



COMMONWEALTH of VIRGINIA
Office of the Governor

Richard D. Brown
Secretary of Finance

PO Box 1475
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June 15, 2011

MEMORANDUM

TO: The Honorable Robert F. McDonnell

THROUGH: The Honorable Martin Kent

FROM: Richard D. Brown 

SUBJECT: May Revenue Data

May is a significant month for revenue collections. In addition to regular collections of withholding and sales taxes, estimated and final payments for individuals are due May 1, and corporations with a fiscal year ending other than December 31 – primarily retailers – have final payments due in May.

Total general fund revenue collections rose 17.9 percent in May. The growth was mainly due to nonwithholding receipts (individual final payments based on 2010 tax year liabilities). On the other hand, growth in two large sources, payroll withholding and sales tax, slowed. Withholding collections grew at 3.0 percent during May but the growth rate was influenced upward by an extra deposit day. Sales tax collections increased by 3.8 percent for the month but that was modest considering Easter fell in April which typically adds to growth.

On a year-to-date basis, total revenue collections rose 5.8 percent, ahead of the revised annual forecast of 3.5 percent growth. Adjusting for the accelerated sales tax program in June 2010, total revenues grew 7.3 percent through May, ahead of the economic-base forecast of 5.5 percent growth.

National Economic Indicators

Current national indicators exhibit weakness and suggest economic growth has slowed somewhat. Beginning early in the year, rising oil prices, harsh winter weather, Japan's tsunami, and unrest in the Middle East have been a drag on growth. The consensus of economic advisors is that the expansion will continue at a modest, uneven pace.

- According to the second estimate, real GDP grew 1.8 percent at an annualized rate in the first quarter of 2011, unchanged from the advance estimate. Although this marked the seventh consecutive quarter of growth, this is down from 3.1 percent in the fourth quarter of 2010.
- Labor market conditions weakened in May. Payroll employment rose by only 54,000 jobs in May and the prior two months were revised down by 39,000 jobs. Despite the weak growth, May marked the eight consecutive monthly job gain. In a separate report, the unemployment rate rose for the second month in a row from 9.0 to 9.1 percent in May.
- Initial claims for unemployment rose by 1,000 to 427,000 during the week ending June 4, while the four-week moving average fell from 427,000 to 424,000.
- The Conference Board's index of leading indicators unexpectedly fell 0.3 percent in May, following nine consecutive monthly increases.
- The Conference Board's index of consumer confidence fell from 66.0 to 60.8 in May. Both components contributed to the decrease, with the expectations component leading the decline. Events in the Middle East and Japan, along with higher energy prices and a weaker labor market, continue to dampen confidence in the outlook.
- The manufacturing sector further slowed in May as the Institute of Supply Management index fell from 60.4 to 53.5. The index had remained above 60 for four consecutive months before the May decline. A reading above 50 indicates that manufacturing activity is expanding, but the drop in the index suggests the rate of growth has slowed.
- The consumer price index (CPI) increased 0.4 percent in April from the previous month and stands 3.2 percent above April of last year. Core inflation (excluding food and energy prices) rose 0.2 percent in April, and has increased 1.3 percent from April 2010.

Virginia Economy

In Virginia, employers have added jobs in nine of the last ten months. In April, payroll employment rose 0.7 percent from April of last year. Northern Virginia posted growth of 1.1 percent, Hampton Roads fell 0.2 percent, and Richmond-Petersburg fell 1.0 percent. The unemployment rate in the Commonwealth fell from 6.3 percent to 5.8 percent in April, and is 0.9 percentage point below April 2010.

The Virginia Leading Index remained unchanged in April, following five consecutive monthly increases. Auto registrations and future employment improved in April, while building permits and the U.S. Leading Index fell and initial claims for unemployment increased. The Leading Index rose in April in nine of eleven Virginia metro areas, while the indexes in Charlottesville and Danville fell.

May Revenue Collections

Total general fund revenue collections rose 17.9 percent in May. The growth was mainly due to individual final payments based on 2010 tax year liabilities. On a year-to-date basis, total revenue collections rose 5.8 percent, ahead of the revised annual forecast of 3.5 percent growth.

Net Individual Income Tax (66% of general fund revenues): Through May, collections of net individual income tax rose 9.3 percent from the same period last year, ahead of the annual estimate of 7.2 percent growth. Performance in each component of individual income tax is as follows:

Individual Income Tax Withholding (65% of general fund revenues): Despite an extra deposit day compared with May of last year, collections of payroll withholding taxes grew a modest 3.0 percent in May. Year-to-date, withholding collections grew 5.0 percent compared with the same period last year, ahead of the projected annual growth rate of 4.3 percent.

