

August 28, 2006

**Actual General Fund Revenues
for Fiscal Year 2006 and
the State of the Virginia Economy**

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



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Secretary of Finance

Overview...

- Economic Performance in FY06
- Actual General Fund Collections for FY06
- Financial Results for FY06
- Economic and Revenue Outlook for FY07

The National Economy Experienced Healthy Growth in FY06...

- Growth in the national economy was in line with last fall's forecast, with solid growth in employment and income.

Summary of Key U.S. Economic Indicators Percent Change Over Prior Fiscal Year

	FY06 <u>Forecast</u>	FY06 <u>Actual</u>
Real GDP	3.4	3.4
Employment	1.5	1.5
Personal Income	5.8	5.5
Wages & Salaries	5.7	5.8

- Employment gains averaged 155,000 per month. During the economic expansion of the late 1990's, monthly employment gains averaged about 250,000.
- Recent data suggest a cooling economy.
 - Real GDP increased 2.5% in the latest quarter, below the economy's potential of around 3.25%.
 - Weakening housing market
 - Higher interest rates
 - High energy prices

In Virginia, FY06 Job Growth Advanced Ahead of the Forecast, While Income Growth Was Weaker Than Anticipated ...

- Virginia outperformed the U.S. in terms of employment growth, while income growth was near national rates.
- Actual employment growth of 2.2% exceeded the forecast of 1.8% growth.
 - FY06 had an increase of 78,000 jobs, about 14,000 more than forecast.

Summary of Key Virginia Economic Indicators Percent Change Over Prior Fiscal Year

	<u>FY06 Forecast</u>	<u>FY06 Actual</u>
Employment	1.8	2.2
Personal Income	7.2	5.9*
Wages & Salaries	6.9	5.5*

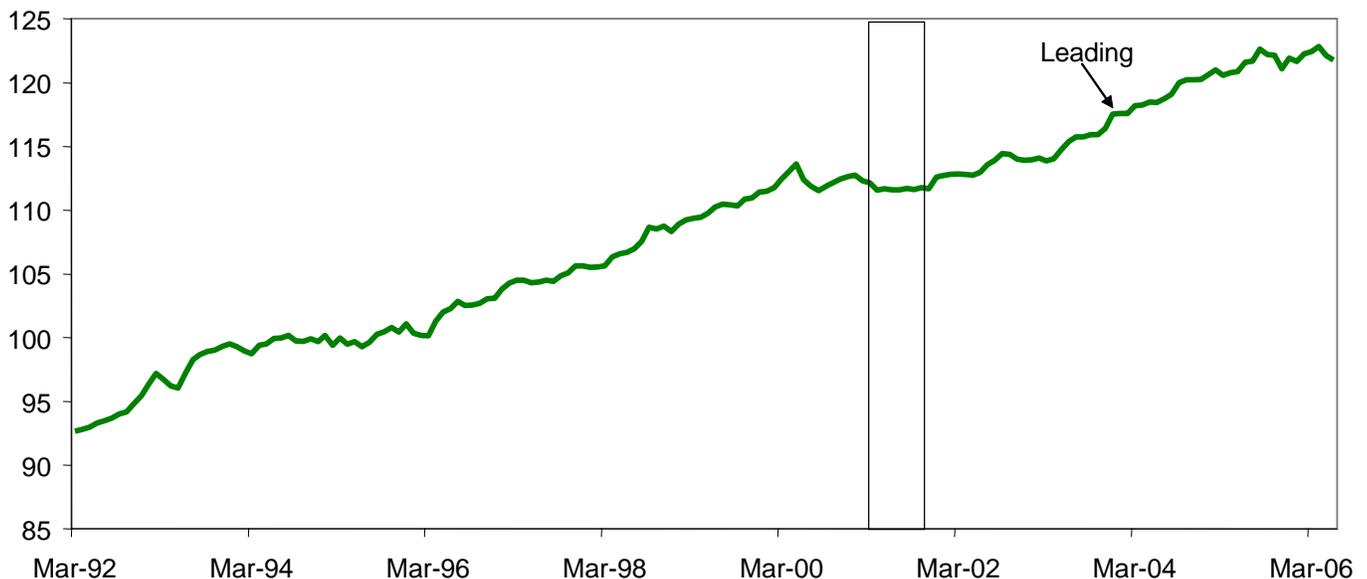
*Estimate based on 3 quarters of actual data.

- Current federal data suggest that both personal income and wages and salaries were weaker than forecast; however, revisions are expected to boost growth to rates more consistent with FY06 growth in withholding collections.

The Virginia Leading Index Experienced Relatively Flat Growth Over FY06...

- The Virginia Leading Index has declined for the last two months. In general, three months of consecutive declines is indicative of a possible slowdown in economic activity.
 - The decline over the past two months has been driven by declines in auto registrations and building permits.
 - The third component of the index, initial unemployment claims, has been uneven over the last two months.

Virginia Leading Index
(Data through June 2006)



Source: Chmura Economics and Analytics

FY06 Revenues Ended With A Forecast Variance of 1.0%...

Summary of FY06 Revenue Collections (millions of dollars)

<u>Revenue Source</u>	<u>Forecast</u>	<u>Actual</u>	<u>Variance</u>		<u>Annual Growth</u>
			<u>Dollars</u>	<u>Percent</u>	
Withholding	\$ 7,978.8	\$ 8,061.0	\$ 82.2	1.0 %	7.3 %
Nonwithholding	2,431.3	2,530.2	98.9	4.1	22.0
Refunds	(1,239.7)	(1,282.6)	(42.9)	3.5	3.9
Net Individual	9,170.4	9,308.6	138.2	1.5	11.4
Sales and Use Tax	2,803.8	2,812.7	8.9	0.3	(4.5)
Corporate Income Tax	851.5	871.6	20.1	2.4	41.3
Insurance Premiums	392.5	373.8	(18.7)	(4.8)	0.1
Wills, Suits, and Deeds	723.0	694.7	(28.3)	(3.9)	16.6
All Other	746.1	772.9	26.8	3.6	(3.7)
Total GF Revenue	\$ 14,687.3	\$ 14,834.3	\$ 147.0	1.0 %	8.4 %

- Actual collections exceeded the forecast by \$147 million, or 1.0%.
 - Withholding and sales tax collections (73% of gross revenues) were within 0.8% of the forecast.
 - Of the three most volatile revenue sources – nonwithholding, corporate, and recordation tax – nonwithholding and corporate maintained unprecedented growth and contributed to the FY06 surplus.

***All but \$19 Million of the Revenue Surplus
Has Already Been Incorporated Into the
2006-2008 Budget...***

- The FY06 revenue surplus was \$147 million.
- The General Assembly, in anticipation of a surplus, included \$128 million into the starting balance for FY07.

**Comparison of the Actual FY06 Revenue Surplus to the
Budget Bill Anticipated FY06 Revenue Surplus**
(millions of dollars)

<u>Revenue Source</u>	<u>Actual Surplus</u>	<u>Budget Bill Surplus</u>	<u>Difference</u>
Withholding	\$ 82.2	\$ 30.0	\$ 52.2
Nonwithholding	98.9	107.0	(8.1)
Corporate Income Tax	20.1	35.0	(14.9)
Sales and Use Tax	8.9	20.0	(11.1)
Wills, Suits, and Deeds	(28.3)	(30.0)	1.7
Insurance Premiums	(18.7)	(15.0)	(3.7)
All Other	(16.1)	(19.0)	2.9
Total GF Revenue	\$ 147.0	\$ 128.0	\$ 19.0

The Accuracy of the FY06 Forecast Was Better Than the Average Historical Forecast Variance...

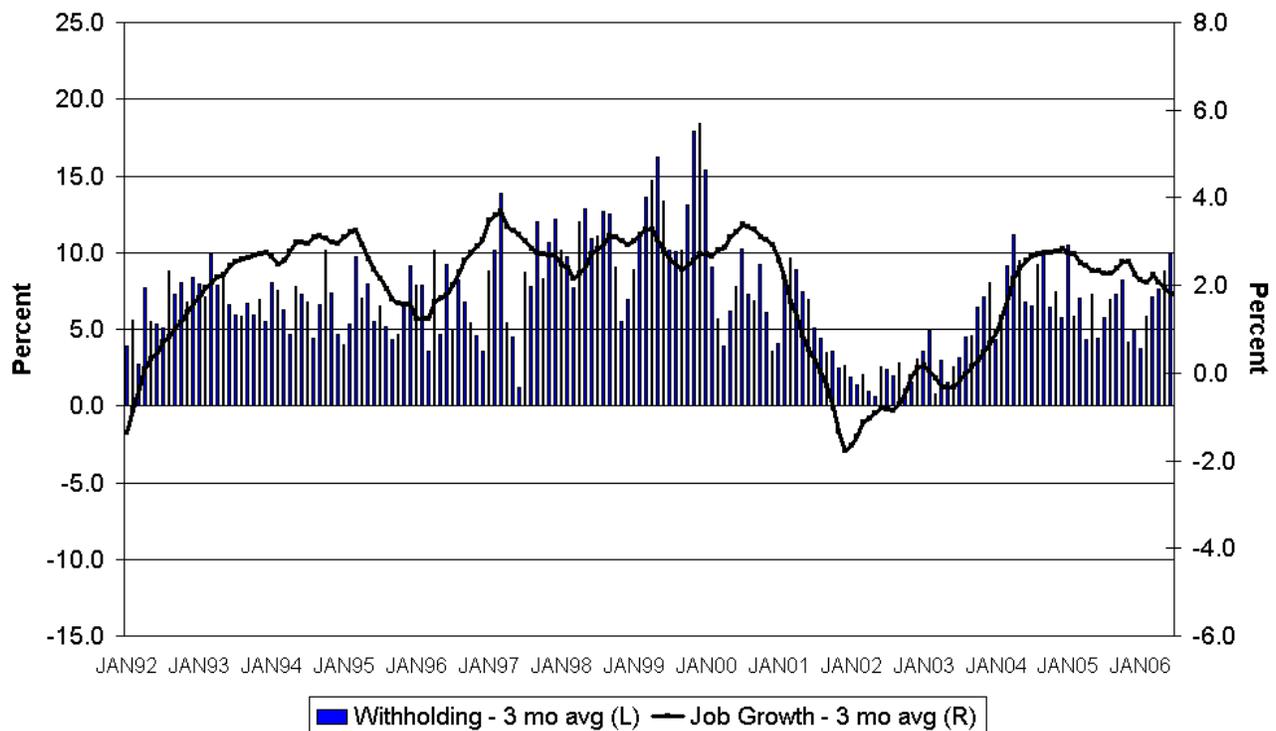
Annual Revenue Surplus/Shortage Forecast Error on the Revenue Estimate (millions of dollars)

