



COMMONWEALTH of VIRGINIA

January 11, 2013

PO Box 1475
Richmond, VA. 23218

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 half of fiscal year 2013. The report incorporates the revised general fund revenue forecast included in the budget (HB1500/SB800) introduced on December 17. With the upward revision in December, total general fund revenues are now projected to grow by 3.6 percent in fiscal year 2013.

Total general fund revenue collections rose 4.9 percent in December, with strong collections in corporate income tax payments accounting for much of the growth. On a year-to-date basis, total revenue collections rose 3.5 percent through the first half of the fiscal year, close to the annual forecast of 3.6 percent growth. Adjusting for the accelerated sales tax program, total revenues grew 3.0 percent through December, trailing the adjusted forecast of 3.4 percent growth.

National Economic Indicators

Most national indicators suggest the economy is slowly improving; however, growth remains uneven.

- According to the final estimate, real GDP grew at an annualized rate of 3.1 percent in the third quarter of 2012, up from 1.3 percent in the second quarter.
- Labor market conditions are improving, but job growth remains tepid -- payroll employment added 155,000 jobs in December and the November gain was revised up from 146,000 to 161,000. In a separate report, the unemployment rate remained at 7.8 percent.

- Initial claims for unemployment rose by 10,000 to 372,000 during the week ending December 29. The four-week moving average rose slightly, from 359,750 to 360,000. Although the level of claims has been volatile over the last few months, the underlying trend is consistent with slow employment growth.
- Following an increase of 0.3 percent in October, the Conference Board's index of leading indicators fell 0.2 percent in November. After two monthly gains, the index has resumed alternating up and down each month as it has done since April.
- The Conference Board's index of consumer confidence dropped from 71.5 to 65.1 in December, driven by deteriorating expectations which was likely due to concerns over the fiscal cliff.
- Conditions in the manufacturing sector slightly improved in December. The Institute of Supply Management index increased from 49.5 to 50.7. The index has risen above the expansionary threshold of 50 in only three of the last seven months.
- Driven by falling energy prices, the CPI fell 0.3 percent in November, and stands 1.8 percent above November 2011. Core inflation (excluding food and energy prices) rose 0.1 percent in November, and has increased 1.9 percent from November 2011.
- The Federal Reserve announced at its December meeting that it will keep the federal funds target rate at 0.0 to 0.25 percent, and rolled Operation Twist into open-ended quantitative easing.

Virginia Economy

In Virginia, employment rose 1.1 percent in November from November of last year. Northern Virginia posted growth of 2.3 percent; Hampton Roads grew 1.1 percent; and Richmond-Petersburg rose 0.8 percent. The unemployment rate in the Commonwealth fell 0.1 percentage point to 5.3 percent in November and was 0.5 percentage point below the November 2011 rate.

The Virginia Leading Index rose 0.1 percent in November after increasing 0.2 percent in October. Building permits and auto registrations rose in November, but were partially offset by a decline in the U.S. leading index and an increase in initial unemployment claims. The Leading Index increased in Northern Virginia, Hampton Roads, Charlottesville, Blacksburg, and Winchester, while the indexes for Richmond, Lynchburg, and Danville contracted. The indexes for Roanoke, Bristol, and Harrisonburg were little changed.

December Revenue Collections

Total general fund revenue collections rose 4.9 percent in December, with strong collections in corporate income tax payments accounting for much of the growth. On a year-to-date basis, total revenue collections rose 3.5 percent through the first half of the fiscal year, close to the annual

forecast of 3.6 percent growth. Adjusting for the accelerated sales tax program, total revenues grew 3.0 percent through December, trailing the adjusted forecast of 3.4 percent growth.

Net Individual Income Tax (68% of general fund revenues): Through December, collections of net individual income tax rose 2.0 percent from the same period last year, lagging the annual estimate of 4.5 percent growth. Performance in each component of individual income tax is as follows:

Individual Income Tax Withholding (63% of general fund revenues): Collections of payroll withholding taxes rose 2.5 percent in December. Year-to-date, withholding collections rose 1.6 percent compared with the same period last year, trailing the projected annual growth rate of 3.3 percent.

