

August 18, 2011

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# **Review of General Fund Revenues and the Virginia Economy for Fiscal Year 2011**

*A presentation to the Senate  
Finance, House Appropriations,  
and House Finance Committees*



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Secretary of Finance

# ***Overview...***

## **Fiscal Year 2011 Year-in-Review**

- Economic Performance
- Actual General Fund Collections
- Actual Commonwealth Transportation Fund Collections
- Financial Results Balance Sheet
- July 2011 General Fund Collections
- Revenue Stabilization Fund Balance

## **Next Steps**

- Credit Rating Agencies Review of Virginia Debt
- Fall Forecasting Process

## ***Both The U.S. And Virginia Economies Performed Near Expectations In Fiscal Year 2011...***

- As measured on a fiscal year basis (July through June), estimated real GDP increased 2.7 percent.
  - Rising inventories supported growth, offsetting modest consumer spending in the face of employment losses and shrinking incomes.

### **Summary of Key U.S. and Virginia Economic Indicators** Percent Change Over the Prior Fiscal Year

	<u>FY11 Forecast</u>	<u>FY11 Actual</u>	<u>FY12 Forecast</u>
<b><u>U.S.</u></b>			
Real GDP	2.2	2.7	2.7
Consumer Spending	2.1	2.4	2.3
Employment	0.5	0.6	1.6
Personal Income	3.3	4.1	3.5
Wages & Salaries	2.8	3.1	4.1
<b><u>Virginia</u></b>			
Employment	0.7	1.2	2.0
Professional/Business	1.6	3.1	4.4
Construction/Mining	(3.0)	(0.2)	4.7
Personal Income *	2.8	4.0	3.6
Wages & Salaries *	2.6	3.3	4.7

\* FY11 Actual is based on three quarters of actual data and one quarter of forecast data.

- In Virginia, employment gains were slightly better than expected, thanks in part to gains in the high-paying professional and business services sector. Income growth also exceeded expectations.

# ***Fiscal Year 2011 Revenues and Transfers Finished \$310.7 Million (2.1 Percent) Above Forecast...***

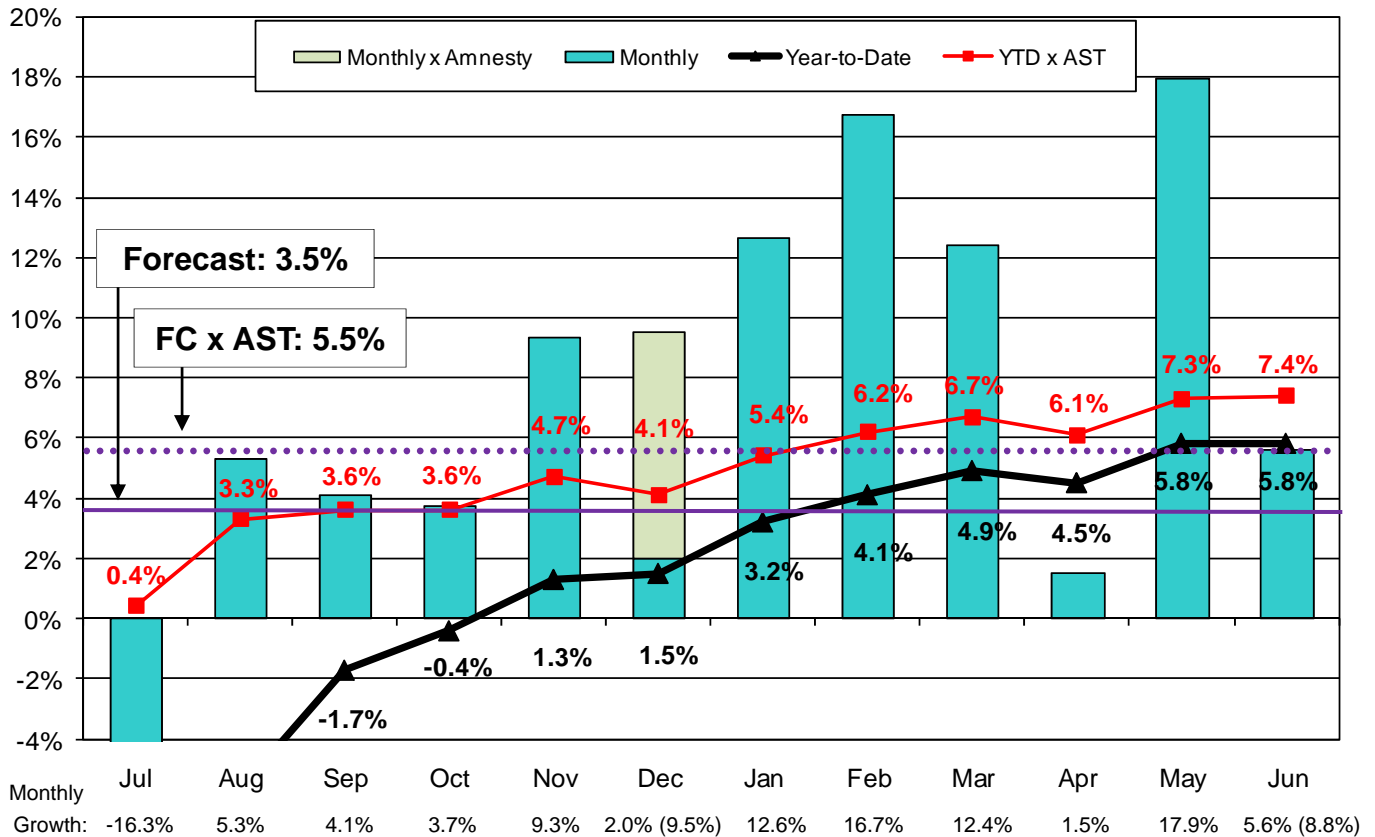
## **Summary of Fiscal Year 2011 Revenue Collections (millions of dollars)**

<u>Major Source</u>	<u>Forecast</u>	<u>Actual</u>	<u>Variance</u>		<u>Annual Growth</u>
			<u>Dollars</u>	<u>Percent</u>	
Withholding	\$ 9,574.8	\$ 9,635.1	\$ 60.3	0.6 %	5.0 %
Nonwithholding	2,068.4	2,178.6	110.2	5.3	14.3
Refunds	(1,897.0)	(1,869.3)	27.7	(1.5)	(6.3)
Net Individual	9,746.2	9,944.4	198.2	2.0	9.4
Sales	2,968.9	3,012.4	43.5	1.5	(2.3)
Corporate	766.6	822.3	55.7	7.3	2.0
Wills (Recordation)	274.0	291.5	17.5	6.4	0.4
Insurance	277.7	281.6	3.9	1.4	7.5
All Other Revenue	685.1	688.2	3.1	0.4	(0.3)
<b>Total Revenues</b>	<b>\$ 14,718.5</b>	<b>\$ 15,040.2</b>	<b>\$ 321.7</b>	<b>2.2 %</b>	<b>5.8 %</b>
ABC Profits	46.2	50.5	4.3	9.3	1.1
Sales Tax (0.25%)	217.3	204.0	(13.3)	(6.1)	(2.6)
Transfers	159.6	157.6	(2.0)	(1.3)	(48.8)
<b>Total Transfers</b>	<b>\$ 423.1</b>	<b>\$ 412.1</b>	<b>\$ (11.0)</b>	<b>(2.6) %</b>	<b>(27.3) %</b>
<b>Total General Fund</b>	<b>\$ 15,141.6</b>	<b>\$ 15,452.3</b>	<b>\$ 310.7</b>	<b>2.1 %</b>	<b>4.5 %</b>

- Total revenues increased for the first time since fiscal year 2008.
  - Total revenues are still below fiscal year 2007 levels.

# Total General Fund Revenue Collections Improved Over Fiscal Year 2011...

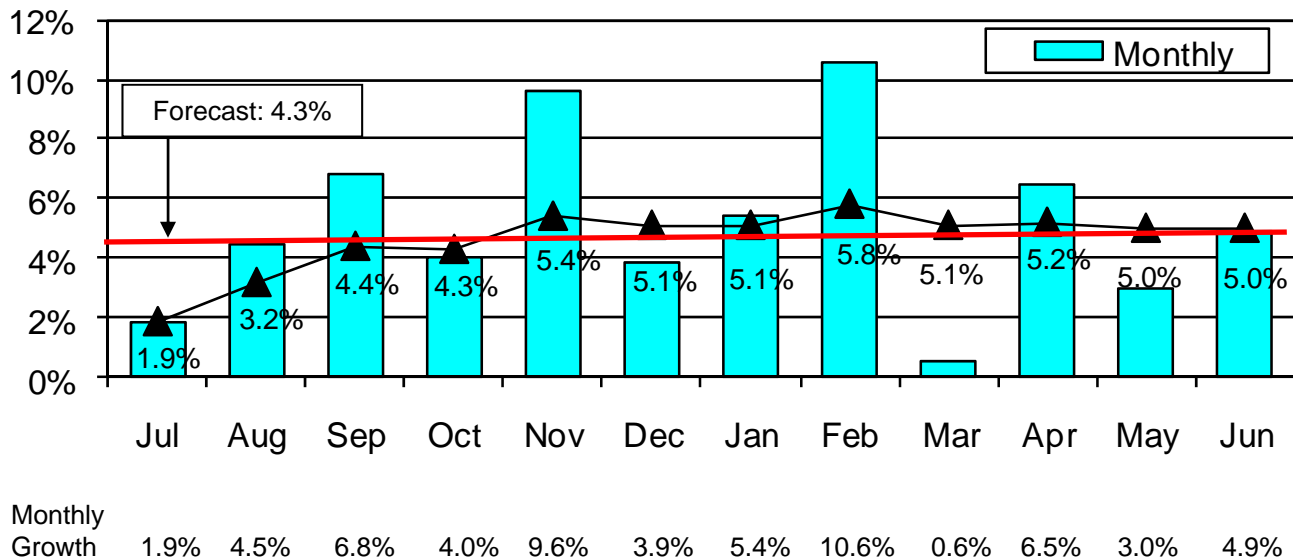
## Growth in Total General Fund Revenue Collections FY11 Monthly and Year-to-Date



- Total general fund revenue collections exceeded the forecast by \$321.7 million in fiscal year 2011, a forecast variance of 2.2 percent.
- Total general fund 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 7.4 percent in fiscal year 2011, compared with the economic-base forecast of 5.5 percent growth.

# ***Payroll Withholding Tax Collections Exceeded The Annual Estimate By \$60.3 Million (0.6 Percent) In Fiscal Year 2011...***

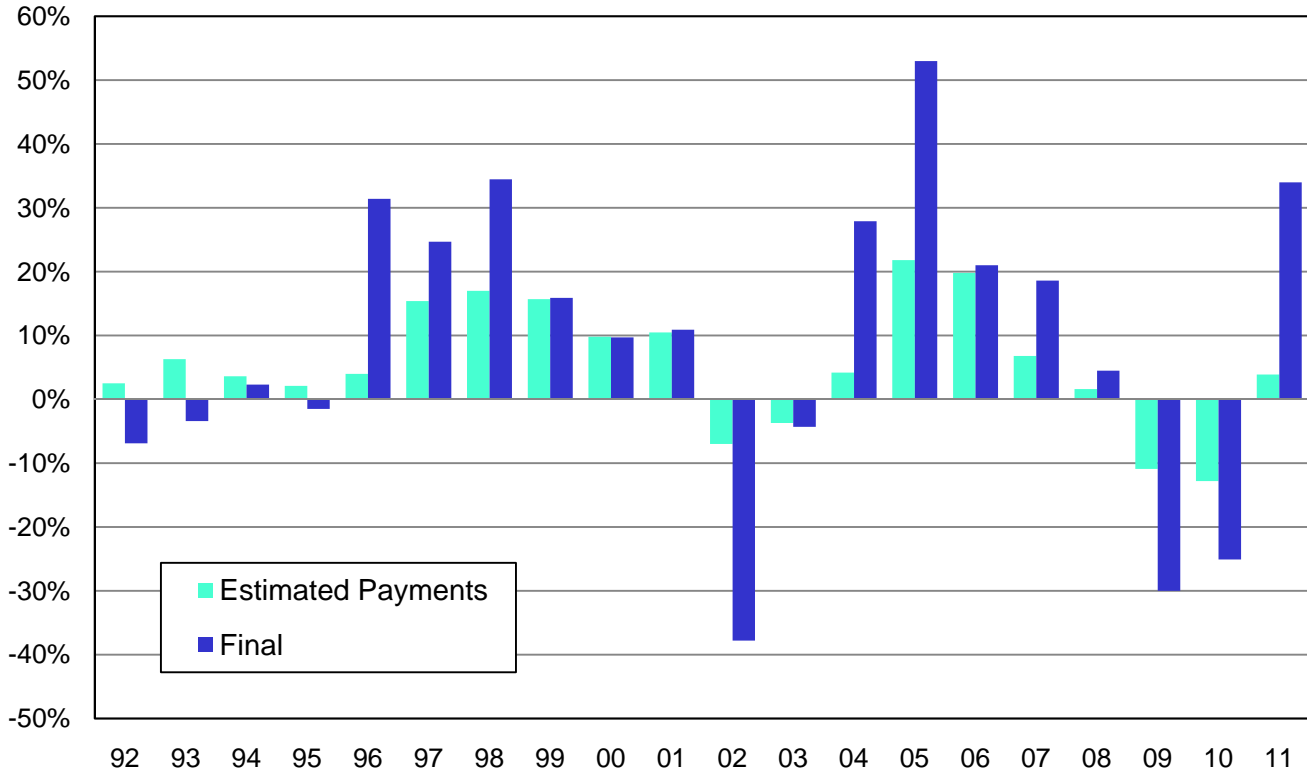
**Growth in Withholding Tax Collections  
FY11 Monthly and Year-to-Date**



- Collections of payroll withholding taxes grew 5.0 percent, ahead of the revised annual estimate of 4.3 percent.
- The accuracy of the withholding forecast was directly attributable to the insights of economists, business leaders, and General Assembly members during the fall 2010 forecasting process.

# ***Individual Income Tax Nonwithholding Exceeded The Annual Estimate By \$110.2 Million (5.3 Percent) In Fiscal Year 2011...***

**Growth in Estimated and Final Payments, FY92-11**  
Percent Growth Over the Prior Year



- The large surplus was attributable to a better-than-expected performance in individual final payments, which increased by 34 percent compared with expectations of a 17 percent increase.
  - These payments are historically tied to non-wage income sources – mainly financial markets.
- Taken together, total nonwithholding collections grew 14.3 percent in fiscal year 2011 compared with the annual estimate of 8.5 percent growth.

# ***Individual Income Tax Refunds Were Slightly Below Expectations In Fiscal Year 2011...***

## Individual Refunds

- Individual refunds in fiscal year 2011 were \$27.7 million below the estimate of a 4.9 percent decline, a 1.5 percent variance.

### **Individual Income Tax Refunds by Component** (millions of dollars)

	<u>Forecast</u>	<u>Actual</u>	<u>\$ variance</u>	<u>% variance</u>
Base	1,662.0	1,611.3	(50.7)	(3.1)
Land Preservation	125.0	146.4	21.4	17.1
Low Income	110.0	111.6	1.6	1.5
<b>Total</b>	<b>1,897.0</b>	<b>1,869.3</b>	<b>(27.7)</b>	<b>(1.5)</b>

- After declining 14.8 percent through December and 8.4 percent through March, individual refunds finished the year 6.3 percent below fiscal year 2010.

