

ACTUAL FISCAL YEAR 2000 REVENUES AND THE STATE OF THE VIRGINIA ECONOMY



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

Ronald L. Tillett
Secretary of Finance

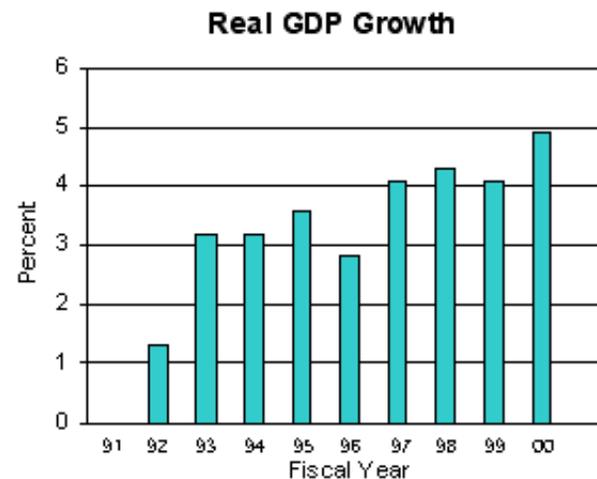
August 21, 2000

The revenue forecast was attained as ideal economic conditions prevailed...

- Revenue Growth
 - ◆ Forecast -- 10.4% Actual -- 10.5%
 - ◆ \$5.8 million surplus -- smallest since FY83
- Economic forecast close to target
 - ◆ In Virginia
 - Job growth close to forecast of 2.4%
 - Unemployment at generational low
 - ◆ In the US
 - Longest expansion in US history
- Overall, another year of solid growth
 - ◆ good economic conditions = good revenue growth

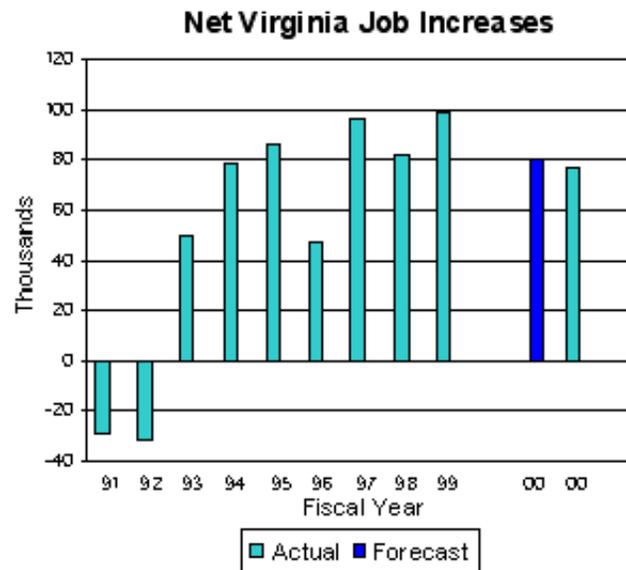
As expected, the US expansion continued on its path of robust growth...

- Real GDP growth above 4 percent for the 4th year in a row
 - ◆ Fed has raised interest rates 6 times over the last year to cool the expansion
 - ◆ Fed meets tomorrow, 8-22-00
- Inflation remains under 3.0 percent for the 7th year in a row
- Consumers continued to drive the expansion
 - ◆ Confidence levels very high
 - ◆ Solid job and income growth



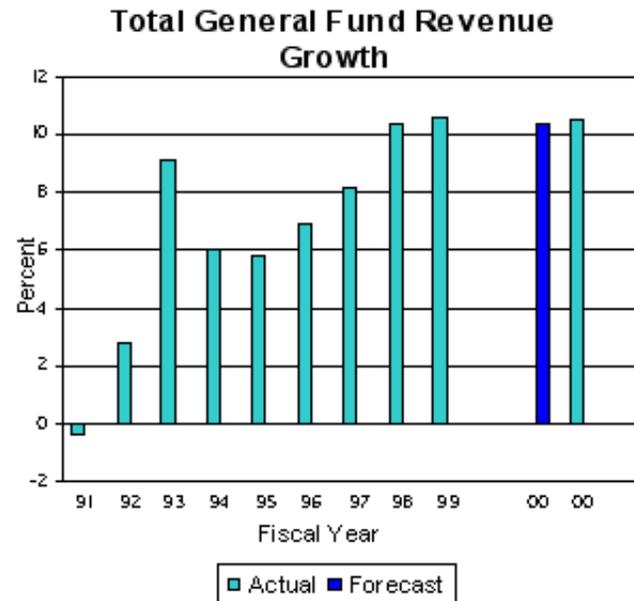
Virginia's economy grew at an impressive rate, despite tight labor markets...

- Job growth was close to 2.3%
 - 4th consecutive year of over 2.0% growth
- Unemployment at 30+ year low
 - Extremely tight labor markets
 - 46% of state below 2.0%
- Service jobs continue to dominate the labor market
 - 1 out of every 2 jobs created
 - a decade-long trend
 - Business services component continues to dominate
 - High-tech industry is the driving force



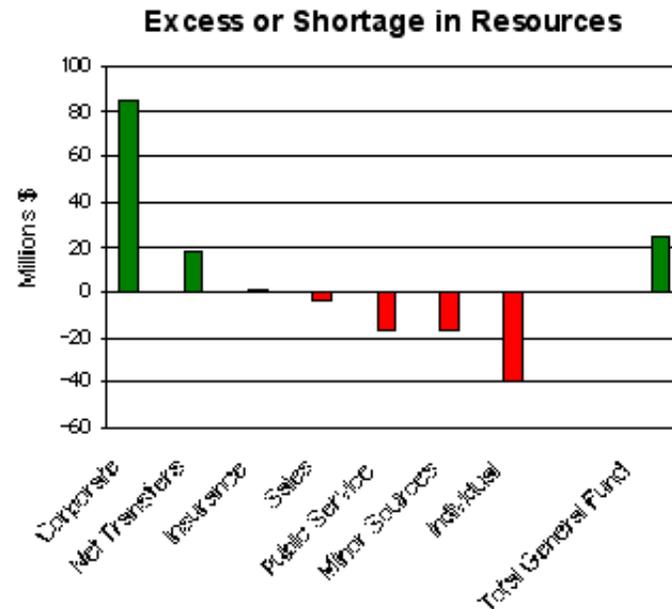
Revenue growth was consistent with expectations...

- Third year of over 10.0% growth
- Actual growth of 10.5% was one-tenth of a percentage point over forecast
- Forecast accuracy highlights consensus revenue forecasting process
 - ◆ Approach includes economists' and business leaders' input
 - ◆ Most accurate forecast since FY83



Total General Fund forecast was on target...

- General Fund surplus of \$24 million
 - Revenues -- \$5.8 million
 - Net Transfers -- \$17.9 million
 - Tobacco Settlement -- \$0.3 million
- Revenue sources had a typical mixed performance
 - Unusually large corporate payments resulted in 34.6% growth
 - Individual income taxes and sales taxes were within 0.6 percentage points of forecast

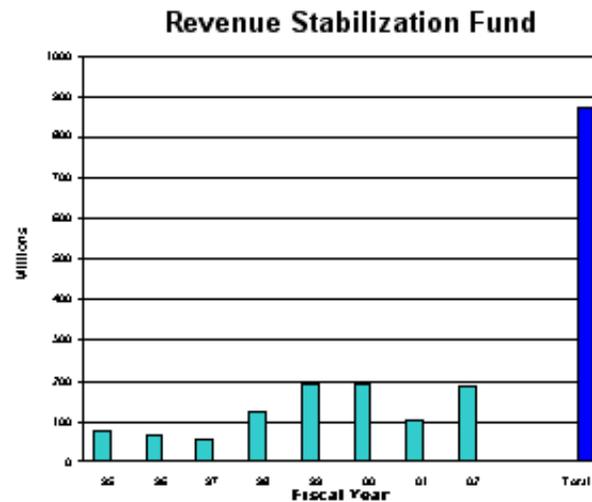


Robust corporate receipts offset slight shortfalls in individual and sales tax collections...

- Corporate receipts exceeded the forecast by \$84.4 million
 - ◆ An “April Surprise” was caused by a few large payments
 - Historical trend of dramatic swing in payments continued
- Net individual income tax collections very close to forecast -- -\$39.5 million
 - ◆ Payroll withholding grew at 10+% for the third year in a row, however, shy of forecast by 0.9 of a percentage point.
 - ◆ Nonwithholding payments slowed slightly more than expected
 - Tax due payments up 9.8%, lowest rate since fiscal year 1995
 - ◆ Refunds fell 1.2% after increasing 11.6% in fiscal year 1999
 - Variability has increased over the last four fiscal years
- Sales tax missed the forecast by approximately \$4.0 million
 - ◆ Solid consumer fundamentals continue to propel strong growth in sales tax collections

The deposit to the “Rainy Day Fund” from FY00 is estimated to be an additional \$23.8 million...

- The fiscal year 2002 total deposit is projected to be \$186.8 million
- The Revenue Stabilization Fund will have close to \$900 million on deposit by the end of fiscal year 2002
- For the first time since establishing the fund, the cap as currently calculated would be met
- Virginia is well-prepared in the event of an economic “rainy day”



Components of fiscal year 2000 General Fund balance...

General Fund Balance -- Budgetary (Cash) Basis for Fiscal Year 2000

(millions of dollars)

Total Reserved and Unreserved General Fund Balance		\$1,855.3
Revenue Stabilization Fund	\$574.6	
Revenue Stabilization Reserve (1999)	\$103.3	
Payroll Reserve for July 1, 2000 Payroll	\$67.6	
Total Reserved Balance		<u>\$745.5</u>
Designated Amounts:		
Virginia Water Quality Improvement Fund	\$2.7	
Revenue Stabilization Fund (2000)	\$170.9	
Natural Disaster Sum Sufficient	\$3.9	
Reappropriations of 2000 Unexpended Balances		
Mandatory Operating	\$117.1	
Discretionary Operating	\$34.8	
Capital Outlay	<u>\$352.0</u>	
Total Reappropriations	\$503.9	
Amount Required by Chapter 1073	<u>\$428.4</u>	
Total Designated Balance		<u>\$1,109.8</u>
Total Undesignated Balance		<u>\$0.0</u>

The fall forecasting process will examine the economic outlook...

- Economic growth is expected to cool after 4 years of blistering growth
 - ◆ One year after the first Fed interest rate hike -- growth is slowing
 - Real GDP growth was 6.5% in the second half of 1999
 - Real GDP growth was 5.3% in the first half of 2000
- Key economic indicators point towards growth slowing toward “trend”
 - ◆ Sustained higher gasoline prices are cutting into car sales growth and discretionary consumer spending
 - ◆ Housing starts are slowing from its recent torrid pace
 - ◆ Labor markets are extremely tight
- “Trend” growth is attainable because
 - ◆ Inflation is still under control
 - ◆ Lack of federal deficit is keeping Treasury interest rates low
 - ◆ The stock market is stabilizing without a prolonged correction

And will examine the official revenue estimates and further tax relief opportunities...

- Payroll withholding receipts and summer sales tax collections will provide insight in any significant revenue estimate revisions
 - ◆ Continued strong growth is needed to offset the large corporate payments in fiscal year 2000
- The 1.0 percentage point revenue surplus needed to automatically trigger the next rate reduction on the sales tax on food was not met
 - ◆ The Governor will provide the necessary resources in his amendments to the 2000-2002 budget to implement the next phase of food tax reduction
- Current revenue trends will enable additional car tax relief
 - ◆ Tax reduction will reach the 70% level on January, 2001

Additional detailed data is attached and is also available on the Web...

- At the Secretary of Finance Web site...www.state.va.us/sfin ... the following data is available:
 - ◆ Fiscal Year 2000 General Fund Collection: Actual vs Forecast
 - ◆ June 2000 Revenue Data
 - ◆ July 2000 Revenue Data

- At the Department of Accounts Web site...www.state.va.us/doa ... the following data is available:
 - ◆ Preliminary Annual Report of the Comptroller to the Governor of Virginia, June 30, 2000

Fiscal Year 2000 General Fund Collections: Actual and Forecast
(Dollars in Millions)

MAJOR TAX SOURCES	Fiscal Year 1999			Fiscal Year 2000					
	Actual	% Growth	Forecast	Actual	Forecast Variance		% Growth over FY1999		
					Dollars	Percent	Forecast	Actual	
Corporate Income	\$ 420.4	(6.7) %	\$ 481.5	\$ 565.9	\$ 84.4	17.5 %	14.5 %	34.6 %	
Individual Income									
Gross	6,799.8	12.5	7,624.3	7,530.9	(93.4)	(1.2)	12.1	10.8	
Withholding	5,311.9	11.6	5,906.8	5,861.3	(45.5)	(0.8)	11.2	10.3	
Nonwithholding	1,487.8	15.8	1,717.5	1,669.7	(47.8)	(2.8)	15.4	12.2	
Refunds	(711.9)	11.5	(755.9)	(702.0)	53.9	7.1	6.2	(1.4)	
Net Individual Income	6,087.9	12.6	6,868.4	6,828.9	(39.5)	(0.6)	12.8	12.2	
Insurance Company Premiums	244.9	3.4	249.6	251.1	1.5	0.6	1.9	2.5	
Public Service Gross Receipts	111.9	10.0	121.4	104.2	(17.2)	(14.2)	8.4	(6.9)	
State Sales & Use Tax	2,065.3	7.6	2,205.6	2,201.5	(4.1)	(0.2)	6.8	6.6	
Total Major Tax Sources	\$ 8,930.4	10.1 %	\$ 9,926.5	\$ 9,951.6	\$ 25.1	0.3 %	11.2 %	11.4 %	
MISCELLANEOUS TAXES AND OTHER REVENUES									
Alcoholic Beverages State Tax	\$ 71.4	6.1 %	\$ 75.9	\$ 77.3	\$ 1.4	1.8 %	6.3 %	8.2 %	
Bank Franchise Tax	13.3	58.1	9.7	12.3	2.6	26.8	(27.3)	(7.8)	
Beer & Beverage Excise Tax	39.1	2.5	39.5	39.9	0.4	1.1	0.9	2.0	
Corporate Franchise & Charter Fees	22.1	54.6	19.9	21.6	1.7	8.6	(9.8)	(2.1)	
Excess & Other Fees From Officers	(12.8)	(28.2)	(13.7)	(10.9)	2.8	(20.1)	(6.8)	14.7	
Estate & Gifts	154.1	26.0	165.6	150.1	(15.5)	(9.3)	7.5	(2.6)	
Institutional Revenues	8.4	(21.5)	8.4	9.1	0.7	8.8	0.6	9.4	
Interest & Rents	126.4	19.1	135.0	131.5	(3.5)	(2.6)	6.8	4.0	
Licenses & Permits	1.5	(2.1)	1.5	1.5	0.0	0.9	10.5	0.6	
Miscellaneous Taxes & Penalties	128.4	9.0	134.0	124.8	(9.2)	(6.9)	4.4	(2.8)	
Other Miscellaneous Revenues	47.2	17.7	60.6	51.2	(9.4)	(15.5)	28.4	8.4	
Tobacco Products Tax	15.4	(2.2)	14.4	15.2	0.8	5.6	(6.3)	(1.1)	
Wills, Suits, Deeds & Contract Fees	157.9	24.5	138.4	146.3	7.9	5.7	(12.3)	(7.3)	
Total Misc. Taxes & Other Revenues	772.3	17.1 %	789.2	769.9	(19.3)	(2.4) %	2.2 %	(0.3) %	
TOTAL REVENUES	\$ 9,702.7	10.6 %	\$ 10,715.7	\$ 10,721.5	\$ 5.8	0.1 %	10.4 %	10.5 %	
TRANSFERS									
A.B.C. Profits	\$ 25.5	23.0 %	\$ 24.9	\$ 30.2	\$ 5.3	21.3 %	(2.4) %	18.4 %	
Lottery Profits	321.9	0.9	311.1	324.3	13.2	4.2	(3.4)	0.7	
Transfers Per Appropriations Act	49.1	0.1	83.7	83.1	(0.6)	(0.7)	70.5	69.2	
Total Transfers	\$ 396.5	2.0 %	\$ 419.7	\$ 437.6	\$ 17.9	4.3 %	5.9 %	10.4 %	
Tobacco Master Settlement			66.6	66.9	0.3	0.5			
TOTAL GENERAL FUND	\$ 10,099.2	8.2 %	\$ 11,201.9	\$ 11,226.0	\$ 24.1	0.2 %	10.9 %	11.2 %	

The official forecast is the May 19, 2000 forecast based on the September 1999 WEFA U.S. Standard scenario and the corresponding Virginia forecast developed by the Department of Taxation and has been updated for actions of the 2000 General Assembly session.

