, Contracts (2% of general fund revenues): Collections of wills, suits, deeds, and contracts – mainly recordation tax collections – rose 8.2 percent in December, the fifth consecutive month of growth in this source. On a year-to-date basis, collections are down 1.1 percent, ahead of the forecast of a 5.6 percent decline.

Insurance Premiums (2% of general fund revenues): Collections of taxes on insurance premiums grew 7.2 percent in December from December 2009. Chapter 896 of the 2007 Acts of the Assembly required that \$130.3 million of collections in this source be transferred to the Transportation Trust Fund in fiscal year 2011 before any deposits to the general fund could be made. The required transfer was completed and December was the first month this year that collections in this source were deposited into the general fund.

Other Revenue Sources

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

	<u>Year-to-Date</u>	<u>Annual Estimate</u>
Interest Income (1% GF revenues)	-29.0%	-20.7%
ABC Taxes (1% GF revenues)	2.6%	1.2%

All Other Revenue (3% of general fund revenues): Receipts in All Other Revenue grew 18.4 percent in December – \$29.1 million compared with \$24.6 million last December. For the fiscal year, collections of All Other Revenue grew 7.1 percent from the same period in fiscal year 2010, ahead of the annual estimate of 3.6 percent growth.

Summary

Total general fund revenue collections rose 2.0 percent in December; however, the tax amnesty program in December 2009 is distorting growth. Adjusted for the amnesty program, collections grew 9.5 percent in December from last December. On a year-to-date basis, total revenue collections rose 1.5 percent, lagging the annual forecast of 3.5 percent growth. Adjusting for the accelerated sales tax program in June 2010, total revenues grew 4.1 percent through December, behind the economic-base forecast of 5.2 percent growth. Because a number of factors can influence the flow of payments and monthly growth rates this time of year, December and January receipts must be considered together to get a clearer picture of revenue growth.

FY 2011 Revised Estimate
Per House Bill 1500, December 17, 2010

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2010 and 2011
(Dollars in Thousands)

Revenue	(1)	(2)	(3) (4) (5)			(6) (7) (8)			(9)
	FY 2011 Estimate	As a % of Gen Fund Rev	FY 2011	FY 2010	% Change	FY 2011	FY 2010	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$9,489,800	64.48	\$926,014	\$891,520	3.9	\$4,678,933	\$4,453,648	5.1	3.4
Tax Dues/Estimated Payments	2,114,000	14.36	103,920	116,107	(10.5)	497,556	529,124	(6.0)	10.9
Gross Individual Income Tax	\$11,603,800	78.84	\$1,029,934	\$1,007,627	2.2	\$5,176,489	\$4,982,772	3.9	4.7
Individual and Fiduciary Income (Refunds)	(1,922,000)	(13.06)	(47,146)	(58,403)	(19.3)	(284,001)	(333,181)	(14.8)	(3.6)
Net Individual Income Tax	\$9,681,800	65.78	\$982,788	\$949,224	3.5	\$4,892,488	\$4,649,591	5.2	6.5
Sales and Use Tax	\$3,014,600	20.47	\$247,066	\$255,537	(3.3)	\$1,324,203	\$1,448,689	(8.6)	(2.2)
Corporations Income Tax	781,500	5.31	142,752	138,075	3.4	338,110	351,921	(3.9)	(3.1)
Wills, Suits, Deeds, Contracts	274,000	1.86	26,663	24,637	8.2	153,402	155,099	(1.1)	(5.6)
Insurance Premiums	277,700	1.89	80,532	75,102	7.2	80,532	75,102	7.2	6.0
Interest Income (a)	74,800	0.51	12,343	24,651	(49.9)	47,358	66,722	(29.0)	(20.7)
Alcoholic Beverage Sales (b)	177,200	1.21	3,457	3,307	4.5	55,934	54,525	2.6	1.2
All Other Revenues	435,800	2.97	29,094	24,583	18.4	170,557	159,205	7.1	3.6
Total General Fund Revenues	\$14,717,400	100.00	\$1,524,695	\$1,495,116	2.0	\$7,062,584	\$6,960,854	1.5	3.5