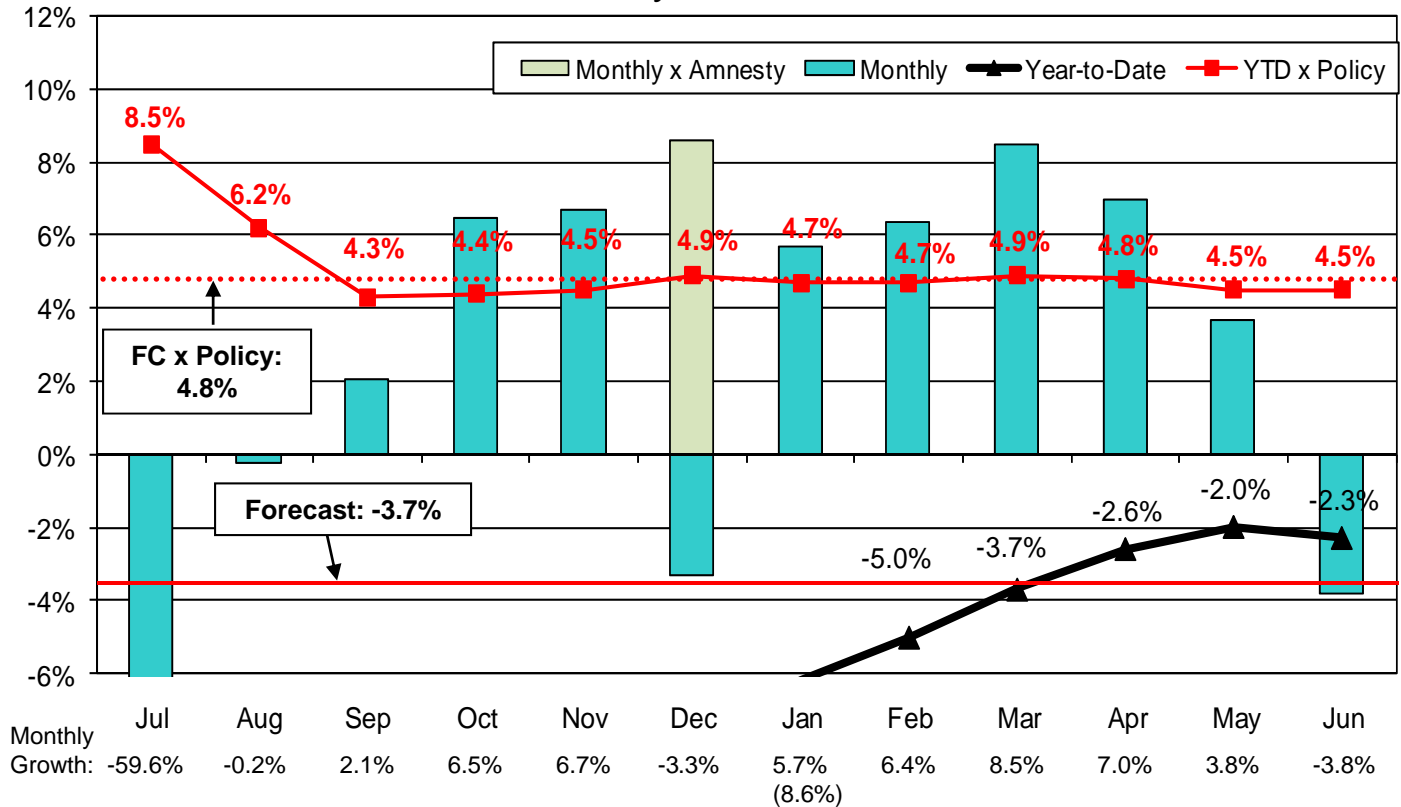
## Net Individual Income Taxes

- Net individual income taxes (i.e., collections of withholding, nonwithholding, and refunds) exceeded the forecast by \$198.2 million, a variance of 2.0 percent.
- They increased 9.4 percent from fiscal year 2010, ahead of the annual estimate of 7.2 percent growth.



# Sales And Use Tax Collections Exceeded The Annual Estimate By \$43.5 Million (1.5 Percent) In Fiscal Year 2011...

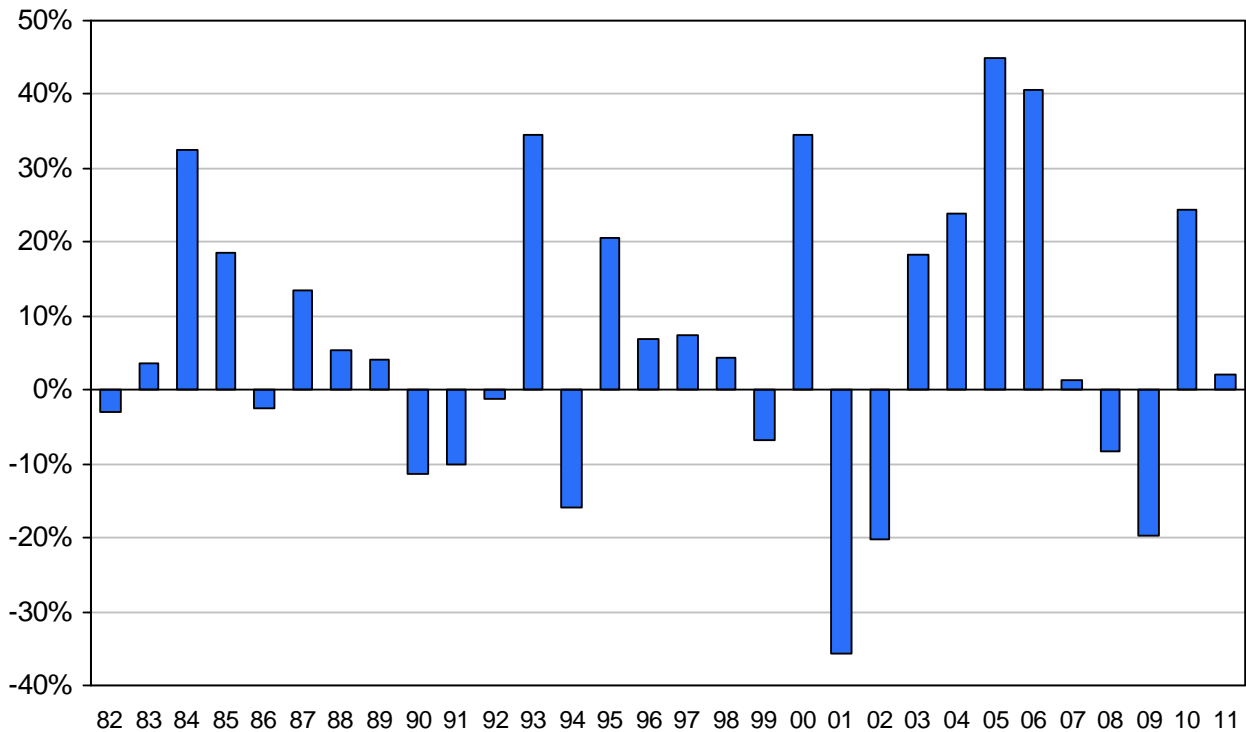
## Growth in Sales Tax Collections FY11 Monthly and Year-to-Date



- Adjusting for the accelerated sales tax and other policy initiatives, including amnesty and the modified dealer discount, sales tax collections grew 4.5 percent in fiscal year 2011, close to the economic-base forecast of a 4.8 percent increase.

# ***Corporate Income Tax Receipts Exceeded The Annual Estimate By \$55.7 Million (7.3 Percent) In Fiscal Year 2011...***

**Growth in Net Corporate Income Tax Receipts, FY82-11**  
Percent Growth Over the Prior Year



- Corporate income tax collections, one of the most volatile revenue sources, grew 2.0 percent in fiscal year 2011, ahead of the revised annual estimate of a 4.9 percent decline.

## ***Most Other Revenue Sources Were Close To Expectations In Fiscal Year 2011...***

### Wills, Suits, Deeds, and Contracts (Recordation Tax)

- Wills, Suits, Deeds, and Contracts (primarily recordation tax collections) finished \$17.5 million (6.4 percent) above the annual forecast.
  - Collections increased 0.4 percent in fiscal year 2011, above the projection of a 5.6 percent decline.

### Insurance Premiums Tax

- Insurance premiums tax exceeded the annual estimate by \$3.9 million (1.4 percent).

### All Other Revenue

- All Other Revenue finished \$3.1 million (0.4 percent) above the annual forecast.

# **Commonwealth Transportation Fund (CTF) Revenues Finished Close to Forecast, \$3.4 Million Below Expectations...**

## **Summary of Fiscal Year 2011 Revenue Collections Commonwealth Transportation Fund (millions of dollars)**

Revenue Sources	FY2010 Actual	FY2011 Actual	FY2011 Forecast	Percent Change 2010-2011		Forecast Variance	
				Actual	Forecast	Amount	Percent
Motor Fuels Tax	\$817.2	\$831.1	\$843.0	1.7%	3.2%	(\$11.9)	(1.4%)
Road Use Tax	11.1	11.5	10.8	3.6	(2.7)	0.7	6.5
Vehicle Sales Tax	444.1	500.5	475.0	12.7	7.0	25.5	5.4
Vehicle Licenses	230.2	237.9	234.8	3.3	2.0	3.1	1.3
State Sales Tax	490.7	477.3	480.8	(2.7)	(2.0)	(3.5)	(0.7)
Recordation Tax	35.2	35.0	32.2	(0.6)	(8.5)	2.8	8.7
Priority Transportation Fund	20.0	20.0	20.0	0.0	0.0	-	0.0
Insurance Premiums Tax	129.1	130.3	130.3	0.9	0.9	-	0.0
Int'l Registration Plan	59.8	61.1	61.3	2.2	2.5	(0.2)	(0.3)
Interest Earnings	23.0	18.3	38.6	(20.4)	67.8	(20.3)	(52.6)
Rental Tax	29.6	31.6	31.5	6.8	6.4	0.1	0.3
Aviation Fuels Tax	1.7	1.8	1.7	5.9	0.0	0.1	5.9
Miscellaneous	12.8	12.9	12.7	0.8	(0.8)	0.2	1.6
<b>TOTAL</b>	<b>\$2,304.5</b>	<b>\$2,369.3</b>	<b>\$2,372.7</b>	<b>2.8%</b>	<b>3.0%</b>	<b>(\$3.4)</b>	<b>(0.1%)</b>

*As required by Section 33.1-23.03:8A(2) of the Code of Virginia, all revenues that exceed the official forecast are deposited into the Priority Transportation Fund.*

- Total revenue growth was right on target with a -0.1 percent forecast variance.
  - Increases in vehicle sales tax collections offset sluggish growth in motor fuels taxes.
  - Interest earnings are major factor in the variance.
- CTF revenues increased for the first time since fiscal year 2008.

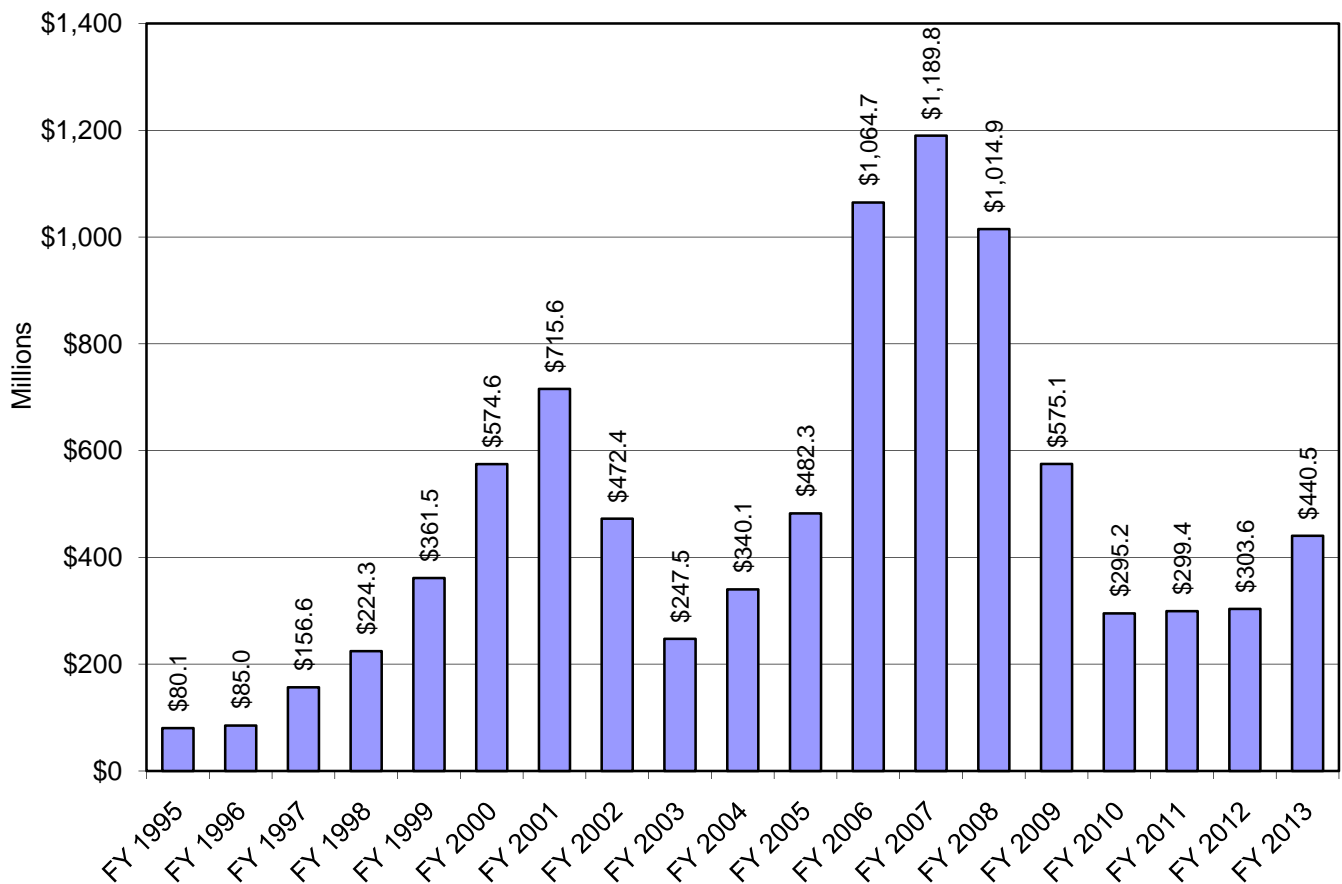
# ***All Of The Surplus Dollars Are Either Reserved, Committed, or Assigned...***