COMMONWEALTH OF VIRGINIA

GENERAL FUND PRELIMINARY (UNAUDITED) ANNUAL REPORT

For the Fiscal Year Ended June 30, 2000

Presented on a Budgetary (Cash) Basis



William E. Landside
Comptroller
August 15, 2000

TABLE OF CONTENTS

Comptroller's Letter of Transmittal	iii
-------------------------------------	-----

SUMMARY OF GENERAL FUND ACTIVITY

Preliminary Balance Sheet - General Fund - Budgetary (Cash) Basis	2
Preliminary Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund - Budgetary (Cash) Basis	3
Preliminary Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund - Budgetary (Cash) Basis	4
Preliminary Comparison of Sum-Sufficient Estimated Appropriations with Actual Expenditures - General Fund - Budgetary (Cash) Basis	5

GENERAL FUND GRAPHICS

General Fund - Fund Balance, Fiscal Years 1996-2000	9
General Fund - Cash, Cash Equivalents, and Investments, Fiscal Years 1996-2000	9
General Fund - Revenues by Revenue Class and Other Sources, Fiscal Year 2000	10
General Fund - Expenditures by Function and Other Uses, Fiscal Year 2000	10
General Fund - Expenditures by Object, Fiscal Year 2000	11
General Fund - Revenues and Other Sources and Expenditures and Other Uses by Month, Fiscal Year 2000	11

<u>GENERAL FUND NOTES</u>	13
---------------------------	----

<u>GLOSSARY</u>	17
-----------------	----



COMMONWEALTH of VIRGINIA

Office of the Comptroller

WILLIAM E. LANDSIDLE, CPA
COMPTROLLER

P. O. BOX 1971
RICHMOND, VIRGINIA 23215-1971

August 15, 2000

The Honorable James S. Gilmore III
Governor
Commonwealth of Virginia
State Capitol
Richmond, Virginia 23219

Dear Governor Gilmore:

In compliance with the provisions of Section 2.1-207 of the *Code of Virginia*, I hereby submit my preliminary annual report on the financial condition of the General Fund of the Commonwealth for the fiscal year ended June 30, 2000.

The Commonwealth's ending fund balance in the General Fund is \$1.855 billion, measured on the cash basis of activity. This is an increase of \$255.7 million, or 16 percent, from the prior year ending fund balance of \$1.6 billion. The first graph on page 9 shows a comparison of the last five years.

Revenue Stabilization Fund

The Revenue Stabilization Fund has principal and interest on deposit of \$574.6 million reserved as a part of General Fund equity. The amount on deposit cannot exceed ten percent of the Commonwealth's average annual tax revenues derived from taxes on income and retail sales for FY 2000, FY 1999, and FY 1998. The maximum amount allowed in FY 2000 is \$864.9 million. The FY 2001 deposit into the Revenue Stabilization Fund, which is appropriated in the amount of \$103.3 million, is also reserved. Consistent with past policy, we have designated \$171.0 million from the General Fund balances to pay for a seventh deposit into the Fund which is required based on FY 2000 revenues. The Fund is routinely segregated from the General Fund and can be used only for constitutionally authorized purposes.

Amounts Available for Reappropriation

Various additional amounts are shown on the balance sheet as designated. Section 4-1.06(a)(1) of Chapter 1073, 2000 Acts of Assembly, requires reappropriation for fiscal year 2001 of unexpended appropriations for Legislative and Judicial Departments, as well as Independent Agencies, at June 30, 2000. Additionally, this Section of the Act gives the Governor authority to reappropriate unexpended Executive Department appropriations. Based on an analysis by the Department of Planning and Budget, \$151.8 million of this year's fund balance is designated for reappropriation in 2001 for operations, and \$352.0 million for capital project needs. Additionally, \$428.4 million is designated as available balances to meet the requirements of Chapter 1073.

Virginia Water Quality Improvement Fund

Section 10.1-2128 of the *Code of Virginia* established the Virginia Water Quality Improvement Fund. The Fund was established to provide Water Quality Improvement Grants to various entities to assist in pollution prevention and reduction. The Fund shall consist of amounts appropriated by the General Assembly. Unless otherwise specified by the general appropriation act, these appropriations shall consist of ten percent of revenues collected in excess of the official estimate and ten percent of any unreserved fund balance not required for reappropriation. For the year ended June 30, 2000, we have designated \$.6 million and \$2.1 million that represent ten percent of the excess revenue collections and ten percent of the unreserved fund balance not required for reappropriation, respectively. Upon appropriation by the General Assembly, \$2.7 million will be transferred from the General Fund to the Virginia Water Quality Improvement Fund.

This preliminary annual report is comprised of cash basis financial statements that present the financial condition, results of operations, and changes in fund balance of the Commonwealth's General Fund. The notes to the financial statements are an important and integral part of the statements.

This preliminary report is presented on an unaudited basis. In preparing this report, we relied upon the internal accounting controls of the Commonwealth that are designed to provide management with reasonable, but not absolute, assurances that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and are properly recorded to permit the preparation of financial statements.

The final Annual Report of the Comptroller, due on December 15, 2000, will include certain accruals and other information required for conformance with generally accepted accounting principles. It will be audited and will include any material adjustments recommended by the Auditor of Public Accounts.

We are proud to report that the Comprehensive Annual Financial Report for the year ended June 30, 1999, was awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA). This is the fourteenth consecutive year that Virginia's Annual Report has received this award. In addition, Virginia was awarded a companion award from the GFOA for its FY 1999 Popular Report, entitled *Virginia Financial Perspective*. This is the fifth consecutive year that Virginia's Popular Report has received this award.

Respectfully submitted,



William E. Landside

Enclosure

Commonwealth of Virginia
Preliminary Balance Sheet
General Fund - Budgetary (Cash) Basis (Unaudited)
June 30, 2000
(Dollars in Thousands)

Assets

Cash, Cash Equivalents, and Investments	\$ 1,864,152	
Petty Cash and Travel Advances	1,264	
Total Assets		\$ 1,865,416

Liabilities and Fund Equity

Liabilities:

Deficit Loans Payable	10,000	
Deposits Pending Distribution	85	
Total Liabilities		\$ 10,085

Fund Equity:

Reserved Fund Balance:

Revenue Stabilization Reserve Fund	574,633	
Revenue Stabilization Reserve 1999	103,346	
Payroll Reserve for July 3, 2000 Payroll	67,509	
Total Reserved Fund Balance		745,488

Unreserved Fund Balance:

Designated:

Amount Required for Reappropriation of 2000 Unexpended Balances

Mandatory Reappropriations	117,051	
Discretionary Reappropriations	34,772	
Capital Outlay	352,038	
Amount Required by Ch. 1073, 2000 Acts of Assembly	428,406	
Virginia Water Quality Improvement Fund - Part A	622	
Virginia Water Quality Improvement Fund - Part B	2,070	
Natural Disaster Sum Sufficient	3,932	
Revenue Stabilization Fund Contribution	170,952	

Total Designated Fund Balance 1,109,843

Undesignated Fund Balance -

Total Unreserved Fund Balance 1,109,843

Total Fund Equity 1,855,331

Total Liabilities and Fund Balance \$ 1,865,416

The accompanying notes are an integral part of this statement

Commonwealth of Virginia
Preliminary Statement of Revenues, Expenditures,
and Changes in Fund Balance
General Fund - Budgetary (Cash) Basis (Unaudited)
For the Fiscal Years Ended June 30, 1996 through June 30, 2000
(Dollars in Thousands)

	Year Ended				
	June 30, 2000	June 30, 1999	June 30, 1998	June 30, 1997	June 30, 1996
Revenues:					
Taxes:					
Individual and Fiduciary Income	\$ 6,828,906	\$ 6,087,851	\$ 5,405,440	\$ 4,727,791	\$ 4,300,922
Sales and Use	2,201,533	2,065,265	1,919,216	1,826,761	1,721,965
Corporation Income	565,909	420,421	450,780	432,298	402,337
Public Service Corporations	104,197	111,949	101,782	126,283	115,509
Premiums of Insurance Companies	251,074	244,910	236,971	219,032	218,046
Other Taxes	438,616	450,656	377,462	320,644	258,961
Total Taxes	10,390,235	9,381,052	8,491,651	7,652,809	7,017,740
Rights and Privileges	34,098	34,623	26,795	32,348	30,400
Sales of Property and Commodities	1,146	2,955	533	881	14
Assessments and Receipts for Support of Special Services	170	323	240	390	459
Institutional Revenue	9,142	8,353	10,636	11,691	11,033
Interest, Dividends, and Rents	150,545	139,824	115,470	120,282	88,244
Fines, Forfeitures, Court Fees, Penalties, and Escheats	127,280	128,945	119,141	285,256	101,224
Receipts from Cities, Counties, and Towns	9,368	10,097	10,784	13,515	11,524
Private Donations, Gifts and Contracts	5	2	-	-	91
Tobacco Master Settlement	66,938	-	-	-	-
Other	24,717	10,019	7,181	13,745	21,045
Total Revenues	10,813,644	9,716,193	8,782,431	8,130,917	7,281,774
Expenditures:					
General Government	809,485	591,531	381,435	381,388	373,465
Education	3,921,500	3,713,657	3,226,260	3,056,863	2,790,664
Transportation	232	47	24	1,738	12
Resources and Economic Development	226,280	213,466	168,587	145,794	166,707
Individual and Family Services	2,333,410	2,082,840	1,962,171	1,867,247	1,839,400
Administration of Justice	1,780,235	1,658,837	1,478,440	1,338,454	1,267,365
Capital Projects	40,076	32,557	25,250	31,909	25,797
Total Expenditures	9,111,218	8,292,935	7,242,167	6,823,393	6,463,410
Revenues over Expenditures	1,702,426	1,423,258	1,540,264	1,307,524	818,364
Other Financing Sources (Uses):					
Transfers:					
Operating Transfers Mandated by Appropriation Act	-	396,453	388,595	407,120	459,881
Operating Transfers In	452,636	5,003	3,968	1,579	8,951
Operating Transfers In From Component Units	1,940	37	2,161	-	-
Operating Transfers Out	(324,743)	(344,328)	(244,119)	(203,775)	(182,483)
Operating Transfers Out To Component Units	(1,576,558)	(1,325,031)	(1,183,787)	(1,051,599)	(979,121)
Total Other Financing Sources (Uses)	(1,446,725)	(1,267,866)	(1,033,182)	(846,675)	(692,772)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	255,701	155,392	507,082	460,849	125,592
Fund Balance, July 1					
Reserved	616,589	473,722	292,316	155,109	151,647
Unreserved	983,041	970,516	644,840	321,198	199,068
Fund Balance, July 1	1,599,630	1,444,238	937,156	476,307	350,715
Fund Balance, June 30					
Reserved	745,488	616,589	473,722	292,316	155,109
Unreserved	1,109,843	983,041	970,516	644,840	321,198
Fund Balance, June 30	\$ 1,855,331	\$ 1,599,630	\$ 1,444,238	\$ 937,156	\$ 476,307

The accompanying notes are an integral part of this financial statement.