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

(a) Interest will be allocated in accordance with Section 3-3.03 of Chapter 874, 2010 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 2010 and 2011

(Dollars in Thousands)

Revenue	(1)	(2)	(3) (4)		(5)	(6) (7)		(8)	(9)
	FY 2011 Estimate	As a % of Total Gen Fund Rev	FY 2011	FY 2010	% Change	FY 2011	FY 2010	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$9,489,800	64.48	\$926,014	\$891,520	3.9	\$4,678,933	\$4,453,648	5.1	3.4
Tax Dues/Estimated Payments	2,114,000	14.36	103,920	116,107	(10.5)	497,556	529,124	(6.0)	10.9
Gross Individual Income Tax	\$11,603,800	78.84	\$1,029,934	\$1,007,627	2.2	\$5,176,489	\$4,982,772	3.9	4.7
Individ and Fiduc Income (Refunds)	(1,922,000)	(13.06)	(47,146)	(58,403)	(19.3)	(284,001)	(333,181)	(14.8)	(3.6)
Net Individual Income Tax	\$9,681,800	65.78	\$982,788	\$949,224	3.5	\$4,892,488	\$4,649,591	5.2	6.5
Sales and Use Tax	3,014,600	20.47	247,066	255,537	(3.3)	1,324,203	1,448,689	(8.6)	(2.2)
Corporations Income	781,500	5.31	142,752	138,075	3.4	338,110	351,921	(3.9)	(3.1)
Public Service Corporations	96,400	0.66	6,517	7,031	(7.3)	38,399	38,650	(0.6)	(0.9)
Insurance Premiums	277,700	1.89	80,532	75,102	7.2	80,532	75,102	7.2	6.0
Alcoholic Beverage Excise	133,700	0.91	0	0	-	33,149	31,706	4.6	1.6
Beer and Beverage Excise	43,500	0.30	3,457	3,307	4.5	22,785	22,819	(0.1)	0.0
Wills, Suits, Deeds, Contracts	274,000	1.86	26,663	24,637	8.2	153,402	155,099	(1.1)	(5.6)
Inheritance, Gift, and Estate	4,000	0.03	78	738	(89.4)	464	3,552	(86.9)	(29.5)
Bank Franchise	22,800	0.15	0	0	-	55	(1,139)	104.8	(1.5)
Other Taxes	3,900	0.03	177	294	(39.8)	2,059	2,339	(12.0)	24.9
Total Taxes	\$14,333,900	97.39	\$1,490,030	\$1,453,945	2.5	\$6,885,646	\$6,778,329	1.6	3.6
Rights and Privileges:									
Licenses and Permits	\$4,000	0.03	\$469	\$547	(14.3)	\$2,224	\$2,217	0.3	(6.6)
Corp. Franchise and Charters	46,700	0.31	492	461	6.7	2,901	2,945	(1.5)	0.2
Fees for Misc. Privileges & Services	10,200	0.07	597	552	8.2	4,400	4,491	(2.0)	(12.6)
Total Rights and Privileges	\$60,900	0.41	\$1,558	\$1,560	(0.1)	\$9,525	\$9,653	(1.3)	(2.7)
Other Revenues:									
Sales of Property & Commodities	\$2,800	0.02	\$244	\$0	-	\$376	\$2	#	239.8
Assessmts & Rcpts for Support of Special Svcs	400	0.00	54	58	(6.9)	243	179	35.8	7.2
Institutional Revenue	5,800	0.04	750	448	67.4	3,044	3,028	0.5	(3.6)
Interest (a)	74,800	0.51	12,343	24,651	(49.9)	47,358	66,722	(29.0)	(20.7)
Dividends and Rent	300	0.00	38	34	11.8	266	248	7.3	(14.0)
Fines, Forfeitures & Fees	227,400	1.55	18,505	15,701	17.9	113,447	101,118	12.2	11.0
Other Revenue	8,800	0.06	392	(1,628)	124.1	2,434	2,889	(15.7)	(48.7)
Excess Fees	(7,500)	(0.05)	23	(619)	103.7	(4,430)	(6,173)	28.2	28.5
Private Donations, Gifts & Cont.	0	0.00	8	8	0.0	52	38	36.8	(100.0)
Cities, Counties, and Towns	9,800	0.07	750	958	(21.7)	4,623	4,821	(4.1)	0.4
Total Other Revenues	\$322,600	2.20	\$33,107	\$39,611	(16.4)	\$167,413	\$172,872	(3.2)	(0.2)
Total General Fund Revenues	\$14,717,400	100.00	\$1,524,695	\$1,495,116	2.0	\$7,062,584	\$6,960,854	1.5	3.5