Individual Income Tax Nonwithholding (14% of general fund revenues): May is a significant month for nonwithholding collections since final payments for tax year 2010 and the first estimated payment for tax year 2011 are both due May 1.

May collections were \$457.7 million compared with \$307.2 million in May 2010, a 49.0 percent increase. Since a large portion of final payments due May 1 are received in April, the two months must be analyzed together to accurately assess growth in this source. Taken together, nonwithholding collections in April and May were up 26.0 percent over the same period last year.

Through May, about 93 percent of the nonwithholding forecast has been collected, and collections during this period are 13.9 percent ahead of the same period last year, ahead of the estimate of 8.5 percent. The final estimated payment for this fiscal year is due in June and \$152.4 million is needed to meet the annual estimate. Last year, \$224.9 million was received in June.

Individual Income Tax Refunds: Through May, TAX issued \$1.8 billion in refunds compared with \$1.9 billion last year, a 5.4 percent decline, compared with the revised annual estimate of a 4.9 percent decline.

For the filing season beginning January 1, TAX has issued 2.5 million refunds, about 36,000 more than the same period last year, with the average check size down 6.0 percent. TAX can issue another \$90.7 million in refunds and meet the annual estimate. Last year, \$85.2 million in refunds was issued in June.

Sales Tax (20% of general fund revenues): Collections of sales and use taxes, reflecting April sales, rose a modest 3.8 percent in May. The Easter holiday typically boosts growth in this source. On a year-to-date basis, collections have fallen 2.0 percent, trending toward the revised annual estimate of a 3.7 percent decline. The year-to-date decline is due to the accelerated sales tax program in fiscal year 2010, which required dealers to remit July 2010 payments in June 2010. Adjusting for this and other policy initiatives, including amnesty and the modified dealer discount, sales tax collections have grown by 4.5 percent year-to-date, close to the economic-base forecast of 4.8 percent.

Corporate Income Tax (5% of general fund revenues): May is typically not a significant month in corporate income tax collections, with final or extension payments due mainly from retailers who typically have a January 31 close to their fiscal year. Such payments vary significantly from year-to-year.

Collections of corporate income tax were \$16.2 million in May, compared with \$20.8 million last May. Year-to-date collections in this source have declined 0.9 percent over the same period last year, ahead of the revised annual estimate of a 4.9 percent decline.

Wills, Suits, Deeds, Contracts (2% of general fund revenues): Collections of wills, suits, deeds, and contracts – mainly recordation tax collections – rose 6.3 percent in May. On a year-to-date basis, collections are up 0.9 percent, ahead of the revised forecast of a 5.6 percent decline.

Other Revenue Sources

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

	<u>Year-to-Date</u>	<u>Annual Estimate</u>
Insurance Premiums (2% GF revenues)	11.1%	6.0%
Interest Income (1% GF revenues)	-12.3%	-20.7%
ABC Taxes (1% GF revenues)	2.3%	1.2%

All Other Revenue (3% of general fund revenues): Receipts in All Other Revenue fell 17.4 percent in May – \$46.2 million compared with \$55.9 million last May. For the fiscal year, collections of All Other Revenue grew 2.9 percent, matching the annual estimate.

Summary

Total general fund revenue collections rose 17.9 percent in May. The growth was mainly due to individual final payments based on 2010 tax year liabilities. Growth in collections of payroll withholding and sales tax slowed despite an extra deposit day and the Easter holiday which typically boosts growth.

On a year-to-date basis, total revenue collections rose 5.8 percent, ahead of the revised annual forecast of 3.5 percent growth. Adjusting for the accelerated sales tax program in June 2010, total revenues grew 7.3 percent through May, ahead of the economic-base forecast of 5.5 percent growth.

June is another very important month for collections, and typically accounts for 11 to 12 percent of total general fund revenue for the year. June collections include receipts of individual and corporate estimated payments, estimated payments for insurance premiums, and corporate franchise fees, along with regular monthly collections in other sources.

Collections in June must total about \$1.6 billion to attain the forecast for the fiscal year. For comparison purposes, receipts in June 2010 were \$1.8 billion.