Commonwealth of Virginia
Preliminary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
General Fund - Budgetary (Cash) Basis (Unaudited)
For the Fiscal Year Ended June 30, 2000
(Dollars in Thousands)

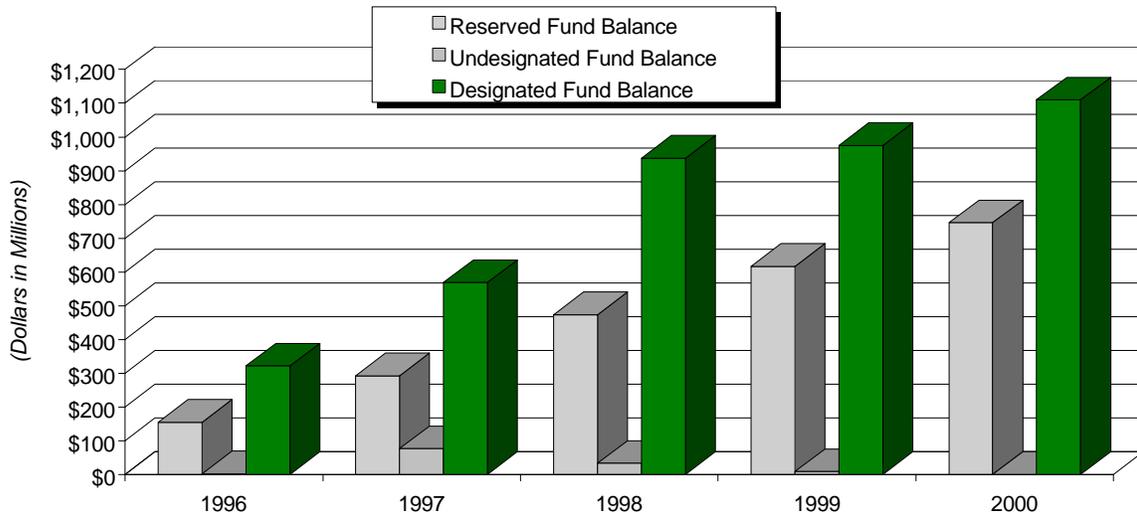
	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes:			
Individual and Fiduciary Income	\$ 6,868,400	\$ 6,828,906	\$ (39,494)
State Sales and Use	2,205,600	2,201,533	(4,067)
Corporation Income	481,500	565,909	84,409
Public Service Corporations	121,400	104,197	(17,203)
Premiums of Insurance Companies	249,600	251,074	1,474
Other Taxes	438,700	438,616	(84)
Rights and Privileges	33,000	34,098	1,098
Sales of Property	1,000	1,146	146
Assessments and Receipts for Support of Special Services	300	170	(130)
Institutional Revenue	8,400	9,142	742
Interest, Dividends, and Rents	135,000	150,545	15,545
Fines, Forfeitures, Court Fees, Penalties, and Escheats	138,800	127,280	(11,520)
Receipts from Cities, Counties, and Towns	9,700	9,368	(332)
Private Donations, Gifts and Contracts	-	5	5
Tobacco Master Settlement	66,600	66,938	338
Other	24,300	24,717	417
Total Revenues	<u>10,782,300</u>	<u>10,813,644</u>	<u>31,344</u>
Expenditures:			
Current:			
General Government	823,781	809,485	14,296
Education	3,937,823	3,921,500	16,323
Transportation	238	232	6
Resources and Economic Development	246,540	226,280	20,260
Individual and Family Services	2,351,858	2,333,410	18,448
Administration of Justice	1,832,760	1,780,235	52,525
Capital Outlay	40,076	40,076	-
Total Expenditures	<u>9,233,076</u>	<u>9,111,218</u>	<u>121,858</u>
Revenues Over (Under) Expenditures	<u>1,549,224</u>	<u>1,702,426</u>	<u>153,202</u>
Other Financing Sources (Uses):			
Transfers:			
Operating Transfers In	433,937	452,636	18,699
Operating Transfers In From Component Units	1,900	1,940	40
Operating Transfers Out	(325,125)	(324,743)	382
Operating Transfers Out To Component Units	(1,578,326)	(1,576,558)	1,768
Total Other Financing Sources (Uses)	<u>(1,467,614)</u>	<u>(1,446,725)</u>	<u>20,889</u>
Revenues and Other Sources Over (Under)			
Expenditures and Other Uses	81,610	255,701	174,091
Fund Balance, July 1	<u>1,599,630</u>	<u>1,599,630</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1,681,240</u>	<u>\$ 1,855,331</u>	<u>\$ 174,091</u>

The accompanying notes are an integral part of this financial statement.

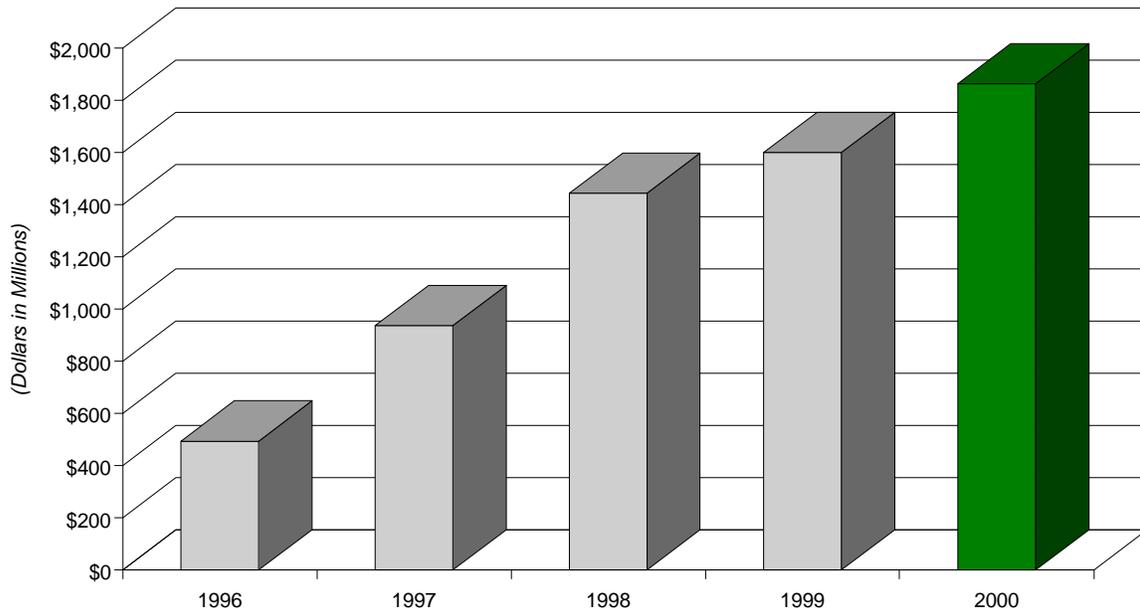
Commonwealth of Virginia
Preliminary Comparison of Sum-Sufficient Estimated Appropriations
With Actual Expenditures
General Fund - Budgetary (Cash) Basis (Unaudited)
For the Fiscal Year Ended June 30, 2000
(Dollars in Thousands)

	<u>Estimated Appropriations</u>	<u>Actual Expenditures</u>	<u>Amount Under (Over) Estimate</u>
Enactment of Laws	\$ 29,057	\$ 26,492	\$ 2,565
Financial Assistance to Localities -- From Sale of Alcoholic Beverages and Other Distributions	66,640	66,640	-
Financial Assistance for Special State Revenue Sharing (Sales Tax)	734,100	730,739	3,361
Disaster Planning and Operations	<u>110</u>	<u>104</u>	<u>6</u>
Totals	<u>\$ 829,907</u>	<u>\$ 823,975</u>	<u>\$ 5,932</u>

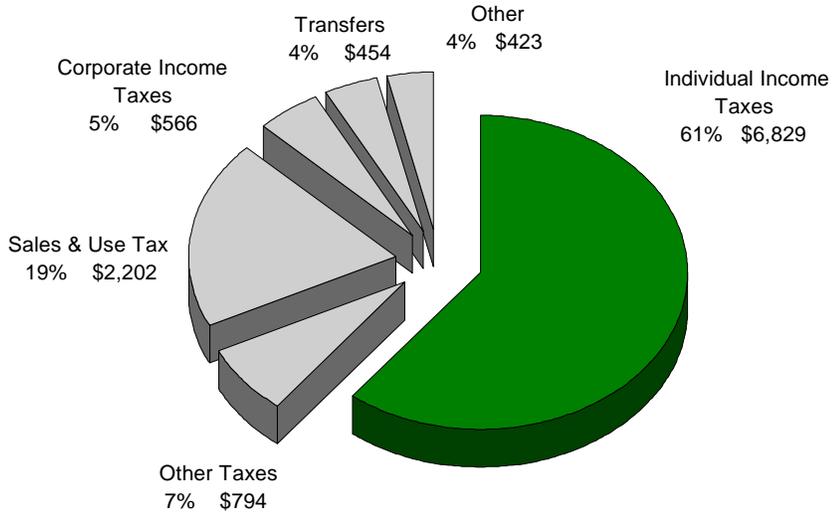
**General Fund
Fund Balance
Fiscal Years 1996-2000**



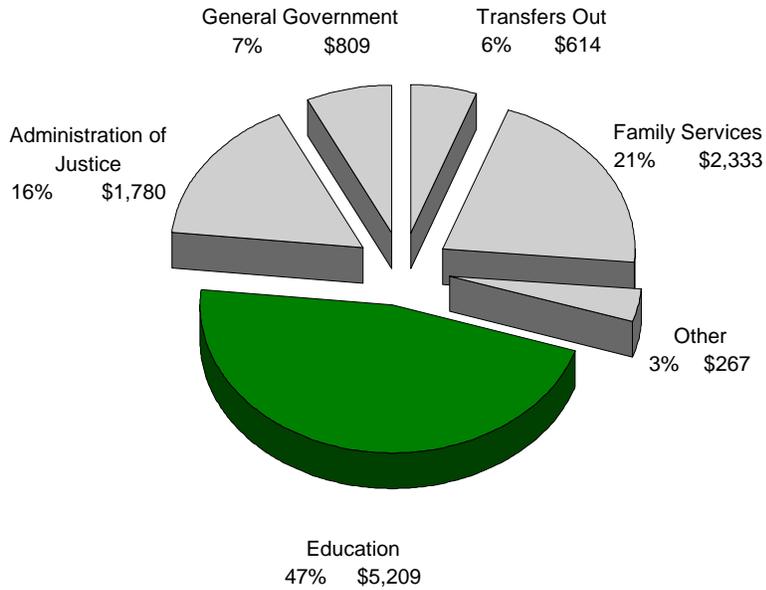
**General Fund
Cash, Cash Equivalents, and Investments
Fiscal Years 1996-2000**



**General Fund
Revenues by Revenue Class and Other Sources
Fiscal Year 2000
(Dollars in Millions)**

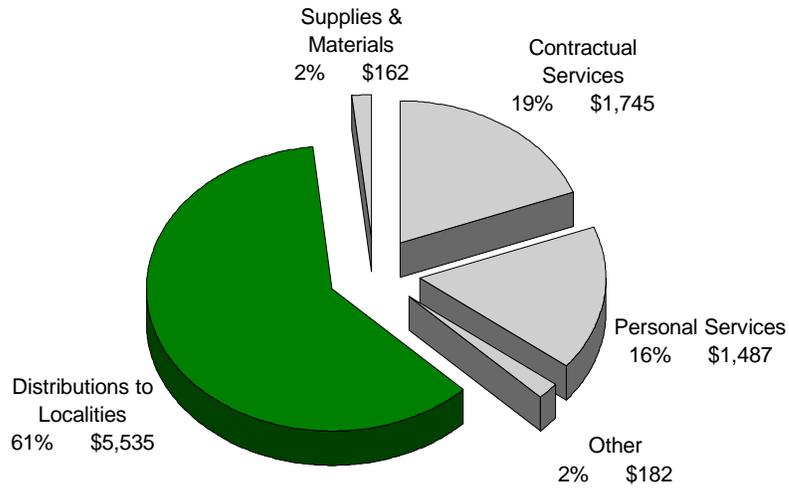


**General Fund
Expenditures by Function and Other Uses
Fiscal Year 2000
(Dollars in Millions)**

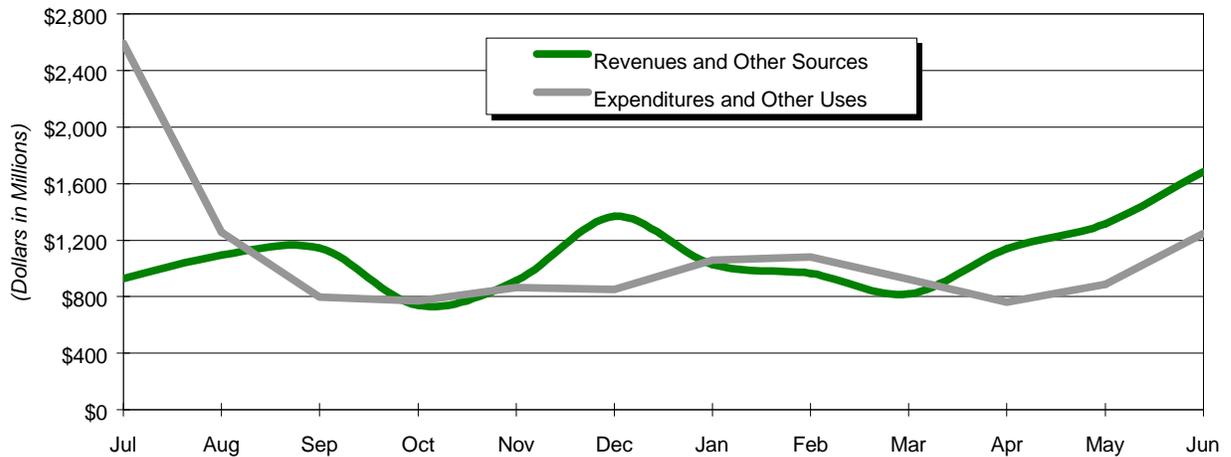


Note: Net Education Transfers of \$1.287 billion are reclassified from Transfers Out to Education expenditures.

**General Fund
Expenditures by Object
Fiscal Year 2000
(Dollars in Millions)**



**General Fund
Revenues and Other Sources and
Expenditures and Other Uses by Month
Fiscal Year 2000**



Note: July expenditures include \$1.269 billion in Transfers Out to Higher Education.

COMMONWEALTH OF VIRGINIA

NOTES TO PRELIMINARY FINANCIAL STATEMENTS

JUNE 30, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying General Fund financial statements of the Commonwealth of Virginia have been prepared on a budgetary (cash) basis of accounting. Revenues and expenditures are recorded at the time cash is actually received or disbursed according to the provisions of the Appropriation Act; therefore, no accruals of revenues or expenditures have been included.

The General Fund includes transactions related to cash received and used for those services traditionally provided by a state government, which are not accounted for in other funds. It is a governmental fund and therefore its focus is on the measurement of financial position and related changes thereto, rather than on income determination. No other funds are presented in this report.

All funds will be presented using the appropriate bases of accounting as defined by generally accepted accounting principles in the Annual Report of the Comptroller, to be issued December 15, 2000.

B. Budget

Budgetary amounts shown in the financial statements represent Chapter 464, as amended by Chapters 1, 935, and 1072, and as adjusted for executive and other administrative actions. The Commonwealth's budget is prepared principally on a cash basis and represents appropriations as authorized by the General Assembly. The Governor, as required by the *Code of Virginia*, submits to the General Assembly a budget composed of all proposed expenditures for the State and of estimated revenues and borrowings for a biennium.

The budget is prepared on a biennial basis; however, the budget of the General Fund contains separate appropriations for each year within the biennial budget, as approved by the General Assembly and signed into law by the Governor. For management control purposes, the budget is controlled at the program level. The Director of the Department of Planning and Budget may transfer an appropriation within a State agency or from one State agency to another, provided that total fund appropriations, as contained within the budget, are not exceeded. Increases in General Fund appropriations must be approved by the General Assembly.

2. ANALYSIS OF GENERAL FUND REVENUE

The Department of Accounts produces a monthly General Fund Statement of Revenue Collections, Estimates, and Transfers. The following analysis relates components of the Preliminary General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance with the monthly revenue report for June 30, 2000.