	<u>Nominal Dollars (\$)</u>	<u>Percent (%)</u>	<u>Real Dollars (\$)</u>
FY82	29.3	1.0	50.2
FY83	1.6	0.1	2.6
FY84	67.2	2.0	105.5
FY85	44.5	1.2	67.5
FY86	7.9	0.2	11.7
FY87	167.9	3.7	241.2
FY88	115.3	2.3	159.5
FY89	27.4	0.5	36.3
FY90	(149.4)	(2.6)	(190.1)
FY91	51.5	0.9	62.7
FY92	44.2	0.8	52.2
FY93	112.1	1.9	129.0
FY94	25.5	0.4	28.8
FY95	51.6	0.8	56.9
FY96	53.4	0.7	57.7
FY97	198.3	2.6	209.9
FY98	173.5	2.0	181.6
FY99	155.3	1.6	160.7
FY00	5.8	0.1	5.9
FY01	(76.0)	(0.7)	(75.1)
FY02	(237.0)	(2.2)	(230.8)
FY03	60.5	0.6	57.8
FY04	323.8	2.8	303.3
FY05	544.6	4.1	496.7
FY06	147.0	1.0	130.0

- The 10-year average forecast variance is 1.8%.

Payroll Withholding Collections Were \$82.2 Million (1.0%) Better Than the Official Estimate...

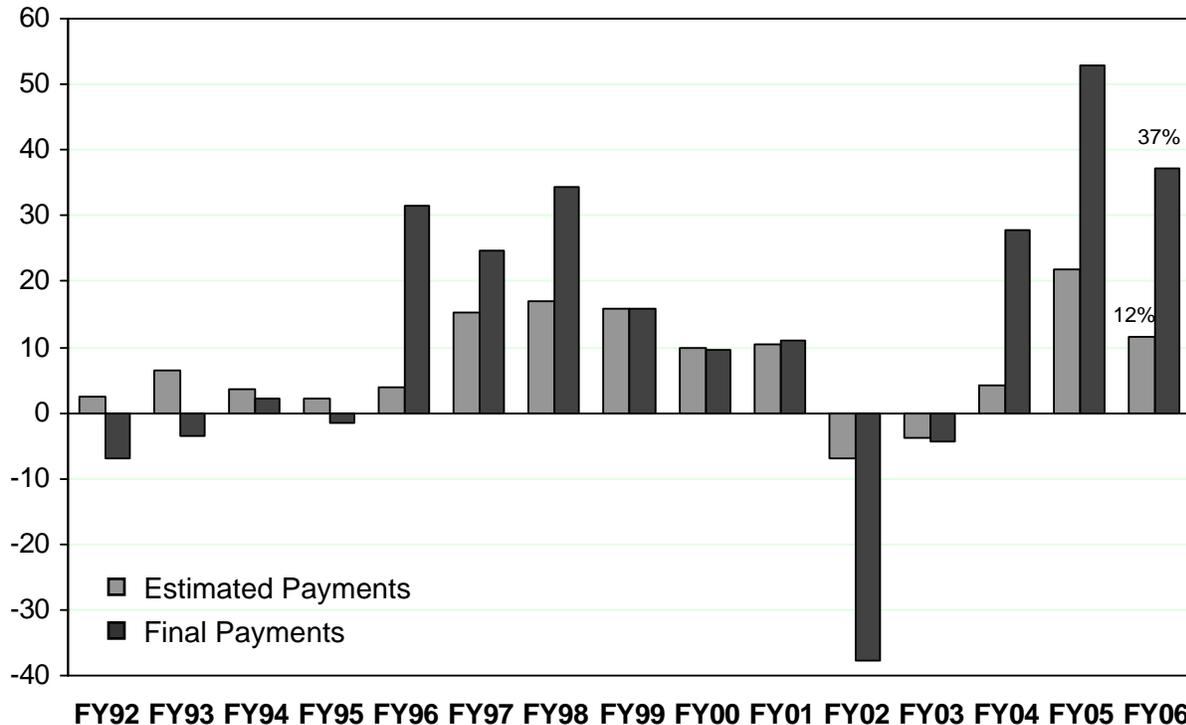
Economic Expansion – Withholding and Employment Three-month Moving Average of Year-over-Year Growth



- Withholding collections increased 7.3% in FY06, ahead of the forecast of 6.2% growth.
- For the last three years, annual withholding growth has averaged 7.1%, the highest since the three-year period from FY99 to FY01.
- In recent months, growth in withholding collections has outperformed employment growth.

Nonwithholding Payments Exceeded the Forecast Due to Another Year of Exceptional Growth in Final Payments...

Growth in Estimated and Final Payments, FY92-06
Percent Growth Over Prior Year



- Total nonwithholding payments increased 22.0% after growth of 32.7% last fiscal year.
- Estimated payments were right on forecast. Final payments defied expectations and increased well above the mid-session forecast of 25% growth.

	<u>Forecast</u>	<u>Actual</u>
Estimated Payments	11.8%	11.7%
Final Payments	25.4%	37.3%

Non-wage Income Was Higher Than Forecast, but Lack of Concrete Data Prevents Precise Explanation...

- Data from TY04 federal tax returns will not be available until September, 2006. Data from TY05 federal tax returns will not be available until September, 2007.
- National experts and staff in other states offer four plausible explanations.
 - 1) Corporations seeing strong profits granted substantial bonuses to employees (rather than salary increases).
 - 2) Reduction in federal tax rates on capital gains to 15% in 2003 has allowed filers to realize larger gains from stock market growth. Congress recently voted to extend the new rate beyond the original sunset date of 2008 to 2010.
 - 3) Growth in non-wage income from partnerships and S-corporations was also strong.
 - 4) Taxable IRA withdrawals were higher due to strength in the stock market.

Large Individual Payments Reflect Capital Gains and Substantial Non-wage Income...

Large Individual Payments

	<u>Number of Payments</u>	<u>Total \$ Amt of Payments*</u>
FY99	728	\$236.4
FY00	832	\$266.2
FY01	885	\$270.9
FY02	639	\$168.8
FY03	617	\$177.5
FY04	864	\$242.3
FY05	1,320	\$394.8
FY06	1,954	\$648.6

* Millions of Dollars

- Of the 1,462 taxpayers making a large payment this year, only 514 made a large payment last year, and only 92 made a large payment in each of the last 3 years.

Large Individual Payments April - May

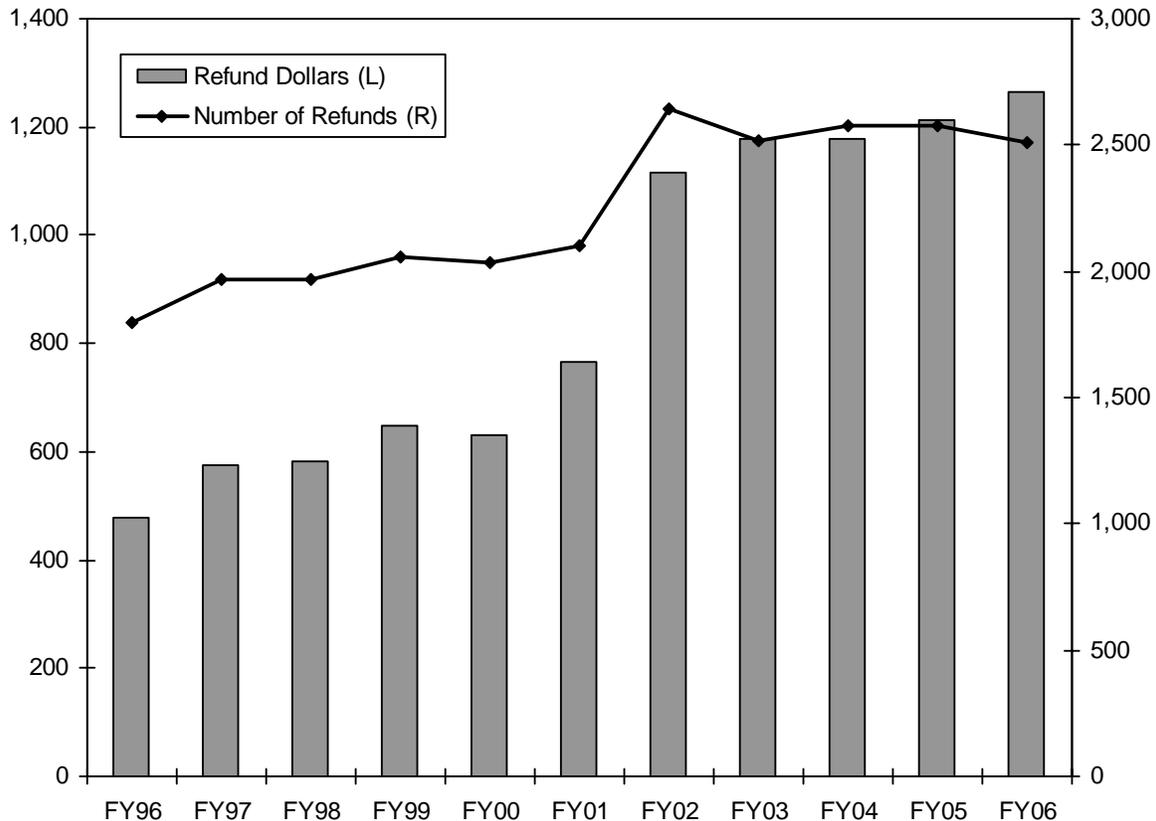
	<u>Number of Payments</u>	<u>Total \$ Amt of Payments*</u>
FY99	341	\$122.8
FY00	299	\$84.0
FY01	174	\$53.1
FY02	205	\$51.1
FY03	195	\$56.4
FY04	343	\$93.6
FY05	596	\$163.1
FY06	770	\$246.2

* Millions of Dollars

- Of the 761 taxpayers making a large payment in April or May this year, only 139 made a large payment last year, and only 14 made a large payment in each of the last 3 years.

Individual Income Tax Refunds Surpassed Expectations in FY06...