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)			(7)			(9)
	FY 2011 Estimate	As a % of Gen Fund Rev	FY 2011	May FY 2010	% Change	FY 2011	FY 2010	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$9,574,800	65.06	\$746,163	\$724,677	3.0	\$8,774,343	\$8,356,003	5.0	4.3
Tax Dues/Estimated Payments	2,068,400	14.05	457,697	307,226	49.0	1,916,001	1,681,838	13.9	8.5
Gross Individual Income Tax	\$11,643,200	79.11	\$1,203,860	\$1,031,903	16.7	\$10,690,344	\$10,037,841	6.5	5.1
Individual and Fiduciary Income (Refunds)	(1,897,000)	(12.89)	(136,338)	(164,716)	(17.2)	(1,806,254)	(1,909,502)	(5.4)	(4.9)
Net Individual Income Tax	\$9,746,200	66.22	\$1,067,522	\$867,187	23.1	\$8,884,090	\$8,128,339	9.3	7.2
Sales and Use Tax	\$2,968,900	20.17	\$254,112	\$244,816	3.8	\$2,566,027	\$2,618,368	(2.0)	(3.7)
Corporations Income Tax	766,600	5.21	16,164	20,801	(22.3)	642,783	648,917	(0.9)	(4.9)
Wills, Suits, Deeds, Contracts	274,000	1.86	24,887	23,422	6.3	263,366	261,040	0.9	(5.6)
Insurance Premiums	277,700	1.89	3,814	3,426	11.3	180,214	162,210	11.1	6.0
Interest Income (a)	74,800	0.51	10,570	(13,246)	179.8	82,254	93,836	(12.3)	(20.7)
Alcoholic Beverage Sales (b)	177,200	1.21	34,907	34,197	2.1	143,055	139,783	2.3	1.2
All Other Revenues	433,100	2.93	46,155	55,871	(17.4)	351,724	341,924	2.9	2.9
Total General Fund Revenues	\$14,718,500	100.00	\$1,458,131	\$1,236,474	17.9	\$13,113,513	\$12,394,417	5.8	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 890, 2011 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	May FY 2011	May FY 2010	% Change	Year-To-Date FY 2011	Year-To-Date FY 2010	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$9,574,800	65.06	\$746,163	\$724,677	3.0	\$8,774,343	\$8,356,003	5.0	4.3
Tax Dues/Estimated Payments	2,068,400	14.05	457,697	307,226	49.0	1,916,001	1,681,838	13.9	8.5
Gross Individual Income Tax	\$11,643,200	79.11	\$1,203,860	\$1,031,903	16.7	\$10,690,344	\$10,037,841	6.5	5.1
Individ and Fiduc Income (Refunds)	(1,897,000)	(12.89)	(136,338)	(164,716)	(17.2)	(1,806,254)	(1,909,502)	(5.4)	(4.9)
Net Individual Income Tax	\$9,746,200	66.22	\$1,067,522	\$867,187	23.1	\$8,884,090	\$8,128,339	9.3	7.2
Sales and Use Tax	2,968,900	20.17	254,112	244,816	3.8	2,566,027	2,618,368	(2.0)	(3.7)
Corporations Income	766,600	5.21	16,164	20,801	(22.3)	642,783	648,917	(0.9)	(4.9)
Public Service Corporations	96,400	0.65	14,902	11,688	27.5	88,823	85,204	4.2	(0.9)
Insurance Premiums	277,700	1.89	3,814	3,426	11.3	180,214	162,210	11.1	6.0
Alcoholic Beverage Excise	133,700	0.91	31,401	30,306	3.6	104,093	100,201	3.9	1.6
Beer and Beverage Excise	43,500	0.30	3,506	3,891	(9.9)	38,962	39,582	(1.6)	0.0
Wills, Suits, Deeds, Contracts	274,000	1.86	24,887	23,422	6.3	263,366	261,040	0.9	(5.6)
Inheritance, Gift, and Estate	4,000	0.03	360	152	136.8	2,467	3,874	(36.3)	(29.5)
Bank Franchise	22,800	0.15	10,409	13,802	(24.6)	10,515	12,969	(18.9)	(1.5)
Other Taxes	3,900	0.03	(323)	484	(166.7)	(4,090)	2,599	(257.4)	24.9
Total Taxes	\$14,337,700	97.42	\$1,426,754	\$1,219,975	16.9	\$12,777,250	\$12,063,303	5.9	3.6
Rights and Privileges:									
Licenses and Permits	\$4,000	0.03	\$480	\$435	10.3	\$3,882	\$3,766	3.1	(6.6)
Corp. Franchise and Charters	46,700	0.31	522	513	1.8	17,050	16,790	1.5	0.2
Fees for Misc. Privileges & Services	10,200	0.07	625	1,549	(59.7)	7,906	8,845	(10.6)	(12.6)
Total Rights and Privileges	\$60,900	0.41	\$1,627	\$2,497	(34.8)	\$28,838	\$29,401	(1.9)	(2.7)
Other Revenues:									
Sales of Property & Commodities	\$2,800	0.02	(\$1)	\$0	-	\$2,928	\$4	#	239.8
Assessmts & Rcpts for Support of Special Svcs	400	0.00	25	14	78.6	377	309	22.0	7.2
Institutional Revenue	5,800	0.04	392	685	(42.8)	5,859	5,727	2.3	(3.6)
Interest (a)	74,800	0.51	10,570	(13,246)	179.8	82,254	93,836	(12.3)	(20.7)
Dividends and Rent	300	0.00	15	12	25.0	330	317	4.1	(14.0)
Fines, Forfeitures & Fees	227,400	1.54	18,159	17,207	5.5	210,565	186,196	13.1	11.0
Other Revenue	8,900	0.06	283	9,474	(97.0)	4,226	15,846	(73.3)	(48.1)
Excess Fees	(10,300)	(0.07)	(524)	(997)	47.4	(7,954)	(9,491)	16.2	1.7
Private Donations, Gifts & Cont.	0	0.00	3	4	(25.0)	62	63	(1.6)	(100.0)
Cities, Counties, and Towns	9,800	0.07	828	849	(2.5)	8,778	8,906	(1.4)	0.4
Total Other Revenues	\$319,900	2.17	\$29,750	\$14,002	112.5	\$307,425	\$301,713	1.9	(1.0)
Total General Fund Revenues	\$14,718,500	100.00	\$1,458,131	\$1,236,474	17.9	\$13,113,513	\$12,394,417	5.8	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 890, 2011 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)**

