



COMMONWEALTH of VIRGINIA

March 13, 2013

PO Box 1475
Richmond, VA. 23218

MEMORANDUM

TO: The Honorable Robert F. McDonnell

THROUGH: The Honorable Martin Kent

FROM: Richard D. Brown 

SUBJECT: February Revenue Data

This month's revenue report compares actual revenue collections to the revenue estimates included in the proposed budget (HB1500/SB800) introduced on December 17, 2012 to the 2013 General Assembly.

Total general fund revenue collections fell 2.0 percent in February; however, February is not generally a significant month for revenue collections. In addition, since February has the fewest number of days for net collections, small changes in receipts can cause distortions in growth rates. Last year was a leap year and the extra deposit day last February boosted revenue growth to 17.2 percent.

On a year-to-date basis, total revenue collections rose 5.5 percent through February, ahead of the annual forecast of 3.6 percent growth. Adjusting for the accelerated sales tax program, total revenues grew 5.1 percent through February, ahead of the adjusted forecast of 3.4 percent growth.

National Economic Indicators

Most national indicators suggest the economy is slowly improving; however, political uncertainty, a weak global economy, and weak consumer confidence remain threats.

- According to the second estimate, real GDP grew at an annualized rate of 0.1 percent in the fourth quarter of 2012, down from a 3.1 percent increase in the third quarter. The decreasing rate of growth was driven by cuts in defense spending, a drop in inventory accumulations, and falling exports.

- Payroll employment gained 236,000 jobs in February. Over the past three months, job gains have averaged 191,000 per month, consistent with a modest expansion. The February gains were widespread, with business and professional services contributing the largest number of jobs. In a separate report, the unemployment rate fell slightly, from 7.9 to 7.7 percent.
- Initial claims for unemployment fell by 7,000 to 340,000 during the week ending March 2. The four-week moving average also fell by 7,000 to 349,000, its lowest level since early March 2008. The level of claims is consistent with an improving job market.
- After rising 0.5 percent in December, the Conference Board's index of leading indicators rose 0.2 percent in January. An improvement in the stock market, along with building permits and the initial claims component, contributed to the increase. The index has risen in four of the previous five months.
- After three months of declines, the Conference Board's index of consumer confidence increased from 58.4 to 69.6 in February. Both the current conditions and expectations components increased in February.
- The manufacturing sector continued its modest expansion in January, with the Institute of Supply Management index increasing from 53.1 to 54.2.
- The CPI was unchanged in January, and stands 1.6 percent above January 2012. Core inflation (excluding food and energy prices) rose 0.3 percent in January, and has increased 1.9 percent from January 2012.
- The Federal Reserve announced at its January meeting that it will keep the federal funds target rate at 0.0 to 0.25 percent, and continued its quantitative easing program.

Virginia Economy

Later this month, the Virginia Employment Commission will release re-benchmarked employment data for calendar years 2011 and 2012. A brief review of the revision will be included in the March revenue letter.

The Virginia Leading Index rose 0.1 percent in January after increasing 0.2 percent in December. Building permits, the U.S. leading index, initial unemployment claims, and future employment (estimated until benchmark revisions are released) improved in January, while auto registrations fell. The Leading Index increased in Charlottesville, Lynchburg, Winchester, and Blacksburg, while the indexes for Roanoke, Danville, and Bristol contracted. The indexes for Richmond, Northern Virginia, Hampton Roads, and Harrisonburg were little changed in January.

February Revenue Collections

Total general fund revenue collections fell 2.0 percent in February; however, February is not generally a significant month for revenue collections. On a year-to-date basis, total revenue collections rose 5.5 percent through February, ahead of the annual forecast of 3.6 percent growth.

Adjusting for the accelerated sales tax program, total revenues grew 5.1 percent through February, ahead of the adjusted forecast of 3.4 percent growth.

Net Individual Income Tax (68% of general fund revenues): Through February, collections of net individual income tax rose 5.7 percent from the same period last year, ahead of 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 fell 5.7 percent in February, driven by one less deposit day than February of last year. Year-to-date, withholding collections rose 2.8 percent compared with the same period last year, lagging the projected annual growth rate of 3.3 percent.