Individual Income Tax Nonwithholding (15% of general fund revenues): Collections in this source were \$76.2 million in December, compared with \$115.4 million in December of last year. Year-to-date, collections through the first half of the fiscal year fell 1.2 percent over the same period last year, trailing the annual estimate of 6.8 percent growth.

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 15 to submit their fourth estimated payment for tax year 2012. A clearer assessment of growth will be possible at the end of January, when all quarterly payments have been received.

Individual Income Tax Refunds: In December, the Department of Taxation issued \$23.1 million in refunds compared with \$36.6 million last year. Year-to-date, refunds have fallen 12.9 percent, lagging the annual estimate of 0.4 percent growth.

Sales Tax (20% of general fund revenues): Collections of sales and use taxes, reflecting November sales, rose 2.8 percent in December. On a year-to-date basis, collections have risen 5.0 percent, compared with the annual estimate of 4.1 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 2.5 percent year-to-date, behind the economic-base forecast of 3.2 percent growth.

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 \$175.1 in December, compared with \$131.7 million a year ago. Year-to-date collections have risen 12.6 percent from the same period last year, well ahead of the estimate of a 4.5 percent decline.

Wills, Suits, Deeds, Contracts (2% of general fund revenues): Collections of wills, suits, deeds, and contracts – mainly recordation tax collections – were \$32.1 million in December, compared with \$29.0 million in December of last year, a 10.5 percent increase. On a year-to-date basis, collections are up 15.2 percent, far ahead of the annual forecast of 4.5 percent growth.

Insurance Premiums (2% of general fund revenues): Collections of taxes on insurance premiums were \$79.9 million, compared with \$56.4 million in December of last year. Chapter 896 of the 2007 Acts of the Assembly required that \$130.1 million of collections in this source be transferred to the Transportation Trust Fund in fiscal year 2013 before making any deposits to the general fund. The required transfer was completed during December.

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 (0.5% GF revenues)	-9.6%	-12.5%
ABC Taxes (1% GF revenues)	5.2%	2.6%

All Other Revenue (3% of general fund revenues): Receipts in All Other Revenue grew 1.9 percent in December, \$24.6 million compared with \$24.2 million last year. On a year-to-date basis, collections of All Other Revenue fell 0.9 percent from the same period last year, ahead of the annual estimate of a 2.5 percent decline.

Summary

Total general fund revenue collections rose 4.9 percent in December, with strong collections in corporate income tax payments accounting for much of the growth. On a year-to-date basis, total revenue collections rose 3.5 percent through the first half of the fiscal year, close to the annual forecast of 3.6 percent growth. Adjusting for the accelerated sales tax program, total revenues grew 3.0 percent through December, trailing the adjusted forecast of 3.4 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 clear picture of revenue growth.

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	December FY 2013	December FY 2012	% Change	Year-To-Date FY 2013	Year-To-Date FY 2012	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$10,366,300	63.15	\$886,134	\$864,260	2.5	\$4,898,349	\$4,818,907	1.6	3.3
Tax Dues/Estimated Payments	2,517,400	15.33	76,232	115,377	(33.9)	563,737	570,744	(1.2)	6.8
Gross Individual Income Tax	\$12,883,700	78.48	\$962,366	\$979,637	(1.8)	\$5,462,086	\$5,389,651	1.3	3.9
Individual and Fiduciary Income (Refunds)	(1,791,300)	(10.91)	(23,124)	(36,582)	(36.8)	(207,041)	(237,773)	(12.9)	0.4
Net Individual Income Tax	\$11,092,400	67.57	\$939,242	\$943,055	(0.4)	\$5,255,045	\$5,151,878	2.0	4.5
Sales and Use Tax	\$3,248,800	19.79	\$263,969	\$256,726	2.8	\$1,461,834	\$1,392,398	5.0	4.1
Corporations Income Tax	820,900	5.00	175,089	131,681	33.0	366,687	325,720	12.6	(4.5)
Wills, Suits, Deeds, Contracts	336,500	2.05	32,072	29,037	10.5	182,889	158,756	15.2	4.5
Insurance Premiums	255,600	1.56	79,928	56,417	41.7	79,928	56,417	41.7	1.1
Interest Income (a)	67,500	0.41	5,610	8,938	(37.2)	41,988	46,451	(9.6)	(12.5)
Alcoholic Beverage Sales (b)	191,300	1.16	3,468	3,406	1.8	61,809	58,748	5.2	2.6
All Other Revenues	403,500	2.46	24,617	24,159	1.9	164,812	166,300	(0.9)	(2.5)
Total General Fund Revenues	\$16,416,500	100.00	\$1,523,995	\$1,453,419	4.9	\$7,614,992	\$7,356,668	3.5	3.6