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

(a) Interest will be allocated in accordance with Section 3-3.03 of Chapter 874, 2010 Virginia Acts of Assembly.

**Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2010 and 2011
(Dollars in Thousands)**

	<u>FY 2011 Estimate</u>	(a)	<u>December</u>			<u>Year-To-Date</u>			<u>% Annual Growth Required By Estimate</u>
			<u>FY 2011</u>	<u>FY 2010</u>	<u>% Change</u>	<u>FY 2011</u>	<u>FY 2010</u>	<u>% Change</u> (b)	
Lottery Collections									
Win for Life	\$21,000		\$1,824	\$2,547	(28.4)	\$11,033	\$15,807	(30.2)	(26.2)
Cash 5	26,000		2,262	2,453	(7.8)	13,728	14,616	(6.1)	(7.9)
Pick 4	205,000		17,635	17,382	1.5	101,155	96,702	4.6	3.8
Pick 3	250,000		21,287	21,470	(0.9)	121,791	122,303	(0.4)	1.3
Mega Millions / Powerball	180,000		22,681	16,296	39.2	99,637	103,505	(3.7)	(14.1)
Fast Play	6,000		509	520	(2.1)	3,092	3,509	(11.9)	(12.9)
Raffle	6,600		0	0	-	0	0	-	0.0
Scratch	720,000		69,347	62,420	11.1	369,267	351,072	5.2	1.2
Gross Lottery Revenue	<u>1,414,600</u>		<u>135,545</u>	<u>123,088</u>	<u>10.1</u>	<u>719,703</u>	<u>707,514</u>	<u>1.7</u>	<u>(1.4)</u>
Expenses (c)	<u>979,400</u>		<u>102,407</u> (d)	<u>87,531</u>	<u>17.0</u>	<u>509,254</u> (d)	<u>489,473</u>	<u>4.0</u>	<u>(2.5)</u>
Net Lottery Ticket Profits	<u>\$435,200</u>		<u>\$33,138</u> (d)	<u>\$35,557</u>	<u>(6.8)</u>	<u>\$210,449</u> (d)	<u>\$218,041</u>	<u>(3.5)</u>	<u>1.2</u>

(a) Estimate established by House Bill 1500, December 17, 2010; this amount remains unchanged from Chapter 874, 2010 Virginia 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 2010 and 2011
(Dollars in Thousands)**