Individual Income Tax Nonwithholding (15% of general fund revenues): Collections in this source fell 14.5 percent in February. Year-to-date, nonwithholding collections rose 12.2 percent over the same period last year, ahead of the annual estimate of 6.8 percent growth. The majority of the remaining collections in nonwithholding will occur in April and May, with both final payments for tax year 2012 and estimated payments for the current year due May 1.

Individual Income Tax Refunds: As the main income tax filing season began, the Department of Taxation issued \$432.3 million in refunds in February compared with \$421.6 million last year. All of the increase is due to the delay of the federal electronic filing program in January. About \$90.6 million in refunds were issued during the first 3 days of February as compared to \$54.6 million last February. Year-to-date, refunds have fallen 11.5 percent, lagging the annual estimate of 0.4 percent growth.

Sales Tax (20% of general fund revenues): Collections of sales and use taxes, reflecting January sales, rose 10.3 percent in February. February receipts include post-holiday sales and gift card purchases, completing the holiday shopping season. Taken together, collections of sales and use taxes for December through February, which reflect taxable sales for November through January, rose 3.9 percent. The forecast anticipated a 3.0 percent increase for the holiday shopping season. On a year-to-date basis, collections have risen 4.8 percent through February, ahead of the annual estimate of 4.1 percent. Adjusting for the partial repeal of the accelerated sales tax program, sales tax collections have grown by 2.9 percent year-to-date, close to the economic-base forecast of 3.2 percent growth.

Corporate Income Tax (5% of general fund revenues): Collections of corporate income tax were negative \$6.2 million in February due to normal refund activity, compared with \$14.2 million a year ago. Year-to-date collections in this source have risen 1.1 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 \$27.1 million in February, compared with \$22.4 million in February of last year, a 20.9 percent increase. On a year-to-date basis, collections are up 18.2 percent, far ahead of the annual forecast of 4.5 percent growth.

Insurance Premiums (2% of general fund revenues): 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.

The State Corporation Commission issued refunds for insurance companies in January this year, while the last two year's refunds were issued in February, which distorts monthly growth in this source. Year-to-date collections through January are \$45.0 million, compared with \$25.1million in the same period last year.

Other Revenue Sources

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

	<u>Year-to-Date</u>	<u>Annual Estimate</u>
Interest Income (0.5% GF revenues)	-3.3%	-12.5%
ABC Taxes (1% GF revenues)	5.5%	2.6%

