



COMMONWEALTH of VIRGINIA

October 11, 2012

PO Box 1475
Richmond, VA. 23218

MEMORANDUM

TO: The Honorable Robert F. McDonnell

THROUGH: The Honorable Martin Kent

FROM: Richard D. Brown *Richard D. Brown*

SUBJECT: September Revenue Data

September completes the first quarter of fiscal year 2013 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 taxes, and other sources.

Total general fund revenue collections fell 0.7 percent in September, mainly driven by a decline in corporate income tax receipts. In addition, two fewer deposit days than September of last year contributed to the weakness. On a year-to-date basis, total revenue collections rose 1.3 percent through September, trailing the annual forecast of 2.9 percent growth. Adjusting for the accelerated sales tax program, total revenues grew 0.4 percent through September, trailing the adjusted forecast of 2.7 percent growth.

National Economic Indicators

Current national indicators suggest the economic expansion continues at a modest pace.

- According to the third estimate, real GDP grew at an annualized rate of 1.3 percent in the second quarter of 2012, slowing from 2.0 percent in the first quarter and 4.1 percent in the fourth quarter of 2011.
- The labor market remains weak -- payroll employment grew by a modest 114,000 jobs in September. Figures for July and August, however, were revised upwards by a combined 86,000 jobs. In a separate report, the unemployment rate fell from 8.1 percent to 7.8 percent in September, driven by a huge increase in household employment of 873,000. The household survey data tend to be quite volatile.

- Initial claims for unemployment rose by 4,000 to 367,000 during the week ending September 29. The four-week moving average was unchanged at 375,000. Over the last few months, claims have been rising and falling, reflecting the uneven recovery in the labor market.
- Following an increase of 0.5 percent in July, the Conference Board's index of leading indicators fell 0.1 percent in August, driven by a decline in consumer expectations and a shorter workweek.
- The Conference Board's index of consumer confidence jumped from 61.3 to 70.3 in September. A substantial increase in the expectations component drove the gain, but the present situation component also improved.
- Although the manufacturing sector remains weak, the Institute of Supply Management index rose from 49.6 to 51.5 in September, rising above the expansionary threshold of 50.0 for the first time since May.
- The CPI rose 0.6 percent in August, and stands 1.7 percent above August 2011. This first increase in five months was driven by rising gas prices. Core inflation (excluding food and energy prices) rose 0.1 percent in August, and has increased 1.9 percent from August 2011.
- The Federal Reserve announced at its September meeting that it will keep the federal funds target rate at 0.0 to 0.25 percent and will launch a third round of quantitative easing.

Virginia Economy

In Virginia, employment rose 1.3 percent in August from August of last year. (Employment growth was overstated due to a Bureau of Labor Statistics procedural change in the reporting sample for private education.) Northern Virginia posted growth of 2.5 percent; Hampton Roads grew 0.3 percent; and Richmond-Petersburg rose 1.5 percent. The unemployment rate in the Commonwealth fell 0.3 percentage point to 5.8 percent in August and was 0.7 percentage point below the August 2011 rate.

The Virginia Leading Index was unchanged in August after rising 0.3 percent in July. All components, except initial claims and future employment, declined. The Leading Index contracted in six of the eleven major metro areas in the Commonwealth in August, while the indexes for Lynchburg, Danville, and Harrisonburg improved, and the indexes in Richmond and Hampton Roads were unchanged.

September Revenue Collections

Total general fund revenue collections fell 0.7 percent in September, mainly driven by a decline in corporate income tax receipts. On a year-to-date basis, total revenue collections rose 1.3

percent through September, trailing the annual forecast of 2.9 percent growth. Adjusting for the accelerated sales tax program, total revenues grew 0.4 percent through September, trailing the adjusted forecast of 2.7 percent growth.

Net Individual Income Tax (67% of general fund revenues): Through September, collections of net individual income tax rose 0.2 percent from the same period last year, trailing the annual estimate of 2.8 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 rose 0.5 percent in September with two fewer deposit days than September of 2011 dampening growth. Year-to-date, withholding collections fell 0.7 percent compared with the same period last year, trailing the projected annual growth rate of 3.5 percent. October will have two additional deposit days and provide a more balanced picture of revenue growth in payroll withholding.

Individual Income Tax Nonwithholding (15% of general fund revenues): September is a significant month for collections in this source since the first estimated payment for fiscal year 2013 is due. Collections rose 5.1 percent in September from September of last year. Collections for the fiscal year were \$362.4 million compared with \$348.0 million in the first quarter of last year, rising by 4.1 percent and ahead of the annual estimate of 3.6 percent growth.