	FY 2011 Estimate	(a)	May			Year-To-Date			% Annual Growth Required By Estimate
			FY 2011	FY 2010	% Change	FY 2011	FY 2010	% Change	
Lottery Collections									
Win for Life / Decades of Dollars (c)	\$21,000		\$3,006	\$2,094	43.6	\$26,385	\$26,463	(0.3)	(26.2)
Cash 5	26,000		2,162	2,332	(7.3)	24,568	25,952	(5.3)	(7.9)
Pick 4	205,000		17,599	17,696	(0.5)	190,419	180,285	5.6	3.8
Pick 3	250,000		19,809	21,489	(7.8)	223,356	226,666	(1.5)	1.3
Mega Millions / Powerball	180,000		14,016	18,912	(25.9)	191,754	194,176	(1.2)	(14.1)
Fast Play	6,000		999	567	76.2	7,998	6,364	25.7	(12.9)
Raffle	6,600		0	0	-	6,600	6,600	0.0	0.0
Scratch	720,000		65,280	62,164	5.0	695,176	650,643	6.8	1.2
Gross Lottery Revenue	<u>1,414,600</u>		<u>122,871</u>	<u>125,254</u>	<u>(1.9)</u>	<u>1,366,256</u>	<u>1,317,149</u>	<u>3.7</u>	<u>(1.4)</u>
Expenses (d)	<u>979,400</u>		<u>88,145</u> (e)	<u>93,490</u>	<u>(5.7)</u>	<u>960,324</u> (e)	<u>923,994</u>	<u>3.9</u>	<u>(2.5)</u>
Net Lottery Ticket Profits	<u>\$435,200</u>		<u>\$34,726</u> (e)	<u>\$31,764</u>	<u>9.3</u>	<u>\$405,932</u> (e)	<u>\$393,155</u>	<u>3.2</u>	<u>1.2</u>

(a) Estimate established by Chapter 890, 2011 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) Decades of Dollars began on January 30, 2011.

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

(e) 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	May			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	\$70,901	\$72,192	(1.8)	\$705,446	\$688,402	2.5	3.1
Priority Transportation Fund (PTF)	150,300	4.45	2,000	2,000	0.0	148,327	147,102	0.8	0.8
Motor Vehicle Sales and Use Tax	506,500	15.00	45,472	40,113	13.4	484,305	425,580	13.8	6.9
State Sales and Use Tax	480,800	14.24	42,861	41,812	2.5	434,477	449,467	(3.3)	(2.0)
Motor Vehicle License Fees	234,800	6.95	19,708	17,820	10.6	216,669	206,717	4.8	2.0
International Registration Plan	61,300	1.82	4,061	5,815	(30.2)	55,842	52,919	5.5	2.6
Recordation Tax	32,200	0.95	2,748	2,853	(3.7)	31,404	31,413	0.0	(8.5)
Interest Earnings	38,600	1.14	6	11,743	(99.9)	13,256	18,172	(27.1)	68.1
Misc. Taxes, Fees, and Revenues	12,700	0.38	958	1,062	(9.8)	11,815	11,566	2.2	(0.4)
Total State Taxes and Fees	\$2,372,700	70.26	\$188,715	\$195,410	(3.4)	\$2,101,541	\$2,031,338	3.5	3.0