All Other Revenue (3% of general fund revenues): Receipts in All Other Revenue fell 11.1 percent in February, \$28.1 million compared with \$31.6 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 fell 2.0 percent in February. On a year-to-date basis, total revenue collections rose 5.5 percent through February, ahead of the annual forecast of 3.6 percent growth. Adjusting for the accelerated sales tax program, total revenues grew 5.1 percent through February, ahead of the adjusted forecast of 3.4 percent 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	February FY 2013	February 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	\$830,827	\$880,886	(5.7)	\$6,756,942	\$6,574,832	2.8	3.3
Tax Dues/Estimated Payments	2,517,400	15.33	45,682	53,442	(14.5)	1,033,806	921,634	12.2	6.8
Gross Individual Income Tax	\$12,883,700	78.48	\$876,509	\$934,328	(6.2)	\$7,790,748	\$7,496,466	3.9	3.9
Individual and Fiduciary Income (Refunds)	(1,791,300)	(10.91)	(432,274)	(421,627)	2.5	(669,224)	(756,538)	(11.5)	0.4
Net Individual Income Tax	\$11,092,400	67.57	\$444,235	\$512,701	(13.4)	\$7,121,524	\$6,739,928	5.7	4.5
Sales and Use Tax	\$3,248,800	19.79	\$243,836	\$221,119	10.3	\$2,021,158	\$1,928,336	4.8	4.1
Corporations Income Tax	820,900	5.00	(6,249)	14,178	(144.1)	395,634	391,360	1.1	(4.5)
Wills, Suits, Deeds, Contracts	336,500	2.05	27,137	22,444	20.9	241,308	204,182	18.2	4.5
Insurance Premiums	255,600	1.56	11,617	(31,653)	136.7	45,012	25,135	79.1	1.1
Interest Income (a)	67,500	0.41	12,010	9,412	27.6	53,789	55,645	(3.3)	(12.5)
Alcoholic Beverage Sales (b)	191,300	1.16	47,121	44,129	6.8	112,292	106,402	5.5	2.6
All Other Revenues	403,500	2.46	28,099	31,625	(11.1)	238,860	241,146	(0.9)	(2.5)
Total General Fund Revenues	\$16,416,500	100.00	\$807,806	\$823,955	(2.0)	\$10,229,577	\$9,692,134	5.5	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	February FY 2013	February FY 2012	% Change	Year-To-Date FY 2013	Year-To-Date FY 2012	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$10,366,300	63.15	\$830,827	\$880,886	(5.7)	\$6,756,942	\$6,574,832	2.8	3.3
Tax Dues/Estimated Payments	2,517,400	15.33	45,682	53,442	(14.5)	1,033,806	921,634	12.2	6.8
Gross Individual Income Tax	\$12,883,700	78.48	\$876,509	\$934,328	(6.2)	\$7,790,748	\$7,496,466	3.9	3.9
Individ and Fiduc Income (Refunds)	(1,791,300)	(10.91)	(432,274)	(421,627)	2.5	(669,224)	(756,538)	(11.5)	0.4
Net Individual Income Tax	\$11,092,400	67.57	\$444,235	\$512,701	(13.4)	\$7,121,524	\$6,739,928	5.7	4.5
Sales and Use Tax	3,248,800	19.79	243,836	221,119	10.3	2,021,158	1,928,336	4.8	4.1
Corporations Income	820,900	5.00	(6,249)	14,178	(144.1)	395,634	391,360	1.1	(4.5)
Public Service Corporations	95,300	0.58	8,575	8,475	1.2	56,315	59,000	(4.6)	0.9
Insurance Premiums	255,600	1.56	11,617	(31,653)	136.7	45,012	25,135	79.1	1.1
Alcoholic Beverage Excise	148,300	0.90	44,061	41,247	6.8	83,570	77,578	7.7	3.4
Beer and Beverage Excise	43,000	0.26	3,060	2,882	6.2	28,722	28,824	(0.4)	0.0
Wills, Suits, Deeds, Contracts	336,500	2.05	27,137	22,444	20.9	241,308	204,182	18.2	4.5
Inheritance, Gift, and Estate	0	0.00	(900)	(6)	#	(1)	138	(100.7)	(100.0)
Bank Franchise	17,000	0.10	0	(327)	100.0	79	(110)	171.8	(10.0)
Other Taxes	1,200	0.01	(1,977)	357	(653.8)	1,324	818	61.9	11.6
Total Taxes	\$16,059,000	97.82	\$773,395	\$791,417	(2.3)	\$9,994,645	\$9,455,189	5.7	3.8