Individual Income Tax Refunds: Through September, the Department of Taxation has issued \$98.2 million in refunds compared with \$105.7 million last year. Year to date, refunds have fallen 7.1 percent, lagging the annual estimate of 7.8 percent growth.

Sales Tax (20% of general fund revenues): Collections of sales and use taxes, reflecting August sales, rose 3.6 percent in September. On a year-to-date basis, collections have risen 10.4 percent, compared with the annual estimate of 2.8 percent growth. The strong year-to-date growth is due to the partial repeal of the accelerated sales tax program. Adjusting for this legislation, sales tax collections have grown by 4.2 percent year-to-date, ahead of the economic-base forecast of 1.7 percent growth.

Corporate Income Tax (5% of general fund revenues): As with nonwithholding, September is a significant month in corporate income tax collections since the first estimated payment for the fiscal year is due. Collections in corporate income tax fell 17.7 percent in September, mainly due to a weakness in payments from large corporations. Through September, collections in this source have fallen 11.8 percent from the same period last year, lagging the estimate of a 3.0 percent increase.

Wills, Suits, Deeds, Contracts (2% of general fund revenues): Collections of wills, suits, deeds, and contracts – mainly recordation tax collections – were \$26.9 million in September, compared with \$26.7 million in September of last year, a 0.9 percent increase. This is the first time in eight months that growth has fallen below double-digit rates. On a year-to-date basis, collections are up 14.9 percent, ahead of the annual forecast of 0.3 percent growth.

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 Tax (2% GF revenues)	NA	16.1%
Interest Income (0.5% GF revenues)	-8.9%	0.3%
ABC Taxes (1% GF revenues)	13.7%	-0.8%

Note: Monthly collections of insurance company premiums are being transferred to the Transportation Trust Fund per Chapter 896, 2007 Acts of the Assembly until the required amount of \$130.1 million has been deposited.

All Other Revenue (3% of general fund revenues): Receipts in All Other Revenue fell 28.9 percent in September – \$22.1 million compared with \$31.1 million last year. Most of the decline was attributable to a drop in receipts from public service corporations. On a year-to-date basis, collections of All Other Revenue fell 14.0 percent, trailing the annual estimate of 3.7 percent growth.

Summary

September completes the first quarter of fiscal year 2013 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 taxes, and other sources.

Total general fund revenue collections fell 0.7 percent in September, mainly driven by a decline in corporate income tax. On a year-to-date basis, total revenue collections rose 1.3 percent through September, trailing the annual forecast of 2.9 percent growth. Adjusting for the accelerated sales tax program, total revenues grew 0.4 percent through September, trailing the adjusted forecast of 2.7 percent growth.

The fall revenue forecasting process has begun. The Joint Advisory Board of Economists (JABE) met October 10th to assess recent economic developments and the outlook for the current and next biennia. The Governor's Advisory Council on Revenue Estimates (GACRE) will meet on November 19th to evaluate both the JABE economic recommendations and revenue collections through October.

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund Revenue Collections
For the Fiscal Years 2012 and 2013
(Dollars in Thousands)

Revenue	(1)	(2)	(3) (4) (5)			(6) (7) (8)			(9)
	FY 2013 Estimate	As a % of Gen Fund Rev	September FY 2013	FY 2012	% Change	Year-To-Date FY 2013	FY 2012	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$10,391,500	63.70	\$750,932	\$747,110	0.5	\$2,291,985	\$2,307,974	(0.7)	3.5
Tax Dues/Estimated Payments	2,443,600	14.98	281,986	268,297	5.1	362,397	347,971	4.1	3.6
Gross Individual Income Tax	\$12,835,100	78.68	\$1,032,918	\$1,015,407	1.7	\$2,654,382	\$2,655,945	(0.1)	3.5
Individual and Fiduciary Income (Refunds)	(1,923,800)	(11.79)	(25,547)	(34,458)	(25.9)	(98,191)	(105,705)	(7.1)	7.8
Net Individual Income Tax	\$10,911,300	66.89	\$1,007,371	\$980,949	2.7	\$2,556,191	\$2,550,240	0.2	2.8
Sales and Use Tax	\$3,207,900	19.65	\$258,449	\$249,395	3.6	\$684,691	\$620,386	10.4	2.8
Corporations Income Tax	886,000	5.43	155,117	188,417	(17.7)	168,807	191,295	(11.8)	3.0
Wills, Suits, Deeds, Contracts	322,900	1.98	26,919	26,671	0.9	90,672	78,914	14.9	0.3
Insurance Premiums	293,600	1.80	0	0	-	0	0	-	16.1
Interest Income (a)	77,400	0.47	7,754	12,048	(35.6)	26,853	29,463	(8.9)	0.3
Alcoholic Beverage Sales (b)	184,800	1.14	4,211	4,093	2.9	15,680	13,787	13.7	(0.8)
All Other Revenues	429,200	2.64	22,100	31,065	(28.9)	76,639	89,142	(14.0)	3.7
Total General Fund Revenues	\$16,313,100	100.00	\$1,481,921	\$1,492,638	(0.7)	\$3,619,533	\$3,573,227	1.3	2.9