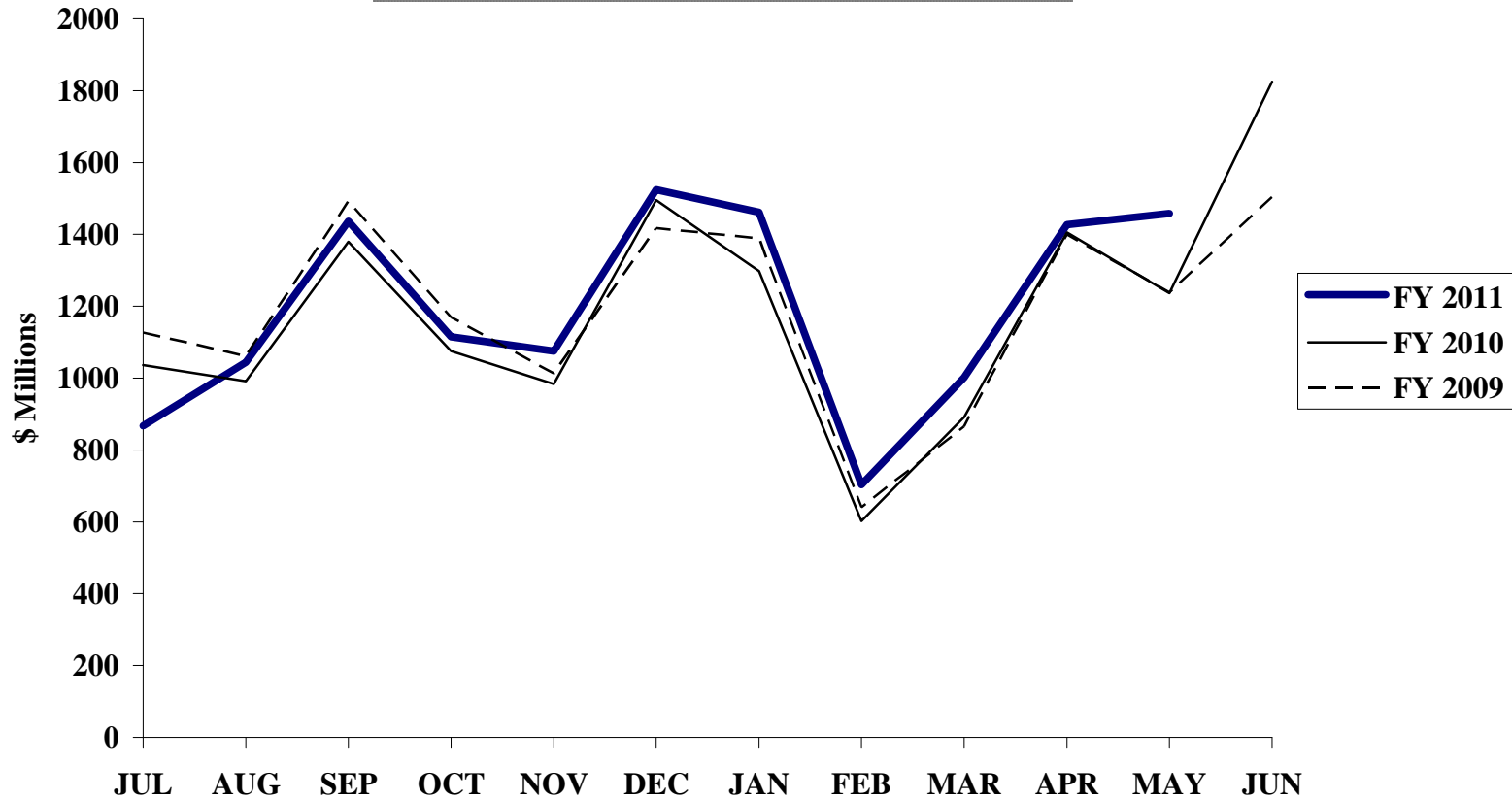
Percentage is greater than or equal to 1,000%.