Rights and Privileges:									
Licenses and Permits	\$4,300	0.03	\$331	\$410	(19.3)	\$2,601	\$2,718	(4.3)	1.4
Corp. Franchise and Charters	40,500	0.24	477	511	(6.7)	14,762	15,164	(2.7)	(4.3)
Fees for Misc. Privileges & Services	9,800	0.06	590	627	(5.9)	6,191	6,155	0.6	(6.3)
Total Rights and Privileges	\$54,600	0.33	\$1,398	\$1,548	(9.7)	\$23,554	\$24,037	(2.0)	(4.3)
Other Revenues:									
Sales of Property & Commodities	\$0	0.00	\$0	(\$7)	100.0	\$0	\$1,011	(100.0)	(100.0)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	6	3	100.0	194	213	(8.9)	14.3
Institutional Revenue	5,700	0.03	634	559	13.4	4,072	4,000	1.8	(2.4)
Interest (a)	67,500	0.41	12,010	9,412	27.6	53,789	55,645	(3.3)	(12.5)
Dividends and Rent	300	0.00	13	11	18.2	249	302	(17.5)	(22.9)
Fines, Forfeitures & Fees	219,900	1.34	20,330	20,186	0.7	146,813	146,859	0.0	(1.1)
Other Revenue	9,400	0.06	266	650	(59.1)	7,972	4,639	71.8	7.6
Excess Fees	(8,700)	(0.05)	(866)	(671)	(29.1)	(6,781)	(5,549)	(22.2)	(0.3)
Private Donations, Gifts & Cont.	0	0.00	1	0	-	1	2	(50.0)	(100.0)
Cities, Counties, and Towns	8,400	0.06	619	847	(26.9)	5,069	5,786	(12.4)	(5.2)
Total Other Revenues	\$302,900	1.85	\$33,013	\$30,990	6.5	\$211,378	\$212,908	(0.7)	(5.2)
Total General Fund Revenues	\$16,416,500	100.00	\$807,806	\$823,955	(2.0)	\$10,229,577	\$9,692,134	5.5	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)	February			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		\$134,727	\$143,096	(5.8)	\$1,080,232	\$1,038,732	4.0	(1.1)
Other Income	1,225	(c)	45	106	(57.5)	1,061	1,560	(32.0)	(37.6)
Total Income	<u>\$1,599,087</u>		<u>\$134,772</u>	<u>\$143,202</u>	<u>(5.9)</u>	<u>\$1,081,293</u>	<u>\$1,040,292</u>	<u>3.9</u>	<u>(1.2)</u>
Less:									
Prize Expenses	\$962,567		\$89,474	\$83,078	7.7	\$649,555	\$620,841	4.6	0.0
Retailer Commissions	91,058		7,797	7,827	(0.4)	61,081	58,410	4.6	0.4
Operating Expenses	88,133		5,799	5,792	0.1	54,821	48,438	13.2	13.1
Total Expenses	<u>\$1,141,758</u>		<u>\$103,070</u>	<u>\$96,697</u>	<u>6.6</u>	<u>\$765,457</u>	<u>\$727,689</u>	<u>5.2</u>	<u>1.0</u>
Net Proceeds from Operations									
Net Lottery Ticket Profits	\$457,329		\$31,702	\$46,505	(31.8)	\$315,836	\$312,603	1.0	(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>\$31,702</u>	<u>\$46,505</u>	<u>(31.8)</u>	<u>\$338,807</u>	<u>\$321,614</u>	<u>5.3</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	February			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	\$65,465	\$71,318	(8.2)	\$497,865	\$501,368	(0.7)	0.6
Priority Transportation Fund (PTF)	150,100	3.99	0	2,000	(100.0)	140,064	149,297	(6.2)	(4.6)
Motor Vehicle Sales and Use Tax	619,200	16.45	45,721	44,401	3.0	402,145	372,802	7.9	6.7
State Sales and Use Tax	533,000	14.17	41,460	37,740	9.9	344,476	327,436	5.2	5.9
Motor Vehicle License Fees	237,300	6.31	18,645	20,637	(9.7)	156,023	150,708	3.5	0.7
International Registration Plan	63,800	1.70	6,752	4,829	39.8	34,497	32,775	5.3	2.0
Recordation Tax	40,500	1.08	3,261	2,728	19.5	29,472	24,810	18.8	3.5
Interest Earnings	9,900	0.26	0	66	(100.0)	4,733	8,140	(41.9)	(29.2)
Misc. Taxes, Fees, and Revenues	14,800	0.39	1,338	1,164	14.9	9,077	8,165	11.2	19.8
Total State Taxes and Fees	<u>\$2,506,700</u>	<u>66.62</u>	<u>\$182,642</u>	<u>\$184,883</u>	<u>(1.2)</u>	<u>\$1,618,352</u>	<u>\$1,575,501</u>	<u>2.7</u>	<u>2.8</u>