## **General Fund - Budgetary (Cash) Basis (Unaudited) Fiscal Year 2011 (millions of dollars)**

<b>Assets</b>		
Cash, Cash Equivalents, and Investments	\$ 1,313.8	
Cash and Travel Advances	<u>2.4</u>	
Total Assets		<u>\$ 1,316.2</u>
<b>Liabilities and Fund Equity</b>		
Liabilities:		
Due to Other Funds	13.9	
Deposits Pending Distribution	<u>4.8</u>	
Total Liabilities	\$ 18.7	
Fund Equity:		
Reserved Fund Balance:		
Revenue Stabilization Reserve Fund	299.4	
Revenue Stabilization Reserve 2013	132.7	
Lottery Proceeds Fund	10.1	
Water Supply Assistance Grant Fund	<u>14.2</u>	
Total Reserved Fund Balance	456.4	
Commitments and Assignments:		
Reapp. 2010 Unexpended Bal. for Cap Outlay	2.3	
Central Capital Planning Fund	2.5	
Communication Sales and Use Tax	36.7	
Unemployment Compensation Trust Fund	8.9	
Natural Disaster Sum Sufficient	17.3	
Amount Required by Chapter 874	265.4	
Amt. Required for Mandatory Reapp.	86.4	
AST for Transportation Trust Fund	26.0	
Fed. Portion of Dominion VA Power Rebate	1.4	
Virginia WQIF - Part A	32.2	
Virginia WQIF - Part B	18.1	
Discretionary Reappropriations	47.2	
Federal Action Reserve Fund	30.0	
Select NGF Balances	166.0	
Transportation (2/3 of Undesignated Bal.)	67.2	
Nonrecurring Expenditures (1/3 of Undesignated Bal)	<u>33.6</u>	
Total Committed and Assigned Fund Balance	<u>841.2</u>	
Total Fund Equity	\$ 1,297.5	
Total Liabilities and Fund Balance		<u>\$ 1,316.2</u>

***The Projected Balance in the Revenue Stabilization Fund Will Be \$440.5 Million After the Proposed \$132.7 Million Deposit in Fiscal Year 2013...***

**Revenue Stabilization Fund – June 30 Balance**  
 FY1995-2011 Actual and FY2012-2013 Forecast  
 (millions of dollars)



# ***July 2011 General Fund Revenue Collections Are Distorted Due To The Accelerated Sales Tax (AST) Program In June 2011...***

## **Summary of July (FY2012) Revenue Collections**

<u>Major Source</u>	As a % of Total Revenues	Percent Growth over Prior Year			
		<u>YTD Actual</u>	<u>Official Estimate</u>	<u>Variance</u>	
Withholding	63.9 %	3.1 %	3.4 %	(0.3) %	
Nonwithholding	14.3	23.4	2.1	21.3	
Refunds	(11.9)	(21.0)	(0.9)	(20.1)	
Net Individual	66.2	5.7	3.9	1.8	
Sales	20.0	38.4	3.4	35.0	
Corporate	5.3	(704.9)	1.1	(706.0)	
Wills (Recordation)	1.9	1.7	3.1	(1.4)	
Insurance	1.9	NA	2.9	NA	
All Other Revenue	4.7	11.2	5.7	5.5	
<b>Total</b>	<b>100.0 %</b>	<b>10.1 %</b>	<b>3.7 %</b>	<b>6.4 %</b>	

- Adjusted for AST payments received in June 2011, total general fund revenues increased 5.7 percent in July.
- Collections of payroll withholding taxes grew 3.1 percent in July, the fifteenth consecutive monthly increase.
- Sales tax receipts (adjusted for AST) increased 3.9 percent in July, the sixteenth consecutive monthly increase.

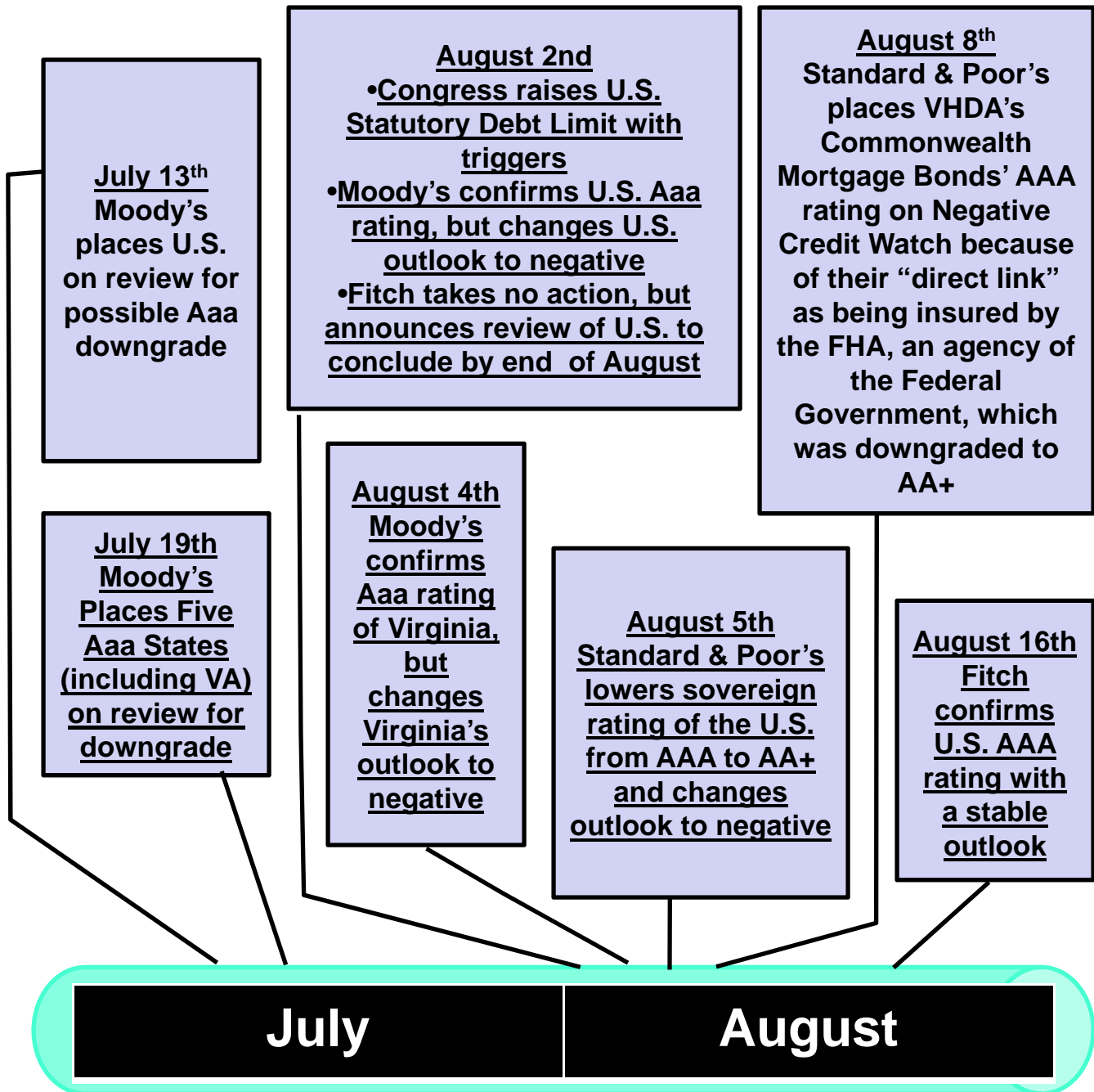
# ***Fiscal Year 2012 Total Revenue Growth Needs To Be 3.7 Percent To Achieve The Chapter 890 Budget Estimate...***

## **Summary of General Fund Revenue Collections FY2011 and FY2012 (millions of dollars)**

<b>Revenue Source</b>	<b>Official Estimate FY2011</b>	<b>% Annual Growth Req By Est</b>	<b>Actual Collections FY2011</b>	<b>% Actual Growth</b>	<b>Amount Variance</b>	<b>Official Estimate FY2012</b>	<b>% Change From Actual</b>
<b>Individual Income Tax:</b>							
Withholding	\$ 9,574.8	4.3%	\$ 9,635.1	5.0%	\$ 60.3	\$ 9,958.0	3.4%
Tax Dues/Estimated Payments	2,068.4	8.5	2,178.6	14.3	110.2	2,223.6	2.1
(Refunds)	(1,897.0)	(4.9)	(1,869.3)	(6.3)	27.7	(1,852.0)	(0.9)
Net Individual Income Tax	9,746.2	7.2	9,944.4	9.4	198.2	10,329.6	3.9
Sales and Use	2,968.9	(3.7)	3,012.4	(2.3)	43.5	3,115.5	3.4
Corporate Income	766.6	(4.9)	822.3	2.0	55.7	831.6	1.1
Insurance Premiums	277.7	6.0	281.6	7.5	3.9	289.6	2.9
Wills, Suits, Deeds, Contracts	274.0	(5.6)	291.5	0.4	17.5	301.1	3.3
Interest	74.8	(20.7)	81.1	(14.0)	6.3	103.6	27.7
Other Revenue	610.3	2.4	607.0	1.9	(3.3)	623.8	2.8
<b>Total General Fund Revenue</b>	<b>14,718.5</b>	<b>3.5</b>	<b>15,040.2</b>	<b>5.8</b>	<b>321.7</b>	<b>15,594.8</b>	<b>3.7</b>
Transfers	423.1	(25.4)	412.1	(27.3)	(11.0)	468.6	13.7
<b>Total General Fund Resources</b>	<b>\$ 15,141.6</b>	<b>2.4%</b>	<b>\$ 15,452.3</b>	<b>4.5%</b>	<b>\$ 310.7</b>	<b>\$ 16,063.4</b>	<b>4.0%</b>



# **2011 Timeline of Rating Agency Actions**



**Note:** Within 90 days, Moody's will conclude its review of Virginia and determine whether our outlook remains negative or returns to stable.

## ***The Normal Fall Forecasting Process Will Begin In September...***

- Significant revenue elements used in the fall forecasting process will be available over the next few months and will be incorporated in the fall forecasting process.
  - September:
    - Individual, corporate, and insurance estimated payments are due.
  - October:
    - Retailer corporate estimated payments are due.
    - Joint Advisory Board of Economists (JABE) reviews economic projections for current and next biennium.
  - November:
    - Corporate refunds from extension returns peak.
    - Governor's Advisory Council on Revenue Estimates (GACRE) reviews revenue forecast for fiscal year 2012 and fiscal years 2013-2014.
  - December:
    - General fund revenue forecast finalized.
    - Governor McDonnell proposes amendments to Chapter 890 and introduces the proposed 2013-2014 budget to the Joint Money Committees.

## Appendix

Fiscal Year 2011 General Fund Collections: Actual and Forecast

December Standard and Official General Fund Forecast for Fiscal Year 2012

Official and August Commonwealth Transportation Fund Update for Fiscal Year 2012

Growth in Total General Fund Revenues, Fiscal Years 1961 to 2011

June 2011 Revenue Report

July 2011 Revenue Report

Action By Moody's Investors Service

Action By Standard & Poor's

Note:

The General Fund Preliminary Annual Report, August 15, 2011 is available at the Department of Accounts website ([www.doa.virginia.gov](http://www.doa.virginia.gov)).

This presentation is available at the Secretary of Finance website ([www.finance.virginia.gov](http://www.finance.virginia.gov)).

**Fiscal Year 2011 General Fund Collections: Actual and Forecast**  
(Dollars in Millions)

	Fiscal Year 2010		Fiscal Year 2011					
	Actual	% Growth	Official Forecast	Actual	Forecast Variance		% Growth Over FY 10	
					Dollars	Percent	Official	Actual
<b>MAJOR TAX SOURCES</b>								
Corporate Income	\$ 806.5	24.4 %	\$ 766.6	\$ 822.3	\$ 55.7	7.3 %	(4.9) %	2.0 %
Individual Income Tax:								
Gross	11,082.9	(3.2)	11,643.2	11,813.7	170.5	1.5	5.1	6.6
Withholding	9,176.2	0.4	9,574.8	9,635.1	60.3	0.6	4.3	5.0
Nonwithholding	1,906.8	(17.5)	2,068.4	2,178.6	110.2	5.3	8.5	14.3
Refunds	<u>(1,994.7)</u>	<u>1.4</u>	<u>(1,897.0)</u>	<u>(1,869.3)</u>	<u>27.7</u>	<u>(1.5)</u>	<u>(4.9)</u>	<u>(6.3)</u>
Net	9,088.3	(4.1)	9,746.2	9,944.4	198.2	2.0	7.2	9.4
Insurance Company Premiums	261.9	2.7	277.7	281.6	3.9	1.4	6.0	7.5
State Sales & Use Tax	3,082.5	6.2	2,968.9	3,012.4	43.5	1.5	(3.7)	(2.3)
Wills, Suits, Deeds, & Contract Fees	<u>290.2</u>	<u>(7.7)</u>	<u>274.0</u>	<u>291.5</u>	<u>17.5</u>	<u>6.4</u>	<u>(5.6)</u>	<u>0.4</u>
Total Major Tax Sources	\$ 13,529.3	(0.5) %	\$ 14,033.4	\$ 14,352.0	\$ 318.6	2.3 %	3.7 %	6.1 %
<b>MISCELLANEOUS TAXES AND OTHER REVENUES</b>								
Alcoholic Beverage State Tax	\$ 131.6	1.5 %	\$ 133.7	\$ 136.0	\$ 2.3	1.7 %	1.6 %	3.3 %
Bank Franchise Tax	23.1	3.1	22.8	24.4	1.6	7.0	(1.5)	5.4
Beer & Beverage Excise Tax	43.5	(0.2)	43.5	42.9	(0.6)	(1.3)	0.0	(1.3)
Corporate Franchise & Charter Fees	46.6	(5.7)	46.7	44.4	(2.3)	(4.9)	0.2	(4.7)
Excess & Other Fees from Officers	(10.5)	38.9	(10.3)	(8.6)	1.7	(16.3)	1.7	17.7
Estate & Gifts	5.7	(5.6)	4.0	2.7	(1.3)	(32.2)	(29.5)	(52.2)
Institutional Revenues	6.0	(6.0)	5.8	6.4	0.6	11.1	(3.6)	7.1
Interest & Rents	94.7	(9.5)	75.1	81.5	6.4	8.5	(20.7)	(13.9)
Licenses & Permits	4.3	(0.4)	4.0	4.4	0.4	8.7	(6.6)	1.6
Miscellaneous Taxes and Penalties	208.0	(5.9)	231.3	225.8	(5.5)	(2.4)	11.2	8.6
Other Miscellaneous Revenues	39.8	(22.7)	32.1	34.4	2.3	7.3	(19.4)	(13.6)
Public Service GR / Consumption Tax	<u>97.3</u>	<u>6.5</u>	<u>96.4</u>	<u>93.8</u>	<u>(2.6)</u>	<u>(2.7)</u>	<u>(0.9)</u>	<u>(3.6)</u>
Total Misc. Taxes and Other Revenues	\$ 690.2	(3.2) %	\$ 685.1	\$ 688.2	\$ 3.1	0.4 %	(0.7) %	(0.3) %
<b>TOTAL GF REVENUES</b>	<b>\$ 14,219.5</b>	<b>(0.7) %</b>	<b>\$ 14,718.5</b>	<b>\$ 15,040.2</b>	<b>\$ 321.7</b>	<b>2.2 %</b>	<b>3.5 %</b>	<b>5.8 %</b>
<b>TRANSFERS</b>								
A.B.C. Profits	\$ 50.0	13.3 %	\$ 46.2	\$ 50.5	\$ 4.3	9.3 %	(7.5) %	1.1 %
Sales Tax (0.25%)	209.4	(1.9)	217.3	204.0	(13.3)	(6.1)	3.8	(2.6)
Transfers Per Appropriations Act	<u>307.8</u>	<u>42.7</u>	<u>159.6</u>	<u>157.6</u>	<u>(2.0)</u>	<u>(1.3)</u>	<u>(48.1)</u>	<u>(48.8)</u>
Total Transfers	\$ 567.2	39.5 %	\$ 423.1	\$ 412.1	\$ (11.0)	(2.6) %	(25.4) %	(27.3) %
<b>TOTAL GENERAL FUND</b>	<b>\$ 14,786.7</b>	<b>0.4 %</b>	<b>\$ 15,141.6</b>	<b>\$ 15,452.3</b>	<b>\$ 310.7</b>	<b>2.1 %</b>	<b>2.4 %</b>	<b>4.5 %</b>

The Official forecast is based on the October 2010 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and incorporates revenue collections data through January and actions of the 2011 General Assembly.