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	FY 2012	% Change	FY 2013	FY 2012	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$10,366,300	63.15	\$886,134	\$864,260	2.5	\$4,898,349	\$4,818,907	1.6	3.3
Tax Dues/Estimated Payments	2,517,400	15.33	76,232	115,377	(33.9)	563,737	570,744	(1.2)	6.8
Gross Individual Income Tax	\$12,883,700	78.48	\$962,366	\$979,637	(1.8)	\$5,462,086	\$5,389,651	1.3	3.9
Individ and Fiduc Income (Refunds)	(1,791,300)	(10.91)	(23,124)	(36,582)	(36.8)	(207,041)	(237,773)	(12.9)	0.4
Net Individual Income Tax	\$11,092,400	67.57	\$939,242	\$943,055	(0.4)	\$5,255,045	\$5,151,878	2.0	4.5
Sales and Use Tax	3,248,800	19.79	263,969	256,726	2.8	1,461,834	1,392,398	5.0	4.1
Corporations Income	820,900	5.00	175,089	131,681	33.0	366,687	325,720	12.6	(4.5)
Public Service Corporations	95,300	0.58	6,010	3,129	92.1	39,775	40,671	(2.2)	0.9
Insurance Premiums	255,600	1.56	79,928	56,417	41.7	79,928	56,417	41.7	1.1
Alcoholic Beverage Excise	148,300	0.90	0	0	-	39,509	36,332	8.7	3.4
Beer and Beverage Excise	43,000	0.26	3,468	3,406	1.8	22,300	22,416	(0.5)	0.0
Wills, Suits, Deeds, Contracts	336,500	2.05	32,072	29,037	10.5	182,889	158,756	15.2	4.5
Inheritance, Gift, and Estate	0	0.00	(22)	0	-	46	(452)	110.2	(100.0)
Bank Franchise	17,000	0.10	0	0	-	79	217	(63.6)	(10.0)
Other Taxes	1,200	0.01	201	530	(62.1)	3,207	42	#	11.6
Total Taxes	\$16,059,000	97.82	\$1,499,957	\$1,423,981	5.3	\$7,451,299	\$7,184,395	3.7	3.8
Rights and Privileges:									
Licenses and Permits	\$4,300	0.03	\$436	\$446	(2.2)	\$2,117	\$2,133	(0.8)	1.4
Corp. Franchise and Charters	40,500	0.24	428	491	(12.8)	2,834	2,875	(1.4)	(4.3)
Fees for Misc. Privileges & Services	9,800	0.06	308	606	(49.2)	4,271	4,317	(1.1)	(6.3)
Total Rights and Privileges	\$54,600	0.33	\$1,172	\$1,543	(24.0)	\$9,222	\$9,325	(1.1)	(4.3)
Other Revenues:									
Sales of Property & Commodities	\$0	0.00	\$0	\$0	-	\$0	\$1,011	(100.0)	(100.0)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	50	6	733.3	157	210	(25.2)	14.3
Institutional Revenue	5,700	0.03	329	673	(51.1)	3,025	3,106	(2.6)	(2.4)
Interest (a)	67,500	0.41	5,610	8,938	(37.2)	41,988	46,451	(9.6)	(12.5)
Dividends and Rent	300	0.00	28	35	(20.0)	219	273	(19.8)	(22.9)
Fines, Forfeitures & Fees	219,900	1.34	16,464	17,643	(6.7)	107,962	108,081	(0.1)	(1.1)
Other Revenue	9,400	0.06	590	516	14.3	2,664	3,816	(30.2)	7.6
Excess Fees	(8,700)	(0.05)	(725)	(626)	(15.8)	(5,120)	(4,219)	(21.4)	(0.3)
Private Donations, Gifts & Cont.	0	0.00	0	(8)	100.0	0	1	(100.0)	(100.0)
Cities, Counties, and Towns	8,400	0.06	520	718	(27.6)	3,576	4,218	(15.2)	(5.2)
Total Other Revenues	\$302,900	1.85	\$22,866	\$27,895	(18.0)	\$154,471	\$162,948	(5.2)	(5.2)
Total General Fund Revenues	\$16,416,500	100.00	\$1,523,995	\$1,453,419	4.9	\$7,614,992	\$7,356,668	3.5	3.6