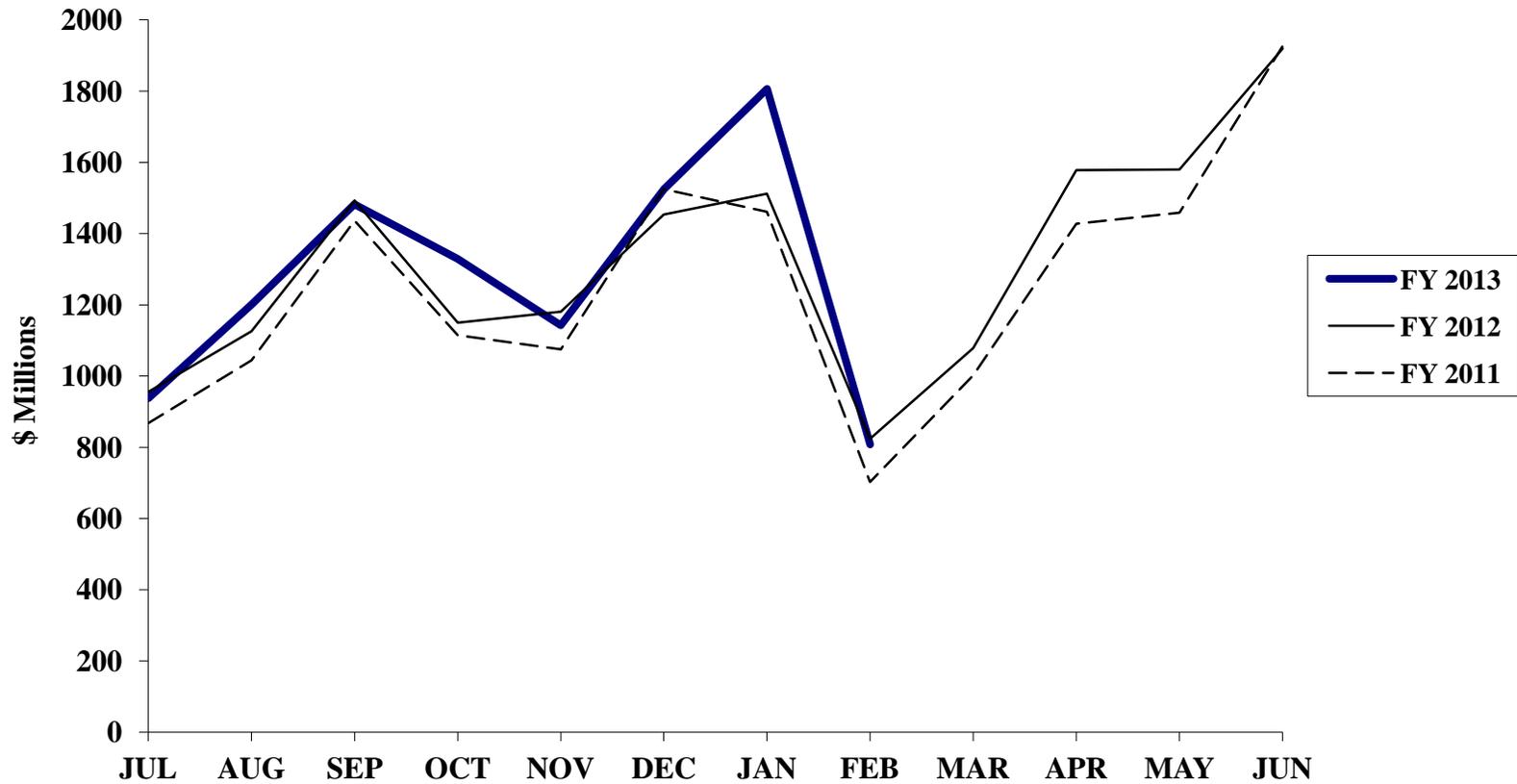
Percentage is greater than or equal to 1,000%.