**The December and Official General Fund Forecast for Fiscal Year 2012**  
(Dollars in Millions)

August 18, 2011

	Fiscal Year 2012					2010-2012 Biennium		
	December Forecast	Official Forecast	Change	% Growth Over FY 11 December      Official		December Forecast	Official Forecast	Change
<b>MAJOR TAX SOURCES</b>								
Corporate Income	\$ 824.1	\$ 831.6	\$ 7.5	5.5 %	1.1 %	\$ 1,605.6	\$ 1,653.9	\$ 48.3
Individual Income Tax:								
Gross	12,095.1	12,181.6	86.5	4.2	3.1	23,698.9	23,995.3	296.4
Withholding	9,871.0	9,958.0	87.0	4.0	3.4	19,360.8	19,593.1	232.3
Nonwithholding	2,224.1	2,223.6	(0.5)	5.2	2.1	4,338.1	4,402.2	64.1
Refunds	<u>(1,877.0)</u>	<u>(1,852.0)</u>	<u>25.0</u>	<u>(2.3)</u>	<u>(0.9)</u>	<u>(3,799.0)</u>	<u>(3,721.3)</u>	<u>77.7</u>
Net	10,218.1	10,329.6	111.5	5.5	3.9	19,899.9	20,274.0	374.1
Insurance Company Premiums	289.6	289.6	0.0	4.3	2.9	567.3	571.2	3.9
State Sales & Use Tax	3,115.5	3,115.5	0.0	3.3	3.4	6,130.1	6,127.9	(2.2)
Wills, Suits, Deeds, & Contract Fees	<u>294.1</u>	<u>301.1</u>	<u>7.0</u>	<u>7.3</u>	<u>3.3</u>	<u>568.1</u>	<u>592.6</u>	<u>24.5</u>
Total Major Tax Sources	\$ 14,741.4	\$ 14,867.4	\$ 126.0	5.1 %	3.6 %	\$ 28,771.0	\$ 29,219.4	\$ 448.4
<b>MISCELLANEOUS TAXES AND OTHER REVENUES</b>								
Alcoholic Beverage State Tax	\$ 137.1	\$ 137.1	\$ 0.0	2.5 %	0.8 %	\$ 270.8	\$ 273.1	\$ 2.3
Bank Franchise Tax	18.0	18.0	0.0	(21.1)	(26.2)	40.8	42.4	1.6
Beer & Beverage Excise Tax	43.5	43.5	0.0	0.0	1.3	87.0	86.4	(0.6)
Corporate Franchise & Charter Fees	46.7	46.7	0.0	0.0	5.2	93.4	91.1	(2.3)
Excess & Other Fees from Officers	(7.5)	(10.3)	(2.8)	0.0	(19.4)	(15.0)	(18.9)	(3.9)
Estate & Gifts	2.0	2.0	0.0	n/a	n/a	6.0	4.7	(1.3)
Institutional Revenues	5.8	5.8	0.0	0.0	(10.0)	11.6	12.2	0.6
Interest & Rents	104.3	103.9	(0.4)	38.9	27.5	179.4	185.4	6.0
Licenses & Permits	4.2	4.2	0.0	5.0	(3.4)	8.2	8.6	0.4
Miscellaneous Taxes and Penalties	231.6	231.5	(0.1)	0.1	2.5	462.9	457.3	(5.6)
Other Miscellaneous Revenues	28.7	48.6	19.9	(10.3)	41.1	60.7	83.0	22.3
Public Service GR / Consumption Tax	<u>96.4</u>	<u>96.4</u>	<u>0.0</u>	<u>0.0</u>	<u>2.8</u>	<u>192.8</u>	<u>190.2</u>	<u>(2.6)</u>
Total Misc. Taxes and Other Revenues	\$ 710.8	\$ 727.4	\$ 16.6	3.3 %	5.7 %	\$ 1,398.6	\$ 1,415.6	\$ 17.0
<b>TOTAL GF REVENUES</b>	<b>\$ 15,452.2</b>	<b>\$ 15,594.8</b>	<b>\$ 142.6</b>	<b>5.0 %</b>	<b>3.7 %</b>	<b>\$ 30,169.6</b>	<b>\$ 30,635.0</b>	<b>\$ 465.4</b>
<b>TRANSFERS</b>								
A.B.C. Profits	\$ 47.8	\$ 47.8	\$ 0.0	3.5 %	(5.4) %	\$ 94.0	\$ 98.3	\$ 4.3
Sales Tax (0.25%)	225.1	225.1	0.0	3.6	10.3	442.4	429.1	(13.3)
Transfers Per Appropriations Act	<u>213.0</u>	<u>195.7</u>	<u>(17.3)</u>	<u>30.0</u>	<u>24.2</u>	<u>376.9</u>	<u>353.3</u>	<u>(23.6)</u>
Total Transfers	\$ 485.9	\$ 468.6	\$ (17.3)	13.7 %	13.7 %	\$ 913.3	\$ 880.7	\$ (32.6)
<b>TOTAL GENERAL FUND</b>	<b>\$ 15,938.1</b>	<b>\$ 16,063.4</b>	<b>\$ 125.3</b>	<b>5.2 %</b>	<b>4.0 %</b>	<b>\$ 31,082.9</b>	<b>\$ 31,515.7</b>	<b>\$ 432.8</b>

The December forecast is based on the October 2010 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation, which incorporates recommendations of the JABE and was supported by the GACRE.

The Official forecast is an update to the December forecast, incorporating year-to-date collection trends through January 2011 and actions of the 2011 General Assembly.

**The Official and August Commonwealth Transportation Fund Update for Fiscal Year 2012**  
(Dollars in Millions)

August 1, 2011

	Fiscal Year 2011		Fiscal Year 2012				
	Actual	% Growth	Official Forecast	August Forecast	Change	% Growth over FY 11	
						Official	August
<b>Highway Maintenance &amp; Operating Fund</b>							
Motor Fuels Tax	\$ 722.8	1.7 %	\$ 746.5	\$ 732.7	\$ (13.8)	3.3 %	1.4 %
Road Tax	3.9	(7.1)	3.4	3.9	0.5	12.8	0.0
Motor Vehicle Sales And Use Tax	324.8	12.2	325.4	341.2	15.8	0.2	5.0
Motor Vehicle License Fees	216.7	3.4	216.1	219.1	3.0	(0.3)	1.1
International Registration Plan	61.1	2.2	63.2	63.0	(0.2)	3.4	3.1
Recordation Tax (1 cent)	11.7	0.0	11.5	12.6	1.1	(1.7)	7.5
Miscellaneous	12.9	0.8	12.9	13.1	0.2	0.0	1.6
<b>Total State Taxes and Fees</b>	<b>\$ 1,353.9</b>	<b>4.3 %</b>	<b>\$ 1,379.0</b>	<b>\$ 1,385.6</b>	<b>\$ 6.6</b>	<b>1.9 %</b>	<b>2.3 %</b>
<b>Transportation Trust Fund</b>							
Motor Fuels Tax	\$ 108.3	1.8 %	\$ 107.3	\$ 109.0	\$ 1.7	(0.9) %	0.7 %
Priority Transportation Trust Fund	150.3	0.8	156.0	156.0	0.0	3.8	3.8
Base	20.0	0.0	20.0	20.0	0.0	0.0	0.0
Insurance Premiums Tax (1/3)	130.3	0.9	136.0	136.0	0.0	4.4	4.4
Road Tax	7.6	10.1	7.8	8.0	0.2	2.6	5.4
Motor Vehicle Sales And Use Tax	175.7	13.6	173.6	184.6	11.0	(1.2)	5.1
Motor Vehicle License Fees	21.2	2.4	21.3	21.4	0.1	0.5	0.9
Retail Sales and Use Tax	477.3	(2.7)	525.6	497.8	(27.8)	10.1	4.3
Recordation Tax (2 cents)	23.3	(0.9)	23.1	25.0	1.9	(0.9)	7.4
Interest Earnings	18.3	(20.4)	27.8	27.8	0.0	51.9	51.9
Rental Tax	31.6	6.8	32.1	32.2	0.1	1.6	1.9
Aviation Fuels Tax	1.8	5.9	1.8	1.9	0.1	0.0	5.9
<b>Total State Taxes and Fees</b>	<b>\$ 1,015.4</b>	<b>0.9 %</b>	<b>\$ 1,076.4</b>	<b>\$ 1,063.8</b>	<b>\$ (12.6)</b>	<b>6.0 %</b>	<b>4.8 %</b>
<b>Total HMOF And TTF</b>							
Motor Fuels Tax	\$ 831.1	1.7 %	\$ 853.8	\$ 841.7	\$ (12.1)	2.7 %	1.3 %
Priority Transportation Trust Fund	150.3	0.8	156.0	156.0	0.0	3.8	3.8
Base	20.0	0.0	20.0	20.0	0.0	0.0	0.0
Insurance Premiums Tax (1/3)	130.3	0.9	136.0	136.0	0.0	4.4	4.4
Road Tax	11.5	3.6	11.2	11.9	0.7	(2.6)	3.6
Motor Vehicle Sales and Use Tax	500.5	12.7	499.0	525.8	26.8	(0.3)	5.1
Motor Vehicle License Fees	237.9	3.3	237.4	240.5	3.1	(0.2)	1.1
International Registration Plan	61.1	2.2	63.2	63.0	(0.2)	3.4	3.1
Retail Sales and Use Tax	477.3	(2.7)	525.6	497.8	(27.8)	10.1	4.3
Recordation Tax (3 cents)	35.0	(0.6)	34.6	37.6	3.0	(1.1)	7.5
Interest Earnings	18.3	(20.4)	27.8	27.8	0.0	51.9	51.9
Rental Tax	31.6	6.8	32.1	32.2	0.1	1.6	1.9
Aviation Fuels Tax	1.8	5.9	1.8	1.9	0.1	0.0	5.9
Miscellaneous	12.9	0.8	12.9	13.1	0.2	0.0	1.6
<b>Total State Taxes and Fees</b>	<b>\$ 2,369.3</b>	<b>2.8 %</b>	<b>\$ 2,455.4</b>	<b>\$ 2,449.3</b>	<b>\$ (6.1)</b>	<b>3.6 %</b>	<b>3.4 %</b>
<b>Transfers per the Appropriations Act</b>							
Retail Sales Tax - AST Retention	27.7	n/a	0.0	26.0	26.0	n/a	(6.1)
Total Transfers	27.7	n/a	\$ 0.0	\$ 26.0	\$ 26.0	n/a	(6.1) %
<b>Total Transportation Fund</b>	<b>2,397.0</b>	<b>4.0</b>	<b>\$ 2,455.4</b>	<b>\$ 2,475.3</b>	<b>\$ 19.9</b>	<b>2.4 %</b>	<b>3.3 %</b>

The Official forecast is based on the October 2010 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation and includes actions of the 2011 General Assembly session.

The August Update is based on actual fiscal year 2011 collections multiplied by the growth rates in the official forecast.

## Growth in Total General Fund Tax Revenues

### Fiscal Year 1961 - Fiscal Year 2011

(Nominal - Actual Dollars)

<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>	<u>FY</u>	<u>Total Revenues</u>	<u>Growth</u>
61	230,998,887	-	86	4,131,778,000	9.0%
62	242,144,567	4.8%	87	4,590,434,000	11.1%
63	286,304,265	18.2%	88	5,054,382,000	10.1%
64	298,033,919	4.1%	89	5,478,912,000	8.4%
65	323,213,412	8.4%	90	5,494,884,000	0.3%
66	365,129,776	13.0%	91	5,471,879,000	-0.4%
67	414,755,644	13.6%	92	5,623,213,000	2.8%
68	533,597,744	28.7%	93	6,133,637,000	9.1%
69	706,254,374	32.4%	94	6,503,368,000	6.0%
70	743,721,322	5.3%	95	6,881,145,000	5.8%
71	807,954,651	8.6%	96	7,356,110,000	6.9%
72	922,653,686	14.2%	97	7,949,327,000	8.1%
73	1,054,469,443	14.3%	98	8,773,520,000	10.4%
74	1,168,562,871	10.8%	99	9,702,747,000	10.6%
75	1,303,178,893	11.5%	00	10,788,482,000	11.2%
76	1,428,421,157	9.6%	01	11,105,275,000	2.9%
77	1,636,301,819	14.6%	02	10,678,954,000	-3.8%
78	1,923,085,084	17.5%	03	10,867,149,000	1.8%
79	2,115,211,522	10.0%	04	11,917,867,000	9.7%
80	2,344,928,934	10.9%	05	13,687,252,000	14.8%
81	2,579,663,941	10.0%	06	14,834,298,000	8.4%
82	2,796,458,741	8.4%	07	15,565,827,000	4.9%
83	2,975,687,935	6.4%	08	15,766,951,000	1.3%
84	3,397,710,261	14.2%	09	14,315,060,000	-9.2%
85	3,790,816,000	11.6%	10	14,219,477,000	-0.7%
			11	15,040,200,000	5.8%

NOTE : Total Revenues exclude transfers.