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	May			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	\$61,647	\$63,306	(2.6)	\$606,813	\$592,157	2.5	3.5
Motor Vehicle Sales and Use Tax	309,800	9.17	28,058	24,934	12.5	295,371	259,859	13.7	7.0
Motor Vehicle License Fees	213,700	6.33	17,931	16,171	10.9	197,339	188,051	4.9	2.0
International Registration Plan	61,300	1.82	4,061	5,815	(30.2)	55,842	52,919	5.5	2.6
Recordation Tax (1 cent)	10,700	0.32	916	951	(3.7)	10,468	10,471	0.0	(8.8)
Misc. Taxes, Fees, and Revenues	12,700	0.38	958	1,062	(9.8)	11,815	11,566	2.2	(0.4)
Total State Taxes and Fees	\$1,348,000	39.92	\$113,571	\$112,239	1.2	\$1,177,648	\$1,115,023	5.6	3.8
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,089	\$1,587	(31.4)	\$18,222	\$17,261	5.6	(100.0)
Miscellaneous Revenues	16,191	0.48	2,573	381	575.3	14,065	13,738	2.4	12.3
Transfer (to) / from Transportation Trust Fund	510,998	15.13	95,998	50,000	92.0	362,938	350,000	3.7	0.7
Total Highway Maintenance and Operating Fund	\$1,875,189	55.53	\$213,231	\$164,207	29.9	\$1,572,873	\$1,496,022	5.1	1.9
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$115,700	3.43	\$9,254	\$8,886	4.1	\$98,633	\$96,245	2.5	0.6
PTF Motor Fuels	20,000	0.59	2,000	2,000	0.0	18,000	18,000	0.0	0.0
PTF Insurance Premiums Tax	130,300	3.86	0	0	-	130,327	129,102	0.9	0.9
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	196,700	5.83	17,414	15,179	14.7	188,934	165,721	14.0	6.8
State Sales and Use Tax	480,800	14.24	42,861	41,812	2.5	434,477	449,467	(3.3)	(2.0)
Motor Vehicle License Fees	21,100	0.62	1,777	1,649	7.8	19,330	18,666	3.6	1.8
Recordation Tax (2 cents)	21,500	0.63	1,832	1,902	(3.7)	20,936	20,942	0.0	(8.3)
Interest Earnings	38,600	1.14	6	11,743	(99.9)	13,256	18,172	(27.1)	68.1
Total State Taxes and Fees	\$1,024,700	30.34	\$75,144	\$83,171	(9.7)	\$923,893	\$916,315	0.8	1.8
Other Revenues:									
Federal Grants and Contracts	\$881,334	26.09	\$71,058	\$42,563	66.9	\$780,059	\$737,611	5.8	6.9
Receipts from Cities/Counties	59,007	1.75	3,253	303	973.6	39,049	43,813	(10.9)	28.0
Toll Revenues (Includes Route 28)	30,035	0.89	931	10,120	(90.8)	19,139	43,413	(55.9)	(32.4)
Miscellaneous Revenues	17,862	0.53	2,297	1,792	28.2	50,528	25,607	97.3	(39.7)
Total Other Revenues	\$988,238	29.26	\$77,539	\$54,778	41.6	\$888,775	\$850,444	4.5	4.7
Transfer (to) / from Highway Maintenance and Operating Fund	(\$510,998)	(15.13)	(\$95,998)	(\$50,000)	(92.0)	(\$362,938)	(\$350,000)	(3.7)	(0.7)
Total Transportation Trust Fund	\$1,501,940	44.47	\$56,685	\$87,949	(35.5)	\$1,449,730	\$1,416,759	2.3	4.1
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,377,129	100.00	\$269,916	\$252,156	7.0	\$3,022,603	\$2,912,781	3.8	2.9