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	February			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	\$56,807	\$62,523	(9.1)	\$428,704	\$433,228	(1.0)	0.6
Motor Vehicle Sales and Use Tax	382,000	10.15	28,241	29,933	(5.7)	248,572	231,003	7.6	6.9
Motor Vehicle License Fees	215,800	5.74	17,006	19,193	(11.4)	142,227	137,566	3.4	0.6
International Registration Plan	63,800	1.70	6,752	4,829	39.8	34,497	32,775	5.3	2.0
Recordation Tax (1 cent)	13,500	0.36	1,087	909	19.6	9,824	8,270	18.8	3.5
Misc. Taxes, Fees, and Revenues	14,800	0.39	1,338	1,164	14.9	9,077	8,165	11.2	19.8
Total State Taxes and Fees	\$1,411,800	37.52	\$111,231	\$118,551	(6.2)	\$872,901	\$851,007	2.6	2.5
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,000	\$3,180	(68.6)	\$16,186	\$17,024	(4.9)	(100.0)
Miscellaneous Revenues	10,604	0.28	1,884	966	95.0	10,858	13,729	(20.9)	(41.5)
Transfer (to) / from Transportation Trust Fund	363,551	9.66	0	0	-	170,000	200,680	(15.3)	(17.7)
Total Highway Maintenance and Operating Fund	\$1,785,955	47.46	\$114,115	\$122,697	(7.0)	\$1,069,945	\$1,082,440	(1.2)	(4.1)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$116,200	3.09	\$8,658	\$8,795	(1.6)	\$69,161	\$68,140	1.5	0.6
PTF Motor Fuels	20,000	0.53	0	2,000	(100.0)	10,000	12,000	(16.7)	0.0
PTF Insurance Premiums Tax	130,100	3.46	0	0	-	130,064	137,297	(5.3)	(5.2)
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	237,200	6.30	17,480	14,468	20.8	153,573	141,799	8.3	6.3
State Sales and Use Tax	533,000	14.17	41,460	37,740	9.9	344,476	327,436	5.2	5.9
Motor Vehicle License Fees	21,500	0.57	1,639	1,444	13.5	13,796	13,142	5.0	1.7
Recordation Tax (2 cents)	27,000	0.72	2,174	1,819	19.5	19,648	16,540	18.8	3.5
Interest Earnings	9,900	0.26	0	66	(100.0)	4,733	8,140	(41.9)	(29.2)
Total State Taxes and Fees	\$1,094,900	29.10	\$71,411	\$66,332	7.7	\$745,451	\$724,494	2.9	3.3
Other Revenues:									
Federal Grants and Contracts	\$996,925	26.49	\$65,608	\$77,714	(15.6)	\$980,917	\$627,956	56.2	3.6
Receipts from Cities/Counties	210,651	5.60	3,574	5,879	(39.2)	46,949	17,046	175.4	916.8
Toll Revenues (Includes Route 28)	30,312	0.81	801	888	(9.8)	7,488	7,772	(3.7)	68.2
Miscellaneous Revenues	7,953	0.20	3,290	2,629	25.1	38,276	17,370	120.4	(78.5)
Total Other Revenues	\$1,245,841	33.10	\$73,273	\$87,110	(15.9)	\$1,073,630	\$670,144	60.2	20.0
Transfer (to) / from Highway Maintenance and Operating Fund									
Maintenance and Operating Fund	(\$363,551)	(9.66)	\$0	\$0	-	(\$170,000)	(\$200,680)	15.3	17.7
Total Transportation Trust Fund	\$1,977,190	52.54	\$144,684	\$153,442	(5.7)	\$1,649,081	\$1,193,958	38.1	19.4
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,763,145	100.00	\$258,799	\$276,139	(6.3)	\$2,719,026	\$2,276,398	19.4	6.9