FY 2011 Revised Estimate  
Per Chapter 890

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)	June			Year-To-Date			(9) % Annual Growth Req By Est
	FY 2011 Estimate	As a % of Gen Fund Rev	FY 2011	FY 2010	% Change	FY 2011	FY 2010	% Change	
<b>Individual Income Tax:</b>									
Withholding	\$9,574,800	65.06	\$860,715	\$820,148	4.9	\$9,635,058	\$9,176,151	5.0	4.3
Tax Dues/Estimated Payments	2,068,400	14.05	262,620	224,920	16.8	2,178,620	1,906,757	14.3	8.5
<b>Gross Individual Income Tax</b>	<b>\$11,643,200</b>	<b>79.11</b>	<b>\$1,123,335</b>	<b>\$1,045,068</b>	<b>7.5</b>	<b>\$11,813,678</b>	<b>\$11,082,908</b>	<b>6.6</b>	<b>5.1</b>
Individual and Fiduciary Income (Refunds)	(1,897,000)	(12.89)	(63,054)	(85,155)	(26.0)	(1,869,308)	(1,994,656)	(6.3)	(4.9)
<b>Net Individual Income Tax</b>	<b>\$9,746,200</b>	<b>66.22</b>	<b>\$1,060,281</b>	<b>\$959,913</b>	<b>10.5</b>	<b>\$9,944,370</b>	<b>\$9,088,252</b>	<b>9.4</b>	<b>7.2</b>
<b>Sales and Use Tax</b>	<b>\$2,968,900</b>	<b>20.17</b>	<b>\$446,352</b>	<b>\$464,164</b>	<b>(3.8)</b>	<b>\$3,012,379</b>	<b>\$3,082,532</b>	<b>(2.3)</b>	<b>(3.7)</b>
<b>Corporations Income Tax</b>	<b>766,600</b>	<b>5.21</b>	<b>179,476</b>	<b>157,556</b>	<b>13.9</b>	<b>822,259</b>	<b>806,473</b>	<b>2.0</b>	<b>(4.9)</b>
<b>Wills, Suits, Deeds, Contracts</b>	<b>274,000</b>	<b>1.86</b>	<b>28,092</b>	<b>29,149</b>	<b>(3.6)</b>	<b>291,457</b>	<b>290,189</b>	<b>0.4</b>	<b>(5.6)</b>
<b>Insurance Premiums</b>	<b>277,700</b>	<b>1.89</b>	<b>101,348</b>	<b>99,671</b>	<b>1.7</b>	<b>281,563</b>	<b>261,881</b>	<b>7.5</b>	<b>6.0</b>
<b>Interest Income (a)</b>	<b>74,800</b>	<b>0.51</b>	<b>(1,132)</b>	<b>482</b>	<b>(334.9)</b>	<b>81,122</b>	<b>94,318</b>	<b>(14.0)</b>	<b>(20.7)</b>
<b>Alcoholic Beverage Sales (b)</b>	<b>177,200</b>	<b>1.21</b>	<b>35,883</b>	<b>35,310</b>	<b>1.6</b>	<b>178,937</b>	<b>175,094</b>	<b>2.2</b>	<b>1.2</b>
<b>All Other Revenues</b>	<b>433,100</b>	<b>2.93</b>	<b>76,389</b>	<b>78,814</b>	<b>(3.1)</b>	<b>428,113</b>	<b>420,738</b>	<b>1.8</b>	<b>2.9</b>
<b>Total General Fund Revenues</b>	<b>\$14,718,500</b>	<b>100.00</b>	<b>\$1,926,689</b>	<b>\$1,825,059</b>	<b>5.6</b>	<b>\$15,040,200</b>	<b>\$14,219,477</b>	<b>5.8</b>	<b>3.5</b>

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

(a) Interest was 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	FY 2011	June FY 2010	% Change	FY 2011	Year-To-Date FY 2010	% Change	% Annual Growth Req By Est
<b>Taxes:</b>									
Individual Income Tax - Withholding	\$9,574,800	65.06	\$860,715	\$820,148	4.9	\$9,635,058	\$9,176,151	5.0	4.3
Tax Dues/Estimated Payments	2,068,400	14.05	262,620	224,920	16.8	2,178,620	1,906,757	14.3	8.5
Gross Individual Income Tax	\$11,643,200	79.11	\$1,123,335	\$1,045,068	7.5	\$11,813,678	\$11,082,908	6.6	5.1
Individ and Fiduc Income (Refunds)	(1,897,000)	(12.89)	(63,054)	(85,155)	(26.0)	(1,869,308)	(1,994,656)	(6.3)	(4.9)
Net Individual Income Tax	\$9,746,200	66.22	\$1,060,281	\$959,913	10.5	\$9,944,370	\$9,088,252	9.4	7.2
Sales and Use Tax	2,968,900	20.17	446,352	464,164	(3.8)	3,012,379	3,082,532	(2.3)	(3.7)
Corporations Income	766,600	5.21	179,476	157,556	13.9	822,259	806,473	2.0	(4.9)
Public Service Corporations	96,400	0.65	4,954	12,059	(58.9)	93,777	97,263	(3.6)	(0.9)
Insurance Premiums	277,700	1.89	101,348	99,671	1.7	281,563	261,881	7.5	6.0
Alcoholic Beverage Excise	133,700	0.91	31,900	31,400	1.6	135,993	131,601	3.3	1.6
Beer and Beverage Excise	43,500	0.30	3,983	3,910	1.9	42,944	43,493	(1.3)	0.0
Wills, Suits, Deeds, Contracts	274,000	1.86	28,092	29,149	(3.6)	291,457	290,189	0.4	(5.6)
Inheritance, Gift, and Estate	4,000	0.03	246	1,797	(86.3)	2,713	5,671	(52.2)	(29.5)
Bank Franchise	22,800	0.15	13,888	10,178	36.5	24,403	23,147	5.4	(1.5)
Other Taxes	3,900	0.03	1,299	523	148.4	(2,790)	3,122	(189.4)	24.9
<b>Total Taxes</b>	<b>\$14,337,700</b>	<b>97.42</b>	<b>\$1,871,819</b>	<b>\$1,770,320</b>	<b>5.7</b>	<b>\$14,649,068</b>	<b>\$13,833,624</b>	<b>5.9</b>	<b>3.6</b>
<b>Rights and Privileges:</b>									
Licenses and Permits	\$4,000	0.03	\$468	\$516	(9.3)	\$4,350	\$4,282	1.6	(6.6)
Corp. Franchise and Charters	46,700	0.31	27,354	29,821	(8.3)	44,404	46,611	(4.7)	0.2
Fees for Misc. Privileges & Services	10,200	0.07	3,227	2,822	14.4	11,133	11,667	(4.6)	(12.6)
<b>Total Rights and Privileges</b>	<b>\$60,900</b>	<b>0.41</b>	<b>\$31,049</b>	<b>\$33,159</b>	<b>(6.4)</b>	<b>\$59,887</b>	<b>\$62,560</b>	<b>(4.3)</b>	<b>(2.7)</b>
<b>Other Revenues:</b>									
Sales of Property & Commodities	\$2,800	0.02	(\$55)	\$820	(106.7)	\$2,873	\$824	248.7	239.8
Assessmts & Rcpts for Support of Special Svcs	400	0.00	60	64	(6.3)	436	373	16.9	7.2
Institutional Revenue	5,800	0.04	587	292	101.0	6,446	6,019	7.1	(3.6)
Interest (a)	74,800	0.51	(1,132)	482	(334.9)	81,122	94,318	(14.0)	(20.7)
Dividends and Rent	300	0.00	32	32	0.0	362	349	3.7	(14.0)
Fines, Forfeitures & Fees	227,400	1.54	18,069	18,723	(3.5)	228,634	204,919	11.6	11.0
Other Revenue	8,900	0.06	6,067	1,299	367.1	10,293	17,145	(40.0)	(48.1)
Excess Fees	(10,300)	(0.07)	(671)	(993)	32.4	(8,625)	(10,483)	17.7	1.7
Private Donations, Gifts & Cont.	0	0.00	24	5	380.0	86	68	26.5	(100.0)
Cities, Counties, and Towns	9,800	0.07	840	856	(1.9)	9,618	9,761	(1.5)	0.4
<b>Total Other Revenues</b>	<b>\$319,900</b>	<b>2.17</b>	<b>\$23,821</b>	<b>\$21,580</b>	<b>10.4</b>	<b>\$331,245</b>	<b>\$323,293</b>	<b>2.5</b>	<b>(1.0)</b>
<b>Total General Fund Revenues</b>	<b>\$14,718,500</b>	<b>100.00</b>	<b>\$1,926,689</b>	<b>\$1,825,059</b>	<b>5.6</b>	<b>\$15,040,200</b>	<b>\$14,219,477</b>	<b>5.8</b>	<b>3.5</b>

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

(a) Interest was 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)	June			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 (b)	\$21,000	\$3,044	\$1,978	53.9	\$29,429	\$28,441	3.5	(26.2)
Cash 5	26,000	2,089	2,290	(8.8)	26,657	28,243	(5.6)	(7.9)
Pick 4	205,000	16,755	17,175	(2.4)	207,175	197,460	4.9	3.8
Pick 3	250,000	18,608	20,233	(8.0)	241,964	246,899	(2.0)	1.3
Mega Millions / Powerball	180,000	13,357	15,269	(12.5)	205,111	209,445	(2.1)	(14.1)
Fast Play	6,000	918	521	76.2	8,915	6,885	29.5	(12.9)
Raffle	6,600	0	0	-	6,600	6,600	0.0	0.0
Scratch	720,000	61,661	60,513	1.9	756,837	711,155	6.4	1.2
Gross Lottery Revenue	<u>1,414,600</u>	<u>116,432</u>	<u>117,979</u>	<u>(1.3)</u>	<u>1,482,688</u>	<u>1,435,128</u>	<u>3.3</u>	<u>(1.4)</u>
Expenses (c)	<u>979,400</u>	<u>88,151</u> (d)	<u>80,883</u>	<u>9.0</u>	<u>1,047,488</u> (d)	<u>1,004,877</u>	<u>4.2</u>	<u>(2.5)</u>
Net Lottery Ticket Profits	<u>\$435,200</u>	<u>\$28,281</u> (d)	<u>\$37,096</u>	<u>(23.8)</u>	<u>\$435,200</u> (d)	<u>\$430,251</u>	<u>1.2</u>	<u>1.2</u>

(a) Estimate established by Chapter 890, 2011 Virginia Acts of Assembly, and includes the residual amount of FY 2010 Lottery profits of \$51,063 at June 30, 2010.

(b) Decades of Dollars began on January 30, 2011.

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

(d) Current month includes operating expenses estimated (unaudited closing).

**Commonwealth of Virginia/Department of Accounts**  
**Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues**  
**Summary Statement of Selected Revenue Estimates & Collections**  
**For the Fiscal Years 2010 and 2011**  
**(Dollars in Thousands)**

Revenue	FY 2011 Estimate	As a % of Total Fund	June			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	\$138,930	\$141,710	(2.0)	\$844,377	\$830,112	1.7	3.1
Priority Transportation Fund (PTF)	150,300	4.45	2,000	2,000	0.0	150,327	149,102	0.8	0.8
Motor Vehicle Sales and Use Tax	506,500	15.00	47,873	48,128	(0.5)	532,178	473,707	12.3	6.9
State Sales and Use Tax	480,800	14.24	42,852	41,247	3.9	477,329	490,714	(2.7)	(2.0)
Motor Vehicle License Fees	234,800	6.95	21,191	23,483	(9.8)	237,860	230,200	3.3	2.0
International Registration Plan	61,300	1.82	5,210	6,851	(24.0)	61,053	59,770	2.1	2.6
Recordation Tax	32,200	0.95	3,581	3,774	(5.1)	34,984	35,186	(0.6)	(8.5)
Interest Earnings	38,600	1.14	5,012	4,784	4.8	18,268	22,956	(20.4)	68.1
Misc. Taxes, Fees, and Revenues	12,700	0.38	1,077	1,186	(9.2)	12,892	12,752	1.1	(0.4)
<b>Total State Taxes and Fees</b>	<b>\$2,372,700</b>	<b>70.26</b>	<b>\$267,726</b>	<b>\$273,163</b>	<b>(2.0)</b>	<b>\$2,369,268</b>	<b>\$2,304,499</b>	<b>2.8</b>	<b>3.0</b>

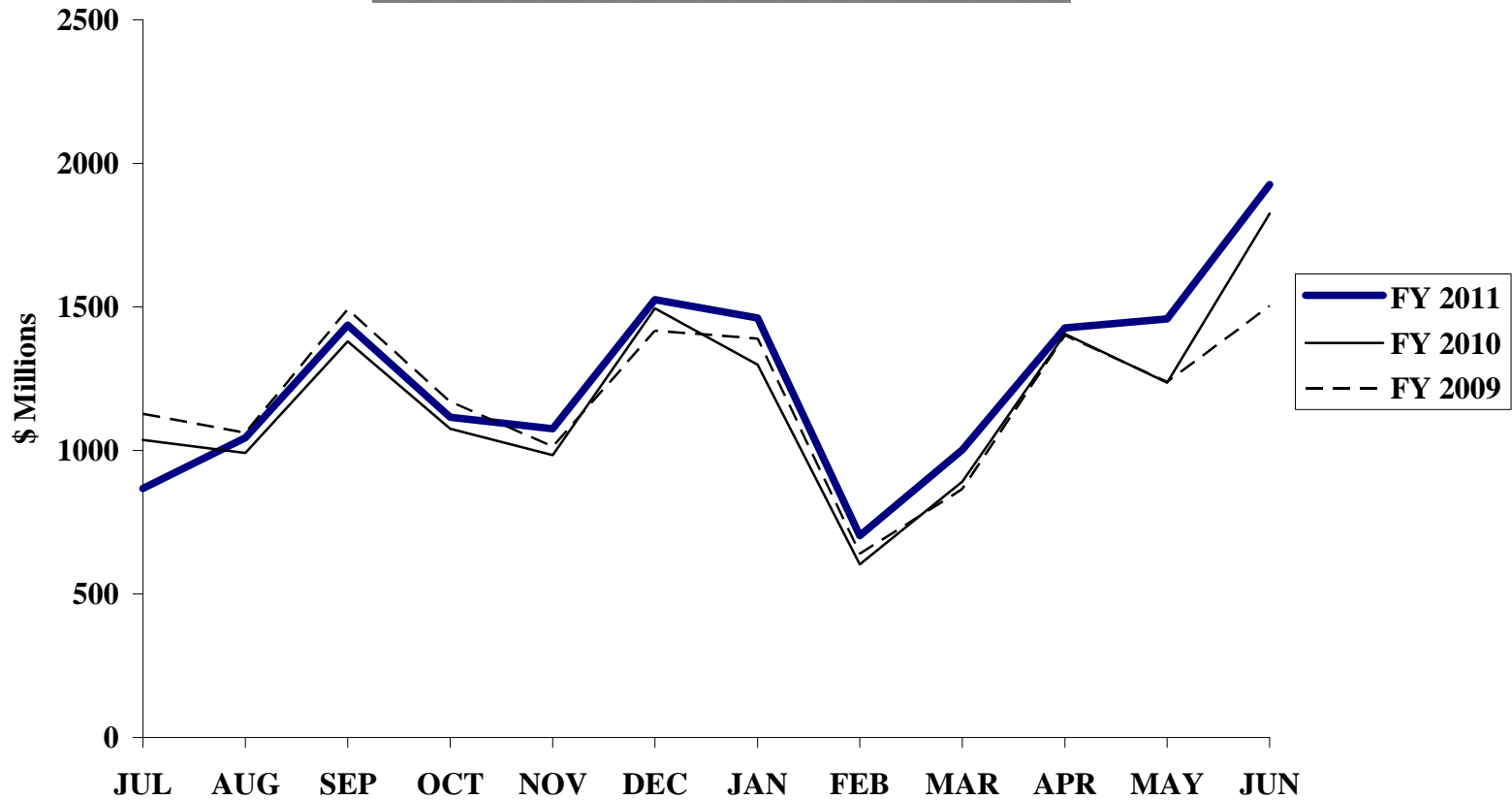
# Percentage is greater than or equal to 1,000%.