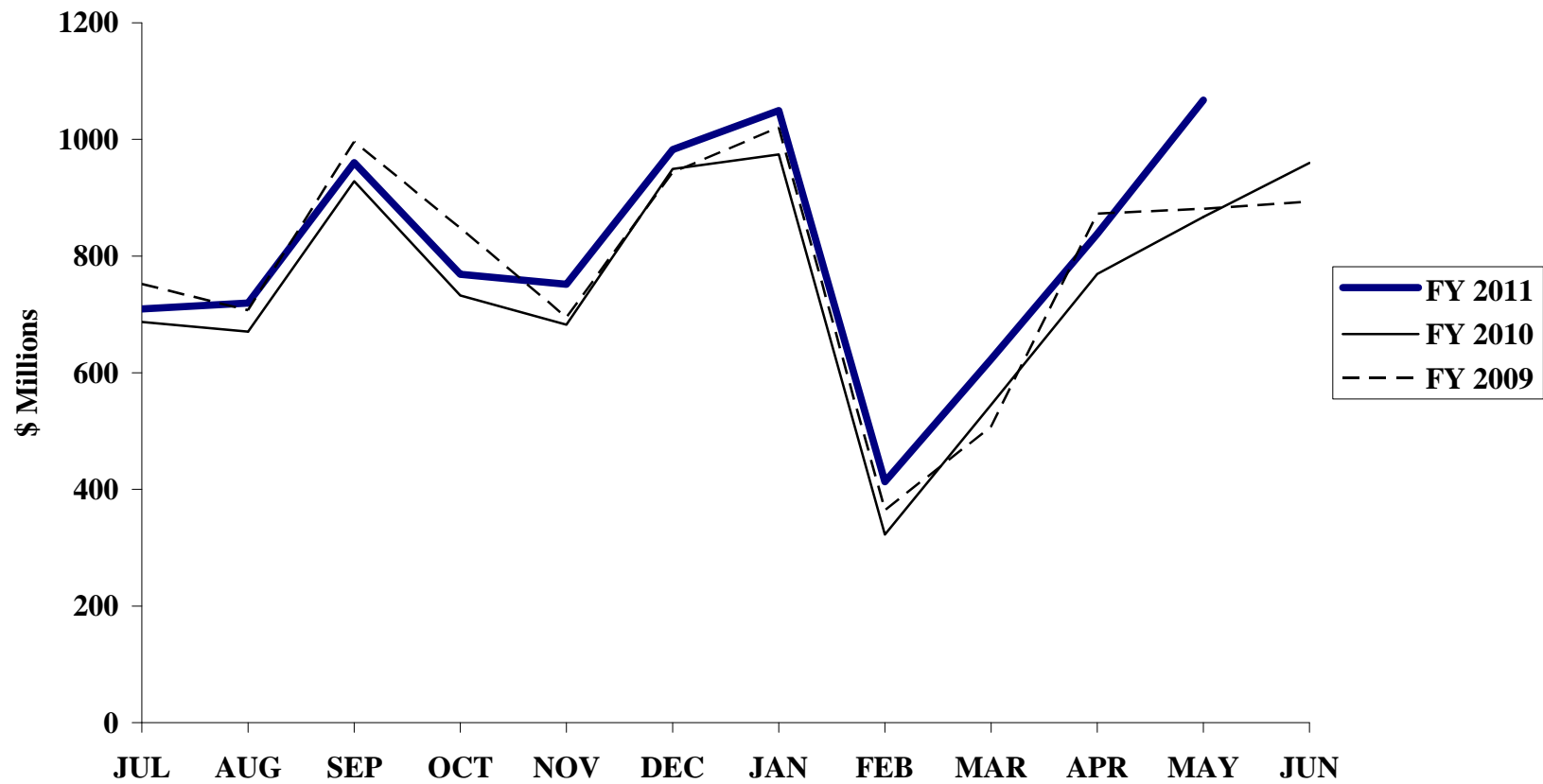
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



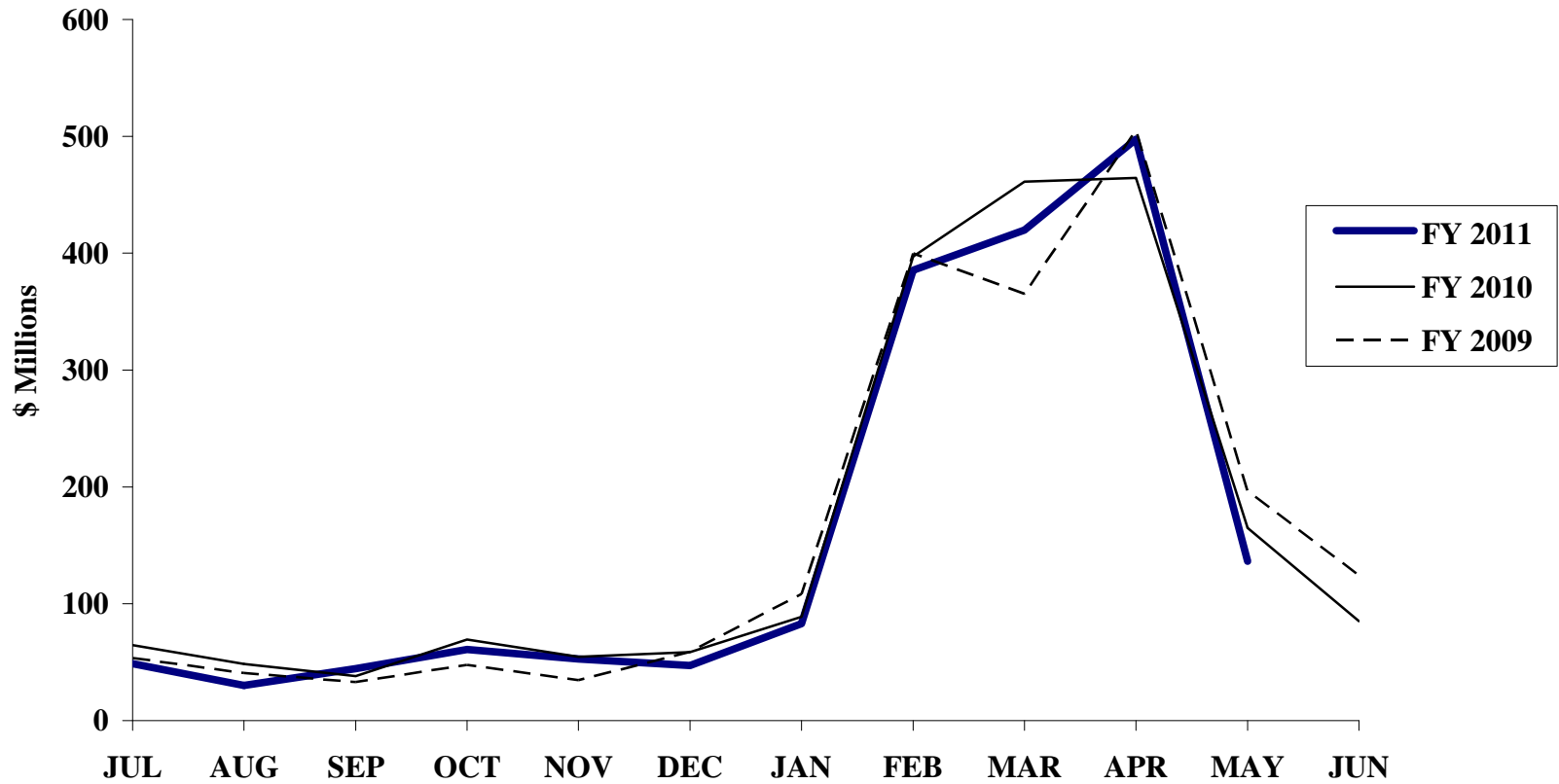
FY 2009 Actual = \$14,315.1 Million
FY 2010 Actual = \$14,219.5 Million
FY 2011 Estimate = \$14,718.5 Million