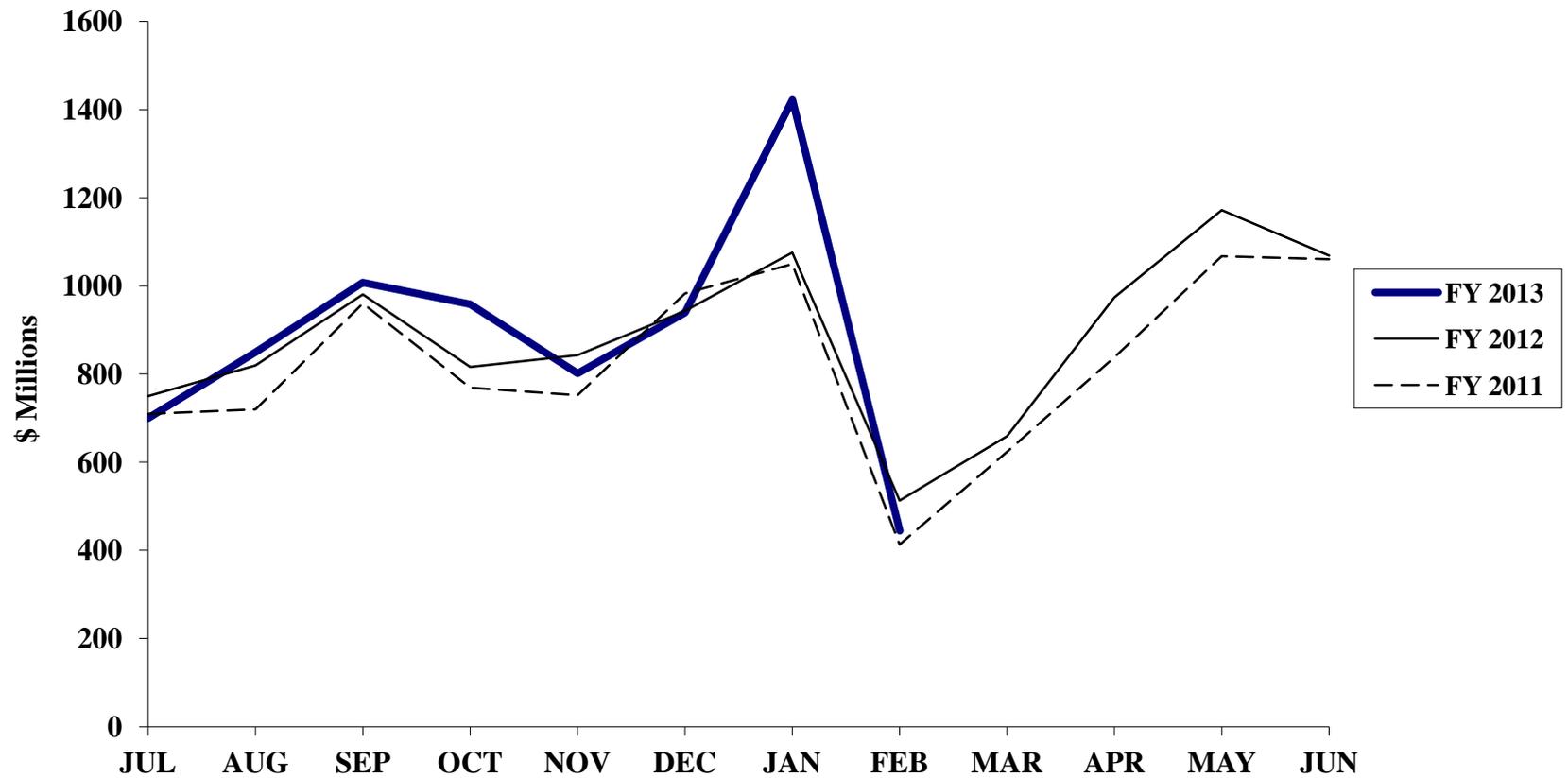
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