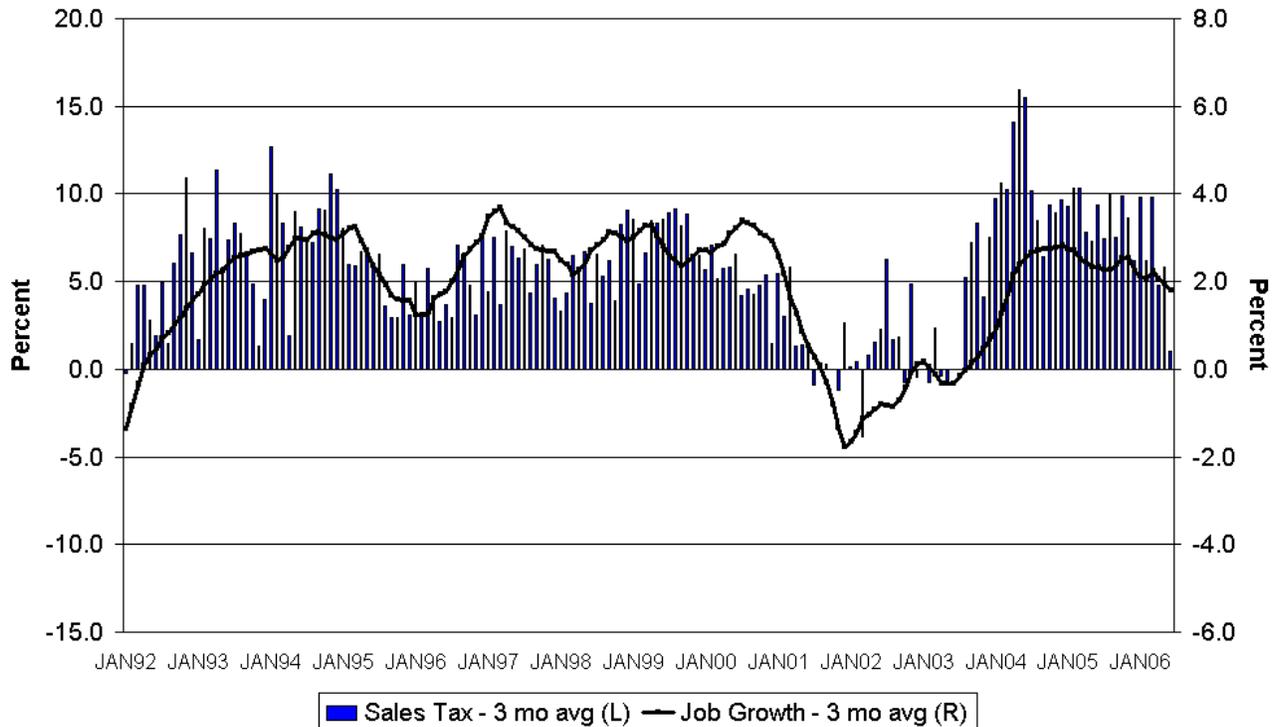
Individual Income Tax Refunds, FY96-06
Dollar Amount and Number of Refunds



- Despite the implementation of a new accounting system, TAX issued 2.5 million refunds versus last year's 2.6 million.
 - Expectations for a small decline in the number of refunds were met, as 2004 tax policy changes relieved 140,000 individuals of filing.
 - TAX processed \$42.9 million more in refunds than was projected, bringing growth for FY06 to 3.9%, the strongest in four years.

Sales Tax Collections Were \$8.9 Million (0.3%) Ahead of the Official Estimate...

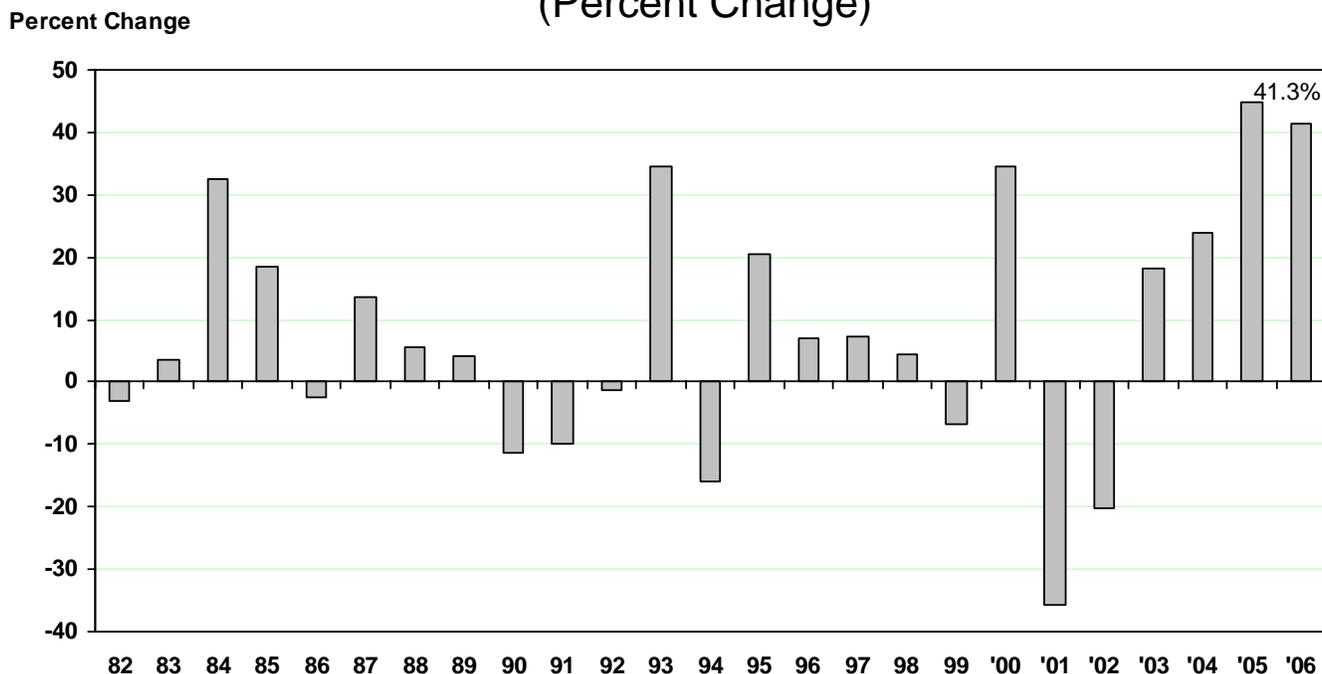
Economic Expansion – Sales and Employment Three-month Moving Average of Year-over-Year Growth



- Sales tax collections declined 4.5% in FY06, slightly better than the forecast of a 4.8% decline.
- The annual decline was driven by two major legislative changes – the tax rate reduction on food sales and the full repeal of the Accelerated Sales Tax program.
- Over the last few months, sales tax collections have begun to weaken, showing the effects of higher gasoline prices and a slowing housing market.

Corporate Income Tax Receipts Posted Another Year of Unprecedented Growth...

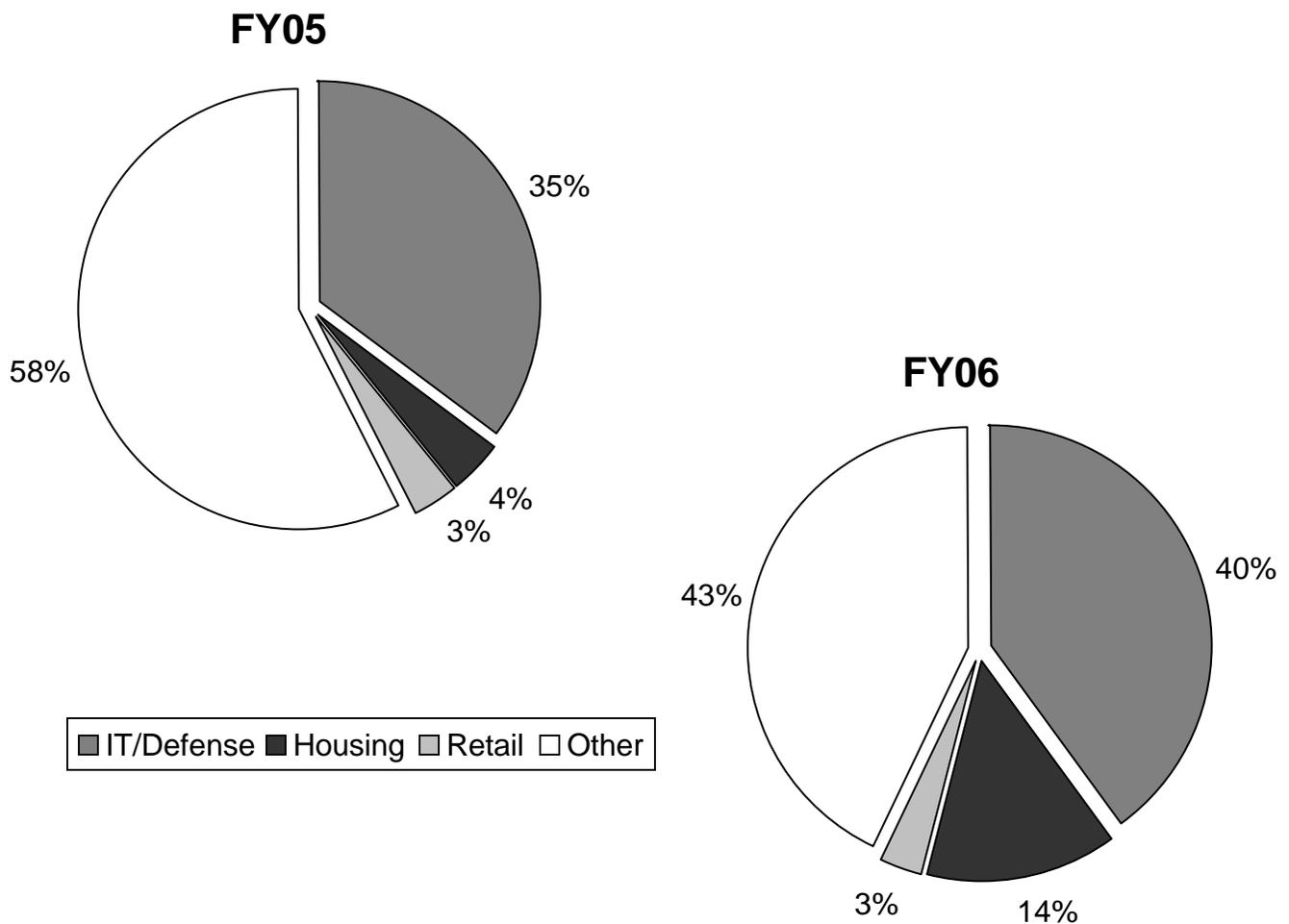
Corporate Income Tax Receipts, FY82-06
(Percent Change)



- FY06 was the fourth consecutive year of double-digit growth, with average annual growth over the period of 32%, the strongest such run on record.
- FY06 corporate income tax revenues were the second strongest on record at 41.3%. This follows the performance in FY05, in which the strongest growth on record was recorded (44.9%).
 - In FY06, gross payments increased 32.9%, while refunds fell 7.5%.