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)	December			Year-To-Date			% Annual Growth Required By Estimate
			FY 2013	FY 2012	% Change	FY 2013	FY 2012	% Change (b)	
Lottery Collections									
Total Lottery Sales	\$1,597,862		\$140,882	\$149,807	(6.0)	\$811,916	\$765,851	6.0	(1.1)
Other Income	1,225		125 (c)	302	(58.6)	921 (c)	1,314	(29.9)	(37.6)
Total Income	<u>\$1,599,087</u>		<u>\$141,007</u>	<u>\$150,109</u>	<u>(6.1)</u>	<u>\$812,837</u>	<u>\$767,165</u>	<u>6.0</u>	<u>(1.2)</u>
Less:									
Prize Expenses	\$962,567		\$87,270	\$90,870	(4.0)	\$484,344	\$464,492	4.3	0.0
Retailer Commissions	91,058		8,253	8,351	(1.2)	45,745	43,388	5.4	0.4
Operating Expenses	88,133		7,004	6,972	0.5	41,865	36,272	15.4	13.1
Total Expenses	<u>\$1,141,758</u>		<u>\$102,527 (c)</u>	<u>\$106,193</u>	<u>(3.5)</u>	<u>\$571,954 (c)</u>	<u>\$544,152</u>	<u>5.1</u>	<u>1.0</u>
Net Proceeds from Operations									
Net Lottery Ticket Profits	\$457,329		\$38,480	\$43,916	(12.4)	\$240,883	\$223,013	8.0	(1.5)
Prior Year Residual Profit Transfer	22,971		0	0	-	22,971	9,011	154.9	-
Available to Lottery Proceeds Fund	<u>\$480,300</u>		<u>\$38,480</u>	<u>\$43,916</u>	<u>(12.4)</u>	<u>\$263,854</u>	<u>\$232,024</u>	<u>13.7</u>	<u>1.5</u>

(a) Estimate established by House Bill 1500, December 17, 2012. Prior Year Residual Profit Transfer of \$22,971,151 was made on August 15, 2012, and is included in the total revenue estimate.

(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	December			Year-To-Date			% Annual Growth Required By Estimate
			FY 2013	FY 2012	% Change	FY 2013	FY 2012	% Change	
Motor Fuel Taxes	\$838,100	22.27	\$66,332	\$55,853	18.8	\$362,698	\$350,438	3.5	0.6
Priority Transportation Fund (PTF)	150,100	3.99	19,442	34,751	(44.1)	138,064	145,297	(5.0)	(4.6)
Motor Vehicle Sales and Use Tax	619,200	16.45	44,089	34,567	27.5	302,250	269,582	12.1	6.7
State Sales and Use Tax	533,000	14.17	44,878	43,509	3.1	249,574	236,400	5.6	5.9
Motor Vehicle License Fees	237,300	6.31	14,524	14,347	1.2	117,866	112,730	4.6	0.7
International Registration Plan	63,800	1.70	2,455	4,990	(50.8)	21,223	24,140	(12.1)	2.0
Recordation Tax	40,500	1.08	3,923	3,534	11.0	22,333	19,268	15.9	3.5
Interest Earnings	9,900	0.26	25	39	(35.9)	2,637	4,838	(45.5)	(29.2)
Misc. Taxes, Fees, and Revenues	14,800	0.39	936	728	28.6	6,330	5,980	5.9	19.8
Total State Taxes and Fees	<u>\$2,506,700</u>	<u>66.62</u>	<u>\$196,604</u>	<u>\$192,318</u>	<u>2.2</u>	<u>\$1,222,975</u>	<u>\$1,168,673</u>	<u>4.6</u>	<u>2.8</u>