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

(a) Interest will be allocated in accordance with Section 3-3.03 of Chapter 3, 2012 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 2012 and 2013
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2013 Estimate	As a % of Total Gen Fund Rev	FY 2013	September FY 2012	% Change	FY 2013	Year-To-Date FY 2012	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$10,391,500	63.70	\$750,932	\$747,110	0.5	\$2,291,985	\$2,307,974	(0.7)	3.5
Tax Dues/Estimated Payments	2,443,600	14.98	281,986	268,297	5.1	362,397	347,971	4.1	3.6
Gross Individual Income Tax	\$12,835,100	78.68	\$1,032,918	\$1,015,407	1.7	\$2,654,382	\$2,655,945	(0.1)	3.5
Individ and Fiduc Income (Refunds)	(1,923,800)	(11.79)	(25,547)	(34,458)	(25.9)	(98,191)	(105,705)	(7.1)	7.8
Net Individual Income Tax	\$10,911,300	66.89	\$1,007,371	\$980,949	2.7	\$2,556,191	\$2,550,240	0.2	2.8
Sales and Use Tax	3,207,900	19.65	258,449	249,395	3.6	684,691	620,386	10.4	2.8
Corporations Income	886,000	5.43	155,117	188,417	(17.7)	168,807	191,295	(11.8)	3.0
Public Service Corporations	93,900	0.58	3,278	8,443	(61.2)	16,267	25,357	(35.8)	(0.6)
Insurance Premiums	293,600	1.80	0	0	-	0	0	-	16.1
Alcoholic Beverage Excise	141,500	0.87	0	0	-	3,673	1,775	106.9	(1.3)
Beer and Beverage Excise	43,300	0.27	4,211	4,093	2.9	12,007	12,012	0.0	0.7
Wills, Suits, Deeds, Contracts	322,900	1.98	26,919	26,671	0.9	90,672	78,914	14.9	0.3
Inheritance, Gift, and Estate	0	0.00	47	(4)	#	62	(124)	150.0	(100.0)
Bank Franchise	19,300	0.12	0	(22)	100.0	79	232	(65.9)	2.2
Other Taxes	2,500	0.02	(163)	120	(235.8)	795	1,373	(42.1)	132.6
Total Taxes	\$15,922,200	97.61	\$1,455,229	\$1,458,062	(0.2)	\$3,533,244	\$3,481,460	1.5	2.9
Rights and Privileges:									
Licenses and Permits	\$4,300	0.03	\$388	\$437	(11.2)	\$1,046	\$1,108	(5.6)	1.4
Corp. Franchise and Charters	43,400	0.26	454	460	(1.3)	1,445	1,439	0.4	2.5
Fees for Misc. Privileges & Services	11,700	0.07	546	701	(22.1)	1,823	1,919	(5.0)	11.9
Total Rights and Privileges	\$59,400	0.36	\$1,388	\$1,598	(13.1)	\$4,314	\$4,466	(3.4)	4.2
Other Revenues:									
Sales of Property & Commodities	\$500	0.00	\$0	\$256	(100.0)	\$0	\$256	(100.0)	(88.6)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	0	12	(100.0)	24	119	(79.8)	14.3
Institutional Revenue	6,200	0.04	770	617	24.8	1,754	1,462	20.0	6.1
Interest (a)	77,400	0.47	7,754	12,048	(35.6)	26,853	29,463	(8.9)	0.3
Dividends and Rent	300	0.00	44	44	0.0	147	160	(8.1)	(22.9)
Fines, Forfeitures & Fees	236,300	1.45	16,950	18,049	(6.1)	53,888	53,583	0.6	6.3
Other Revenue	8,300	0.05	161	1,777	(90.9)	613	2,626	(76.7)	(5.0)
Excess Fees	(7,500)	(0.05)	(872)	(645)	(35.2)	(2,926)	(2,265)	(29.2)	13.5
Private Donations, Gifts & Cont.	0	0.00	0	8	(100.0)	0	8	(100.0)	(100.0)
Cities, Counties, and Towns	9,600	0.07	497	812	(38.8)	1,622	1,889	(14.1)	8.3
Total Other Revenues	\$331,500	2.03	\$25,304	\$32,978	(23.3)	\$81,975	\$87,301	(6.1)	3.8
Total General Fund Revenues	\$16,313,100	100.00	\$1,481,921	\$1,492,638	(0.7)	\$3,619,533	\$3,573,227	1.3	2.9