Revenue	FY 2011 Estimate	As a % of Total Fund	December			Year-To-Date			% Annual Growth Required By Estimate
			FY 2011	FY 2010	% Change	FY 2011	FY 2010	% Change	
Motor Fuel Taxes	\$855,500	25.33	\$69,125	\$75,001	(7.8)	\$368,617	\$359,486	2.5	3.1
Priority Transportation Fund (PTF)	150,300	4.45	17,037	20,671	(17.6)	138,327	137,102	0.9	0.8
Motor Vehicle Sales and Use Tax	506,500	15.00	37,536	32,792	14.5	257,789	229,531	12.3	6.9
State Sales and Use Tax	480,800	14.24	41,538	43,494	(4.5)	224,353	247,799	(9.5)	(2.0)
Motor Vehicle License Fees	234,800	6.95	15,747	15,296	2.9	115,567	109,159	5.9	2.0
International Registration Plan	61,300	1.82	3,603	7,540	(52.2)	22,137	22,704	(2.5)	2.6
Recordation Tax	32,200	0.95	3,229	3,118	3.6	18,262	19,017	(4.0)	(8.5)
Interest Earnings	38,600	1.14	25	66	(62.1)	4,871	6,195	(21.4)	68.1
Misc. Taxes, Fees, and Revenues	12,700	0.38	998	1,001	(0.3)	6,428	6,088	5.6	(0.4)
Total State Taxes and Fees	\$2,372,700	70.26	\$188,838	\$198,979	(5.1)	\$1,156,351	\$1,137,081	1.7	3.0

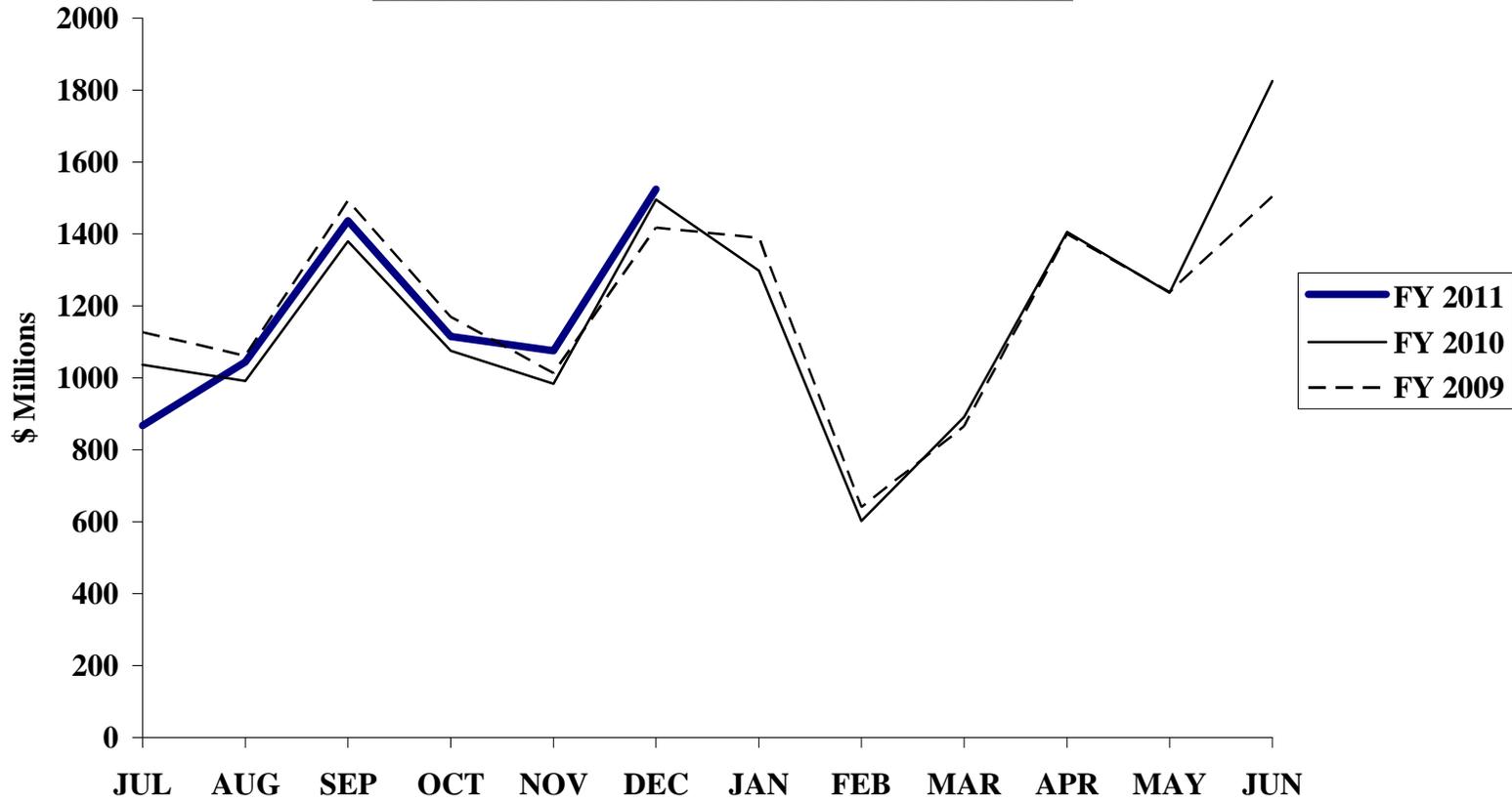
Percentage is greater than or equal to 1,000%.