Net Individual Income Tax



FY 2009 Actual = \$9,481.1 Million
FY 2010 Actual = \$9,088.3 Million
FY 2011 Estimate = \$9,746.2 Million

Individual and Fiduciary Income Tax Refunds



FY 2009 Actual = \$1,967.4 Million
FY 2010 Actual = \$1,994.7 Million
FY 2011 Estimate = \$1,897.0 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	\$3,483.6	0.31% ⁴	\$1,243.3	3.38%	\$4,726.9	1.12% ⁴	0.27%
February	\$3,734.0	0.33% ⁵	\$1,246.2	2.51%	\$4,980.2	0.88% ⁵	0.29%
March	\$3,437.9	0.31% ⁶	\$1,247.5	0.32%	\$4,685.4	0.31% ⁶	0.26%
April	\$3,270.9	0.37% ⁷	\$1,254.3	12.96%	\$4,525.2	3.86% ⁷	0.25%
May	\$3,725.0	0.32% ⁸	\$1,267.2	12.26%	\$4,992.2	3.35% ⁸	0.19%
June							
Year-to-Date Average	\$3,315.3	0.43%	\$1,249.6	4.29%	\$4,564.9	1.48%	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 was 0.68% and the Composite Rate was 4.35%.

⁴ The Primary Liquidity Yield of 0.31% reflects a \$337,210.73 write down of Morgan Stanley ABS Capital I in the securities lending portfolio. Without the write down, the Primary Liquidity Yield was 0.42% and the Composite Rate was 1.20%.

⁵ The Primary Liquidity Yield of 0.33% reflects a \$337,210.73 write down of Morgan Stanley ABS Capital I in the securities lending portfolio. Without the write down, the Primary Liquidity Yield was 0.45% and the Composite Rate was 0.97%.

⁶ The Primary Liquidity Yield of 0.31% reflects a \$337,210.73 write down of Morgan Stanley ABS Capital I in the securities lending portfolio. Without the write down, the Primary Liquidity Yield was 0.43% and the Composite Rate was 0.40%.

⁷ The Primary Liquidity Yield of 0.37% reflects a \$160,828.62 write down of Morgan Stanley ABS Capital I in the securities lending portfolio. Without the write down, the Primary Liquidity Yield was 0.43% and the Composite Rate was 3.90%.

⁸ The Primary Liquidity Yield of 0.32% reflects a \$160,828.62 write down of Morgan Stanley ABS Capital I in the securities lending portfolio. Without the write down, the Primary Liquidity Yield was 0.37% and the Composite Rate was 3.39%.

**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	\$296,335,701	\$0	\$0	\$1,021,347	\$297,357,048
February	\$297,357,048	\$0	\$0	\$0	\$297,357,048
March	\$297,357,048	\$0	\$0	\$0	\$297,357,048
April	\$297,357,048	\$0	\$0	\$902,961	\$298,260,009
May	\$298,260,009	\$0	\$0	\$0	\$298,260,009
June					

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