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

(a) Interest will be allocated in accordance with Section 3-3.03 of Chapter 3, 2012 Virginia Acts of Assembly.

**Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2012 and 2013
(Dollars in Thousands)**

	FY 2013 Estimate	(a)	September			Year-To-Date			% Annual Growth Required By Estimate
			FY 2013	FY 2012	% Change	FY 2013	FY 2012	% Change (b)	
Lottery Collections									
Total Lottery Sales	\$1,592,400		\$124,449	\$121,872	2.1	\$384,556	\$362,047	6.2	(1.5)
Other Income	1,300		110 (c)	238	(53.8)	359 (c)	485	(26.0)	(33.7)
Total Income	<u>\$1,593,700</u>		<u>\$124,559</u>	<u>\$122,110</u>	<u>2.0</u>	<u>\$384,915</u>	<u>\$362,532</u>	<u>6.2</u>	<u>(1.5)</u>
Less:									
Prize Expenses	\$963,400		\$72,496	\$75,353	(3.8)	\$222,310	\$214,743	3.5	0.1
Retailer Commissions	90,100		6,450	6,936	(7.0)	20,793	20,518	1.3	(0.6)
Operating Expenses	82,900		6,405	5,975	7.2	19,166	14,647	30.9	6.4
Total Expenses	<u>\$1,136,400</u>		<u>\$85,351 (c)</u>	<u>\$88,264</u>	<u>(3.3)</u>	<u>\$262,269 (c)</u>	<u>\$249,908</u>	<u>4.9</u>	<u>0.5</u>
Net Proceeds from Operations									
Net Lottery Ticket Profits	\$457,300		\$39,208	\$33,846	15.8	\$122,646	\$112,624	8.9	(1.5)
Prior Year Residual Profit Transfer	-		0	0	-	22,971	9,011	154.9	-
Available to Lottery Proceeds Fund	<u>\$457,300</u>		<u>\$39,208</u>	<u>\$33,846</u>	<u>15.8</u>	<u>\$145,617</u>	<u>\$121,635</u>	<u>19.7</u>	<u>(3.3)</u>

- (a) Estimate established by Chapter 3, 2012 Virginia Acts of Assembly. Prior Year Residual Profit Transfer of \$22,971,151 was made on August 15, 2012. The Residual Profit Transfer from FY 2012 will be included in the Lottery's revised FY 2013 revenue estimate in the Governor's Revised Budget in December 2012.
- (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) Other Income, Prize Expenses, Retailer Commissions, and Operating Expenses are accrual-based estimates (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 2012 and 2013
(Dollars in Thousands)

Revenue	FY 2013 Estimate	As a % of Total Fund	September			Year-To-Date			% Annual Growth Required By Estimate
			FY 2013	FY 2012	% Change	FY 2013	FY 2012	% Change	
Motor Fuel Taxes	\$851,700	22.73	\$74,645	\$71,285	4.7	\$155,799	\$149,641	4.1	2.2
Priority Transportation Fund (PTF)	161,800	4.31	96,240	92,595	3.9	108,838	99,619	9.3	2.9
Motor Vehicle Sales and Use Tax	576,200	15.38	50,680	47,361	7.0	159,690	147,276	8.4	(0.7)
State Sales and Use Tax	526,300	14.05	45,201	42,554	6.2	116,873	105,573	10.7	4.6
Motor Vehicle License Fees	241,800	6.45	20,015	19,741	1.4	65,152	62,672	4.0	2.6
International Registration Plan	62,600	1.67	3,117	3,425	(9.0)	11,681	12,179	(4.1)	0.1
Recordation Tax	38,400	1.02	3,306	2,991	10.5	11,053	9,262	19.3	(1.9)
Interest Earnings	17,600	0.47	75	71	5.6	94	81	16.0	25.9
Misc. Taxes, Fees, and Revenues	14,800	0.39	967	938	3.1	3,213	3,132	2.6	19.8
Total State Taxes and Fees	<u>\$2,491,200</u>	<u>66.47</u>	<u>\$294,246</u>	<u>\$280,961</u>	<u>4.7</u>	<u>\$632,393</u>	<u>\$589,435</u>	<u>7.3</u>	<u>2.2</u>