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 2010 and 2011
(Dollars in Thousands)

Revenue	FY 2011 Estimate	As a % of Total Fund	December			Year-To-Date			% Annual Growth Required By Est
			FY 2011	FY 2010	% Change	FY 2011	FY 2010	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$739,800	21.90	\$58,032	\$64,593	(10.2)	\$316,201	\$310,100	2.0	3.5
Motor Vehicle Sales and Use Tax	309,800	9.17	22,885	19,960	14.7	155,075	138,362	12.1	7.0
Motor Vehicle License Fees	213,700	6.33	14,327	13,905	3.0	105,309	99,259	6.1	2.0
International Registration Plan	61,300	1.82	3,603	7,540	(52.2)	22,137	22,704	(2.5)	2.6
Recordation Tax (1 cent)	10,700	0.32	1,076	1,039	3.6	6,087	6,339	(4.0)	(8.8)
Misc. Taxes, Fees, and Revenues	12,700	0.38	998	1,001	(0.3)	6,428	6,088	5.6	(0.4)
Total State Taxes and Fees	\$1,348,000	39.92	\$100,921	\$108,038	(6.6)	\$611,237	\$582,852	4.9	3.8
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,122	\$2,026	(44.6)	\$9,651	\$9,858	(2.1)	(100.0)
Miscellaneous Revenues	16,191	0.48	470	2,735	(82.8)	4,406	8,209	(46.3)	12.3
Transfer (to) / from Transportation Trust Fund	510,998	15.13	100,000	50,000	100.0	166,940	200,000	(16.5)	0.7
Total Highway Maintenance and Operating Fund	\$1,875,189	55.53	\$202,513	\$162,799	24.4	\$792,234	\$800,919	(1.1)	1.9
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$115,700	3.43	\$11,093	\$10,408	6.6	\$52,416	\$49,386	6.1	0.6
PTF Motor Fuels	20,000	0.59	2,000	2,000	0.0	8,000	8,000	0.0	0.0
PTF Insurance Premiums Tax	130,300	3.86	15,037	18,671	(19.5)	130,327	129,102	0.9	0.9
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	196,700	5.83	14,651	12,832	14.2	102,714	91,169	12.7	6.8
State Sales and Use Tax	480,800	14.24	41,538	43,494	(4.5)	224,353	247,799	(9.5)	(2.0)
Motor Vehicle License Fees	21,100	0.62	1,420	1,391	2.1	10,258	9,900	3.6	1.8
Recordation Tax (2 cents)	21,500	0.63	2,153	2,079	3.6	12,175	12,678	(4.0)	(8.3)
Interest Earnings	38,600	1.14	25	66	(62.1)	4,871	6,195	(21.4)	68.1
Total State Taxes and Fees	\$1,024,700	30.34	\$87,917	\$90,941	(3.3)	\$545,114	\$554,229	(1.6)	1.8
Other Revenues:									
Federal Grants and Contracts	\$881,334	26.09	\$49,116	\$52,096	(5.7)	\$483,356	\$440,203	9.8	6.9
Receipts from Cities/Counties	59,007	1.75	2,765	9,910	(72.1)	27,710	18,677	48.4	28.0
Toll Revenues (Includes Route 28)	30,035	0.89	806	847	(4.8)	7,621	21,253	(64.1)	(32.4)
Miscellaneous Revenues	17,862	0.53	(60)	2,580	(102.3)	28,997	15,205	90.7	(39.7)
Total Other Revenues	\$988,238	29.26	\$52,627	\$65,433	(19.6)	\$547,684	\$495,338	10.6	4.7
Transfer (to) / from Highway Maintenance and Operating Fund									
Maintenance and Operating Fund	(\$510,998)	(15.13)	(\$100,000)	(\$50,000)	(100.0)	(\$166,940)	(\$200,000)	16.5	(0.7)
Total Transportation Trust Fund	\$1,501,940	44.47	\$40,544	\$106,374	(61.9)	\$925,858	\$849,567	9.0	4.1
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,377,129	100.00	\$243,057	\$269,173	(9.7)	\$1,718,092	\$1,650,486	4.1	2.9