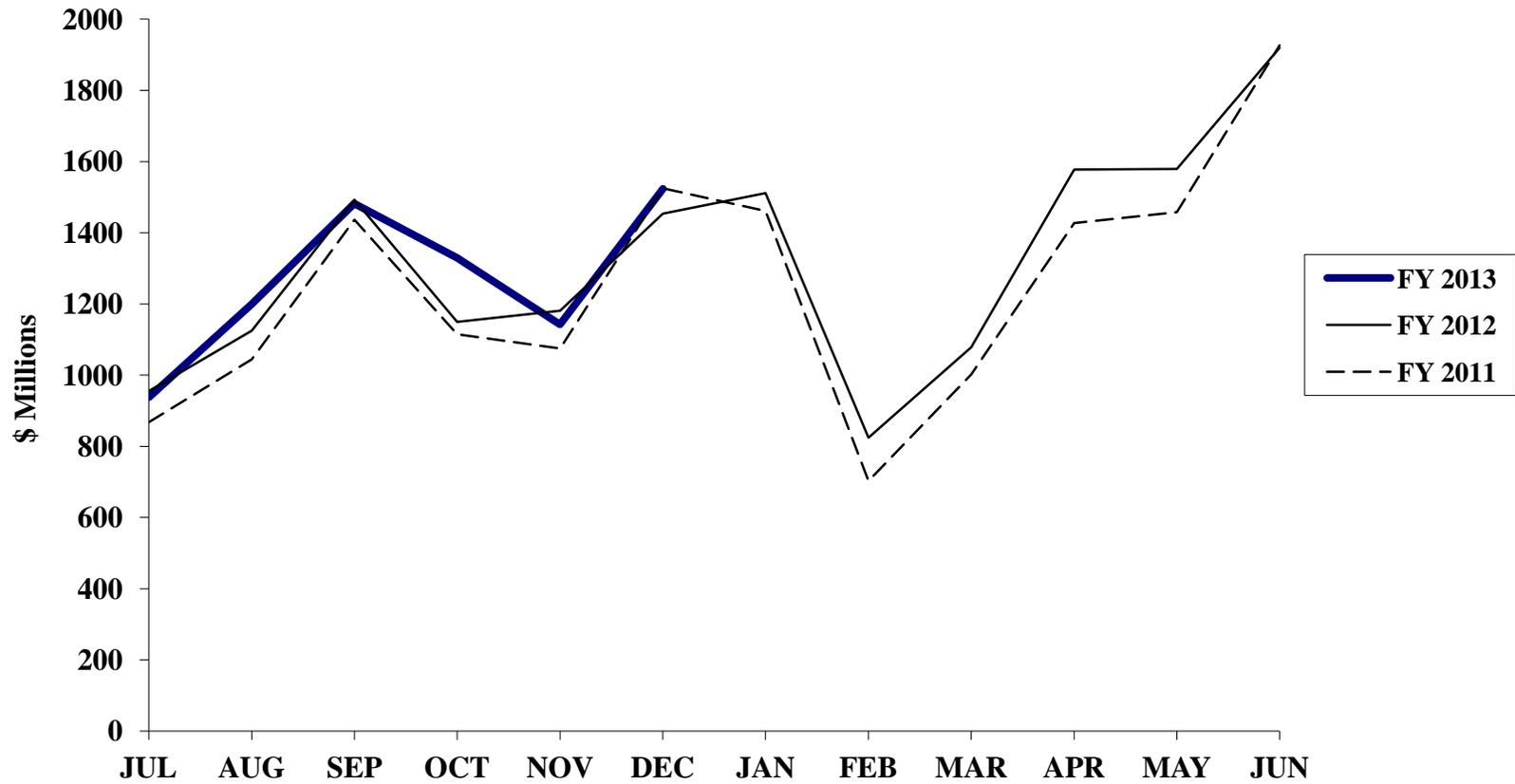
Percentage is greater than or equal to 1,000%.