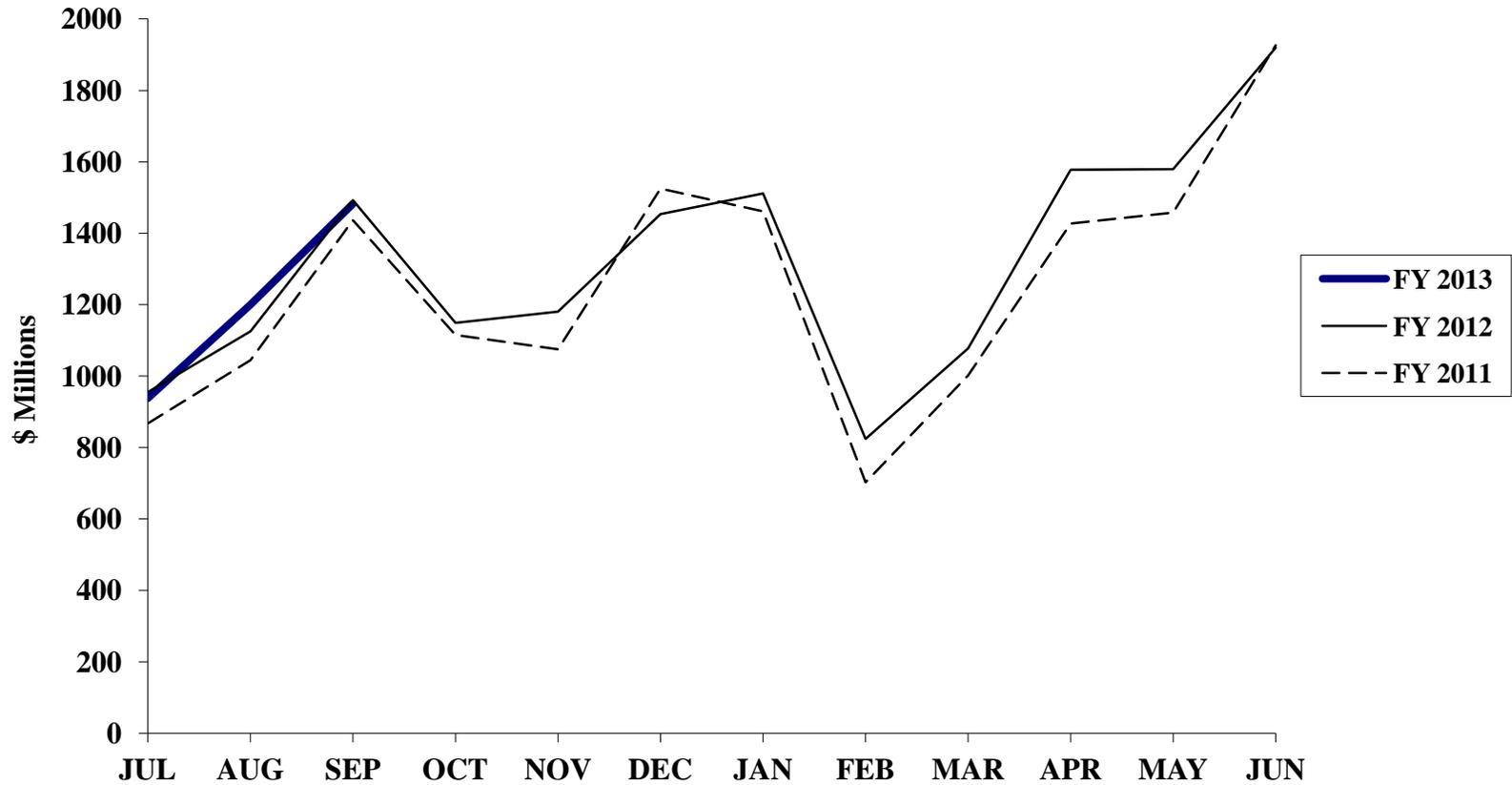
Percentage is greater than or equal to 1,000%.