**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	June			Year-To-Date			% Annual Growth Required By Est
			FY 2011	FY 2010	% Change	FY 2011	FY 2010	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$739,800	21.90	\$119,915	\$122,932	(2.5)	\$726,729	\$715,089	1.6	3.5
Motor Vehicle Sales and Use Tax	309,800	9.17	29,465	29,598	(0.4)	324,836	289,456	12.2	7.0
Motor Vehicle License Fees	213,700	6.33	19,316	21,413	(9.8)	216,655	209,464	3.4	2.0
International Registration Plan	61,300	1.82	5,210	6,851	(24.0)	61,053	59,770	2.1	2.6
Recordation Tax (1 cent)	10,700	0.32	1,194	1,258	(5.1)	11,661	11,729	(0.6)	(8.8)
Misc. Taxes, Fees, and Revenues	12,700	0.38	1,077	1,186	(9.2)	12,892	12,752	1.1	(0.4)
<b>Total State Taxes and Fees</b>	<b>\$1,348,000</b>	<b>39.92</b>	<b>\$176,177</b>	<b>\$183,238</b>	<b>(3.9)</b>	<b>\$1,353,826</b>	<b>\$1,298,260</b>	<b>4.3</b>	<b>3.8</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$3,032	\$1,992	52.2	\$21,254	\$19,253	10.4	(100.0)
Miscellaneous Revenues	16,191	0.48	1,078	684	57.6	15,143	14,423	5.0	12.3
Transfer (to) / from Transportation Trust Fund	510,998	15.13	100,000	157,604	(36.5)	462,938	507,604	(8.8)	0.7
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,875,189</b>	<b>55.53</b>	<b>\$280,287</b>	<b>\$343,518</b>	<b>(18.4)</b>	<b>\$1,853,161</b>	<b>\$1,839,540</b>	<b>0.7</b>	<b>1.9</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$115,700	3.43	\$19,015	\$18,778	1.3	\$117,648	\$115,023	2.3	0.6
PTF Motor Fuels	20,000	0.59	2,000	2,000	0.0	20,000	20,000	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	18,408	18,530	(0.7)	207,342	184,251	12.5	6.8
State Sales and Use Tax	480,800	14.24	42,852	41,247	3.9	477,329	490,714	(2.7)	(2.0)
Motor Vehicle License Fees	21,100	0.62	1,875	2,070	(9.4)	21,205	20,736	2.3	1.8
Recordation Tax (2 cents)	21,500	0.63	2,387	2,516	(5.1)	23,323	23,457	(0.6)	(8.3)
Interest Earnings	38,600	1.14	5,012	4,784	4.8	18,268	22,956	(20.4)	68.1
<b>Total State Taxes and Fees</b>	<b>\$1,024,700</b>	<b>30.34</b>	<b>\$91,549</b>	<b>\$89,925</b>	<b>1.8</b>	<b>\$1,015,442</b>	<b>\$1,006,239</b>	<b>0.9</b>	<b>1.8</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$881,334	26.09	\$114,618	\$86,508	32.5	\$894,677	\$824,119	8.6	6.9
Receipts from Cities/Counties	59,007	1.75	4,478	2,273	97.0	43,526	46,086	(5.6)	28.0
Toll Revenues (Includes Route 28)	30,035	0.89	1,003	1,041	(3.7)	20,142	44,454	(54.7)	(32.4)
Miscellaneous Revenues	17,862	0.53	4,138	3,996	3.6	54,665	29,604	84.7	(39.7)
<b>Total Other Revenues</b>	<b>\$988,238</b>	<b>29.26</b>	<b>\$124,237</b>	<b>\$93,818</b>	<b>32.4</b>	<b>\$1,013,010</b>	<b>\$944,263</b>	<b>7.3</b>	<b>4.7</b>
<b>Transfer (to) / from Highway Maintenance and Operating Fund</b>									
Maintenance and Operating Fund	(\$510,998)	(15.13)	(\$100,000)	(\$157,604)	36.5	(\$462,938)	(\$507,604)	8.8	(0.7)
<b>Total Transportation Trust Fund</b>	<b>\$1,501,940</b>	<b>44.47</b>	<b>\$115,786</b>	<b>\$26,139</b>	<b>343.0</b>	<b>\$1,565,514</b>	<b>\$1,442,898</b>	<b>8.5</b>	<b>4.1</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>									
	<b>\$3,377,129</b>	<b>100.00</b>	<b>\$396,073</b>	<b>\$369,657</b>	<b>7.1</b>	<b>\$3,418,675</b>	<b>\$3,282,438</b>	<b>4.2</b>	<b>2.9</b>

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

## Total General Fund Revenues

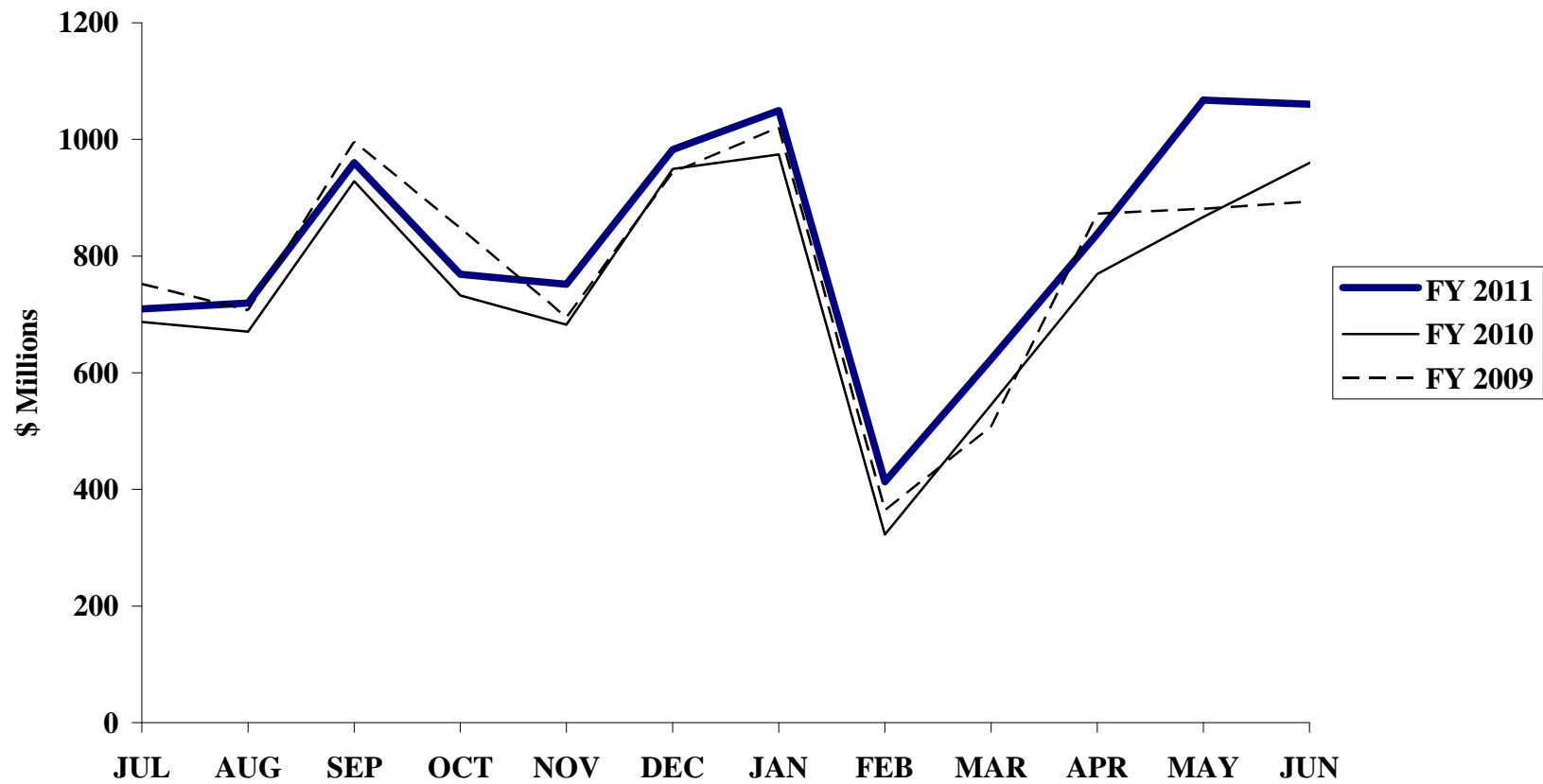


**FY 2009 Actual = \$14,315.1 Million**

**FY 2010 Actual = \$14,219.5 Million**

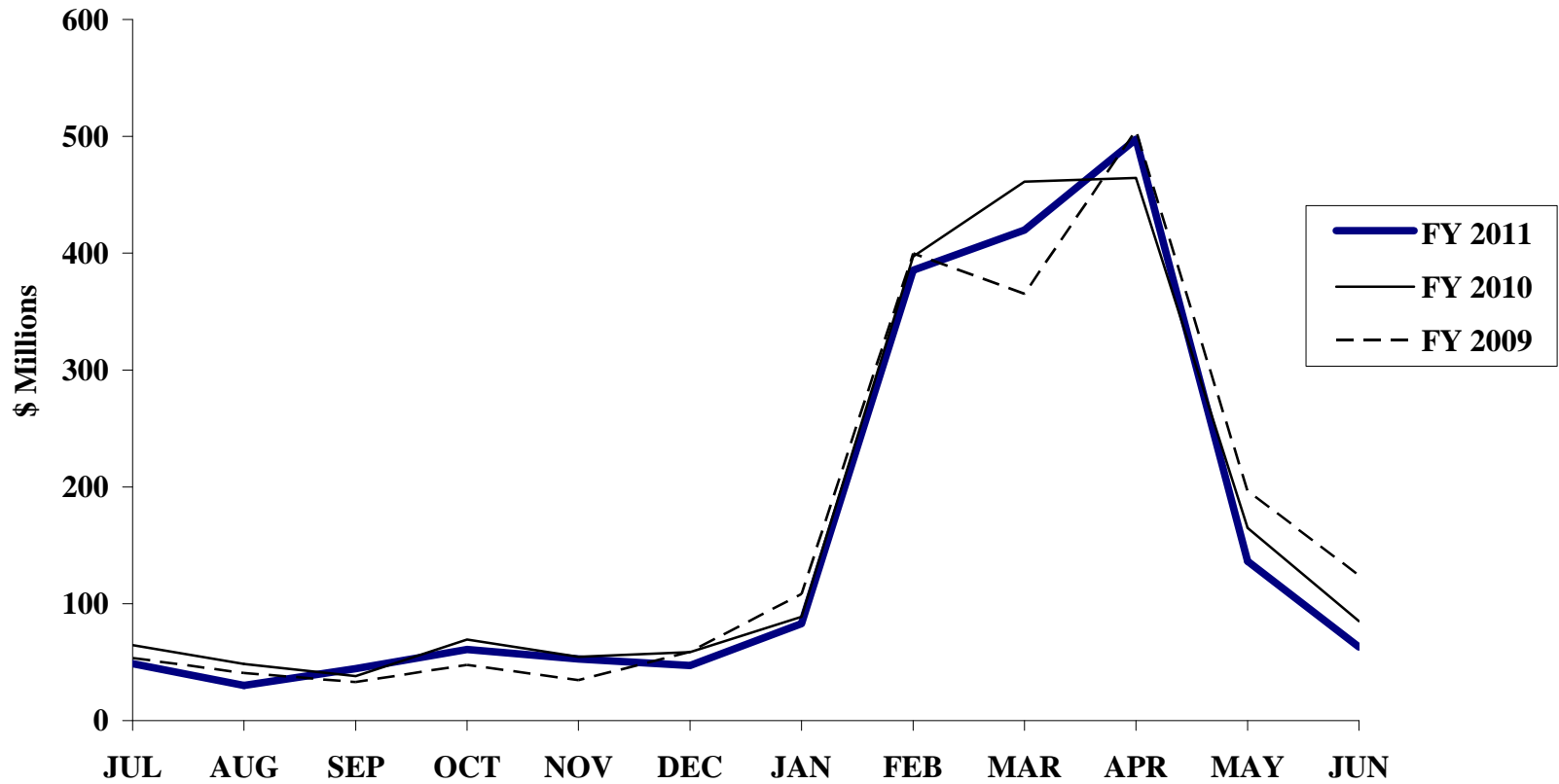
**FY 2011 Actual = \$15,040.2 Million**

# Net Individual Income Tax



**FY 2009 Actual = \$9,481.1 Million**  
**FY 2010 Actual = \$9,088.3 Million**  
**FY 2011 Actual = \$9,944.4 Million**

## Individual and Fiduciary Income Tax Refunds



**FY 2009 Actual = \$1,967.4 Million**

**FY 2010 Actual = \$1,994.7 Million**

**FY 2011 Actual = \$1,869.3 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 <sup>1</sup>
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate	Yield
July, 2010	\$3,327.4	0.63%	\$1,232.3 <sup>2</sup>	11.01% <sup>2</sup>	\$4,559.7 <sup>2</sup>	3.44%	0.29%
August	\$2,790.8	0.29% <sup>3</sup>	\$1,244.3	12.57%	\$4,035.1	4.08% <sup>3</sup>	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% <sup>4</sup>	\$1,243.3	3.38%	\$4,726.9	1.12% <sup>4</sup>	0.27%
February	\$3,734.0	0.33% <sup>5</sup>	\$1,246.2	2.51%	\$4,980.2	0.88% <sup>5</sup>	0.29%
March	\$3,437.9	0.31% <sup>6</sup>	\$1,247.5	0.32%	\$4,685.4	0.31% <sup>6</sup>	0.26%
April	\$3,270.9	0.37% <sup>7</sup>	\$1,254.3	12.96%	\$4,525.2	3.86% <sup>7</sup>	0.25%
May	\$3,725.0	0.32% <sup>8</sup>	\$1,267.2	12.26%	\$4,992.2	3.35% <sup>8</sup>	0.19%
June	\$3,858.8	0.35% <sup>9</sup>	\$1,272.2	-2.39%	\$5,131.0	-0.33% <sup>9</sup>	0.18%
<b>Year-to-Date Average</b>	<b>\$3,360.6</b>	<b>0.42%</b>	<b>\$1,251.5</b>	<b>3.73%</b>	<b>\$4,612.1</b>	<b>1.32%</b>	<b>0.25%</b>

• 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.

<sup>1</sup> Federal Reserve Bank H.15 Release.

<sup>2</sup> Revised July External Manager Average Balance, Total Return and Composite Average Balance

<sup>3</sup> 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%.

<sup>4</sup> 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%.

<sup>5</sup> 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%.

<sup>6</sup> 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%.

<sup>7</sup> 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%.

<sup>8</sup> 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%.

<sup>9</sup> The Primary Liquidity Yield of 0.35% reflects a \$6,565.56 write down of Morgan Stanley ABS Capital I in the securities lending portfolio. The write down did not impact the Primary Liquidity Yield or the Composite Rate.