Growth in Corporate Income Tax Receipts Is Centered in Volatile Industries...

Corporate Income Tax Receipts From Large Companies Final and Estimated Payments in April-June By Industry Percent Share of Total



- Large companies represent 60% of all payments.
- Housing is defined as mortgage companies, home builders, and real estate-related companies.

Recordation Tax Revenues Fell Short of the Forecast by \$28.3 Million...

- Recordation tax collections are driven by:
 - Home sales;
 - Refinancings; and
 - Price appreciation.
- Economic-based collections grew 9.9% in FY06 following five years of double-digit increases averaging 22.7% per year.
 - Double-digit increases in average sales prices offset a decline in the volume of home sales.

Home Sales and Average Sales Price

FY06 Percent Change over FY05

	<u>Home Sales</u>	<u>Average Sales Price</u>
State Total	-8.8%	15.8%
Northern Virginia	-21.1%	14.1%
Hampton Roads	-1.5%	16.6%
Richmond	2.1%	17.0%

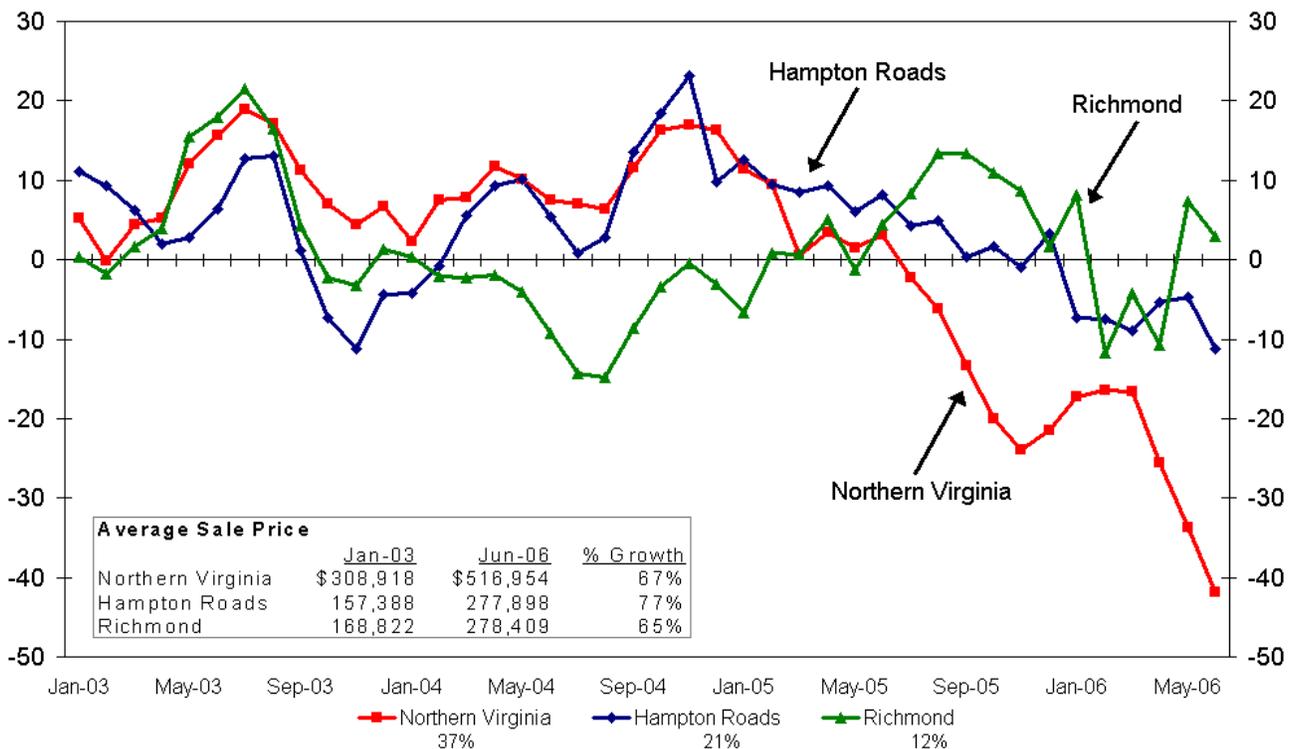
Source: Virginia Association of Realtors

- Price appreciation has begun to slip. According to data from the Virginia Association of Realtors, the average sales price in Northern Virginia has been declining since last November.

Pending Home Sales Continue to Point Towards a Slowdown in Recordation Taxes...

Pending Home Sales

Northern Virginia, Hampton Roads, and Richmond
(Seasonally-adjusted Three-month Moving Average)

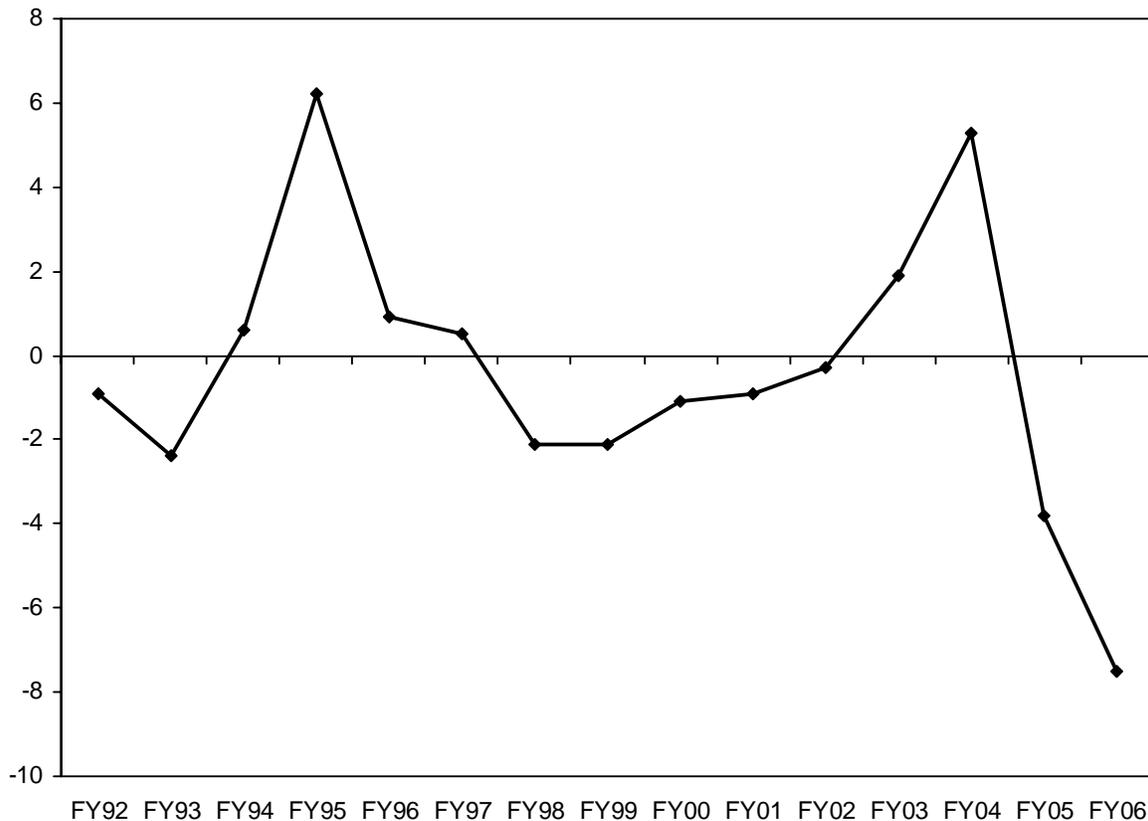


Source: Virginia Association of Realtors

- The decline in pending home sales has tracked the slowing in recordation tax collections.
 - Data analysis suggests a 2-month lag between a signed contract and the subsequent closing and recording of the deed. The volume slowdown in recent months is just beginning to show up in tax receipts.

Tobacco Tax Collections Fell Short of The Forecast, Adversely Affecting the Virginia Healthcare Fund...

Tobacco Tax Collections, FY92-06
Fiscal Year Growth
(Adjusted for Tax Rate Changes)



- Tobacco tax collections finished \$9.9 million short of the forecast. Overall, the Virginia Healthcare Fund posted a \$22.6 million shortfall – a difference that the General Fund is mandated to cover.
- Increased cigarette user fees may have affected demand more than was projected.

Growth in Commonwealth Transportation Fund Revenues in FY06 Significantly Lagged General Fund Revenue Growth...

Summary of FY06 Revenue Collections Commonwealth Transportation Fund (millions of dollars)

<u>Revenue Source</u>	<u>Forecast</u>	<u>Actual</u>	<u>Variance</u>		<u>Annual Growth</u>
			<u>Dollars</u>	<u>Percent</u>	
Motor Fuel Taxes	\$ 845.8	\$ 870.4	\$ 24.6	2.9 %	2.5 %
Motor Vehicle Sales Tax	636.6	628.7	(7.9)	(1.2)	2.2
State Sales and Use Tax	474.9	476.3	1.4	0.3	5.9
Motor Vehicle License Fees	169.2	169.3	0.1	0.1	3.0
Interest Earnings	25.7	38.6	12.9	50.4	119.1
All Other	101.3	112.6	11.3	11.1	5.0
Total CTF Revenue (State Taxes and Fees)	\$ 2,253.5	\$ 2,295.9	\$ 42.4	1.9 %	4.2 %

- 86% of the state taxes and fees supporting the CTF finished within 1.0% of forecast.
 - Motor fuels taxes and motor vehicle sales taxes are both expected to show little growth in the short-term.
- The surplus in interest earnings – 30% of the total surplus – resulted from the one-time general fund deposit to transportation funds.