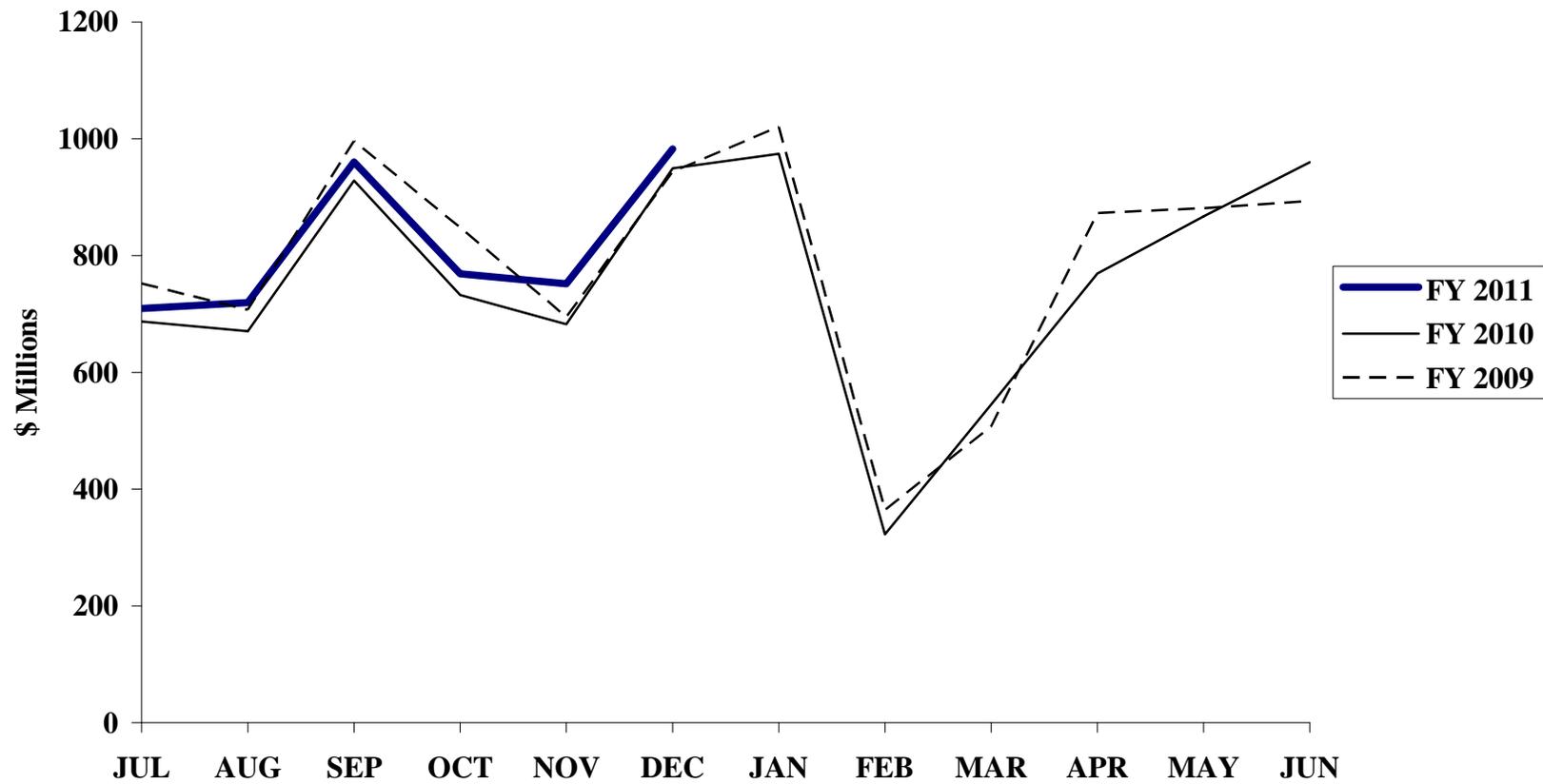
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