<i>(Dollars in Thousands)</i>	Preliminary Financial Statements	Monthly Statement of Revenue	Variance
Total Revenue	\$ 10,813,644	\$ 10,788,482	\$ 25,162 (a)
(a) Reversal of prior year reclass of Non-sufficient Fund			
Checks not reflected on the Revenue Report		\$ 490	
Interest on the Revenue Stabilization Fund not reported in the Revenue Report		19,025	
Appropriation Act transfers recorded as revenue on the Preliminary Financial Statements		6,421	
Non-sufficient Fund Checks reclassified as a reduction in revenue for financial reporting purposes		(774)	
		<u>\$ 10,813,644</u>	

3. **APPROPRIATION ACT TRANSFERS**

Prior to fiscal year ended June 30, 2000, Appropriation Act transfers were reported on a separate line item. For fiscal year ended June 30, 2000, Appropriation Act transfers are \$437.5 million. The following analysis shows where Appropriation Act transfers are reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

<i>(Dollars in Thousands)</i>	Appropriation Act Transfers
Revenue - Other	\$ 6,421
Transfers In	446,727 (b)
Transfers In From Component Units	1,940
Transfers Out	(17,418)
Transfers Out To Component Units	(127)
Total Appropriation Act Transfers	<u>\$ 437,543</u>

(b) Includes ABC Profit transfers of approximately \$30.1 million.

4. **REVENUE STABILIZATION FUND**

In accordance with Article X, Section 8 of the *Constitution of Virginia*, the amount estimated as required for the Revenue Stabilization Fund must be appropriated for that purpose by the General Assembly. The next deposit of \$103.3 million was appropriated by Chapter 1073, 2000 Acts of Assembly, for the 2000-2002 biennium. In accordance with past policies, the deposit resulting from FY 2000 revenue collections is designated, to the extent funds are available, pending certification from the Auditor of Public Accounts. This deposit is estimated at \$187.1 million; however, only \$171.0 million is designated. For FY 2000, sufficient cash is not available to designate the entire estimated deposit.

The Revenue Stabilization Fund has principal and interest on deposit of \$574.6 million reserved as a part of General Fund equity. The amount on deposit cannot exceed ten percent of the Commonwealth's

average annual tax revenues derived from taxes on income and retail sales for FY 2000, FY 1999, and FY 1998. The maximum amount allowed in FY 2000 is \$864.9 million.

5. THE REPORTING ENTITY

Government Accounting Standards Board Statement (GASBS) No. 14, *The Reporting Entity*, effective for fiscal years beginning after June 15, 1993, requires that specific criteria be used to determine entities that must be included in the Commonwealth's financial statements. Effective July 1, 1996, the Virginia Department of Economic Development was divided into two entities: the Department of Business Assistance and the Virginia Economic Development Partnership (VEDP). The VEDP is reported as a discrete component unit of the Commonwealth, and thus is not included in this cash basis report of the General Fund. Fiscal year 1996 has not been restated for GASBS No. 14, and includes expenditures for the VEDP. Thus, a comparison of expenditures between years may not be appropriate.

6. VIRGINIA WATER QUALITY IMPROVEMENT FUND

Section 10.1-2128 of the *Code of Virginia* established the Virginia Water Quality Improvement Fund. The Fund was established to provide Water Quality Improvement Grants to various entities to assist in pollution prevention and reduction. The Fund shall consist of amounts appropriated by the General Assembly. Unless otherwise specified by the general appropriation act, these appropriations shall consist of ten percent of revenues collected in excess of the official estimate and ten percent of any unreserved fund balance not required for reappropriation. For the year ended June 30, 2000, we have designated \$.6 million and \$2.1 million that represent ten percent of the excess revenue collections and ten percent of the unreserved fund balance not required for reappropriation, respectively. Upon appropriation by the General Assembly, \$2.7 million will be transferred from the General Fund to the Virginia Water Quality Improvement Fund.

BALANCE SHEET

1. **Cash, Cash Equivalents, and Investments** - All cash, cash equivalents, and investments are maintained by the Treasurer of Virginia. Cash includes demand deposits, time deposits, and certificates of deposit. Cash equivalents are investments with an original maturity of three months or less. Short-term investments held are stated at cost, which approximates market value.
2. **Petty Cash and Travel Advances** - Funds advanced to agencies to make immediate cash payments for authorized purposes. Also included are funds advanced to agency employees to cover expenses incurred while traveling on State business.
3. **Deficit Loans Payable** – Loans authorized in accordance with Chapter 1072, Section 4-3.01(a)
4. **Deposits Pending Distribution** - This represents miscellaneous amounts held by several agencies in suspense accounts pending distribution.
5. **Reserved Fund Balance** - Items are reserved to indicate that a particular portion of fund balance is not available to fund operations.
6. **Designated Fund Balance** - Consists of designations established to reflect tentative plans for future utilization of current financial resources. Designated Fund Balance represents:
 - **Amount Required for Reappropriation of 2000 Unexpended Balances, Mandatory Reappropriations, Discretionary Reappropriations and Capital Outlay** – This portion of fund balance represents the fiscal year 2000 unexpended appropriations which the Department of Planning and Budget anticipates reappropriating in the next fiscal year.
 - **Amount Required by Chapter 1073, 2000 Acts of Assembly** – This portion of fund balance represents the amount that must be carried forward to the following year to balance the biennial budget.
 - **Virginia Water Quality Improvement Fund** – This portion of fund balance represents amounts to be transferred to the Virginia Water Quality Improvement fund upon appropriation by the General Assembly. As prescribed by Section 10.1-2128 of the *Code of Virginia*, the calculated contribution is \$2.7 million.
 - **Natural Disaster Sum Sufficient** – This portion of fund balance represents the estimated costs of responding to and recovering from damage caused by hurricanes, blizzards, and floods. The majority of these funds will be used to provide the state match for assistance to individuals and for repairing damage to public property facilities.
 - **Revenue Stabilization Fund Contribution** – This figure represents a portion of the fund balance available as a future deposit to the Revenue Stabilization Fund. As prescribed by the *Constitution of Virginia*, Article X, Section 8, the Revenue Stabilization Fund calculated contribution, resulting from revenues collected for the year ended June 30, 2000, is \$187.1 million; however, only \$171.0 million is designated. For FY 2000, sufficient cash is not available to designate the entire amount.
7. **Undesignated Fund Balance** - The amount of fund balance remaining from operations of the current and prior years, net of amounts established as reserved and designated. As of June 30, 2000, there is no unreserved undesignated fund balance remaining.

INCOME STATEMENT

Revenues:

8. **Taxes** - Charges of money imposed by the Commonwealth on persons or property for public purposes.
9. **Rights and Privileges** - Registration fees, licenses, and permits. Examples include domestic and foreign corporate registration fees and marriage licenses.

10. **Sales of Property and Commodities** - Revenue collected from sales of Commonwealth assets and goods. Examples include sales of State publications.
11. **Assessments and Receipts for Support of Special Services** - Revenues collected for services provided by the Commonwealth's agencies. An example is audit services provided to cities, counties, and towns.
12. **Institutional Revenue** - Revenue generated primarily from sales by the Departments of Corrections and Mental Health, Mental Retardation and Substance Abuse Services. Examples include the sale of farm and dairy products.
13. **Interest, Dividends, and Rent** - Interest earnings and rental income. Examples include interest on Commonwealth bank accounts and investments and interest on delinquent taxes. Interest allocated to various other funds is not included here.
14. **Fines, Forfeitures, Court Fees, Penalties, and Escheats** - Fines, penalties, etc., primarily collected by the Department of Taxation and the court system. Examples include court processing fees and penalties for nonpayment of taxes.
15. **Receipts from Cities, Counties, and Towns** - Revenue collected from city and county treasurers representing miscellaneous fees and allowances of local law enforcement officials.
16. **Private Donations, Gifts, and Contracts** - This amount represents donations and grants from individuals and private companies to State programs, such as donations to the Frontier Culture Museum.
17. **Tobacco Master Settlement** – This amount represents the revenue generated from the Tobacco Master Settlement Agreement with tobacco companies.
18. **Other Revenue** - All other revenue collections that are not included in the above categories. Examples include refunds of expenditures and miscellaneous disbursements made in prior years, excess fees paid into the State Treasury, and recovery of Statewide indirect costs.

Expenditures:

19. **General Government** - Expenditures to support the general activities of the state, regional, and local levels of government. Examples include administrative and support services, general financial assistance to localities, and information systems management and direction.
20. **Education** - Expenditures to assist individuals in developing knowledge, skills, and cultural awareness. Examples include elementary and secondary education, instruction, supervision and assistance and higher education. Education and General transfers to colleges and universities are reflected as an Operating Transfer Out to Component Units and not an expenditure.
21. **Transportation** - Expenditures related to the movement of people, goods, and services and their regulation. Examples include ground, water and air transportation.
22. **Resources and Economic Development** - Expenditures to develop the economic base, including alternative natural resources and to regulate it with regard to varied public interests of the Commonwealth. Examples include resource management, economic development, promotion and improvement, as well as the regulation of professions and occupations.
23. **Individual and Family Services** - Expenditures to support the economic, social and physical well being of the individual and family. Included are disease research, prevention, and control, state health services and community health services.
24. **Administration of Justice** - Expenditures related to civil and criminal justice, including apprehension, trial, punishment, and rehabilitation of law violators. Examples include crime deterrence, suppression and control, adjudication, confinement and community custody.

25. **Capital Projects** - Construction and preparation of Commonwealth assets.

Other Financing Sources (Uses):

26. **Operating Transfers In** - This balance reflects transfers in from other nongeneral funds.

27. **Operating Transfers In From Component Units** - This relates to transfers in from component units as defined by GASB Statement No. 14, "*The Reporting Entity*."

28. **Operating Transfers Out** - The balance represents transfers from the General Fund to other nongeneral funds.

29. **Operating Transfers Out To Component Units** - This represents General Fund transfers out to component units. It includes net transfers to higher education of \$1.287 billion.

If you have any questions or comments regarding information contained in this report, please contact us at

✉ Finrept@doa.state.va.us

For additional copies of this report, contact:

Department of Accounts

Financial Reporting Unit

☎ (804) 225-3102 or visit

the Department of Accounts' web site at

<http://www.doa.va.us>

*Text and graphics were produced using Microsoft Word and Microsoft Excel in the Arial font.
Printed August 2000 at the Department of Accounts on a Xerox 4890 highlight color printer.*

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund and Lottery Revenue Collections
For the Fiscal Years 1999 and 2000
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2000 Estimate	As a % of Gen Fund Rev & Net Lottery Transfer	FY 2000	FY 1999	% Change	FY 2000	FY 1999	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$5,906,800	53.25	\$501,182	\$465,593	7.6	\$5,861,255	\$5,311,926	10.3	11.2
Tax Dues/Estimated Payments	1,717,500	15.48	198,738	179,461	10.7	1,669,664	1,487,848	12.2	15.4
Gross Individual Income Tax	\$7,624,300	68.73	\$699,920	\$645,054	8.5	\$7,530,919	\$6,799,774	10.8	12.1
Individual and Fiduciary Income (Refunds)	(755,900)	(6.81)	(30,812)	(38,029)	(19.0)	(702,012)	(711,923)	(1.4)	6.2
Net Individual Income Tax	\$6,868,400	61.92	\$669,108	\$607,025	10.2	\$6,828,907	\$6,087,851	12.2	12.8
Sales and Use Tax (a)	2,205,600	19.88	186,638	176,084	6.0	2,201,533	2,065,265	6.6	6.8
Corporations Income Tax	481,500	4.34	86,353	78,713	9.7	565,909	420,421	34.6	14.5
Public Service Corporations	121,400	1.10	27,488	31,218	(11.9)	104,197	111,949	(6.9)	8.4
Insurance Premiums	249,600	2.25	60,056	60,938	(1.4)	251,074	244,910	2.5	1.9
Interest Income (b)	134,700	1.21	(3,363)	(9,955)	66.2	131,160	126,113	4.0	6.8
Alcoholic Beverage Sales (c)	115,400	1.04	22,062	20,194	9.3	117,204	110,576	6.0	4.4
All Other Revenues	539,100	4.86	77,071	66,127	16.5	521,559	535,662	(2.6)	0.6
General Fund Revenues Excluding Tobacco Master Settlement	\$10,715,700	96.60	\$1,125,413	\$1,030,344	9.2	\$10,721,543	\$9,702,747	10.5	10.4
Tobacco Master Settlement	\$66,600	0.60	\$0	\$0	-	\$66,939	\$0	-	-
Total General Fund Revenues	\$10,782,300	97.20	\$1,125,413	\$1,030,344	9.2	\$10,788,482	\$9,702,747	11.2	11.1
Gross Lottery Revenue	\$954,890	8.61	\$82,680	\$87,330	(5.3)	\$972,972	\$934,521	4.1	2.2
Less: Expenses	(644,590)	(5.81)	(60,233)	(55,749)	8.0	(649,497)	(617,646)	5.2	4.4
Net Lottery Profits	\$310,300	2.80	\$22,447	\$31,581	(28.9)	\$323,475	\$316,875	2.1	(2.1)
Elimination of Prize Reserve	\$0	0.00	\$0	\$5,000	(100.0)	\$0	\$5,000	(100.0)	(100.0)
Total Lottery Transfer	\$310,300	2.80	\$22,447	\$36,581	(38.6)	\$323,475	\$321,875	0.5	(3.6)
Total General Fund Revenues and Net Lottery Transfer	\$11,092,600	100.00	\$1,147,860	\$1,066,925	7.6	\$11,111,957	\$10,024,622	10.8	10.7
Local Portion of State Sales/Use Tax	\$731,533	6.59	\$63,023	\$58,365	8.0	\$735,246	\$684,451	7.4	6.9

Percentage is greater than 1,000%.

(a) Includes Local Portion of State Sales and Use Tax.

(b) Interest income for the April - June quarter attributable to nongeneral funds was transferred in June resulting in negative interest income for the general fund.