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 2012 and 2013
(Dollars in Thousands)

Revenue	FY 2013 Estimate	As a % of Total Fund	September			Year-To-Date			% Annual Growth Required By Est
			FY 2013	FY 2012	% Change	FY 2013	FY 2012	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$734,100	19.59	\$63,156	\$60,046	5.2	\$133,940	\$128,600	4.2	2.3
Motor Vehicle Sales and Use Tax	354,100	9.45	30,104	28,885	4.2	97,876	89,939	8.8	(0.9)
Motor Vehicle License Fees	220,400	5.88	18,192	17,909	1.6	59,421	57,020	4.2	2.8
International Registration Plan	62,600	1.67	3,117	3,425	(9.0)	11,681	12,179	(4.1)	0.1
Recordation Tax (1 cent)	12,800	0.34	1,102	997	10.5	3,684	3,087	19.3	(1.9)
Misc. Taxes, Fees, and Revenues	14,800	0.39	967	938	3.1	3,213	3,132	2.6	19.8
Total State Taxes and Fees	\$1,398,800	37.32	\$116,638	\$112,200	4.0	\$309,815	\$293,957	5.4	1.5
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,421	\$1,058	34.3	\$7,163	\$6,114	17.2	(100.0)
Miscellaneous Revenues	10,604	0.29	800	1,213	(34.0)	4,338	4,322	0.4	(41.5)
Transfer (to) / from Transportation Trust Fund	363,551	9.70	50,000	100,340	(50.2)	70,000	100,340	(30.2)	(17.7)
Total Highway Maintenance and Operating Fund	\$1,772,955	47.31	\$168,859	\$214,811	(21.4)	\$391,316	\$404,733	(3.3)	(4.8)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$117,600	3.14	\$11,489	\$11,239	2.2	\$21,859	\$21,041	3.9	1.8
PTF Motor Fuels	20,000	0.53	2,000	2,000	0.0	2,000	2,000	0.0	0.0
PTF Insurance Premiums Tax	141,800	3.78	94,240	90,595	4.0	106,838	97,619	9.4	3.3
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	222,100	5.93	20,576	18,476	11.4	61,814	57,337	7.8	(0.4)
State Sales and Use Tax	526,300	14.05	45,201	42,554	6.2	116,873	105,573	10.7	4.6
Motor Vehicle License Fees	21,400	0.57	1,823	1,832	(0.5)	5,731	5,652	1.4	1.3
Recordation Tax (2 cents)	25,600	0.68	2,204	1,994	10.5	7,369	6,175	19.3	(1.9)
Interest Earnings	17,600	0.47	75	71	5.6	94	81	16.0	25.9
Total State Taxes and Fees	\$1,092,400	29.15	\$177,608	\$168,761	5.2	\$322,578	\$295,478	9.2	3.0
Other Revenues:									
Federal Grants and Contracts	\$996,925	26.60	\$148,694	\$96,126	54.7	\$528,787	\$278,201	90.1	3.6
Receipts from Cities/Counties	210,651	5.62	7,973	2,954	169.9	8,940	11,073	(19.3)	916.8
Toll Revenues (Includes Route 28)	30,312	0.81	865	901	(4.0)	2,611	2,480	5.3	68.2
Miscellaneous Revenues	7,953	0.21	1,285	1,640	(21.6)	25,968	9,611	170.2	(78.5)
Total Other Revenues	\$1,245,841	33.24	\$158,817	\$101,621	56.3	\$566,306	\$301,365	87.9	20.0
Transfer (to) / from Highway Maintenance and Operating Fund									
Maintenance and Operating Fund	(\$363,551)	(9.70)	(\$50,000)	(\$100,340)	50.2	(\$70,000)	(\$100,340)	30.2	17.7
Total Transportation Trust Fund	\$1,974,690	52.69	\$286,425	\$170,042	68.4	\$818,884	\$496,503	64.9	19.2
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,747,645	100.00	\$455,284	\$384,853	18.3	\$1,210,200	\$901,236	34.3	6.5