Commonwealth Transportation Fund Revenues Continue to Lag Increasing Input Costs...

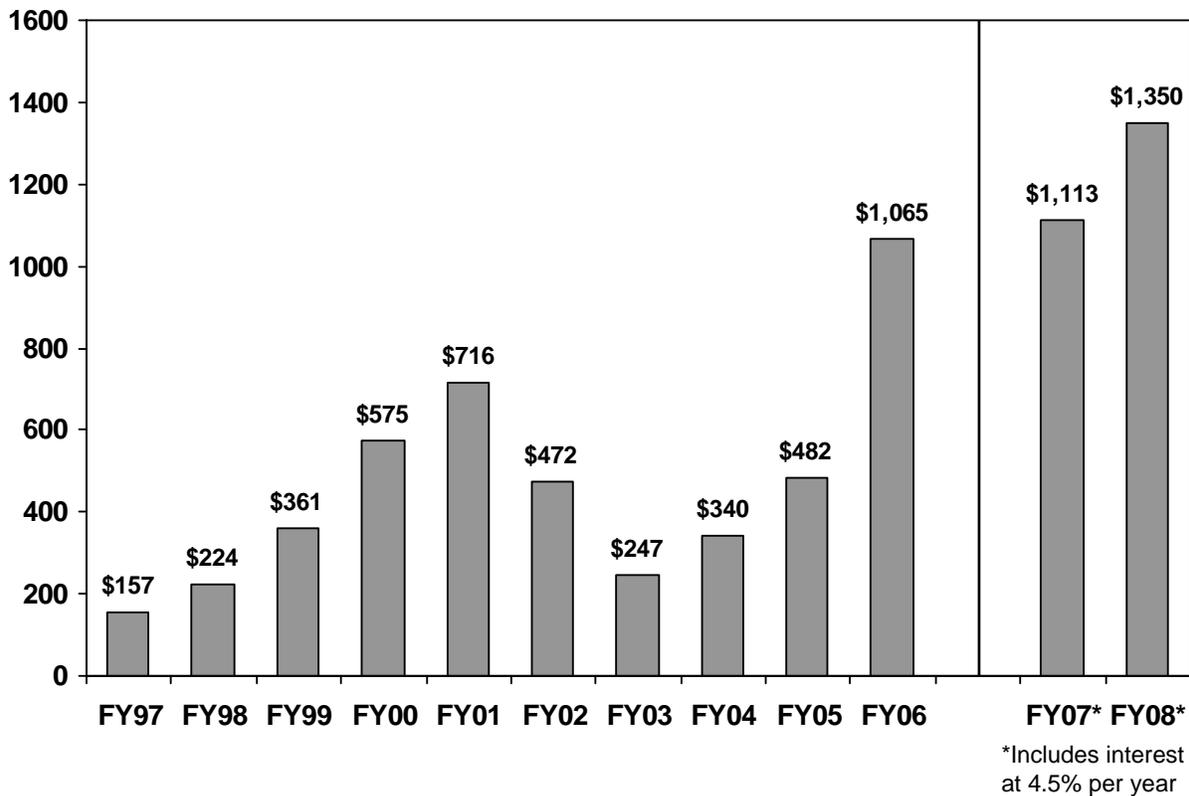
Transportation Costs and Revenues, FY00-06
 Input Costs and the Commonwealth Transportation Fund
 Annual Percent Change



- In 4 of the last 7 years, inflation in material costs has been greater than CTF revenue growth.
 - FY07 material costs are expected to increase 7.9%, while the current projection for CTF revenue growth is 2.1%.
- So far in this decade, material costs have increased at an average annual rate of 5.5%, while CTF state taxes and fees have increased only 3.8% per year on average.

The FY06 Revenue Surplus Will Require an Additional Deposit to the Revenue Stabilization Fund of \$187.5 Million in FY08...

Revenue Stabilization Fund, FY97-08
 June 30 Balance
 (millions of dollars)



- At the end of FY06, the Fund's balance was at the constitutional limit of \$1.1 billion.

FY06 Financial Results Show No Undesignated Fund Balance...

General Fund Balance Budgetary (Cash) Basis Fiscal Year 2006 (Millions of Dollars)

Reserved Amounts:

Revenue Stabilization Fund	\$1,064.7
Unexpended Lottery Proceeds	<u>20.9</u>

Total Reserved Balance **\$1,085.5**

Unreserved (Designated) Amounts:

Mandatory Reappropriations	134.4
Discretionary Reappropriations	28.4
Capital Outlay Reappropriations	125.8
Amount Required by Special Session I, Ch. 3	1,238.2
WQIF Part A	14.7
WQIF Part B	3.2
Natural Disaster Sum Sufficient	19.7
Revenue Stabilization Fund Contribution	187.5
Required by Item C-319.10, Ch. 3	2.5
Land Preservation Tax Credits	<u>50.0</u>

Total Designated Balance **1,804.5**

Total Undesignated Balance **0.0**

Total Unreserved Fund Balance **\$1,804.5**

Total Reserved and Unreserved General Fund Balance **\$2,890.0**

The Fall Forecasting Process Will Re-examine the Economic Outlook...

- Last fall's economic forecast projected healthy economic growth through fiscal year 2008.
- Virginia was expected to continue to outperform the U.S.

Summary of Key Economic Indicators

	FY06 <u>Actual</u>	FY07 <u>Forecast</u>	FY08 <u>Forecast</u>
Real GDP	3.4	3.1	3.4
Employment			
U.S.	1.5	1.4	1.3
Virginia	2.2	1.7	1.6
Personal Income			
U.S.	5.5	6.4	5.8
Virginia	5.9*	6.5	6.0
Wages & Salaries			
U.S.	5.8	6.0	5.8
Virginia	5.5*	6.4	6.0

*Estimate based on 3 quarters of actual data.

- Most national economists expect an economic slowdown due to higher energy prices, rising interest rates, and the deceleration in the housing market.
- Central question: Will a dramatic slowing of economic growth be to moderating growth or a soft landing?

Key Conditions for Fiscal Year 2007 Forecast...

- The FY06 revenue surplus will flow through to FY07 and beyond, however, the actual \$147 million surplus is significantly lower than the surpluses of the last two years.
 - The unprecedented growth in the three most volatile revenue sources experienced over the last few years is unsustainable.
 - Volatile revenue growth is dependent on the following sources.
 - Nonwithholding – Stock Market
 - Corporate – Profits and U.S. Tax Laws
 - Recordation – Housing Market
 - For the long-term, the revenue performance will be guided by economic fundamentals – employment and income growth.

Key Risks for the for Fiscal Year 2007-08 Forecast...

- Key factors will also influence economic and revenue growth.
 - Energy costs
 - Housing markets
 - Gains in the financial markets
 - Defense and federal procurement spending
 - International instability affecting supplies, confidence, and actual hiring and purchases.

Appendix

Fiscal Year 2006 General Fund Collections: Actual and Forecast

December Standard and Official General Fund Forecast for Fiscal Year 2007 and Fiscal Year 2008

Growth in Total General Fund Tax Revenues, Fiscal Years 1961 to 2006

June 2006 Revenue Report

July 2006 Revenue Report

Note:

The General Fund Preliminary Annual Report, August 15, 2006, is available at the Department of Accounts web site (www.doa.virginia.gov).

This presentation is available at the Secretary of Finance web site (www.finance.virginia.gov).

**Fiscal Year 2006 General Fund Collections: Actual and Forecast
(Dollars in Millions)**

	Fiscal Year 2005			Fiscal Year 2006					
	Actual	% Growth	Forecast	Actual	Forecast Variance		% Growth over FY 2005		
					Dollars	Percent	Forecast	Actual	
MAJOR TAX SOURCES									
Corporate Income	\$ 616.7	44.9 %	\$ 851.5	\$ 871.6	\$ 20.1	2.4 %	38.1 %	41.3 %	
Individual Income									
Gross	9,586.6	11.4	10,410.1	10,591.2	181.1	1.7	8.6	10.5	
Withholding	7,513.0	6.7	7,978.8	8,061.0	82.2	1.0	6.2	7.3	
Nonwithholding	2,073.5	32.7	2,431.3	2,530.2	98.9	4.1	17.3	22.0	
Refunds	<u>(1,234.2)</u>	<u>1.4</u>	<u>(1,239.7)</u>	<u>(1,282.6)</u>	<u>(42.9)</u>	<u>(3.5)</u>	<u>0.4</u>	<u>3.9</u>	
Net Individual Income	8,352.4	13.1	9,170.4	9,308.6	138.2	1.5	9.8	11.4	
Insurance Company Premiums	373.6	6.3	392.5	373.8	(18.7)	(4.8)	5.1	0.1	
State Sales & Use Tax	2,946.1	15.0	2,803.8	2,812.7	8.9	0.3	(4.8)	(4.5)	
Wills, Suits, Deeds & Contract Fees	<u>596.1</u>	<u>75.0</u>	<u>723.0</u>	<u>694.7</u>	<u>(28.3)</u>	<u>(3.9)</u>	<u>21.3</u>	<u>16.6</u>	
Total Major Tax Sources	\$ 12,884.8	16.4 %	\$ 13,941.2	\$ 14,061.4	\$ 120.2	0.9 %	8.2 %	9.1 %	
MISCELLANEOUS TAXES AND OTHER REVENUES									
Alcoholic Beverages State Tax	\$ 102.7	7.1 %	\$ 109.3	\$ 110.0	\$ 0.7	0.7 %	6.4 %	7.1 %	
Bank Franchise Tax	10.6	22.4	10.9	12.3	1.4	13.1	2.8	16.3	
Beer & Beverage Excise Tax	41.8	(1.0)	42.0	42.9	0.9	2.2	0.5	2.8	
Corporate Franchise & Charter Fees	43.1	10.2	44.3	46.4	2.1	4.7	2.9	7.7	
Excess & Other Fees From Officers	(37.9)	(8.7)	(39.5)	(41.6)	(2.1)	5.3	(4.2)	(9.7)	
Estate & Gifts	150.0	0.2	144.0	160.4	16.4	11.4	(4.0)	7.0	
Institutional Revenues	9.2	(4.5)	9.2	8.2	(1.0)	(10.5)	0.0	(10.5)	
Interest & Rents	84.1	36.4	101.7	97.1	(4.6)	(4.5)	20.9	15.4	
Licenses & Permits	4.6	0.7	4.8	4.8	(0.0)	(0.7)	3.3	2.6	
Miscellaneous Taxes & Penalties	250.4	12.8	205.4	202.1	(3.3)	(1.6)	(18.0)	(19.3)	
Other Miscellaneous Revenues	55.7	(66.8)	23.4	40.2	16.8	71.9	(58.0)	(27.8)	
Public Service GR / Consumption Tax	<u>88.3</u>	<u>1.7</u>	<u>90.6</u>	<u>90.0</u>	<u>(0.6)</u>	<u>(0.7)</u>	<u>2.6</u>	<u>1.9</u>	
Total Misc. Taxes & Other Revenues	802.5	(5.9) %	746.1	772.9	26.8	3.6 %	(7.0) %	(3.7) %	
TOTAL GF REVENUES	\$ 13,687.3	14.8 %	\$ 14,687.3	\$ 14,834.3	\$ 147.0	1.0 %	7.3 %	8.4 %	
TRANSFERS									
A.B.C. Profits	\$ 24.9	48.2 %	\$ 26.6	\$ 30.0	\$ 3.4	13.0 %	6.8 %	20.7 %	
Lottery Profits	423.5	3.8	433.5	454.0	20.5	4.7	2.4	7.2	
Transfers Per Appropriations Act	<u>291.1</u>	<u>(50.5)</u>	<u>365.0</u>	<u>381.6</u>	<u>16.6</u>	<u>4.6</u>	<u>25.4</u>	<u>31.1</u>	
Total Transfers	\$ 739.5	(27.0) %	\$ 825.1	\$ 865.7	\$ 40.6	4.9 %	11.6 %	17.1 %	
TOTAL GENERAL FUND	\$ 14,426.8	11.6 %	\$ 15,512.4	\$ 15,700.0	\$ 187.6	1.2 %	7.5 %	8.8 %	