(c) 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 1999 and 2000

(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2000 Estimate	As a % of Total Gen Fund Rev	FY 2000	June FY 1999	% Change	FY 2000	Year-To-Date FY 1999	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$5,906,800	54.78	\$501,182	\$465,593	7.6	\$5,861,255	\$5,311,926	10.3	11.2
Tax Dues/Estimated Payments	1,717,500	15.93	198,738	179,461	10.7	1,669,664	1,487,848	12.2	15.4
Gross Individual Income Tax	\$7,624,300	70.71	\$699,920	\$645,054	8.5	\$7,530,919	\$6,799,774	10.8	12.1
Individ and Fiduc Income (Refunds)	(755,900)	(7.01)	(30,812)	(38,029)	(19.0)	(702,012)	(711,923)	(1.4)	6.2
Net Individual Income Tax	\$6,868,400	63.70	\$669,108	\$607,025	10.2	\$6,828,907	\$6,087,851	12.2	12.8
Sales and Use Tax	2,205,600	20.45	186,638	176,084	6.0	2,201,533	2,065,265	6.6	6.8
Corporations Income	481,500	4.47	86,353	78,713	9.7	565,909	420,421	34.6	14.5
Public Service Corporations	121,400	1.13	27,488	31,218	(11.9)	104,197	111,949	(6.9)	8.4
Insurance Premiums	249,600	2.31	60,056	60,938	(1.4)	251,074	244,910	2.5	1.9
Alcoholic Beverage Excise	75,900	0.70	18,100	16,600	9.0	77,289	71,435	8.2	6.3
Beer and Beverage Excise	39,500	0.37	3,962	3,594	10.2	39,915	39,141	2.0	0.9
Wills, Suits, Deeds, Contracts	138,400	1.28	17,586	16,217	8.4	146,288	157,872	(7.3)	(12.3)
Inheritance, Gift, and Estate	165,600	1.54	14,946	6,874	117.4	150,121	154,079	(2.6)	7.5
Tobacco Products	14,400	0.13	1,429	1,364	4.8	15,208	15,376	(1.1)	(6.3)
Bank Franchise	9,700	0.09	8,411	7,314	15.0	12,304	13,339	(7.8)	(27.3)
Other Taxes	(4,800)	(0.04)	(247)	320	(177.2)	(2,509)	(586)	(328.2)	(719.1)
Total Taxes	\$10,365,200	96.13	\$1,093,830	\$1,006,261	8.7	\$10,390,236	\$9,381,052	10.8	10.5
Rights and Privileges:									
Licenses and Permits	\$1,500	0.01	\$152	\$160	(5.0)	\$1,514	\$1,505	0.6	(0.3)
Corp. Franchise and Charters	19,900	0.19	15,007	16,885	(11.1)	21,606	22,073	(2.1)	(9.8)
Fees for Practice of Prof	1,000	0.01	21	9	133.3	1,040	1,000	4.0	0.0
Fees for Misc. Privileges & Services	10,600	0.10	607	1,107	(45.2)	9,938	10,045	(1.1)	5.5
Total Rights and Privileges	\$33,000	0.31	\$15,787	\$18,161	(13.1)	\$34,098	\$34,623	(1.5)	(4.7)
Other Revenues:									
Sales of Property & Commodities	\$1,000	0.01	\$143	\$850	(83.2)	\$1,146	\$2,955	(61.2)	(66.2)
Assessmts & Rcpts for Support of Special Svces	300	0.00	87	26	234.6	170	323	(47.4)	(7.1)
Institutional Revenue	8,400	0.08	1,185	1,482	(20.0)	9,142	8,353	9.4	0.6
Interest (a)	134,700	1.25	(3,363)	(9,955)	66.2	131,160	126,113	4.0	6.8
Dividends and Rent	300	0.00	37	41	(9.8)	359	333	7.8	(9.9)
Fines, Forfeitures & Fees	138,800	1.29	12,844	12,380	3.7	127,280	128,945	(1.3)	7.6
Other Revenue	38,000	0.35	4,699	1,181	297.9	29,522	22,783	29.6	66.8
Excess Fees	(13,700)	(0.13)	(806)	(985)	18.2	(10,943)	(12,832)	14.7	(6.8)
Private Donations, Gifts & Cont.	0	0.00	0	0	-	5	2	150.0	(100.0)
Cities, Counties, and Towns	9,700	0.09	970	902	7.5	9,368	10,097	(7.2)	(3.9)
Total Other Revenues	\$317,500	2.94	\$15,796	\$5,922	166.7	\$297,209	\$287,072	3.5	10.6
General Fund Revenues Excluding Tobacco Master Settlement	\$10,715,700	99.38	\$1,125,413	\$1,030,344	9.2	\$10,721,543	\$9,702,747	10.5	10.4
Tobacco Master Settlement	\$66,600	0.62	\$0	\$0	-	\$66,939	\$0	-	-
Total General Fund Revenues	\$10,782,300	100.00	\$1,125,413	\$1,030,344	9.2	\$10,788,482	\$9,702,747	11.2	11.1

Percentage is greater than 1,000%.

(a) Interest income for the April - June quarter attributable to nongeneral funds was transferred in June resulting in negative interest income for the general fund.

**Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 1999 and 2000
(Dollars in Thousands)**

	FY 2000 Estimate	June			Year-To-Date			% Annual Growth Required By Estimate
		FY 2000	FY 1999	% Change	FY 2000	FY 1999	% Change	
Lottery Collections								
Lotto (c)	\$107,100	\$5,717	\$13,409	(57.4)	\$90,601	\$129,655	(30.1)	(17.4)
Cash 5	28,970	2,228	2,644	(15.7)	28,391	32,145	(11.7)	(9.9)
Pick 4	122,760	10,438	9,404	11.0	119,428	115,760	3.2	6.0
Pick 3	235,910	19,718	18,746	5.2	235,689	239,701	(1.7)	(1.6)
Multi-State (Big Game)	80,150	5,800	4,367	32.8	96,604	79,556	21.4	0.7
Instant	380,000	38,779	38,760	0.0	402,259	337,704	19.1	12.5
Gross Lottery Revenue	<u>954,890</u>	<u>82,680</u>	<u>87,330</u>	<u>(5.3)</u>	<u>972,972</u>	<u>934,521</u>	<u>4.1</u>	<u>2.2</u>
Expenses (b)	<u>644,590</u>	<u>60,233 (a)</u>	<u>55,749</u>	<u>8.0</u>	<u>649,497 (a)</u>	<u>617,646</u>	<u>5.2</u>	<u>4.4</u>
Net Lottery Ticket Profits	<u>\$310,300</u>	<u>\$22,447 (a)</u>	<u>\$31,581</u>	<u>(28.9)</u>	<u>\$323,475 (a)</u>	<u>\$316,875</u>	<u>2.1</u>	<u>(2.1)</u>
Elimination of Special Prize Reserve	<u>\$0</u>	<u>\$0</u>	<u>\$5,000</u>	<u>(100.0)</u>	<u>\$0</u>	<u>\$5,000</u>	<u>(100.0)</u>	<u>(100.0)</u>
Total Transfer	<u>\$310,300</u>	<u>\$22,447</u>	<u>\$36,581</u>	<u>(38.6)</u>	<u>\$323,475</u>	<u>\$321,875</u>	<u>0.5</u>	<u>(3.6)</u>

(a) Current month includes actual operating expenses (unaudited closing).

(b) "Expenses" includes prizes to winners, compensation to retailers, instant ticket printing costs, and Lottery operating expenses.

(c) Includes Kicker.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Revenue Estimates & Collections
For the Fiscal Years 1999 and 2000
(Dollars in Thousands)

Revenue	FY 2000 Estimate	As a % of Total Fund	June			Year-To-Date			% Annual Growth Required By Estimate
			FY 2000	FY 1999	% Change	FY 2000	FY 1999	% Change	
Motor Fuel Taxes	\$779,534	29.85	\$118,901	\$117,280	1.4	\$784,434	\$771,572	1.7	1.0
Motor Vehicle Sales and Use Tax	456,142	17.47	47,542	46,598	2.0	498,098	441,586	12.8	3.3
State Sales and Use Tax	371,400	14.22	31,763	29,522	7.6	372,473	345,101	7.9	7.6
Motor Vehicle License Fees	139,636	5.34	14,967	13,556	10.4	144,800	138,530	4.5	0.8
International Registration Plan	52,068	1.99	8,533	5,606	52.2	54,804	49,495	10.7	5.2
Interest Earnings	4,624	0.18	3,346	2,165	54.5	10,658	10,417	2.3	(55.6)
Misc. Taxes, Fees, and Revenues	12,596	0.48	1,958	1,486	31.8	17,640	14,638	20.5	(13.9)
Total State Taxes and Fees	\$1,816,000	69.53	\$227,010	\$216,213	5.0	\$1,882,907	\$1,771,339	6.3	2.5

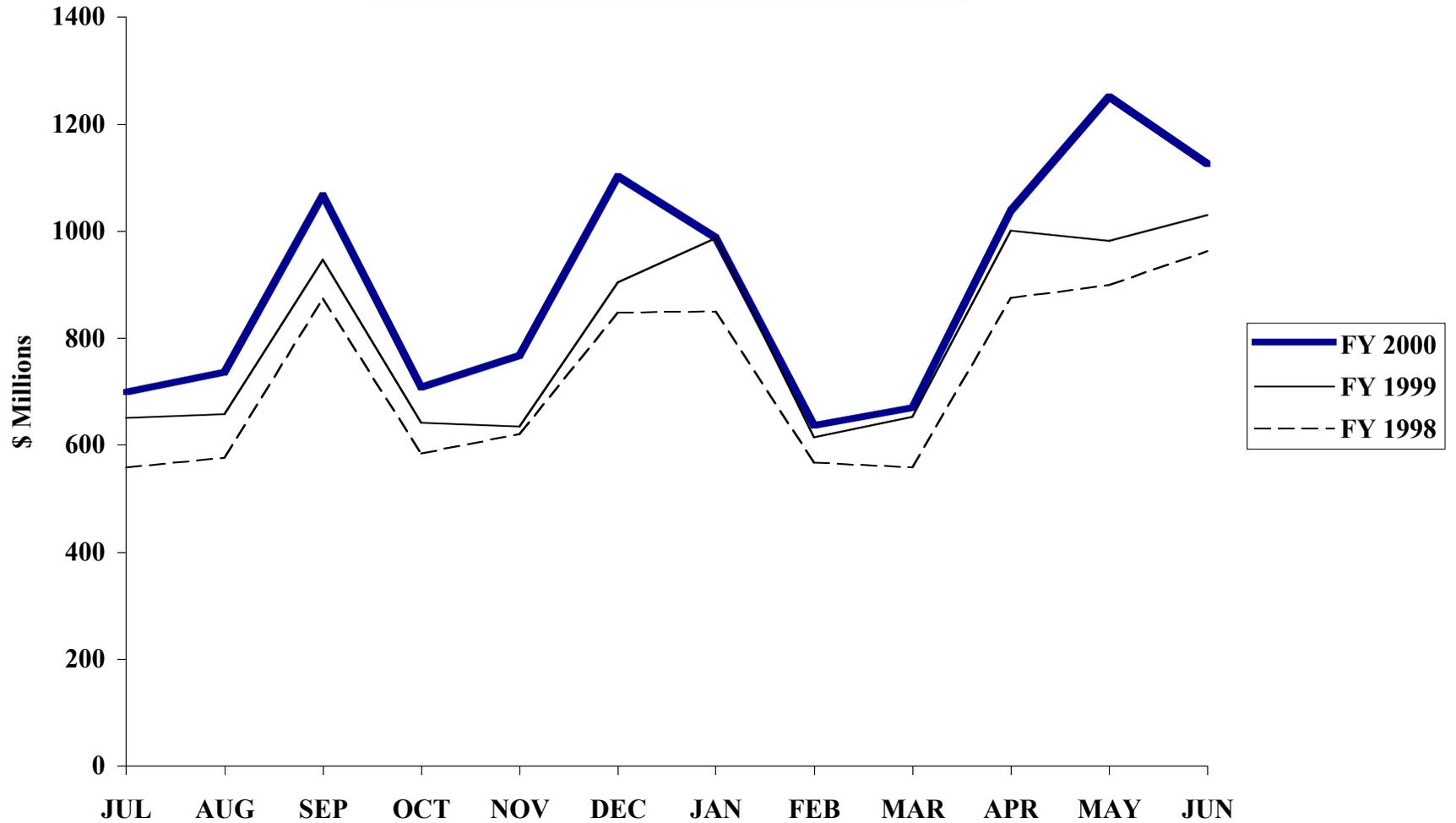
Percentage is greater than 1,000%.

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 1999 and 2000
(Dollars in Thousands)

Revenue	FY 2000 Estimate	As a % of Total Fund	June			Year-To-Date			% Annual Growth Required By Est
			FY 2000	FY 1999	% Change	FY 2000	FY 1999	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$676,991	25.92	\$103,077	\$101,107	1.9	\$676,009	\$663,221	1.9	2.1
Motor Vehicle Sales and Use Tax	294,216	11.27	30,077	29,444	2.1	318,580	279,812	13.9	5.1
Motor Vehicle License Fees	121,747	4.66	13,071	11,796	10.8	126,097	120,353	4.8	1.2
International Registration Plan	52,068	1.99	8,533	5,606	52.2	54,804	49,495	10.7	5.2
Misc. Taxes, Fees, and Revenues	12,596	0.48	1,958	1,486	31.8	17,640	14,638	20.5	(13.9)
Total State Taxes and Fees	\$1,157,618	44.32	\$156,716	\$149,439	4.9	\$1,193,130	\$1,127,519	5.8	2.7
Other Revenues:									
Federal Grants and Contracts	\$11,078	0.42	\$951	\$454	109.5	\$8,989	\$6,619	35.8	67.4
Transfer (to) / from Transportation Trust Fund	(11,223)	(0.43)	(317)	(40,621)	99.2	(1,274)	(89,205)	98.6	87.4
Total Highway Maintenance and Operating Fund	\$1,157,473	44.31	\$157,350	\$109,272	44.0	\$1,200,845	\$1,044,933	14.9	10.8
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$102,543	3.93	\$15,824	\$16,173	(2.2)	\$108,425	\$108,351	0.1	(5.4)
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	161,926	6.20	17,465	17,154	1.8	179,518	161,774	11.0	0.1
State Sales and Use Tax	371,400	14.22	31,763	29,522	7.6	372,473	345,101	7.9	7.6
Motor Vehicle License Fees	17,889	0.68	1,896	1,760	7.7	18,703	18,177	2.9	(1.6)
Interest Earnings	4,624	0.18	3,346	2,165	54.5	10,658	10,417	2.3	(55.6)
Total State Taxes and Fees	\$658,382	25.21	\$70,294	\$66,774	5.3	\$689,777	\$643,820	7.1	2.3
Other Revenues:									
Federal Grants and Contracts	\$700,701	26.82	\$58,694	\$77,414	(24.2)	\$504,791	\$533,506	(5.4)	31.3
Receipts from Cities/Counties	28,161	1.08	(26,301)	(54,629)	51.9	44,994	17,950	150.7	56.9
Toll Revenues (Includes Route 28)	56,123	2.15	4,984	4,775	4.4	57,813	50,603	14.2	10.9
Miscellaneous Revenues	0	0.00	31	3,703	(99.2)	8,074	10,399	(22.4)	(100.0)
Total Other Revenues	\$784,985	30.05	\$37,408	\$31,263	19.7	\$615,672	\$612,458	0.5	28.2
Transfer (to) / from Highway Maintenance and Operating Fund	\$11,223	0.43	\$317	\$40,621	(99.2)	\$1,274	\$89,205	(98.6)	(87.4)
Total Transportation Trust Fund	\$1,454,590	55.69	\$108,019	\$138,658	(22.1)	\$1,306,723	\$1,345,483	(2.9)	8.1
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$2,612,063	100.00	\$265,369	\$247,930	7.0	\$2,507,568	\$2,390,416	4.9	9.3

Percentage is greater than 1,000%.