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	December			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)	\$721,900	19.18	\$55,448	\$55,372	0.1	\$311,917	\$312,045	0.0	0.6
Motor Vehicle Sales and Use Tax	382,000	10.15	28,268	27,753	1.9	187,166	173,752	7.7	6.9
Motor Vehicle License Fees	215,800	5.74	13,335	13,878	(3.9)	107,539	103,688	3.7	0.6
International Registration Plan	63,800	1.70	2,455	4,990	(50.8)	21,223	24,140	(12.1)	2.0
Recordation Tax (1 cent)	13,500	0.36	1,308	1,178	11.0	7,444	6,423	15.9	3.5
Misc. Taxes, Fees, and Revenues	14,800	0.39	936	728	28.6	6,330	5,980	5.9	19.8
Total State Taxes and Fees	\$1,411,800	37.52	\$101,750	\$103,899	(2.1)	\$641,619	\$626,028	2.5	2.5
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,033	\$1,502	(31.2)	\$12,849	\$11,476	12.0	(100.0)
Miscellaneous Revenues	10,604	0.28	952	800	19.0	7,732	8,765	(11.8)	(41.5)
Transfer (to) / from Transportation Trust Fund	363,551	9.66	80,000	100,340	(20.3)	170,000	200,680	(15.3)	(17.7)
Total Highway Maintenance and Operating Fund	\$1,785,955	47.46	\$183,735	\$206,541	(11.0)	\$832,200	\$846,949	(1.7)	(4.1)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$116,200	3.09	\$10,884	\$481	#	\$50,781	\$38,393	32.3	0.6
PTF Motor Fuels	20,000	0.53	2,000	4,000	(50.0)	8,000	8,000	0.0	0.0
PTF Insurance Premiums Tax	130,100	3.46	17,442	30,751	(43.3)	130,064	137,297	(5.3)	(5.2)
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	237,200	6.30	15,821	6,814	132.2	115,084	95,830	20.1	6.3
State Sales and Use Tax	533,000	14.17	44,878	43,509	3.1	249,574	236,400	5.6	5.9
Motor Vehicle License Fees	21,500	0.57	1,189	469	153.5	10,327	9,042	14.2	1.7
Recordation Tax (2 cents)	27,000	0.72	2,615	2,356	11.0	14,889	12,845	15.9	3.5
Interest Earnings	9,900	0.26	25	39	(35.9)	2,637	4,838	(45.5)	(29.2)
Total State Taxes and Fees	\$1,094,900	29.10	\$94,854	\$88,419	7.3	\$581,356	\$542,645	7.1	3.3
Other Revenues:									
Federal Grants and Contracts	\$996,925	26.49	\$93,378	\$86,544	7.9	\$824,434	\$478,742	72.2	3.6
Receipts from Cities/Counties	210,651	5.60	5,247	537	877.1	40,139	11,102	261.5	916.8
Toll Revenues (Includes Route 28)	30,312	0.81	762	833	(8.5)	5,790	6,085	(4.8)	68.2
Miscellaneous Revenues	7,953	0.20	4,020	2,205	82.3	34,697	14,359	141.6	(78.5)
Total Other Revenues	\$1,245,841	33.10	\$103,407	\$90,119	14.7	\$905,060	\$510,288	77.4	20.0
Transfer (to) / from Highway Maintenance and Operating Fund	(\$363,551)	(9.66)	(\$80,000)	(\$100,340)	20.3	(\$170,000)	(\$200,680)	15.3	17.7
Total Transportation Trust Fund	\$1,977,190	52.54	\$118,261	\$78,198	51.2	\$1,316,416	\$852,253	54.5	19.4
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,763,145	100.00	\$301,996	\$284,739	6.1	\$2,148,616	\$1,699,202	26.4	6.9