The Official forecast is based on the October 2005 Global Insight standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation, and reflects actions of the 2006 General Assembly, Special Session I.

The December Standard and Official General Fund Forecast for Fiscal Year 2007
(Dollars in Millions)

June 30, 2006

	Fiscal Year 2006		Fiscal Year 2007				
	Actual	% Growth	December Forecast	Official Forecast	Change	% Growth Over FY 06 December	Official
MAJOR TAX SOURCES							
Corporate Income	\$ 871.6	41.3 %	\$ 746.5	\$ 787.6	\$ 41.1	(14.3) %	(9.6) %
Individual Income Tax:							
Gross	10,591.2	10.5	10,995.7	10,972.5	(23.2)	3.8	3.6
Withholding	8,061.0	7.3	8,539.5	8,486.5	(53.0)	5.9	5.3
Nonwithholding	2,530.2	22.0	2,456.2	2,486.0	29.8	(2.9)	(1.7)
Refunds	<u>(1,282.6)</u>	<u>3.9</u>	<u>(1,385.3)</u>	<u>(1,322.2)</u>	<u>63.1</u>	<u>8.0</u>	<u>3.1</u>
Net	9,308.6	11.4	9,610.4	9,650.3	39.9	3.2	3.7
Insurance Company Premiums	373.8	0.1	416.4	416.4	0.0	11.4	11.4
State Sales & Use Tax	2,812.7	(4.5)	3,150.3	3,147.7	(2.6)	12.0	11.9
Wills, Suits, Deeds, & Contract Fees	<u>694.7</u>	<u>16.6</u>	<u>659.0</u>	<u>588.0</u>	<u>(71.0)</u>	<u>(5.1)</u>	<u>(15.4)</u>
Total Major Tax Sources	\$ 14,061.4	9.1 %	\$ 14,582.6	\$ 14,590.0	\$ 7.4	3.7 %	3.8 %
MISCELLANEOUS TAXES AND OTHER REVENUES							
Alcoholic Beverage State Tax	\$ 110.0	7.1 %	\$ 105.4	\$ 112.9	\$ 7.5	(4.2) %	2.6 %
Bank Franchise Tax	12.3	16.3	11.2	11.2	0.0	(9.1)	(9.1)
Beer & Beverage Excise Tax	42.9	2.8	42.0	42.0	0.0	(2.2)	(2.2)
Corporate Franchise & Charter Fees	46.4	7.7	45.3	45.3	0.0	(2.3)	(2.3)
Excess & Other Fees from Officers	(41.6)	(9.7)	(35.5)	(35.5)	0.0	14.6	14.6
Estate & Gifts	160.4	7.0	145.0	145.0	0.0	(9.6)	(9.6)
Institutional Revenues	8.2	(10.5)	9.2	9.2	0.0	11.7	11.7
Interest & Rents	97.1	15.4	143.8	182.1	38.3	48.1	87.5
Licenses & Permits	4.8	2.6	4.9	4.9	0.0	2.8	2.8
Miscellaneous Taxes and Penalties	202.1	(19.3)	239.7	239.7	0.0	18.6	18.6
Other Miscellaneous Revenues	40.2	(27.8)	14.9	13.7	(1.2)	(63.0)	(65.9)
Public Service GR / Consumption Tax	<u>90.0</u>	<u>1.9</u>	<u>92.8</u>	<u>92.8</u>	<u>0.0</u>	<u>3.1</u>	<u>3.1</u>
Total Misc. Taxes and Other Revenues	\$ 772.9	(3.7) %	\$ 818.7	\$ 863.3	\$ 44.6	5.9 %	11.7 %
TOTAL GF REVENUES	\$ 14,834.3	8.4 %	\$ 15,401.3	\$ 15,453.3	\$ 52.0	3.8 %	4.2 %
TRANSFERS							
A.B.C. Profits	\$ 30.0	20.7 %	\$ 22.8	\$ 27.3	\$ 4.5	(24.1) %	(9.1) %
Lottery Proceeds Fund	454.0	7.2	426.1	426.1	0.0	(6.1)	(6.1)
Transfers Per Appropriations Act	<u>381.6</u>	<u>31.1</u>	<u>331.1</u>	<u>345.1</u>	<u>14.0</u>	<u>(13.2)</u>	<u>(9.6)</u>
Total Transfers	\$ 865.7	17.1 %	\$ 780.0	\$ 798.5	\$ 18.5	(9.9) %	(7.8) %
TOTAL GENERAL FUND	\$ 15,700.0	8.8 %	\$ 16,181.3	\$ 16,251.8	\$ 70.5	3.1 %	3.5 %

The December forecast is based on the October 2005 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation, and incorporates recommendations of GABE and GACRE.

The Official forecast is based on the October 2005 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation, and reflects actions of the 2006 General Assembly, Special Session I

The December Standard and Official General Fund Forecast for Fiscal Year 2008
(Dollars in Millions)

June 30, 2006

	Fiscal Year 2008					2007-2008 Biennium		
	December Forecast	Official Forecast	Change	% Growth Over FY 07 December	% Growth Over FY 07 Official	December Forecast	Official Forecast	Change
MAJOR TAX SOURCES								
Corporate Income	\$ 795.9	\$ 780.4	\$ (15.5)	6.6 %	(0.9) %	\$ 1,542.4	\$ 1,568.0	\$ 25.6
Individual Income Tax:								
Gross	11,621.7	11,565.4	(56.3)	5.7	5.4	22,617.4	22,537.9	(79.5)
Withholding	9,049.7	8,996.7	(53.0)	6.0	6.0	17,589.2	17,483.2	(106.0)
Nonwithholding	2,572.0	2,568.7	(3.3)	4.7	3.3	5,028.2	5,054.7	26.5
Refunds	<u>(1,461.9)</u>	<u>(1,376.4)</u>	<u>85.5</u>	<u>5.5</u>	<u>4.1</u>	<u>(2,847.2)</u>	<u>(2,698.6)</u>	<u>148.6</u>
Net	10,159.8	10,189.0	29.2	5.7	5.6	19,770.2	19,839.3	69.1
Insurance Company Premiums	440.2	440.2	0.0	5.7	5.7	856.6	856.6	0.0
State Sales & Use Tax	3,310.1	3,307.4	(2.7)	5.1	5.1	6,460.4	6,455.1	(5.3)
Wills, Suits, Deeds, & Contract Fees	<u>665.0</u>	<u>665.0</u>	<u>0.0</u>	<u>0.9</u>	<u>13.1</u>	<u>1,324.0</u>	<u>1,253.0</u>	<u>(71.0)</u>
Total Major Tax Sources	\$ 15,371.0	\$ 15,382.0	\$ 11.0	5.4 %	5.4 %	\$ 29,953.6	\$ 29,972.0	\$ 18.4
MISCELLANEOUS TAXES AND OTHER REVENUES								
Alcoholic Beverage State Tax	\$ 109.6	\$ 117.1	\$ 7.5	4.0 %	3.7 %	\$ 215.0	\$ 230.0	\$ 15.0
Bank Franchise Tax	11.5	11.5	0.0	2.7	2.7	22.7	22.7	0.0
Beer & Beverage Excise Tax	42.0	42.0	0.0	0.0	0.0	84.0	84.0	0.0
Corporate Franchise & Charter Fees	46.3	46.3	0.0	2.2	2.2	91.6	91.6	0.0
Excess & Other Fees from Officers	(32.0)	(32.0)	0.0	9.9	9.9	(67.5)	(67.5)	0.0
Estate & Gifts	140.0	105.0	(35.0)	(3.4)	(27.6)	285.0	250.0	(35.0)
Institutional Revenues	9.2	9.2	0.0	0.0	0.0	18.4	18.4	0.0
Interest & Rents	148.2	185.7	37.5	3.1	2.0	292.0	367.8	75.8
Licenses & Permits	5.0	5.0	0.0	2.0	2.0	9.9	9.9	0.0
Miscellaneous Taxes and Penalties	253.1	253.1	0.0	5.6	5.6	492.8	492.8	0.0
Other Miscellaneous Revenues	15.4	14.7	(0.7)	3.4	7.3	30.3	28.4	(1.9)
Public Service GR / Consumption Tax	<u>95.1</u>	<u>95.1</u>	<u>0.0</u>	<u>2.5</u>	<u>2.5</u>	<u>187.9</u>	<u>187.9</u>	<u>0.0</u>
Total Misc. Taxes and Other Revenues	\$ 843.4	\$ 852.7	\$ 9.3	3.0 %	(1.2) %	\$ 1,662.1	\$ 1,716.0	\$ 53.9
TOTAL GF REVENUES	\$ 16,214.4	\$ 16,234.7	\$ 20.3	5.3 %	5.1 %	\$ 31,615.7	\$ 31,688.0	\$ 72.3
TRANSFERS								
A.B.C. Profits	\$ 24.6	\$ 29.1	\$ 4.5	7.9 %	6.6 %	\$ 47.4	\$ 56.4	\$ 9.0
Lottery Proceeds Fund	426.1	426.1	0.0	0.0	0.0	852.2	852.2	0.0
Transfers Per Appropriations Act	<u>331.4</u>	<u>331.0</u>	<u>(0.4)</u>	<u>0.1</u>	<u>(4.1)</u>	<u>662.5</u>	<u>676.1</u>	<u>13.6</u>
Total Transfers	\$ 782.1	\$ 786.2	\$ 4.1	0.3 %	(1.5) %	\$ 1,562.1	\$ 1,584.7	\$ 22.6
TOTAL GENERAL FUND	\$ 16,996.5	\$ 17,020.9	\$ 24.4	5.0 %	4.7 %	\$ 33,177.8	\$ 33,272.7	\$ 94.9