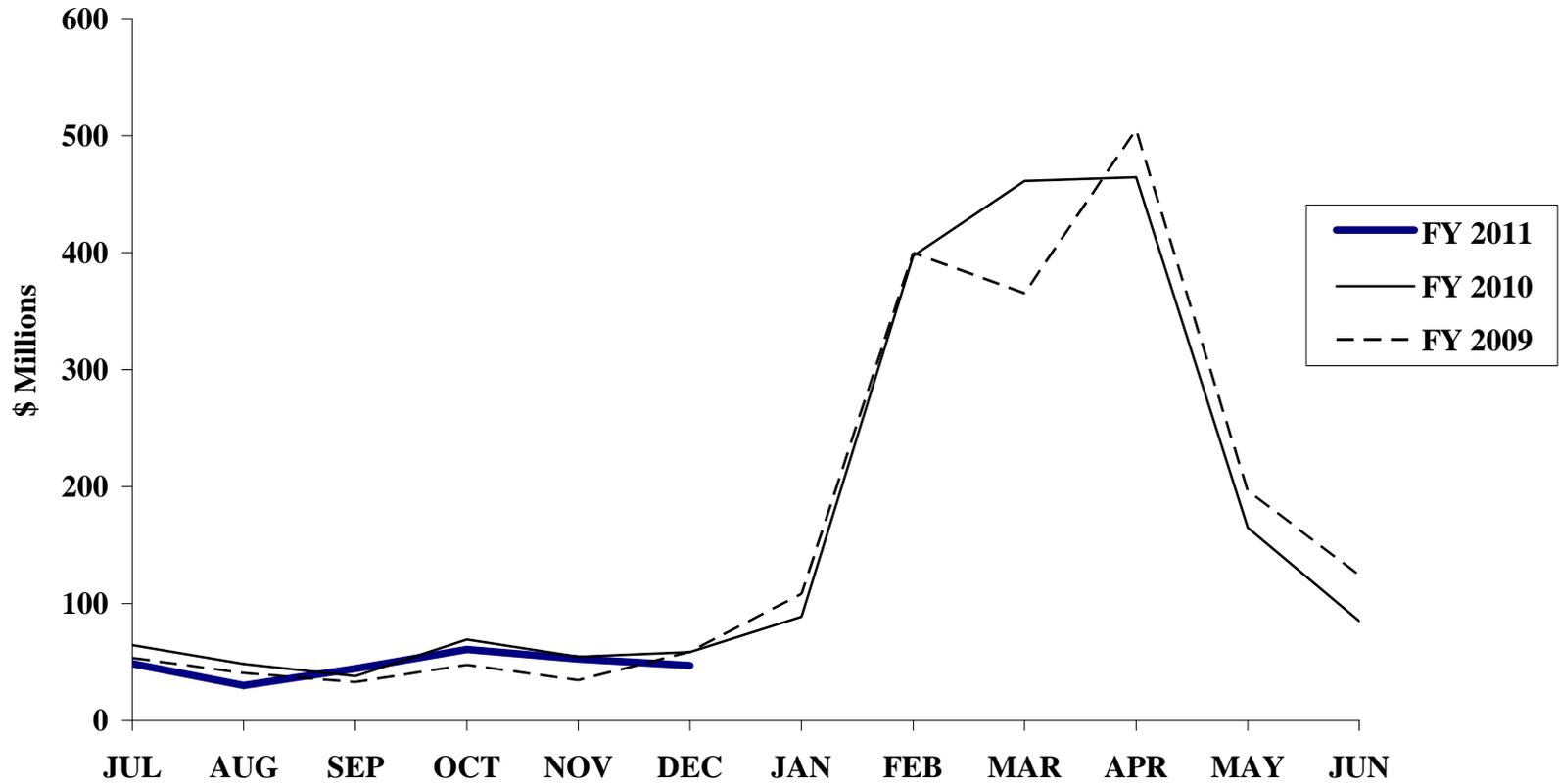
FY 2009 Actual = \$14,315.1 Million
FY 2010 Actual = \$14,219.5 Million
FY 2011 Estimate = \$14,717.4 Million