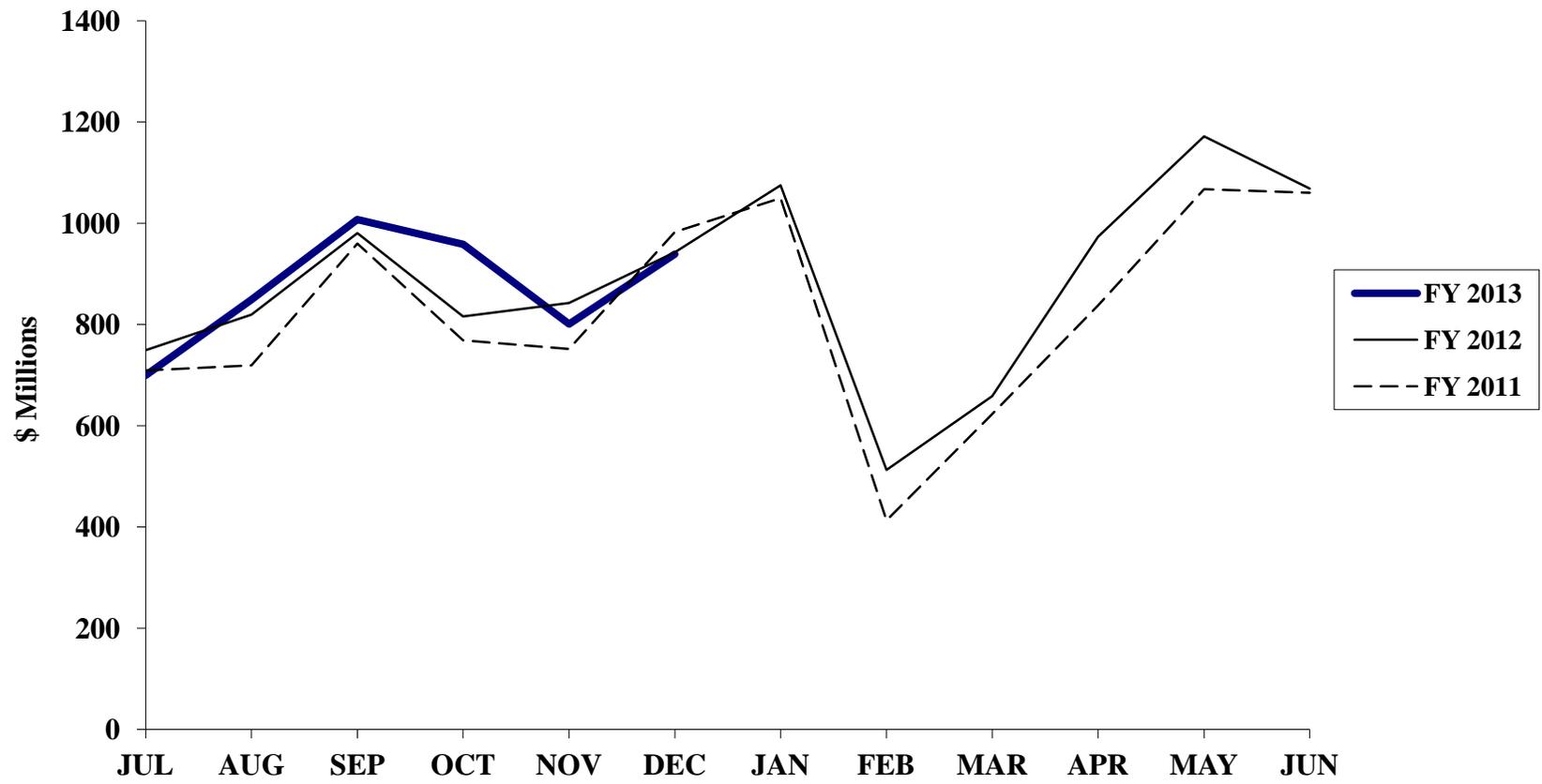
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