The December forecast is based on the October 2005 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation, and incorporates recommendations of GABE and GACRE.
The Official forecast is based on the October 2005 Global Insight Standard outlook and the corresponding Virginia state forecast developed by the Department of Taxation, and reflects actions of the 2006 General Assembly, Special Session I

**Growth in Total General Fund Tax Revenues
Fiscal Year 1961 - Fiscal Year 2006**

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

NOTE : Total Revenues exclude transfers.

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund and Lottery Revenue Collections
For the Fiscal Years 2005 and 2006
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2006 Estimate	As a % of Gen Fund Rev & Net Lottery Profits	June FY 2006	June FY 2005	% Change	Year-To-Date FY 2006	Year-To-Date FY 2005	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$7,978,800	52.77	\$698,889	\$625,753	11.7	\$8,061,045	\$7,513,040	7.3	6.2
Tax Dues/Estimated Payments	2,431,300	16.08	285,494	244,910	16.6	2,530,153	2,073,530	22.0	17.3
Gross Individual Income Tax	<u>\$10,410,100</u>	<u>68.85</u>	<u>\$984,383</u>	<u>\$870,663</u>	<u>13.1</u>	<u>\$10,591,198</u>	<u>\$9,586,570</u>	<u>10.5</u>	<u>8.6</u>
Individual and Fiduciary Income (Refunds)	(1,239,700)	(8.20)	(67,266)	(45,984)	46.3	(1,282,628)	(1,234,204)	3.9	0.4
Net Individual Income Tax	<u>\$9,170,400</u>	<u>60.65</u>	<u>\$917,117</u>	<u>\$824,679</u>	<u>11.2</u>	<u>\$9,308,570</u>	<u>\$8,352,366</u>	<u>11.4</u>	<u>9.8</u>
Sales and Use Tax	\$2,803,800	18.54	\$251,510	\$452,502	(44.4)	\$2,812,749	\$2,946,096	(4.5)	(4.8)
Corporations Income Tax	851,500	5.63	143,684	120,548	19.2	871,554	616,690	41.3	38.1
Public Service Corporations	90,600	0.59	9,918	7,800	27.2	89,992	88,309	1.9	2.6
Insurance Premiums	392,500	2.60	84,442	84,824	(0.5)	373,781	373,571	0.1	5.1
Interest Income (a)	101,400	0.67	(10,095)	(1,046)	(865.1)	96,815	83,863	15.4	20.9
Alcoholic Beverage Sales (b)	151,300	1.00	30,132	28,809	4.6	152,963	144,466	5.9	4.7
Tobacco Master Settlement	0	0.00	0	0	-	0	571	(100.0)	(100.0)
All Other Revenues	1,125,800	7.45	153,944	156,809	(1.8)	1,127,874	1,081,320	4.3	4.1
Total General Fund Revenues	<u>\$14,687,300</u>	<u>97.13</u>	<u>\$1,580,652</u>	<u>\$1,674,925</u>	<u>(5.6)</u>	<u>\$14,834,298</u>	<u>\$13,687,252</u>	<u>8.4</u>	<u>7.3</u>
Gross Lottery Revenue	\$1,388,262	9.18	\$99,949	\$111,528	(10.4)	\$1,365,326	\$1,333,946	2.4	4.1
Less: Expenses	(954,762)	(6.31)	(67,174)	(76,583)	(12.3)	(911,326)	(910,425)	0.1	4.9
Net Lottery Profits	<u>\$433,500</u>	<u>2.87</u>	<u>\$32,775</u>	<u>\$34,945</u>	<u>(6.2)</u>	<u>\$454,000</u>	<u>\$423,521</u>	<u>7.2</u>	<u>2.4</u>
Total General Fund Revenues and Net Lottery Profits	<u>\$15,120,800</u>	<u>100.00</u>	<u>\$1,613,427</u>	<u>\$1,709,870</u>	<u>(5.6)</u>	<u>\$15,288,298</u>	<u>\$14,110,773</u>	<u>8.3</u>	<u>7.2</u>

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.

(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 2005 and 2006

(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2006 Estimate	As a % of Total Gen Fund Rev	FY 2006	June FY 2005	% Change	Year-To-Date FY 2006	Year-To-Date FY 2005	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$7,978,800	54.32	\$698,889	\$625,753	11.7	\$8,061,045	\$7,513,040	7.3	6.2
Tax Dues/Estimated Payments	2,431,300	16.56	285,494	244,910	16.6	2,530,153	2,073,530	22.0	17.3
Gross Individual Income Tax	\$10,410,100	70.88	\$984,383	\$870,663	13.1	\$10,591,198	\$9,586,570	10.5	8.6
Individ and Fiduc Income (Refunds)	(1,239,700)	(8.44)	(67,266)	(45,984)	46.3	(1,282,628)	(1,234,204)	3.9	0.4
Net Individual Income Tax	\$9,170,400	62.44	\$917,117	\$824,679	11.2	\$9,308,570	\$8,352,366	11.4	9.8
Sales and Use Tax	2,803,800	19.09	251,510	452,502	(44.4)	2,812,749	2,946,096	(4.5)	(4.8)
Corporations Income	851,500	5.80	143,684	120,548	19.2	871,554	616,690	41.3	38.1
Public Service Corporations	90,600	0.62	9,918	7,800	27.2	89,992	88,309	1.9	2.6
Insurance Premiums	392,500	2.67	84,442	84,824	(0.5)	373,781	373,571	0.1	5.1
Alcoholic Beverage Excise	109,300	0.74	26,000	24,900	4.4	110,025	102,693	7.1	6.4
Beer and Beverage Excise	42,000	0.29	4,132	3,909	5.7	42,938	41,773	2.8	0.5
Wills, Suits, Deeds, Contracts	723,000	4.92	62,391	74,187	(15.9)	694,713	596,058	16.6	21.3
Inheritance, Gift, and Estate	144,000	0.98	21,012	10,568	98.8	160,407	149,962	7.0	(4.0)
Tobacco Products	0	0.00	0	0	-	0	6,329	(100.0)	(100.0)
Bank Franchise	10,900	0.07	6,697	6,278	6.7	12,325	10,600	16.3	2.8
Other Taxes	4,300	0.03	15,214	14,797	2.8	15,099	31,077	(51.4)	(86.2)
Total Taxes	\$14,342,300	97.65	\$1,542,117	\$1,624,992	(5.1)	\$14,492,153	\$13,315,524	8.8	7.7
Rights and Privileges:									
Licenses and Permits	\$4,800	0.03	\$583	\$535	9.0	\$4,767	\$4,645	2.6	3.3
Corp. Franchise and Charters	44,300	0.31	28,853	25,638	12.5	46,376	43,052	7.7	2.9
Fees for Practice of Prof	0	0.00	0	0	-	0	0	-	0.0
Fees for Misc. Privileges & Services	13,400	0.09	3,430	3,177	8.0	14,070	13,278	6.0	0.9
Total Rights and Privileges	\$62,500	0.43	\$32,866	\$29,350	12.0	\$65,213	\$60,975	7.0	2.5
Other Revenues:									
Sales of Property & Commodities	\$6,300	0.04	\$0	\$352	(100.0)	\$7,026	\$11,778	(40.3)	(46.5)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	50	83	(39.8)	332	333	(0.3)	20.1
Institutional Revenue	9,200	0.06	439	603	(27.2)	8,235	9,198	(10.5)	0.0
Interest (a)	101,400	0.69	(10,095)	(1,046)	(865.1)	96,815	83,863	15.4	20.9
Dividends and Rent	300	0.00	43	27	59.3	283	245	15.5	22.4
Fines, Forfeitures & Fees	201,100	1.37	16,140	19,746	(18.3)	187,032	219,285	(14.7)	(8.3)
Other Revenue	(6,200)	(0.04)	1,522	3,330	(54.3)	8,796	13,949	(36.9)	(144.4)
Excess Fees	(39,500)	(0.26)	(3,335)	(3,411)	2.2	(41,586)	(37,916)	(9.7)	(4.2)
Private Donations, Gifts & Cont.	0	0.00	(8)	(4)	(100.0)	0	1	(100.0)	(100.0)
Cities, Counties, and Towns	9,500	0.06	913	903	1.1	9,999	9,446	5.9	0.6
Tobacco Master Settlement	0	0.00	0	0	-	0	571	(100.0)	(100.0)
Total Other Revenues	\$282,500	1.92	\$5,669	\$20,583	(72.5)	\$276,932	\$310,753	(10.9)	(9.1)
Total General Fund Revenues	\$14,687,300	100.00	\$1,580,652	\$1,674,925	(5.6)	\$14,834,298	\$13,687,252	8.4	7.3

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 2005 and 2006
(Dollars in Thousands)**

	FY 2006 Estimate (a)	June			Year-To-Date			% Annual Growth Required By Estimate
		FY 2006	FY 2005	% Change	FY 2006	FY 2005	% Change	
Lottery Collections								
Lotto South/Win for Life (b)	\$65,122	\$3,486	\$5,331	(34.6)	\$61,852	\$66,694	(7.3)	(2.4)
Cash 5	27,453	2,176	2,286	(4.8)	27,723	28,110	(1.4)	(2.3)
Pick 4	174,669	13,352	13,749	(2.9)	169,762	169,182	0.3	3.2
Pick 3	254,789	20,410	21,003	(2.8)	257,009	253,219	1.5	0.6
Mega Millions	147,120	8,056	8,548	(5.8)	159,665	137,178	16.4	7.2
Scratch	719,109	52,469	60,611	(13.4)	689,315	679,563	1.4	5.8
Gross Lottery Revenue	<u>1,388,262</u>	<u>99,949</u>	<u>111,528</u>	<u>(10.4)</u>	<u>1,365,326</u>	<u>1,333,946</u>	<u>2.4</u>	<u>4.1</u>
Expenses (c)	<u>954,762</u>	<u>67,174 (d)</u>	<u>76,583</u>	<u>(12.3)</u>	<u>911,326 (d)</u>	<u>910,425</u>	<u>0.1</u>	<u>4.9</u>
Net Lottery Ticket Profits	<u>\$433,500</u>	<u>\$32,775 (d)</u>	<u>\$34,945</u>	<u>(6.2)</u>	<u>\$454,000 (d)</u>	<u>\$423,521</u>	<u>7.2</u>	<u>2.4</u>

(a) Estimate established in December 2005.