Net Individual Income Tax



FY 2009 Actual = \$9,481.1 Million
FY 2010 Actual = \$9,088.3 Million
FY 2011 Estimate = \$9,681.8 Million

Individual and Fiduciary Income Tax Refunds



FY 2009 Actual = \$1,967.4 Million
FY 2010 Actual = \$1,994.7 Million
FY 2011 Estimate = \$1,922.0 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2011
 (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, 2010	\$3,327.4	0.63%	\$1,232.3 ²	11.01% ²	\$4,559.7 ²	3.44%	0.29%
August	\$2,790.8	0.29% ³	\$1,244.3	12.57%	\$4,035.1	4.08% ³	0.26%
September	\$3,139.8	0.62%	\$1,252.5	3.52%	\$4,392.3	1.45%	0.26%
October	\$3,320.2	0.57%	\$1,256.2	3.76%	\$4,576.4	1.45%	0.23%
November	\$3,244.5	0.52%	\$1,255.0	-5.53%	\$4,499.5	-1.17%	0.25%
December	\$2,994.5	0.44%	\$1,246.8	-9.88%	\$4,241.3	-2.59%	0.29%
January, 2011							
February							
March							
April							
May							
June							
Year-to-Date Average	\$3,136.2	0.52%	\$1,247.9	2.59%	\$4,384.1	1.11%	0.26%

▪ 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 Federal Reserve Bank H.15 Release.

² Revised July External Manager Average Balance, Total Return and Composite Average Balance

³ The Primary Liquidity Yield of 0.29% reflects a \$913,500 write down of Morgan Stanley ABS Capital I in the securities lending portfolio.

Without the write down, the Primary Liquidity Yield would have been 0.68% and the Composite Rate would have been 4.35%.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2011**

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$295,158,947	\$0	\$0	\$0	\$295,158,947
August	\$295,158,947	\$0	\$0	\$0	\$295,158,947
September	\$295,158,947	\$0	\$0	\$0	\$295,158,947
October	\$295,158,947	\$0	\$0	\$1,176,754	\$296,335,701
November	\$296,335,701	\$0	\$0	\$0	\$296,335,701
December	\$296,335,701	\$0	\$0	\$0	\$296,335,701
January					
February					
March					
April					
May					
June					

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