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

<u>Month</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Allocated (A)</u>	<u>Ending Balance</u>
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	\$298,260,009	\$0	\$0	\$1,101,489	\$299,361,498

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

**Commonwealth of Virginia/Department of Accounts  
Summary Report on General Fund Revenue Collections  
For the Fiscal Years 2011 and 2012  
(Dollars in Thousands)**

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2012 Estimate	As a % of Gen Fund Rev	July FY 2012	July FY 2011	% Change	Year-To-Date FY 2012	Year-To-Date FY 2011	% Change	% Annual Growth Req By Est
<b>Individual Income Tax:</b>									
Withholding	\$9,958,000	63.85	\$748,850	\$726,407	3.1	\$748,850	\$726,407	3.1	3.4
Tax Dues/Estimated Payments	2,223,600	14.26	39,170	31,734	23.4	39,170	31,734	23.4	2.1
<b>Gross Individual Income Tax</b>	<b>\$12,181,600</b>	<b>78.11</b>	<b>\$788,020</b>	<b>\$758,141</b>	<b>3.9</b>	<b>\$788,020</b>	<b>\$758,141</b>	<b>3.9</b>	<b>3.1</b>
Individual and Fiduciary Income (Refunds)	(1,852,000)	(11.87)	(38,517)	(48,759)	(21.0)	(38,517)	(48,759)	(21.0)	(0.9)
<b>Net Individual Income Tax</b>	<b>\$10,329,600</b>	<b>66.24</b>	<b>\$749,503</b>	<b>\$709,382</b>	<b>5.7</b>	<b>\$749,503</b>	<b>\$709,382</b>	<b>5.7</b>	<b>3.9</b>
<b>Sales and Use Tax</b>	<b>\$3,115,500</b>	<b>19.97</b>	<b>\$141,756</b>	<b>\$102,436</b>	<b>38.4</b>	<b>\$141,756</b>	<b>\$102,436</b>	<b>38.4</b>	<b>3.4</b>
<b>Corporations Income Tax</b>	<b>831,600</b>	<b>5.33</b>	<b>3,841</b>	<b>(635)</b>	<b>704.9</b>	<b>3,841</b>	<b>(635)</b>	<b>704.9</b>	<b>1.1</b>
<b>Wills, Suits, Deeds, Contracts</b>	<b>301,100</b>	<b>1.93</b>	<b>24,202</b>	<b>23,795</b>	<b>1.7</b>	<b>24,202</b>	<b>23,795</b>	<b>1.7</b>	<b>3.3</b>
<b>Insurance Premiums</b>	<b>289,600</b>	<b>1.86</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>2.9</b>
<b>Interest Income (a)</b>	<b>103,600</b>	<b>0.67</b>	<b>7,237</b>	<b>6,896</b>	<b>4.9</b>	<b>7,237</b>	<b>6,896</b>	<b>4.9</b>	<b>27.7</b>
<b>Alcoholic Beverage Sales (b)</b>	<b>180,600</b>	<b>1.16</b>	<b>4,269</b>	<b>4,218</b>	<b>1.2</b>	<b>4,269</b>	<b>4,218</b>	<b>1.2</b>	<b>0.9</b>
<b>All Other Revenues</b>	<b>443,200</b>	<b>2.84</b>	<b>24,581</b>	<b>21,336</b>	<b>15.2</b>	<b>24,581</b>	<b>21,336</b>	<b>15.2</b>	<b>3.5</b>
<b>Total General Fund Revenues</b>	<b>\$15,594,800</b>	<b>100.00</b>	<b>\$955,389</b>	<b>\$867,428</b>	<b>10.1</b>	<b>\$955,389</b>	<b>\$867,428</b>	<b>10.1</b>	<b>3.7</b>

# 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 2011 and 2012  
(Dollars in Thousands)**

Revenue	(1) FY 2012 Estimate	(2) As a % of Total Gen Fund Rev	(3) FY 2012	(4) July FY 2011	(5) % Change	(6) FY 2012	(7) Year-To-Date FY 2011	(8) % Change	(9) % Annual Growth Req By Est
<b>Taxes:</b>									
Individual Income Tax - Withholding	\$9,958,000	63.85	\$748,850	\$726,407	3.1	\$748,850	\$726,407	3.1	3.4
Tax Dues/Estimated Payments	2,223,600	14.26	39,170	31,734	23.4	39,170	31,734	23.4	2.1
Gross Individual Income Tax	\$12,181,600	78.11	\$788,020	\$758,141	3.9	\$788,020	\$758,141	3.9	3.1
Individ and Fiduc Income (Refunds)	(1,852,000)	(11.87)	(38,517)	(48,759)	(21.0)	(38,517)	(48,759)	(21.0)	(0.9)
Net Individual Income Tax	\$10,329,600	66.24	\$749,503	\$709,382	5.7	\$749,503	\$709,382	5.7	3.9
Sales and Use Tax	3,115,500	19.97	141,756	102,436	38.4	141,756	102,436	38.4	3.4
Corporations Income	831,600	5.33	3,841	(635)	704.9	3,841	(635)	704.9	1.1
Public Service Corporations	96,400	0.62	5,163	2,015	156.2	5,163	2,015	156.2	2.8
Insurance Premiums	289,600	1.86	0	0	-	0	0	-	2.9
Alcoholic Beverage Excise	137,100	0.88	0	0	-	0	0	-	0.8
Beer and Beverage Excise	43,500	0.28	4,269	4,218	1.2	4,269	4,218	1.2	1.3
Wills, Suits, Deeds, Contracts	301,100	1.93	24,202	23,795	1.7	24,202	23,795	1.7	3.3
Inheritance, Gift, and Estate	2,000	0.01	67	659	(89.8)	67	659	(89.8)	(26.3)
Bank Franchise	18,000	0.12	125	55	127.3	125	55	127.3	(26.2)
Other Taxes	4,100	0.03	560	(97)	677.3	560	(97)	677.3	247.0
<b>Total Taxes</b>	<b>\$15,168,500</b>	<b>97.27</b>	<b>\$929,486</b>	<b>\$841,828</b>	<b>10.4</b>	<b>\$929,486</b>	<b>\$841,828</b>	<b>10.4</b>	<b>3.5</b>
<b>Rights and Privileges:</b>									
Licenses and Permits	\$4,200	0.03	\$200	\$288	(30.6)	\$200	\$288	(30.6)	(3.4)
Corp. Franchise and Charters	46,700	0.29	443	476	(6.9)	443	476	(6.9)	5.2
Fees for Misc. Privileges & Services	10,200	0.07	542	599	(9.5)	542	599	(9.5)	(8.4)
<b>Total Rights and Privileges</b>	<b>\$61,100</b>	<b>0.39</b>	<b>\$1,185</b>	<b>\$1,363</b>	<b>(13.1)</b>	<b>\$1,185</b>	<b>\$1,363</b>	<b>(13.1)</b>	<b>2.0</b>
<b>Other Revenues:</b>									
Sales of Property & Commodities	\$20,000	0.13	\$0	\$0	-	\$0	\$0	-	596.1
Assessmts & Rcpts for Support of Special Svcs	400	0.00	53	110	(51.8)	53	110	(51.8)	(8.3)
Institutional Revenue	5,800	0.04	415	432	(3.9)	415	432	(3.9)	(10.0)
Interest (a)	103,600	0.67	7,237	6,896	4.9	7,237	6,896	4.9	27.7
Dividends and Rent	300	0.00	38	35	8.6	38	35	8.6	(17.1)
Fines, Forfeitures & Fees	227,400	1.46	16,707	16,985	(1.6)	16,707	16,985	(1.6)	(0.5)
Other Revenue	8,200	0.05	245	381	(35.7)	245	381	(35.7)	(20.3)
Excess Fees	(10,300)	(0.07)	(640)	(1,214)	47.3	(640)	(1,214)	47.3	(19.4)
Private Donations, Gifts & Cont.	0	0.00	0	5	(100.0)	0	5	(100.0)	(100.0)
Cities, Counties, and Towns	9,800	0.06	663	607	9.2	663	607	9.2	1.9
<b>Total Other Revenues</b>	<b>\$365,200</b>	<b>2.34</b>	<b>\$24,718</b>	<b>\$24,237</b>	<b>2.0</b>	<b>\$24,718</b>	<b>\$24,237</b>	<b>2.0</b>	<b>10.3</b>
<b>Total General Fund Revenues</b>	<b>\$15,594,800</b>	<b>100.00</b>	<b>\$955,389</b>	<b>\$867,428</b>	<b>10.1</b>	<b>\$955,389</b>	<b>\$867,428</b>	<b>10.1</b>	<b>3.7</b>

# 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 2011 and 2012  
(Dollars in Thousands)**

	<b>FY 2012 Estimate</b>	<b>(a)</b>	<b>July</b>			<b>Year-To-Date</b>			<b>% Annual Growth Required By Estimate</b>
			<b>FY 2012</b>	<b>FY 2011</b>	<b>% Change</b>	<b>FY 2012</b>	<b>FY 2011</b>	<b>% Change (b)</b>	
Lottery Collections									
Win for Life / Decades of Dollars (c)	\$25,000		\$2,815	\$1,981	42.1	\$2,815	\$1,981	42.1	(15.0)
Cash 5	25,000		2,157	2,373	(9.1)	2,157	2,373	(9.1)	(6.2)
Pick 4	200,000		17,317	17,033	1.7	17,317	17,033	1.7	(3.5)
Pick 3	240,000		19,734	20,946	(5.8)	19,734	20,946	(5.8)	(0.8)
Mega Millions / Powerball	200,000		14,685	14,783	(0.7)	14,685	14,783	(0.7)	(2.5)
Fast Play	8,000		931	532	75.0	931	532	75.0	(10.3)
Raffle	6,600		0	0	-	0	0	-	0.0
Scratch	750,000		60,479	60,154	0.5	60,479	60,154	0.5	(0.9)
Gross Lottery Revenue	<u>1,454,600</u>		<u>118,118</u>	<u>117,802</u>	<u>0.3</u>	<u>118,118</u>	<u>117,802</u>	<u>0.3</u>	<u>(1.9)</u>
Expenses (d)	<u>1,018,725</u>		<u>81,002 (e)</u>	<u>80,842</u>	<u>0.2</u>	<u>81,002 (e)</u>	<u>80,842</u>	<u>0.2</u>	<u>(1.9)</u>
Net Lottery Ticket Profits	<u>\$435,875</u>		<u>\$37,116 (e)</u>	<u>\$36,960</u>	<u>0.4</u>	<u>\$37,116 (e)</u>	<u>\$36,960</u>	<u>0.4</u>	<u>(1.9)</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 2011 and 2012**  
**(Dollars in Thousands)**

Revenue	FY 2012 Estimate	As a % of Total Fund	July			Year-To-Date			% Annual Growth Required By Estimate
			FY 2012	FY 2011	% Change	FY 2012	FY 2011	% Change	
Motor Fuel Taxes	\$866,800	24.11	\$3,382	\$15,523	(78.2)	\$3,382	\$15,523	(78.2)	2.7
Priority Transportation Fund (PTF)	156,000	4.34	2,082	3,424	(39.2)	2,082	3,424	(39.2)	3.8
Motor Vehicle Sales and Use Tax	531,100	14.77	48,091	45,230	6.3	48,091	45,230	6.3	(0.2)
State Sales and Use Tax	501,600	13.96	22,183	16,778	32.2	22,183	16,778	32.2	5.1
Motor Vehicle License Fees	237,400	6.60	21,023	21,066	(0.2)	21,023	21,066	(0.2)	(0.2)
International Registration Plan	63,200	1.76	2,682	4,595	(41.6)	2,682	4,595	(41.6)	3.5
Recordation Tax	34,600	0.96	2,919	2,467	18.3	2,919	2,467	18.3	(1.1)
Interest Earnings	27,800	0.77	10	4	150.0	10	4	150.0	52.2
Misc. Taxes, Fees, and Revenues	12,900	0.36	975	1,192	(18.2)	975	1,192	(18.2)	0.1
<b>Total State Taxes and Fees</b>	<b>\$2,431,400</b>	<b>67.63</b>	<b>\$103,347</b>	<b>\$110,279</b>	<b>(6.3)</b>	<b>\$103,347</b>	<b>\$110,279</b>	<b>(6.3)</b>	<b>2.6</b>

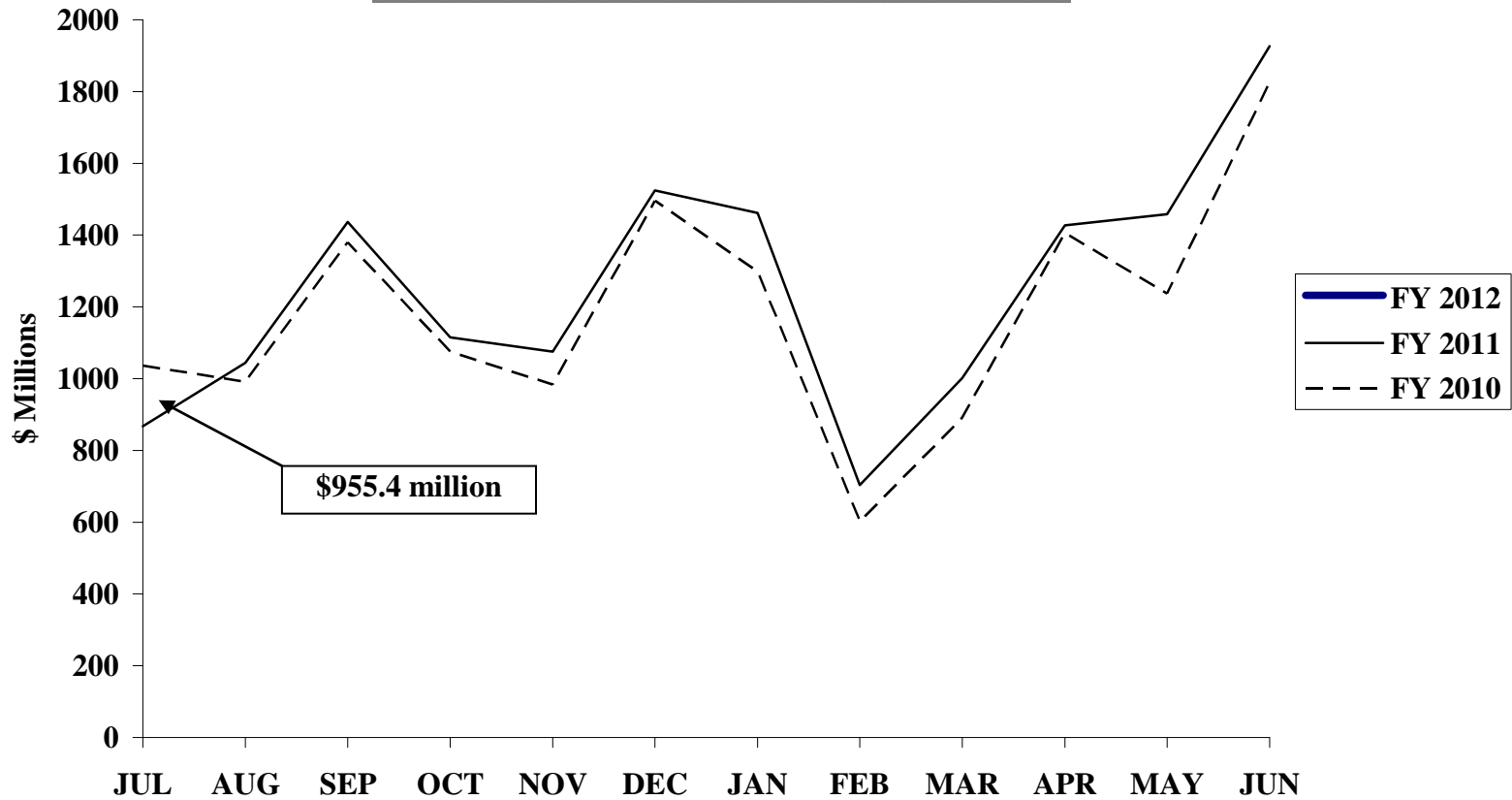
# Percentage is greater than or equal to 1,000%.