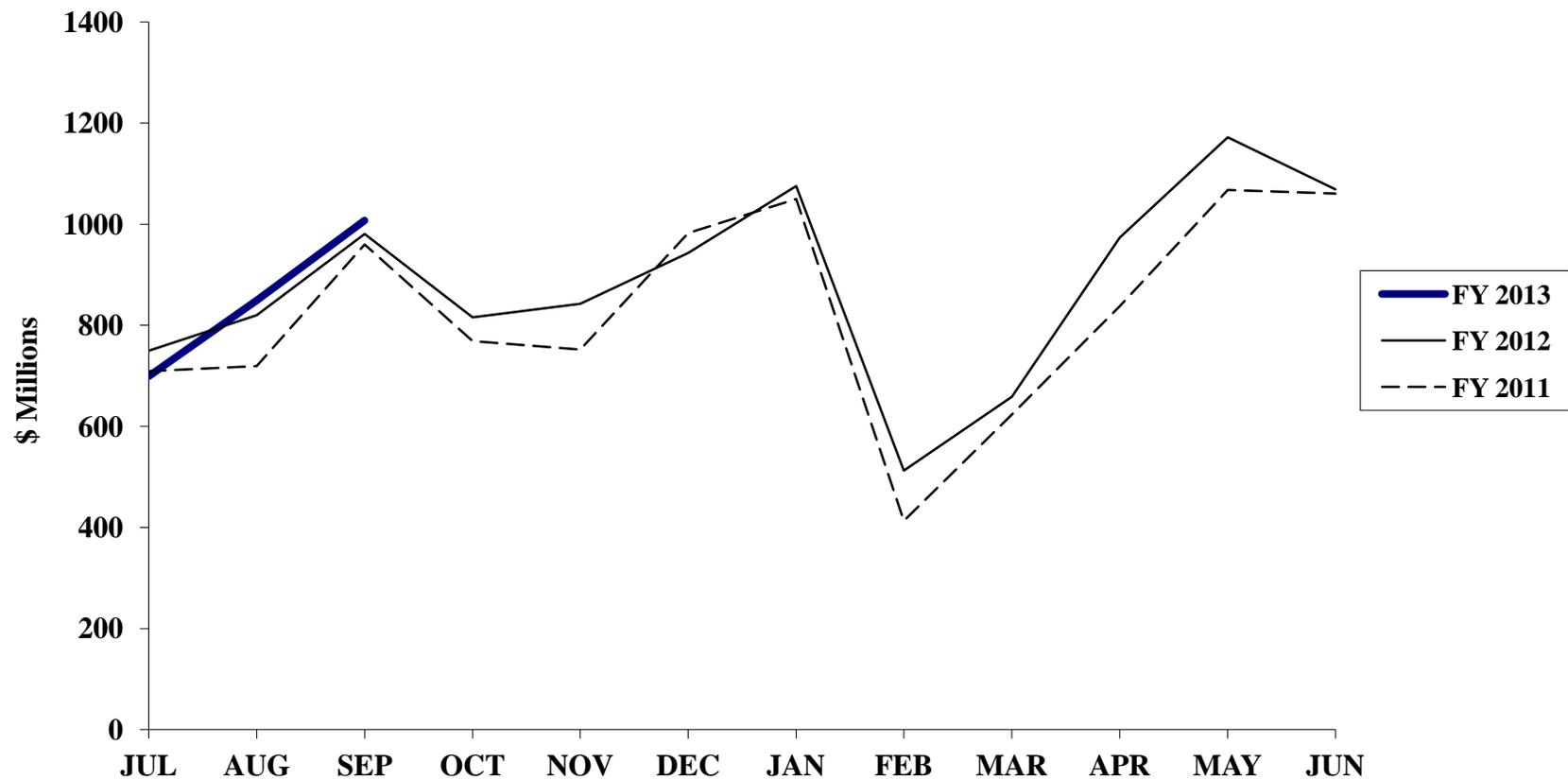
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