Total General Fund Revenues

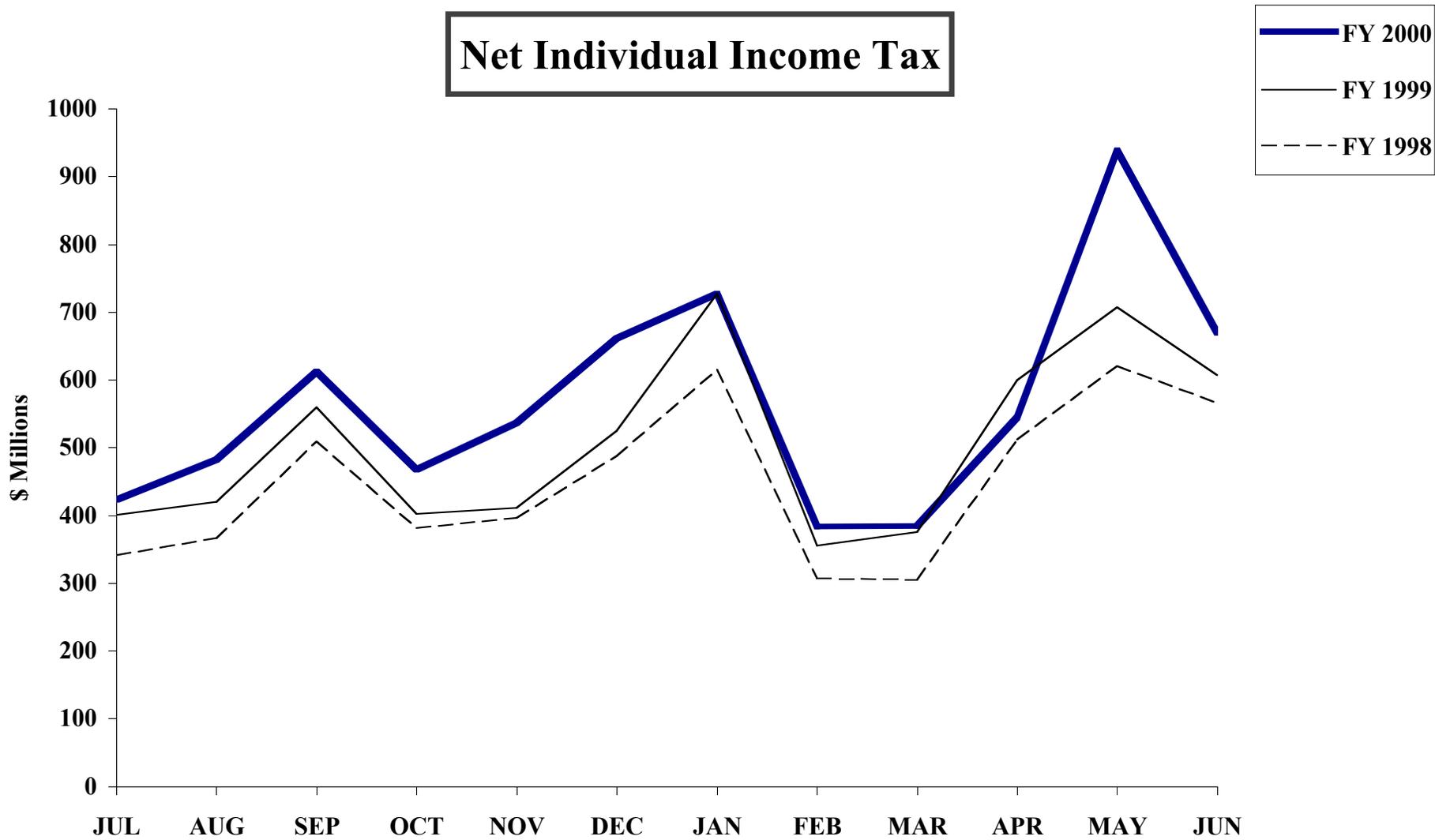


FY 1998 Actual = \$8,773.5 Million

FY 1999 Actual = \$9,702.7 Million

FY 2000 Actual = \$10,788.5 Million

Net Individual Income Tax

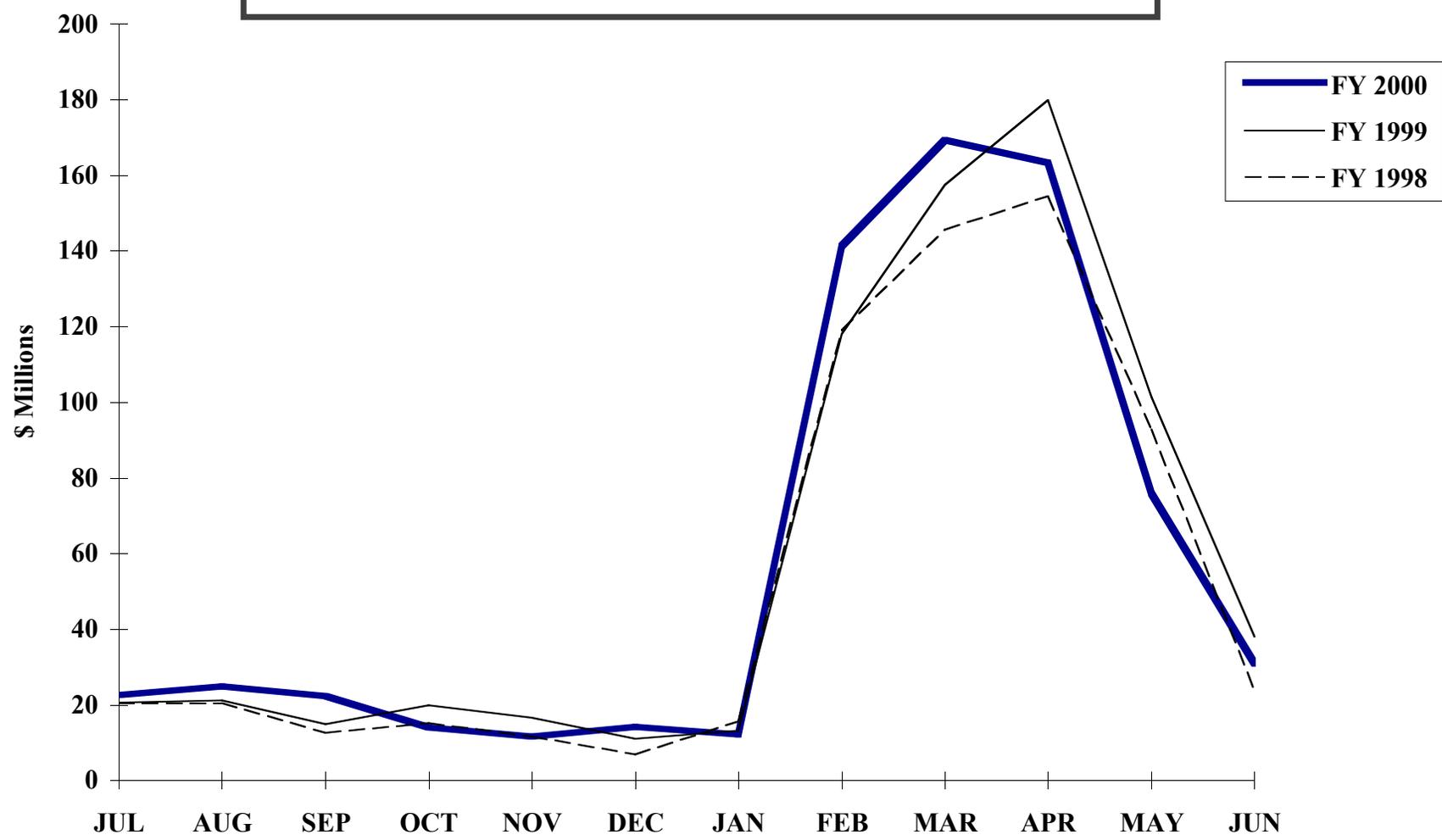


FY 1998 Actual = \$5,405.4 Million

FY 1999 Actual = \$6,087.8 Million

FY 2000 Actual = \$6,828.9 Million

Individual and Fiduciary Income Tax Refunds



FY 1998 Actual = \$638.2 Million
FY 1999 Actual = \$711.9 Million
FY 2000 Actual = \$702.0 Million

DEPARTMENT OF THE TREASURY
GENERAL ACCOUNT
COMPARISON OF RECEIPTS, DISBURSEMENTS AND BALANCES
FOR PERIODS INDICATED
(DOLLARS IN THOUSANDS)

	FISCAL YEAR 1999 - 2000				FISCAL YEAR 1998 - 1999			GENERAL ACCOUNT BALANCES			HIGHWAY FUND	
	<u>RECEIPTS</u>	<u>DISB</u>	<u>OVER (UNDER)</u>	<u>CUMULATIVE</u>	<u>RECEIPTS</u>	<u>DISB</u>	<u>OVER (UNDER)</u>	<u>1999-2000</u>	<u>1998-1999</u>	<u>INCREASE (DECREASE)</u>	<u>1999-2000</u>	<u>1998-1999</u>
Beginning Balance								3,478,782	3,414,639			
July	1,731,011	2,239,837	(508,826)	(508,826)	1,544,694	1,954,530	(409,836)	2,969,956	3,004,803	(34,847)	200,196	207,428
August	1,877,630	1,527,039	350,591	(158,235)	1,703,673	1,526,868	176,805	3,320,547	3,181,608	138,939	225,108	225,648
September	1,903,892	1,708,994	194,898	36,663	1,878,501	1,840,371	38,130	3,515,445	3,219,738	295,707	231,714	261,296
October	1,594,225	1,601,086	(6,861)	29,802	1,535,595	1,803,210	(267,615)	3,508,584	2,952,123	556,461	196,429	150,200
November	1,638,853	1,764,036	(125,183)	(95,381)	1,591,546	1,398,038	193,508	3,383,401	3,145,631	237,770	198,787	167,770
December	2,372,004	2,238,687	133,317	37,936	1,715,691	1,908,753	(193,062)	3,516,718	2,952,569	564,149	221,881	202,226
January	1,833,141	1,297,642	535,499	573,435	2,102,534	1,417,265	685,269	4,052,217	3,637,838	414,379	215,687	163,675
February	1,525,524	2,277,052	(751,528)	(178,093)	1,505,504	1,782,641	(277,137)	3,300,689	3,360,701	(60,012)	233,181	160,900
March	1,999,155	2,173,059	(173,904)	(351,997)	1,682,637	1,976,783	(294,146)	3,126,785	3,066,555	60,230	267,798	198,416
April	2,087,043	1,533,383	553,660	201,663	2,067,645	1,716,364	351,281	3,680,445	3,417,836	262,609	258,170	194,047
May	2,230,764	2,180,409	50,355	252,018	1,900,096	1,966,337	(66,241)	3,730,800	3,351,595	379,205	268,100	217,949
June	2,493,916	2,327,037	166,879	418,897	2,074,500	1,947,313	127,187	3,897,679	3,478,782	418,897	324,938	294,789 *

* Figure revised to reflect final CARS numbers.

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio

Monthly Average Balances and Yields

For the Fiscal Year 2000

(Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION		COMPOSITE	
	Avg. Balance	Yield	Avg. Balance	Yield	Avg. Balance	Yield
July	\$2,639.9	5.35%	\$763.2	4.43%	\$3,403.1	5.14%
August	\$2,614.2	5.41%	\$765.5	2.74%	\$3,379.7	4.80%
September	\$2,756.5	5.56%	\$768.3	5.46%	\$3,524.8	5.54%
October	\$2,825.2	5.59%	\$771.4	4.42%	\$3,596.6	5.34%
November	\$2,725.8	5.76%	\$774.4	5.32%	\$3,500.2	5.66%
December	\$2,563.0	5.69%	\$777.6	5.48%	\$3,340.6	5.64%
January	\$3,040.4	5.79%	\$780.8	4.58%	\$3,821.2	5.54%
February	\$3,181.5	6.05%	\$783.3	3.16%	\$3,964.8	5.48%
March	\$2,953.3	5.94%	\$785.0	2.59%	\$3,738.3	5.23%
April	\$2,818.3	6.11%	\$821.8	2.20%	\$3,640.1	5.23%
May	\$3,232.9	6.19%	\$831.9	5.27%	\$4,064.8	6.00%
June	\$3,275.2	6.18%	\$832.8	7.81%	\$4,108.0	6.51%
Year-to-Date Average	\$2,885.5	5.82%	\$788.0	4.47%	\$3,673.5	5.53%

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2000
(Dollars in Thousands)**

<u>Month</u>	<u>Beginning Balance</u>	<u>Deposits/(Withdrawals)</u>	<u>Interest Allocated (A)</u>	<u>Ending Balance</u>
July	\$361,472	\$0	\$0	\$361,472
August	\$361,472	\$0	\$0	\$361,472
September	\$361,472	\$0	\$0	\$361,472
October	\$361,472	\$0	\$4,628	\$366,100
November	\$366,100	\$0	\$0	\$366,100
December	\$366,100	\$0	\$0	\$366,100
January	\$366,100	\$0	\$4,350	\$370,450
February	\$370,450	\$0	\$0	\$370,450
March	\$370,450	\$0	\$0	\$370,450
April	\$370,450	\$0	\$5,000	\$375,450
May	\$375,450	\$0	\$0	\$375,450
June	\$375,450	\$194,136 (B)	\$5,047	\$574,633

Notes: (A) Interest is earned monthly but credited to nongeneral funds on a quarterly basis and will appear on this report in the months of October, January, April, and final June.

(B) Deposit as required by Item 299 of Chapter 1072 (2000 Reconvened Session).