**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 2011 and 2012**  
**(Dollars in Thousands)**

Revenue	FY 2012 Estimate	As a % of Total Fund	July			Year-To-Date			% Annual Growth Required By Est
			FY 2012	FY 2011	% Change	FY 2012	FY 2011	% Change	
<b>HIGHWAY MAINTENANCE AND OPERATING FUND:</b>									
Motor Fuel Taxes (Includes Road Tax)	\$749,900	20.86	\$3,472	\$14,187	(75.5)	\$3,472	\$14,187	(75.5)	3.2
Motor Vehicle Sales and Use Tax	325,400	9.05	29,318	27,883	5.1	29,318	27,883	5.1	0.2
Motor Vehicle License Fees	216,100	6.01	19,154	19,300	(0.8)	19,154	19,300	(0.8)	(0.3)
International Registration Plan	63,200	1.76	2,682	4,595	(41.6)	2,682	4,595	(41.6)	3.5
Recordation Tax (1 cent)	11,500	0.32	973	822	18.4	973	822	18.4	(1.4)
Misc. Taxes, Fees, and Revenues	12,900	0.36	975	1,192	(18.2)	975	1,192	(18.2)	0.1
<b>Total State Taxes and Fees</b>	<b>\$1,379,000</b>	<b>38.36</b>	<b>\$56,574</b>	<b>\$67,979</b>	<b>(16.8)</b>	<b>\$56,574</b>	<b>\$67,979</b>	<b>(16.8)</b>	<b>1.9</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$0	0.00	\$1,128	\$1,619	(30.3)	\$1,128	\$1,619	(30.3)	(100.0)
Miscellaneous Revenues	11,479	0.32	1,613	481	235.3	1,613	481	235.3	(24.2)
Transfer (to) / from Transportation Trust Fund	447,767	12.45	0	0	-	0	0	-	(3.3)
<b>Total Highway Maintenance and Operating Fund</b>	<b>\$1,838,246</b>	<b>51.13</b>	<b>\$59,315</b>	<b>\$70,079</b>	<b>(15.4)</b>	<b>\$59,315</b>	<b>\$70,079</b>	<b>(15.4)</b>	<b>(0.8)</b>
<b>TRANSPORTATION TRUST FUND:</b>									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$116,900	3.25	(\$90)	\$1,336	(106.7)	(\$90)	\$1,336	(106.7)	(0.6)
PTF Motor Fuels	20,000	0.56	0	0	-	0	0	-	0.0
PTF Insurance Premiums Tax	136,000	3.78	2,082	3,424	(39.2)	2,082	3,424	(39.2)	4.4
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	205,700	5.72	18,773	17,347	8.2	18,773	17,347	8.2	(0.8)
State Sales and Use Tax	501,600	13.96	22,183	16,778	32.2	22,183	16,778	32.2	5.1
Motor Vehicle License Fees	21,300	0.59	1,869	1,766	5.8	1,869	1,766	5.8	0.4
Recordation Tax (2 cents)	23,100	0.64	1,946	1,645	18.3	1,946	1,645	18.3	(1.0)
Interest Earnings	27,800	0.77	10	4	150.0	10	4	150.0	52.2
<b>Total State Taxes and Fees</b>	<b>\$1,052,400</b>	<b>29.27</b>	<b>\$46,773</b>	<b>\$42,300</b>	<b>10.6</b>	<b>\$46,773</b>	<b>\$42,300</b>	<b>10.6</b>	<b>3.6</b>
<b>Other Revenues:</b>									
Federal Grants and Contracts	\$1,006,822	28.00	\$70,749	\$91,607	(22.8)	\$70,749	\$91,607	(22.8)	12.5
Receipts from Cities/Counties	102,383	2.85	4,762	2,787	70.9	4,762	2,787	70.9	135.2
Toll Revenues (Includes Route 28)	28,949	0.80	0	2,189	(100.0)	0	2,189	(100.0)	43.7
Miscellaneous Revenues	14,219	0.40	4,456	1,934	130.4	4,456	1,934	130.4	(74.0)
<b>Total Other Revenues</b>	<b>\$1,152,373</b>	<b>32.05</b>	<b>\$79,967</b>	<b>\$98,517</b>	<b>(18.8)</b>	<b>\$79,967</b>	<b>\$98,517</b>	<b>(18.8)</b>	<b>13.8</b>
<b>Transfer (to) / from Highway Maintenance and Operating Fund</b>									
Maintenance and Operating Fund	(\$447,767)	(12.45)	\$0	\$0	-	\$0	\$0	-	3.3
<b>Total Transportation Trust Fund</b>	<b>\$1,757,006</b>	<b>48.87</b>	<b>\$126,740</b>	<b>\$140,817</b>	<b>(10.0)</b>	<b>\$126,740</b>	<b>\$140,817</b>	<b>(10.0)</b>	<b>12.2</b>
<b>TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND</b>									
	<b>\$3,595,252</b>	<b>100.00</b>	<b>\$186,055</b>	<b>\$210,896</b>	<b>(11.8)</b>	<b>\$186,055</b>	<b>\$210,896</b>	<b>(11.8)</b>	<b>5.2</b>

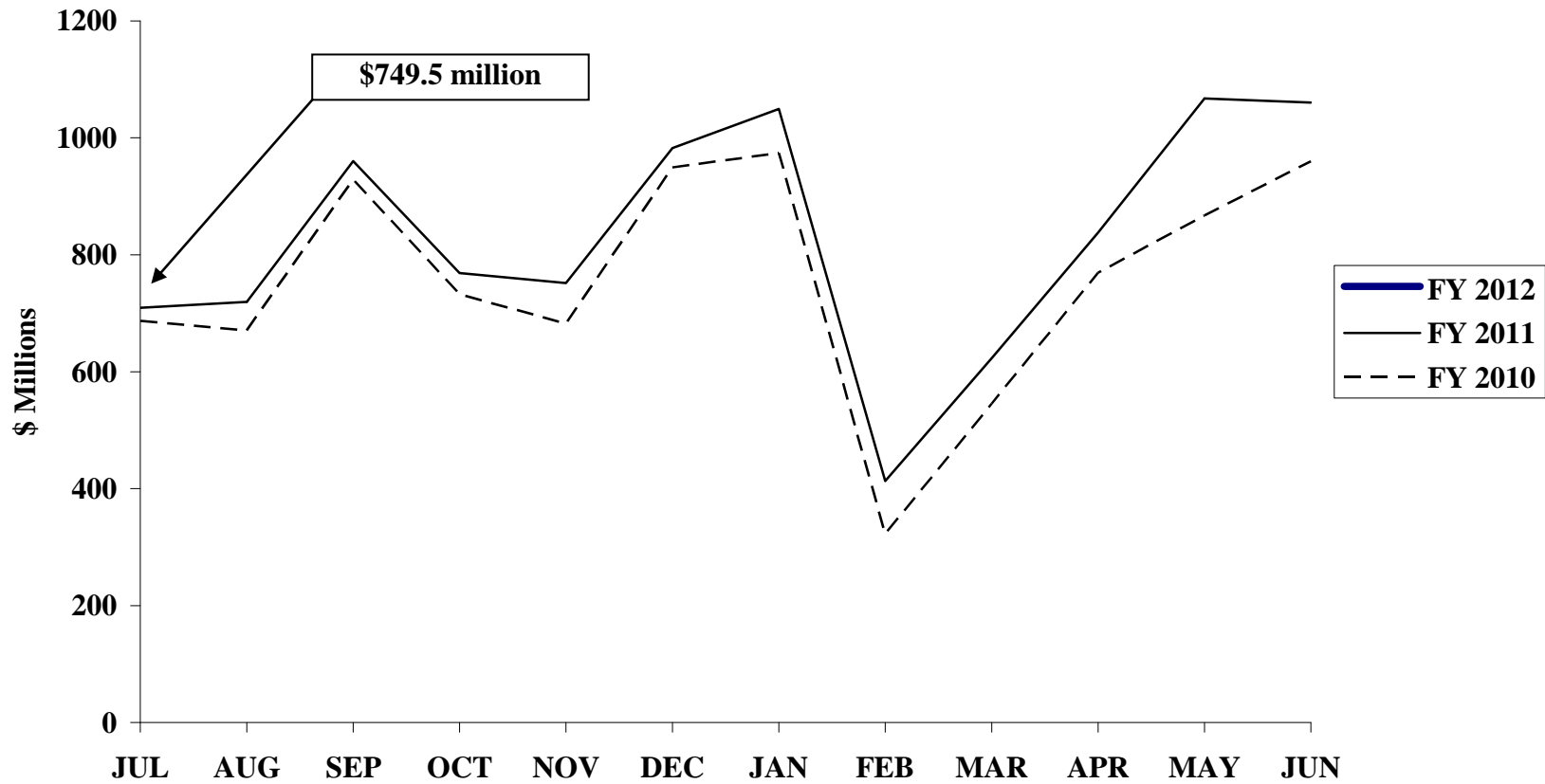
# Percentage is greater than or equal to 1,000%.

## Total General Fund Revenues



**FY 2010 Actual = \$14,219.5 Million**  
**FY 2011 Actual = \$15,040.2 Million**  
**FY 2012 Estimate = \$15,594.8 Million**

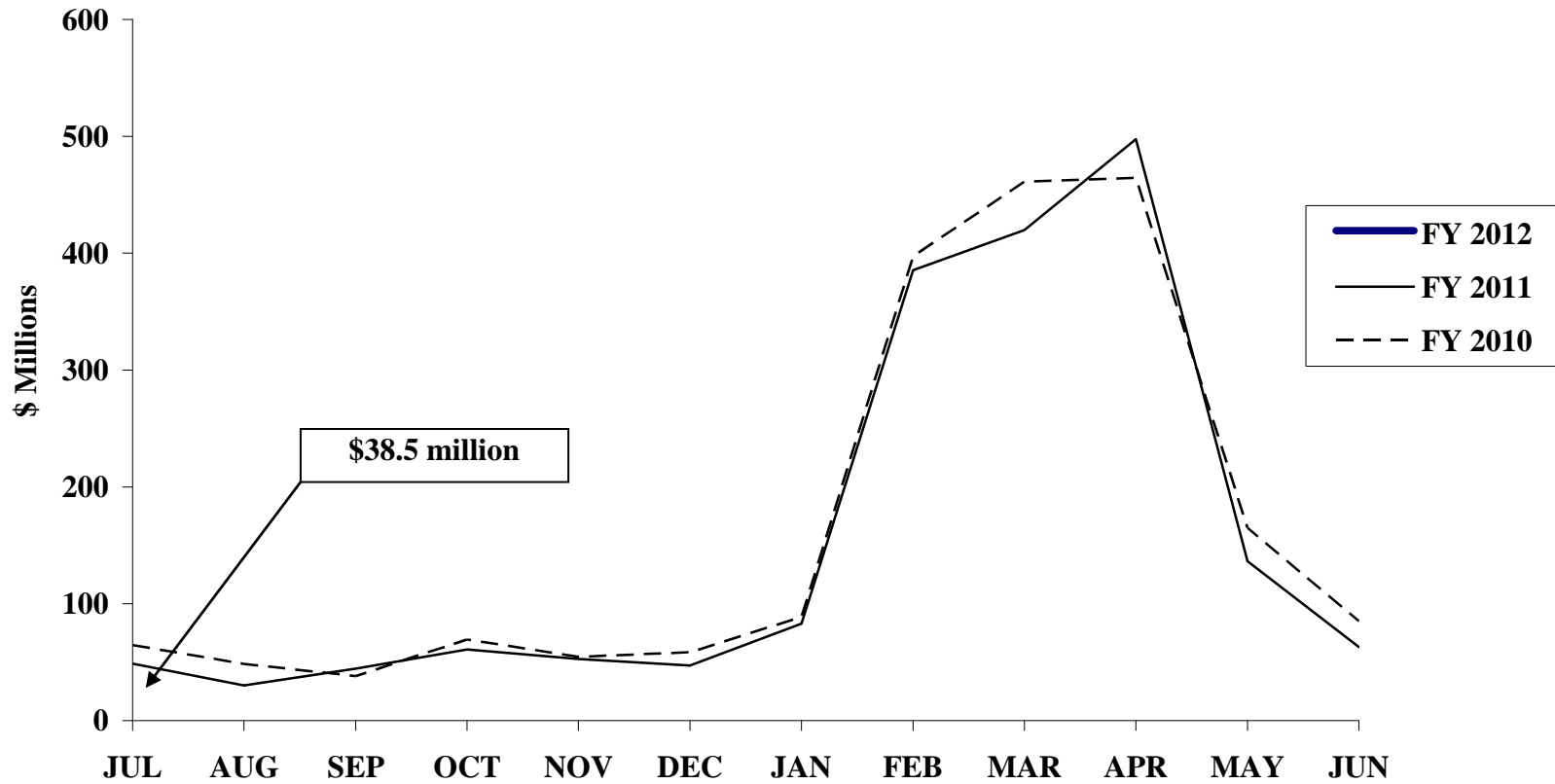
# Net Individual Income Tax



**FY 2010 Actual = \$9,088.3 Million**  
**FY 2011 Actual = \$9,944.4 Million**  
**FY 2012 Estimate = \$10,329.6 Million**



## Individual and Fiduciary Income Tax Refunds



**FY 2010 Actual = \$1,994.7 Million**  
**FY 2011 Actual = \$1,869.3 Million**  
**FY 2012 Estimate = \$1,852.0 Million**

## DEPARTMENT OF THE TREASURY

General Account Investment Portfolio  
 Monthly Average Balances and Rates  
 For the Fiscal Year 2012  
 (Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE		TREASURY 1 YR. CONSTANT MATURITY <sup>1</sup>
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate	Yield
July, 2011	\$3,889.8	0.31%	\$1,279.0	15.39%	\$5,168.8	4.04%	0.19%
August							
September							
October							
November							
December							
January, 2012							
February							
March							
April							
May							
June							
<b>Year-to-Date Average</b>	\$3,889.8	0.31%	\$1,279.0	15.39%	\$5,168.8	4.04%	0.19%

• 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.

<sup>1</sup> Federal Reserve Bank H.15 Release.

**Commonwealth of Virginia/Department of Accounts  
Report on the Revenue Stabilization Fund  
For the Fiscal Year 2012**

<u>Month</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Interest Allocated (A)</u>	<u>Ending Balance</u>
July	\$299,361,498	\$0	\$0	\$0	\$299,361,498
August					
September					
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.

## **Moody's Confirms U.S. Aaa Rating and Assigns Negative Outlook to the Commonwealth and Four Other States**

Moody's Investors Service confirmed the Aaa bond rating of the U.S. Government following an increase of the statutory debt limit on August 2, 2011. The rating outlook is now negative. On August 4, 2011, Moody's affirmed the Commonwealth's Aaa bond rating but assigned a negative outlook to Virginia, Maryland, New Mexico, South Carolina and Tennessee.

Moody's cited rationale for the negative outlook of the Commonwealth and the four other Aaa states is that they have above average exposure to several sovereign risk factors, including macroeconomic sensitivity, capital markets reliance, and dependence on federal revenues, offset by financial resources available to counteract those risks.

To determine each state's vulnerability to these risk factors, Moody's examined six measures for each state. These measures, as well as Virginia's performance on them, are detailed below.

- Employment volatility due to U.S. factors: Above average;
- Federal employment as a percentage of total state employment: Above average;
- Federal procurement contracts as a percentage of state gross domestic product: Above average;
- Medicaid as a percentage of total state expenditures: Below average;
- Capital markets risk: Low due to a small amount of puttable variable rate debt outstanding;
- As a mitigant to those risks, available operating fund balance as a percentage of operating revenue. Below average

Moody's will perform additional analysis of the sovereign risk factors in the five affected states on a case-by-case basis, and examine additional mitigants to determine if the states' financial positions and governance are strong enough to negate the impact of a potential U.S. downgrade.

## **Standard & Poor's Downgrades U.S. Rating But Asserts That State and Local Government Ratings Are Not Directly Constrained By That Action**

Standard & Poor's issued a Ratings Direct brief on August 8, 2011, titled "State And Local Government Ratings Are Not Directly Constrained By That Of The U.S. Sovereign." The conclusion of the brief is that Standard & Poor's does not directly link their ratings on U.S. state and local governments to that of the U.S. sovereign debt rating.

Standard & Poor's will allow a state or local government to have a higher rating than the sovereign if, in the rating firm's view, the state or local government demonstrates the following three characteristics:

- The ability to maintain stronger credit characteristics than the sovereign in a stress scenario;
- An institutional framework that is predictable and that is likely to limit the risk of negative sovereign intervention; and
- The projected ability to mitigate negative sovereign intervention by a high degree of financial flexibility and independent treasury management.

In light of the potential for common economic and credit environments between the U.S. and state and local governments, Standard & Poor's expects that in most instances in which state and local governments have ratings above that of the U.S., the differential will be limited to one notch. Each state will be rated for their interdependence on U.S. sovereign's direct cash flow, such as Medicaid or other direct dependence on U.S. sovereign's spending.