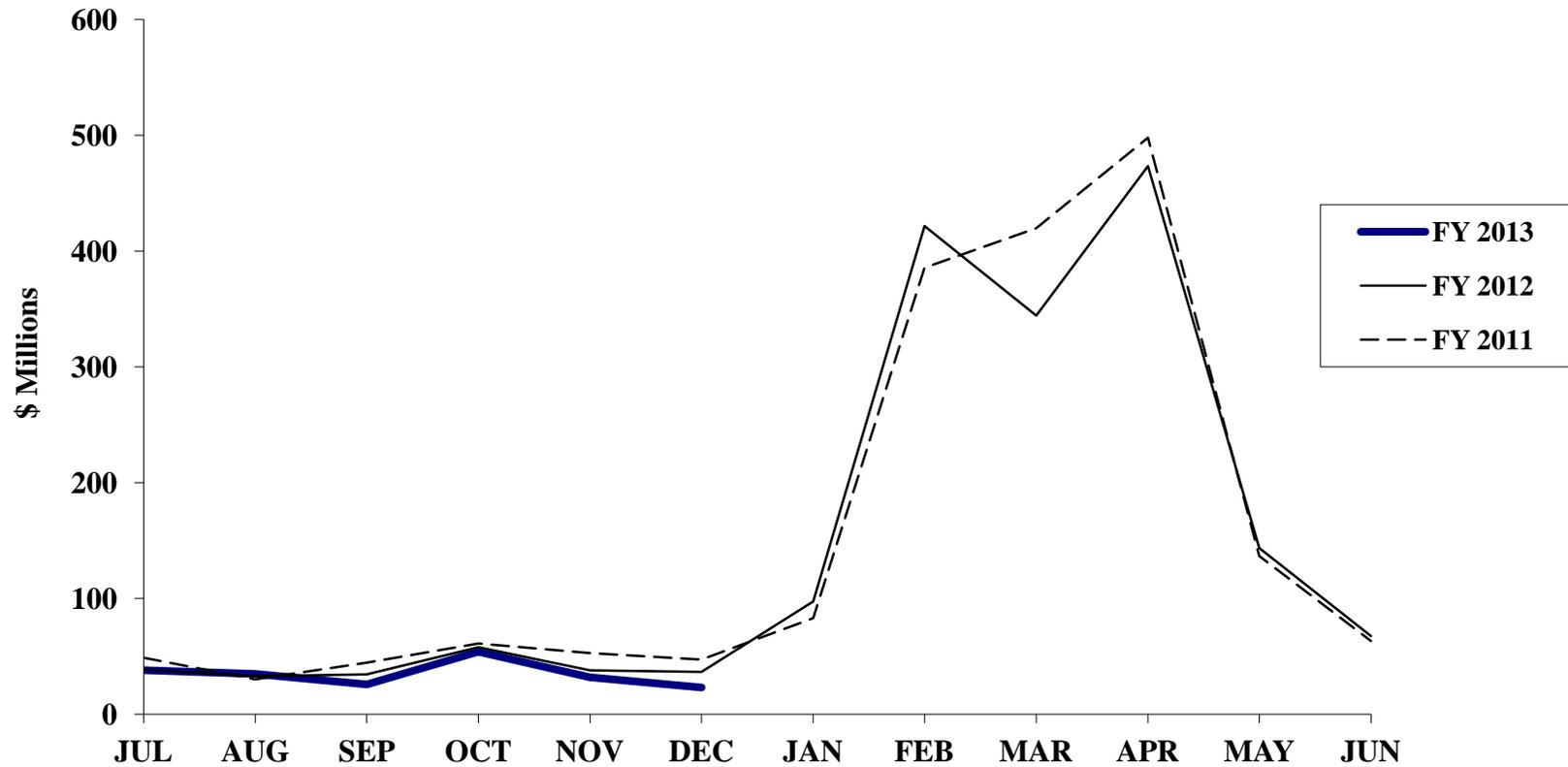
FY 2011 Actual = \$15,040.2 Million
FY 2012 Actual = \$15,846.7 Million
FY 2013 Estimate = \$16,416.5 Million

Net Individual Income Tax



FY 2011 Actual = \$9,944.4 Million
FY 2012 Actual = \$10,612.8 Million
FY 2013 Estimate = \$11,092.4 Million

Individual and Fiduciary Income Tax Refunds



FY 2011 Actual = \$1,869.3 Million
FY 2012 Actual = \$1,784.7 Million
FY 2013 Estimate = \$1,791.3 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	\$3,814.2	0.30%	\$1,371.9	3.48%	\$5,186.1	1.14%	0.18%
November	\$3,434.9	0.32%	\$1,375.1	2.51%	\$4,810.0	0.95%	0.18%
December	\$3,080.2	0.31%	\$1,376.0	-1.02%	\$4,456.2	-0.10%	0.16%
January, 2013							
February							
March							
April							
May							
June							
Year-to-Date Average	\$3,484.6	0.30%	\$1,368.6	4.23%	\$4,853.2	1.41%	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	\$303,574,094	\$0	\$0	\$1,020,010	\$304,594,104
November	\$304,594,104	\$0	\$0	\$0	\$304,594,104
December	\$304,594,104	\$0	\$0	\$0	\$304,594,104
January					
February					
March					
April					
May					
June					

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