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund and Lottery Revenue Collections
For the Fiscal Years 2000 and 2001
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2001 Estimate	As a % of Gen Fund Rev & Net Lottery Profits	FY 2001	FY 2000	% Change	FY 2001	FY 2000	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$6,426,800	55.07	\$461,483	\$428,355	7.7	\$461,483	\$428,355	7.7	9.6
Tax Dues/Estimated Payments	1,848,700	15.84	19,310	16,966	13.8	19,310	16,966	13.8	10.7
Gross Individual Income Tax	\$8,275,500	70.91	\$480,793	\$445,321	8.0	\$480,793	\$445,321	8.0	9.9
Individual and Fiduciary Income (Refunds)	(859,600)	(7.37)	(71,632)	(22,615)	216.7	(71,632)	(22,615)	216.7	22.4
Net Individual Income Tax	\$7,415,900	63.54	\$409,161	\$422,706	(3.2)	\$409,161	\$422,706	(3.2)	8.6
Sales and Use Tax (a)	2,313,200	19.82	202,584	196,838	2.9	202,584	196,838	2.9	5.1
Corporations Income Tax	461,700	3.96	17,386	12,872	35.1	17,386	12,872	35.1	(18.4)
Public Service Corporations	85,300	0.73	314	82	282.9	314	82	282.9	(18.1)
Insurance Premiums	261,100	2.24	1,978	892	121.7	1,978	892	121.7	4.0
Interest Income (b)	143,900	1.23	18,114	18,518	(2.2)	18,114	18,518	(2.2)	9.7
Alcoholic Beverage Sales (c)	117,300	1.01	4,016	3,720	8.0	4,016	3,720	8.0	0.1
All Other Revenues	509,500	4.37	34,433	43,479	(20.8)	34,433	43,479	(20.8)	(2.3)
General Fund Revenues Excluding Tobacco Master Settlement	\$11,307,900	96.90	\$687,986	\$699,107	(1.6)	\$687,986	\$699,107	(1.6)	5.5
Tobacco Master Settlement	\$51,600	0.44	\$0	\$0	-	\$0	\$0	-	(22.9)
Total General Fund Revenues	\$11,359,500	97.34	\$687,986	\$699,107	(1.6)	\$687,986	\$699,107	(1.6)	5.3
Gross Lottery Revenue	\$975,860	8.36	\$73,106	\$71,992	1.5	\$73,106	\$71,992	1.5	0.3
Less: Expenses	(665,560)	(5.70)	(46,862)	(49,433)	(5.2)	(46,862)	(49,433)	(5.2)	2.5
Net Lottery Profits	\$310,300	2.66	\$26,244	\$22,559	16.3	\$26,244	\$22,559	16.3	(4.1)
Total General Fund Revenues and Net Lottery Profits	\$11,669,800	100.00	\$714,230	\$721,666	(1.0)	\$714,230	\$721,666	(1.0)	5.0
Local Portion of State Sales/Use Tax	\$780,900	6.69	\$68,432	\$65,298	4.8	\$68,432	\$65,298	4.8	6.2

Percentage is greater than 1,000%.

(a) Includes Local Portion of State Sales and Use Tax.

(b) Approximately 60% of the interest for the current quarter is due to nongeneral funds and will be transferred in October.

(c) 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 2000 and 2001

(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2001 Estimate	As a % of Total Gen Fund Rev	FY 2001	FY 2000	% Change	FY 2001	FY 2000	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$6,426,800	56.58	\$461,483	\$428,355	7.7	\$461,483	\$428,355	7.7	9.6
Tax Dues/Estimated Payments	1,848,700	16.27	19,310	16,966	13.8	19,310	16,966	13.8	10.7
Gross Individual Income Tax	\$8,275,500	72.85	\$480,793	\$445,321	8.0	\$480,793	\$445,321	8.0	9.9
Individ and Fiduc Income (Refunds)	(859,600)	(7.57)	(71,632)	(22,615)	216.7	(71,632)	(22,615)	216.7	22.4
Net Individual Income Tax	\$7,415,900	65.28	\$409,161	\$422,706	(3.2)	\$409,161	\$422,706	(3.2)	8.6
Sales and Use Tax	2,313,200	20.36	202,584	196,838	2.9	202,584	196,838	2.9	5.1
Corporations Income	461,700	4.07	17,386	12,872	35.1	17,386	12,872	35.1	(18.4)
Public Service Corporations	85,300	0.75	314	82	282.9	314	82	282.9	(18.1)
Insurance Premiums	261,100	2.30	1,978	892	121.7	1,978	892	121.7	4.0
Alcoholic Beverage Excise	77,800	0.69	0	0	-	0	0	-	0.7
Beer and Beverage Excise	39,500	0.35	4,016	3,720	8.0	4,016	3,720	8.0	(1.0)
Wills, Suits, Deeds, Contracts	146,800	1.29	12,517	12,736	(1.7)	12,517	12,736	(1.7)	0.3
Inheritance, Gift, and Estate	133,300	1.17	8,138	12,701	(35.9)	8,138	12,701	(35.9)	(11.2)
Tobacco Products	14,000	0.12	1,185	1,362	(13.0)	1,185	1,362	(13.0)	(7.9)
Bank Franchise	9,800	0.09	(102)	2,322	(104.4)	(102)	2,322	(104.4)	(20.4)
Other Taxes	(4,800)	(0.04)	100	221	(54.8)	100	221	(54.8)	(91.3)
Total Taxes	\$10,953,600	96.43	\$657,277	\$666,452	(1.4)	\$657,277	\$666,452	(1.4)	5.4
Rights and Privileges:									
Licenses and Permits	\$1,500	0.01	\$122	\$124	(1.6)	\$122	\$124	(1.6)	(0.9)
Corp. Franchise and Charters	20,900	0.19	602	387	55.6	602	387	55.6	(3.3)
Fees for Practice of Prof	1,000	0.01	0	15	(100.0)	0	15	(100.0)	(3.8)
Fees for Misc. Privileges & Services	11,200	0.10	1,839	1,774	3.7	1,839	1,774	3.7	12.7
Total Rights and Privileges	\$34,600	0.31	\$2,563	\$2,300	11.4	\$2,563	\$2,300	11.4	1.5
Other Revenues:									
Sales of Property & Commodities	\$100	0.00	\$4	\$865	(99.5)	\$4	\$865	(99.5)	(91.3)
Assessmts & Rcpts for Support of Special Svces	300	0.00	96	53	81.1	96	53	81.1	76.5
Institutional Revenue	8,400	0.08	182	1,277	(85.7)	182	1,277	(85.7)	(8.1)
Interest (a)	143,900	1.27	18,114	18,518	(2.2)	18,114	18,518	(2.2)	9.7
Dividends and Rent	300	0.00	21	20	5.0	21	20	5.0	(16.4)
Fines, Forfeitures & Fees	144,500	1.27	10,380	9,566	8.5	10,380	9,566	8.5	13.5
Other Revenue	26,300	0.23	(47)	1,200	(103.9)	(47)	1,200	(103.9)	(10.9)
Excess Fees	(14,600)	(0.13)	(1,174)	(1,742)	32.6	(1,174)	(1,742)	32.6	(33.4)
Private Donations, Gifts & Cont.	0	0.00	0	0	-	0	0	-	(100.0)
Cities, Counties, and Towns	10,500	0.09	570	598	(4.7)	570	598	(4.7)	12.1
Total Other Revenues	\$319,700	2.81	\$28,146	\$30,355	(7.3)	\$28,146	\$30,355	(7.3)	7.6
General Fund Revenues Excluding Tobacco Master Settlement	\$11,307,900	99.55	\$687,986	\$699,107	(1.6)	\$687,986	\$699,107	(1.6)	5.5
Tobacco Master Settlement	\$51,600	0.45	\$0	\$0	-	\$0	\$0	-	(22.9)
Total General Fund Revenues	\$11,359,500	100.00	\$687,986	\$699,107	(1.6)	\$687,986	\$699,107	(1.6)	5.3

Percentage is greater than 1,000%.

(a) Approximately 60% of the interest for the current quarter is due to nongeneral funds and will be transferred in October.

**Commonwealth of Virginia/Department of Lottery
Summary Report on Lottery Collections
For the Fiscal Years 2000 and 2001
(Dollars in Thousands)**

	FY 2001 Estimate	July			Year-To-Date			% Annual Growth Required By Estimate
		FY 2001	FY 2000	% Change	FY 2001	FY 2000	% Change (b)	
Lottery Collections								
Lotto (d)	\$89,550	\$7,448	\$7,838	(5.0)	\$7,448	\$7,838	(5.0)	(1.2)
Cash 5	24,670	2,253	2,703	(16.6)	2,253	2,703	(16.6)	(13.1)
Pick 4	122,040	10,473	9,765	7.3	10,473	9,765	7.3	2.2
Pick 3	229,400	18,920	19,542	(3.2)	18,920	19,542	(3.2)	(2.7)
Multi-State (Big Game)	80,200	7,065	8,806	(19.8)	7,065	8,806	(19.8)	(17.0)
Instant	430,000	26,947	23,338	15.5	26,947	23,338	15.5	6.9
Gross Lottery Revenue	<u>975,860</u>	<u>73,106</u>	<u>71,992</u>	<u>1.5</u>	<u>73,106</u>	<u>71,992</u>	<u>1.5</u>	<u>0.3</u>
Expenses (c)	<u>665,560</u>	<u>46,862 (a)</u>	<u>49,433</u>	<u>(5.2)</u>	<u>46,862 (a)</u>	<u>49,433</u>	<u>(5.2)</u>	<u>2.5</u>
Net Lottery Ticket Profits	<u>\$310,300</u>	<u>\$26,244 (a)</u>	<u>\$22,559</u>	<u>16.3</u>	<u>\$26,244 (a)</u>	<u>\$22,559</u>	<u>16.3</u>	<u>(4.1)</u>

(a) Current month includes operating expenses estimate (unaudited closing).

(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 jackpot, prize expense and game related administrative expenses.

(c) "Expenses" includes prizes to winners, compensation to retailers, instant ticket printing costs, and Lottery operating expenses.

(d) Includes Kicker.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Revenue Estimates & Collections
For the Fiscal Years 2000 and 2001
(Dollars in Thousands)

Revenue	FY 2001 Estimate	As a % of Total Fund	July			Year-To-Date			% Annual Growth Required By Estimate
			FY 2001	FY 2000	% Change	FY 2001	FY 2000	% Change	
Motor Fuel Taxes	\$791,046	28.32	\$18,888	\$22,692	(16.8)	\$18,888	\$22,692	(16.8)	0.8
Priority Transportation Fund	35,232	1.26	0	0	-	0	0	-	-
Motor Vehicle Sales and Use Tax	459,122	16.45	42,891	40,980	4.7	42,891	40,980	4.7	(7.8)
State Sales and Use Tax	395,500	14.16	34,432	33,092	4.0	34,432	33,092	4.0	6.2
Motor Vehicle License Fees	138,325	4.95	11,734	13,849	(15.3)	11,734	13,849	(15.3)	(4.5)
International Registration Plan	57,489	2.06	3,833	6,164	(37.8)	3,833	6,164	(37.8)	4.9
Interest Earnings	3,868	0.14	20	0	-	20	0	-	(63.7)
Misc. Taxes, Fees, and Revenues	13,042	0.47	1,421	1,253	13.4	1,421	1,253	13.4	(26.1)
Total State Taxes and Fees	\$1,893,624	67.81	\$113,219	\$118,030	(4.1)	\$113,219	\$118,030	(4.1)	0.6

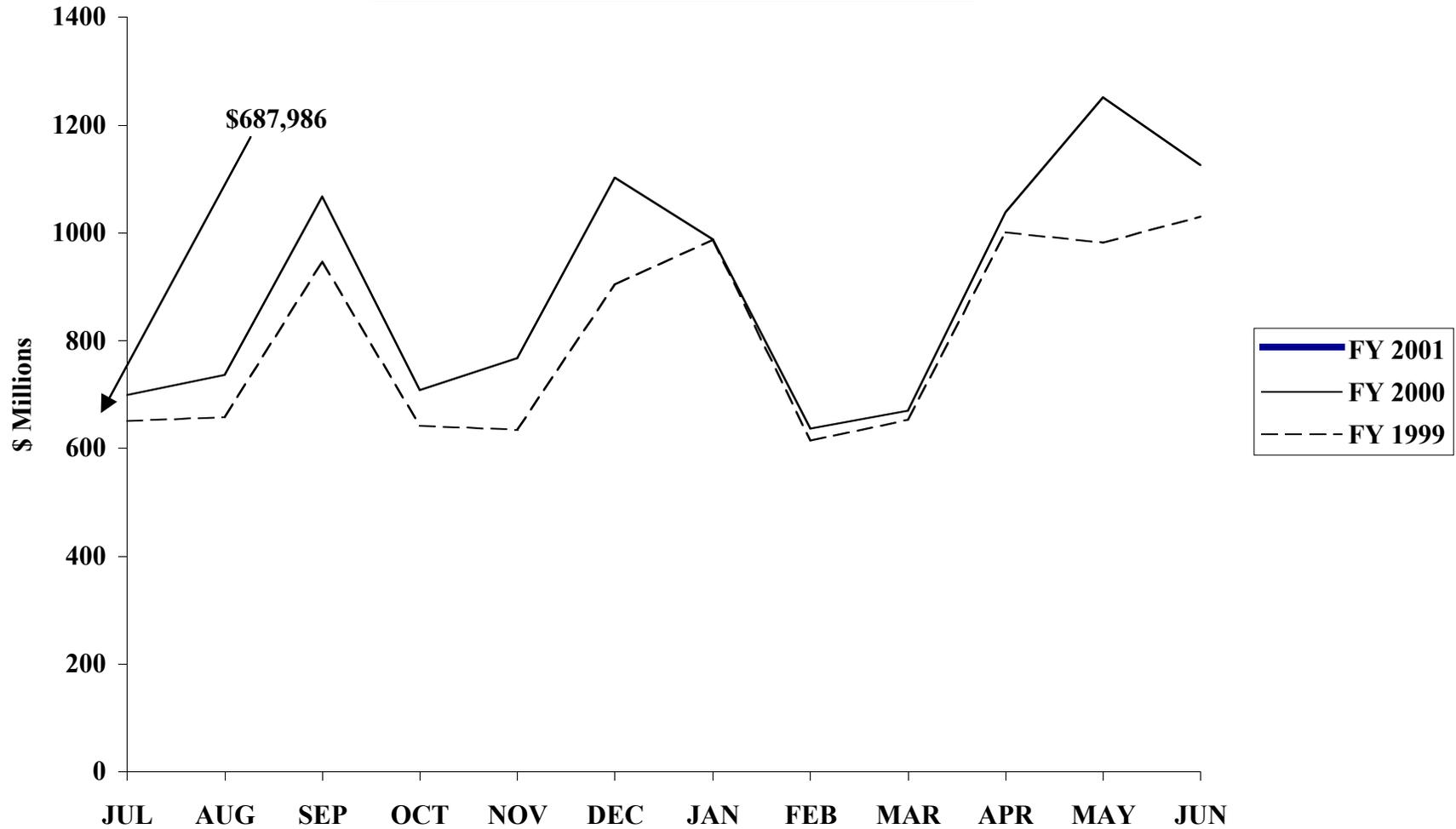
Percentage is greater than 1,000%.