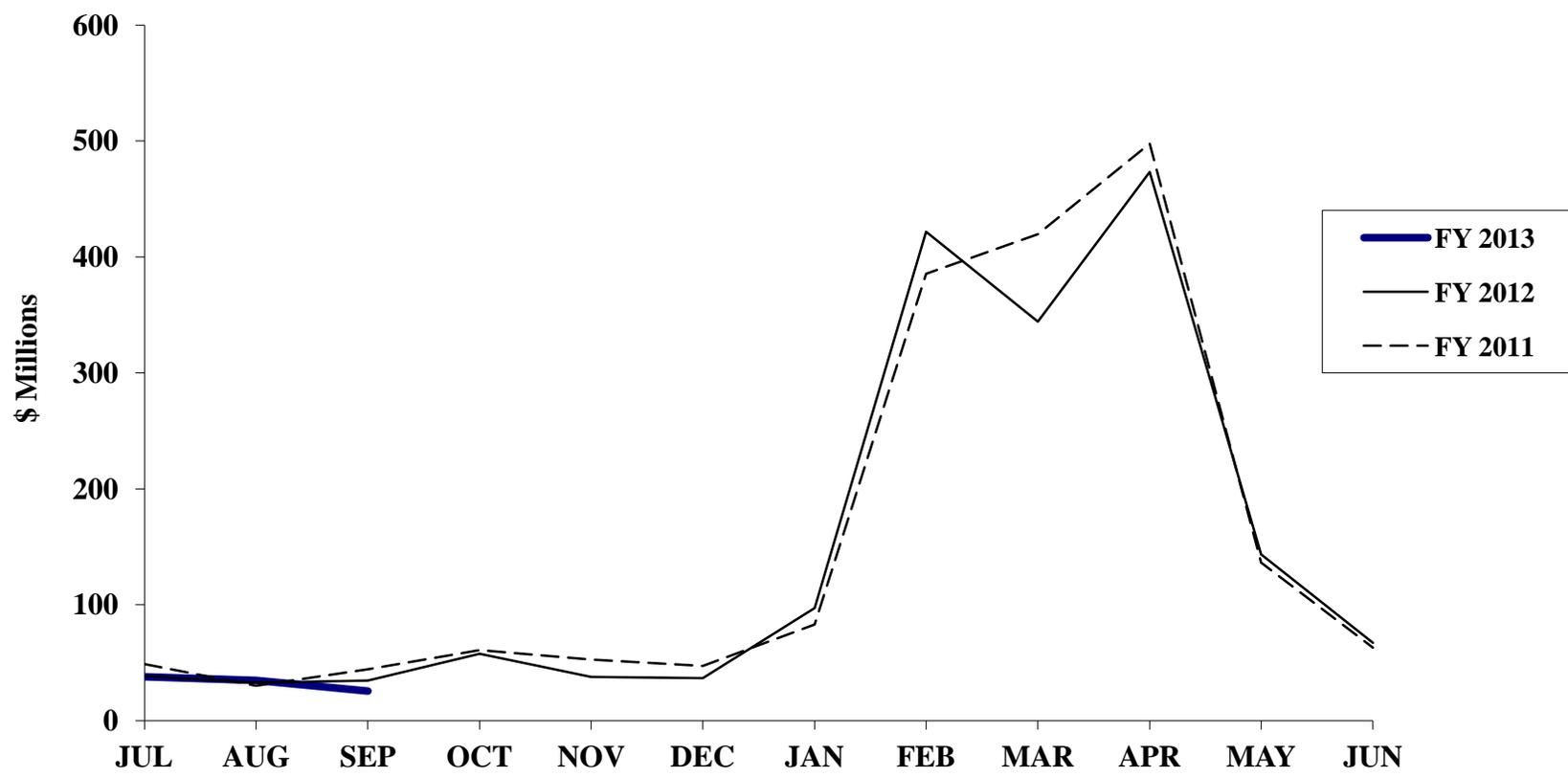
FY 2011 Actual = \$15,040.2 Million
FY 2012 Actual = \$15,846.7 Million
FY 2013 Estimate = \$16,313.1 Million

Net Individual Income Tax



FY 2011 Actual = \$9,944.4 Million
FY 2012 Actual = \$10,612.8 Million
FY 2013 Estimate = \$10,911.3 Million

Individual and Fiduciary Income Tax Refunds



FY 2011 Actual = \$1,869.3 Million
FY 2012 Actual = \$1,784.7 Million
FY 2013 Estimate = \$1,923.8 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio

Monthly Average Balances and Rates

For the Fiscal Year 2013

(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, 2012	\$3,859.5	0.35%	\$1,355.6	14.19%	\$5,215.1	3.95%	0.19%
August	\$3,211.0	0.19% ²	\$1,364.9	2.81%	\$4,575.9	0.97% ²	0.18%
September	\$3,507.9	0.30%	\$1,368.3	3.46%	\$4,876.2	1.19%	0.18%
October							
November							
December							
January, 2013							
February							
March							
April							
May							
June							
Year-to-Date Average	\$3,526.1	0.28%	\$1,362.9	6.84%	\$4,889.0	2.11%	0.18%

• 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.

² The Primary Liquidity Yield of 0.19% reflects a \$381,340.44 write down of Morgan Stanley 2007-HE5 in the securities lending portfolio. Without the write down, the Primary Liquidity Yield was 0.33% and the Composite Rate was 1.07%.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2013**

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$303,574,094	\$0	\$0	\$0	\$303,574,094
August	\$303,574,094	\$0	\$0	\$0	\$303,574,094
September	\$303,574,094	\$0	\$0	\$0	\$303,574,094
October					
November					
December					
January					
February					
March					
April					
May					
June					

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