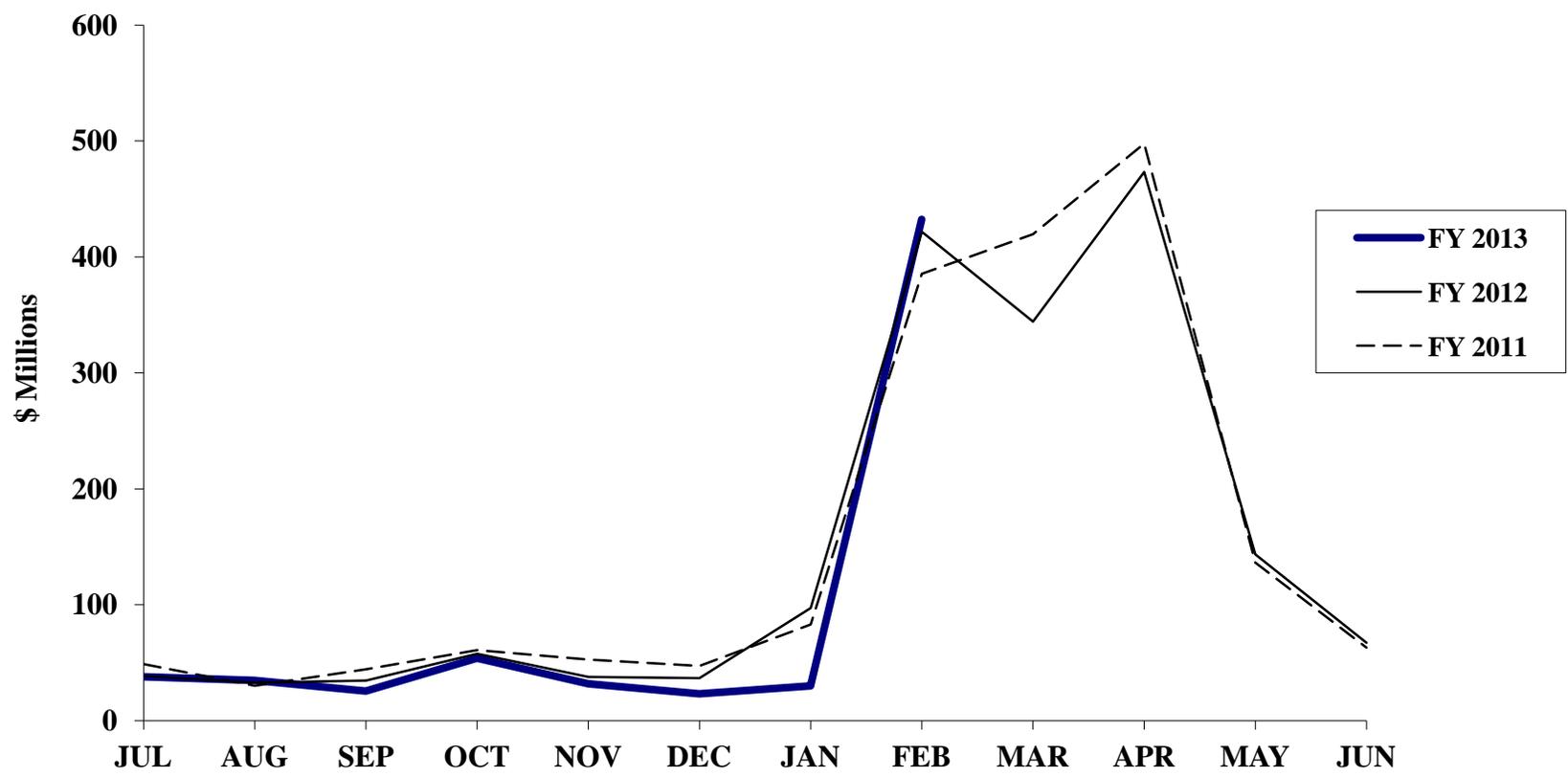
FY 2011 Actual = \$15,040.2 Million
FY 2012 Actual = \$15,846.7 Million
FY 2013 Estimate = \$16,416.5 Million

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	\$3,736.6	0.28%	\$1,346.1	-4.01%	\$5,082.7	-0.86%	0.15%
February	\$3,913.0	0.28%	\$1,296.9	5.37%	\$5,209.9	1.55%	0.16%
March							
April							
May							
June							
Year-to-Date Average	\$3,569.7	0.29%	\$1,356.9	3.31%	\$4,926.6	1.12%	0.17%

• 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	\$304,594,104	\$0	\$0	\$840,148	\$305,434,252
February	\$305,434,252	\$0	\$0	\$0	\$305,434,252
March					
April					
May					
June					

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