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 2000 and 2001
(Dollars in Thousands)

Revenue	FY 2001 Estimate	As a % of Total Fund	July			Year-To-Date			% Annual Growth Required By Est
			FY 2001	FY 2000	% Change	FY 2001	FY 2000	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$683,744	24.48	\$15,142	\$18,305	(17.3)	\$15,142	\$18,305	(17.3)	1.1
Motor Vehicle Sales and Use Tax	293,929	10.53	27,163	25,839	5.1	27,163	25,839	5.1	(7.7)
Motor Vehicle License Fees	120,118	4.30	10,218	12,070	(15.3)	10,218	12,070	(15.3)	(4.7)
International Registration Plan	57,489	2.06	3,833	6,164	(37.8)	3,833	6,164	(37.8)	4.9
Misc. Taxes, Fees, and Revenues	13,042	0.47	1,421	1,253	13.4	1,421	1,253	13.4	(26.1)
Total State Taxes and Fees	\$1,168,322	41.84	\$57,777	\$63,631	(9.2)	\$57,777	\$63,631	(9.2)	(2.1)
Other Revenues:									
Federal Grants and Contracts	\$5,697	0.20	\$826	\$1,326	(37.7)	\$826	\$1,326	(37.7)	(36.6)
Transfer (to) / from Transportation Trust Fund	(4,008)	(0.14)	0	10,000	(100.0)	0	10,000	(100.0)	(214.6)
Total Highway Maintenance and Operating Fund	\$1,170,011	41.90	\$58,603	\$74,957	(21.8)	\$58,603	\$74,957	(21.8)	(2.6)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$107,302	3.84	\$3,746	\$4,387	(14.6)	\$3,746	\$4,387	(14.6)	(1.0)
Priority Transportation Fund	35,232	1.26	0	0	-	0	0	-	-
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	165,193	5.92	15,728	15,141	3.9	15,728	15,141	3.9	(8.0)
State Sales and Use Tax	395,500	14.16	34,432	33,092	4.0	34,432	33,092	4.0	6.2
Motor Vehicle License Fees	18,207	0.65	1,516	1,779	(14.8)	1,516	1,779	(14.8)	(2.7)
Interest Earnings	3,868	0.14	20	0	-	20	0	-	(63.7)
Total State Taxes and Fees	\$725,302	25.97	\$55,442	\$54,399	1.9	\$55,442	\$54,399	1.9	5.2
Other Revenues:									
Federal Grants and Contracts	\$799,606	28.63	\$32,222	\$22,176	45.3	\$32,222	\$22,176	45.3	58.4
Receipts from Cities/Counties	34,237	1.23	2,294	(56,765)	104.0	2,294	(56,765)	104.0	(23.9)
Toll Revenues (Includes Route 28)	59,482	2.13	7,243	4,786	51.3	7,243	4,786	51.3	2.9
Miscellaneous Revenues	0	0.00	2,433	513	374.3	2,433	513	374.3	(100.0)
Total Other Revenues	\$893,325	31.99	\$44,192	(\$29,290)	250.9	\$44,192	(\$29,290)	250.9	45.1
Transfer (to) / from Highway Maintenance and Operating Fund	\$4,008	0.14	\$0	(\$10,000)	100.0	\$0	(\$10,000)	100.0	214.6
Total Transportation Trust Fund	\$1,622,635	58.10	\$99,634	\$15,109	559.4	\$99,634	\$15,109	559.4	24.2
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$2,792,646	100.00	\$158,237	\$90,066	75.7	\$158,237	\$90,066	75.7	11.4

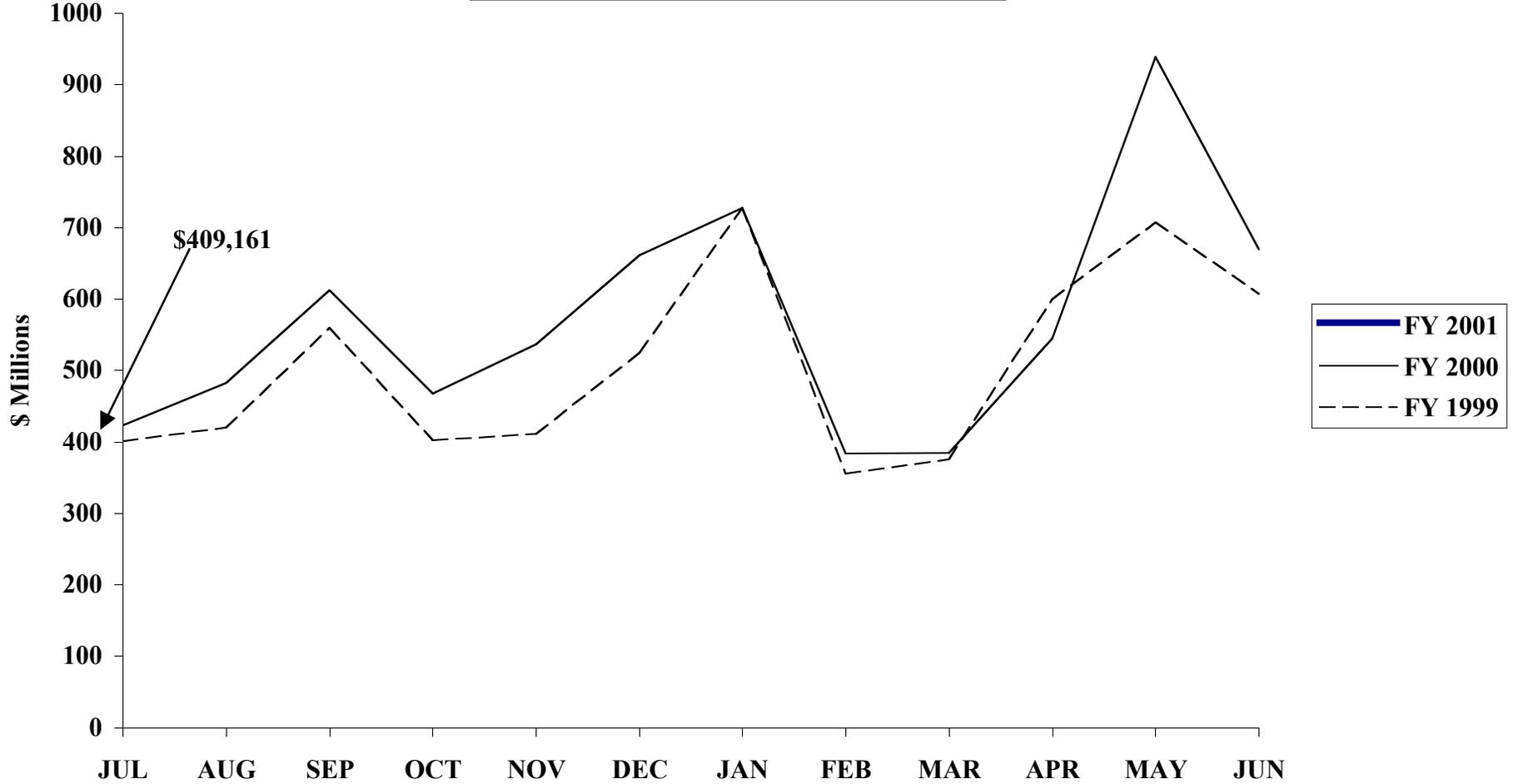
Percentage is greater than 1,000%.

Total General Fund Revenues



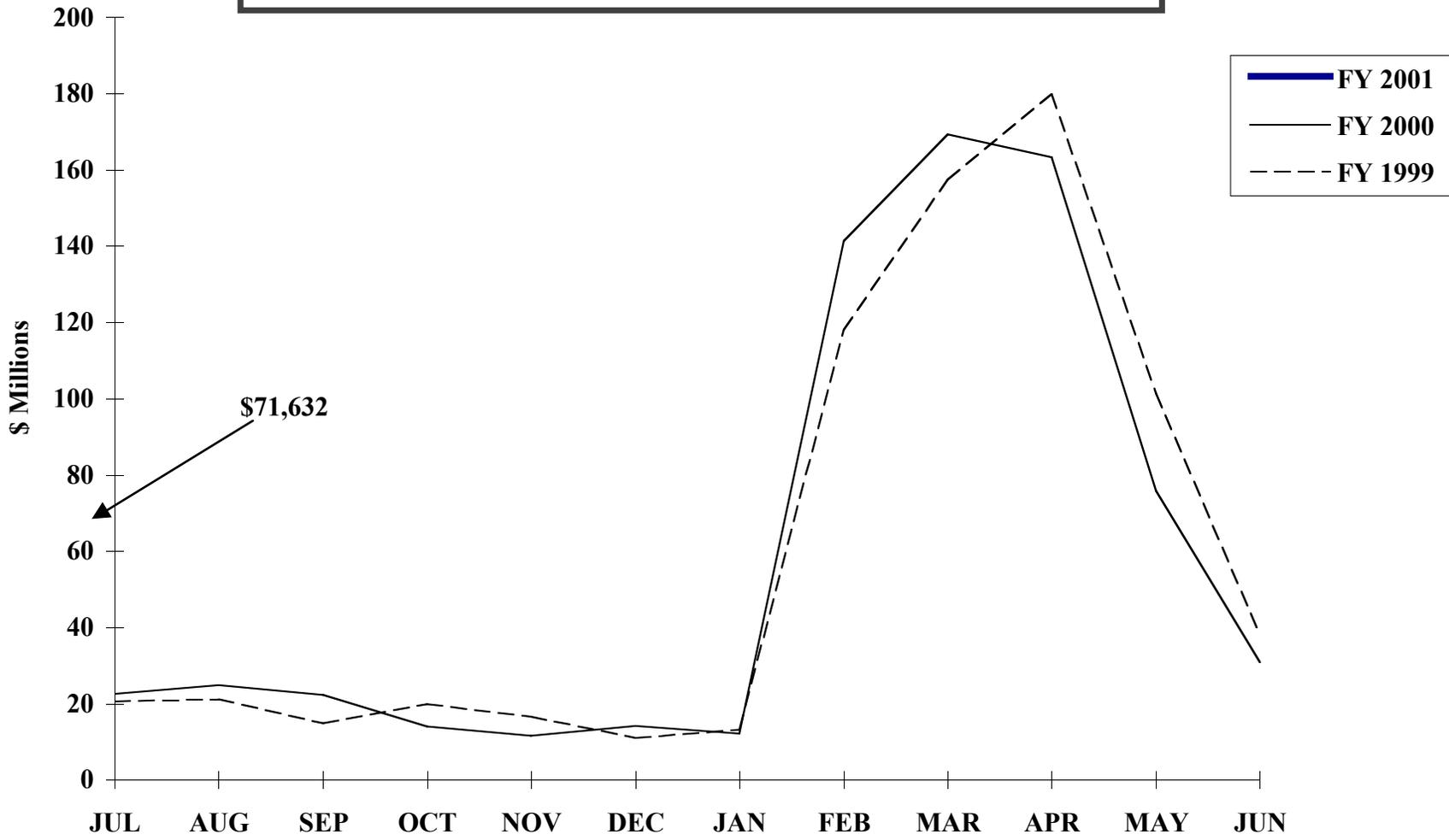
FY 1999 Actual = \$9,702.7 Million
FY 2000 Actual = \$10,788.5 Million
FY 2001 Estimate = \$11,359.5 Million

Net Individual Income Tax



FY 1999 Actual = \$6,087.8 Million
FY 2000 Actual = \$6,828.9 Million
FY 2001 Estimate = \$7,415.9 Million

Individual and Fiduciary Income Tax Refunds



FY 1999 Actual = \$711.9 Million
FY 2000 Actual = \$702.0 Million
FY 2001 Estimate = \$859.6 Million

DEPARTMENT OF THE TREASURY
GENERAL ACCOUNT
COMPARISON OF RECEIPTS, DISBURSEMENTS AND BALANCES
FOR PERIODS INDICATED
(DOLLARS IN THOUSANDS)

	FISCAL YEAR 2000 - 2001				FISCAL YEAR 1999 - 2000			GENERAL ACCOUNT BALANCES			HIGHWAY FUND	
	<u>RECEIPTS</u>	<u>DISB</u>	<u>OVER (UNDER)</u>	<u>CUMULATIVE</u>	<u>RECEIPTS</u>	<u>DISB</u>	<u>OVER (UNDER)</u>	<u>2000-2001</u>	<u>1999-2000</u>	<u>INCREASE (DECREASE)</u>	<u>2000-2001</u>	<u>1999-2000</u>
Beginning Balance								3,897,679	3,478,782			
July	1,619,514	1,667,803	(48,289)	(48,289)	1,731,011	2,239,837	(508,826)	3,849,390	2,969,956	879,434	228,622	200,196
August					1,877,630	1,527,039	350,591		3,320,547			225,108
September					1,903,892	1,708,994	194,898		3,515,445			231,714
October					1,594,225	1,601,086	(6,861)		3,508,584			196,429
November					1,638,853	1,764,036	(125,183)		3,383,401			198,787
December					2,372,004	2,238,687	133,317		3,516,718			221,881
January					1,833,141	1,297,642	535,499		4,052,217			215,687
February					1,525,524	2,277,052	(751,528)		3,300,689			233,181
March					1,999,155	2,173,059	(173,904)		3,126,785			267,798
April					2,087,043	1,533,383	553,660		3,680,445			258,170
May					2,230,764	2,180,409	50,355		3,730,800			268,100
June					2,493,916	2,327,037	166,879		3,897,679			329,391 *

* Figure revised to reflect final CARS numbers.

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio

Monthly Average Balances and Rates

For the Fiscal Year 2001

(Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION ¹		COMPOSITE	
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate
July	\$2,978.4	6.36%	\$889.2	8.04%	\$3,867.6	6.75%
August						
September						
October						
November						
December						
January						
February						
March						
April						
May						
June						
Year-to-Date Average	\$2,978.4	6.36%	\$889.2	8.04%	\$3,867.6	6.75%

¹ Performance on the extended duration portion of the General Account is now reported on an annualized total return basis, net of management fees. 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.

Commonwealth of Virginia/Department of Accounts
 Report on the Revenue Stabilization Fund
 For the Fiscal Year 2001
 (Dollars in Thousands)

<u>Month</u>	<u>Beginning Balance</u>	<u>Deposits/(Withdrawals)</u>	<u>Interest Allocated (A)</u>	<u>Ending Balance</u>
July	\$574,633	\$0	\$0	\$574,633
August				
September				
October				
November				
December				
January				
February				
March				
April				
May				
June				

Notes: (A) Interest is earned monthly but credited to nongeneral funds on a quarterly basis and will appear on this report in the months of October, January, April, and final June.