(b) Lotto South ended on February 25, 2006, and was replaced with Win for Life.

(c) "Expenses" includes prizes to winners, compensation to retailers, instant ticket printing 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 Revenue Estimates & Collections
For the Fiscal Years 2005 and 2006
(Dollars in Thousands)

Revenue	FY 2006 Estimate	As a % of Total Fund	June			Year-To-Date			% Annual Growth Required By Estimate
			FY 2006	FY 2005	% Change	FY 2006	FY 2005	% Change	
Motor Fuel Taxes	\$845,800	24.56	\$142,776	\$136,987	4.2	\$870,414	\$849,489	2.5	(0.4)
Priority Transportation Fund	20,000	0.58	2,000	2,000	0.0	20,000	20,000	0.0	0.0
Motor Vehicle Sales and Use Tax	636,600	18.48	60,395	60,088	0.5	628,689	615,261	2.2	3.5
State Sales and Use Tax	474,900	13.79	42,775	44,090	(3.0)	476,259	449,867	5.9	5.6
Motor Vehicle License Fees	169,200	4.91	16,588	16,431	1.0	169,315	164,451	3.0	2.9
International Registration Plan	58,600	1.70	9,590	12,154	(21.1)	60,570	60,720	(0.2)	(3.5)
Interest Earnings	25,700	0.75	15,841	5,011	216.1	38,648	17,641	119.1	45.7
Misc. Taxes, Fees, and Revenues	22,700	0.66	2,683	(981)	373.5	32,019	26,460	21.0	(14.2)
Total State Taxes and Fees	\$2,253,500	65.43	\$292,648	\$275,780	6.1	\$2,295,914	\$2,203,889	4.2	2.3

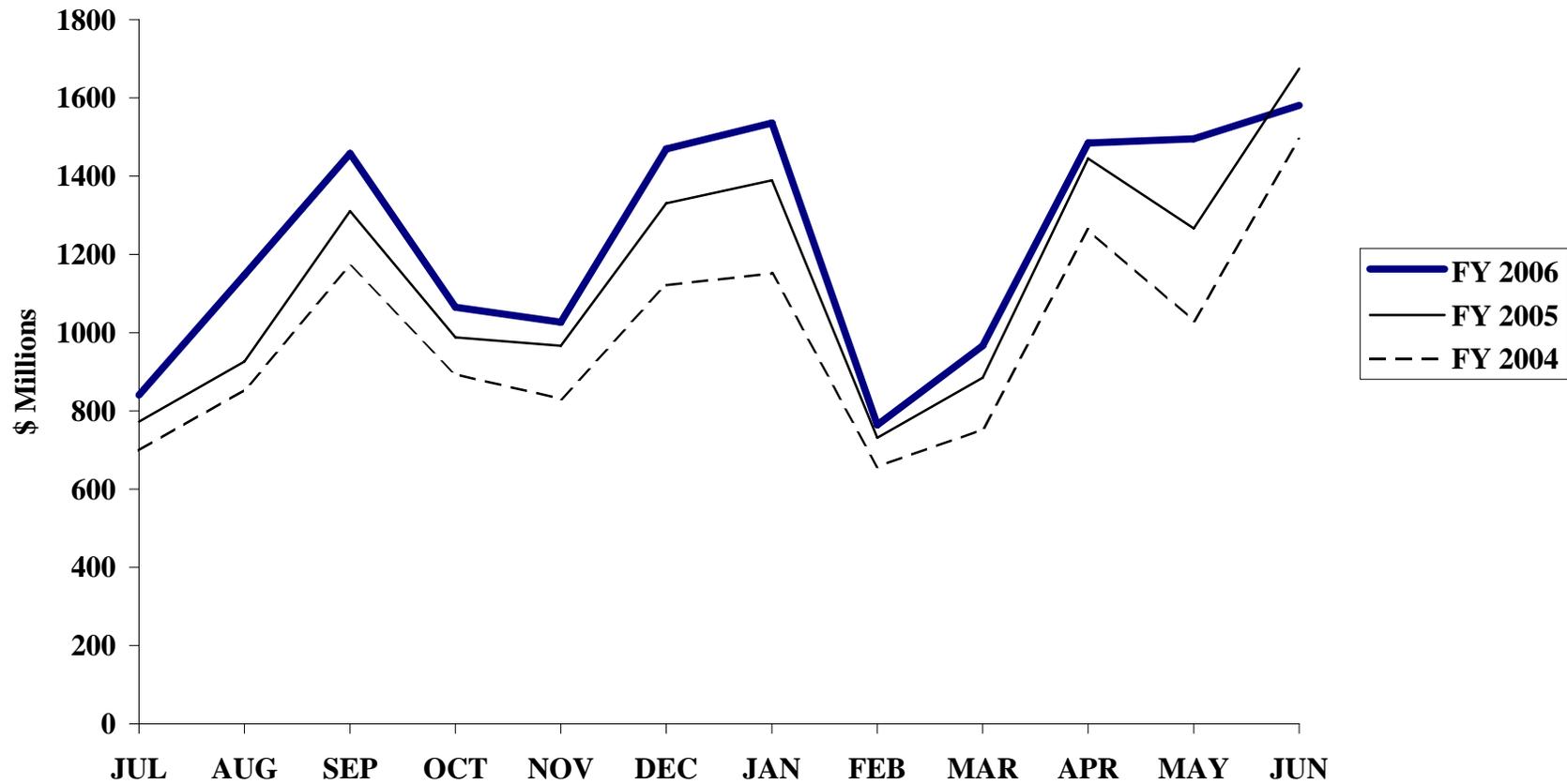
Percentage is greater than 1,000%.

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 2005 and 2006
(Dollars in Thousands)

Revenue	FY 2006 Estimate	As a % of Total Fund	June			Year-To-Date			% Annual Growth Required By Est
			FY 2006	FY 2005	% Change	FY 2006	FY 2005	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$725,500	21.07	\$124,458	\$117,137	6.2	\$751,972	\$730,370	3.0	(0.7)
Motor Vehicle Sales and Use Tax	395,200	11.47	37,512	38,618	(2.9)	390,170	395,924	(1.5)	(0.2)
Motor Vehicle License Fees	147,900	4.29	14,514	14,370	1.0	148,250	143,867	3.0	2.8
International Registration Plan	58,600	1.70	9,590	12,154	(21.1)	60,570	60,720	(0.2)	(3.5)
Misc. Taxes, Fees, and Revenues	22,700	0.66	2,683	(981)	373.5	32,019	26,460	21.0	(14.2)
Total State Taxes and Fees	\$1,349,900	39.19	\$188,757	\$181,298	4.1	\$1,382,981	\$1,357,341	1.9	(0.5)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$8,334	\$3,136	165.8	\$37,421	\$29,360	27.5	(100.0)
Transfer (to) / from Transportation Trust Fund									
	186,200	5.41	0	0	-	186,199	194,977	(4.5)	(4.5)
Total Highway Maintenance and Operating Fund	\$1,536,100	44.60	\$197,091	\$184,434	6.9	\$1,606,601	\$1,581,678	1.6	(2.9)
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$120,300	3.49	\$18,318	\$19,850	(7.7)	\$118,442	\$119,119	(0.6)	1.0
Priority Transportation Fund	20,000	0.58	2,000	2,000	0.0	20,000	20,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	241,400	7.01	22,883	21,470	6.6	238,519	219,337	8.7	10.1
State Sales and Use Tax	474,900	13.79	42,775	44,090	(3.0)	476,259	449,867	5.9	5.6
Motor Vehicle License Fees	21,300	0.62	2,074	2,061	0.6	21,065	20,584	2.3	3.5
Interest Earnings	25,700	0.75	15,841	5,011	216.1	38,648	17,641	119.1	45.7
Total State Taxes and Fees	\$903,600	26.24	\$103,891	\$94,482	10.0	\$912,933	\$846,548	7.8	6.7
Other Revenues:									
Federal Grants and Contracts	\$1,011,300	29.36	\$44,852	\$43,640	2.8	\$480,822	\$455,987	5.4	121.8
Receipts from Cities/Counties	70,400	2.04	4,021	687	485.3	48,840	25,635	90.5	174.6
Toll Revenues (Includes Route 28)	88,700	2.58	11,071	14,758	(25.0)	113,439	111,551	1.7	(20.5)
Miscellaneous Revenues	20,200	0.59	6,225	(398)	#	22,018	27,191	(19.0)	(25.7)
Total Other Revenues	\$1,190,600	34.57	\$66,169	\$58,687	12.7	\$665,119	\$620,364	7.2	91.9
Transfer (to) / from Highway Maintenance and Operating Fund									
	(\$186,200)	(5.41)	\$0	\$0	-	(\$186,199)	(\$194,977)	4.5	4.5
Total Transportation Trust Fund	\$1,908,000	55.40	\$170,060	\$153,169	11.0	\$1,391,853	\$1,271,935	9.4	50.0
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND									
	\$3,444,100	100.00	\$367,151	\$337,603	8.8	\$2,998,454	\$2,853,613	5.1	20.7

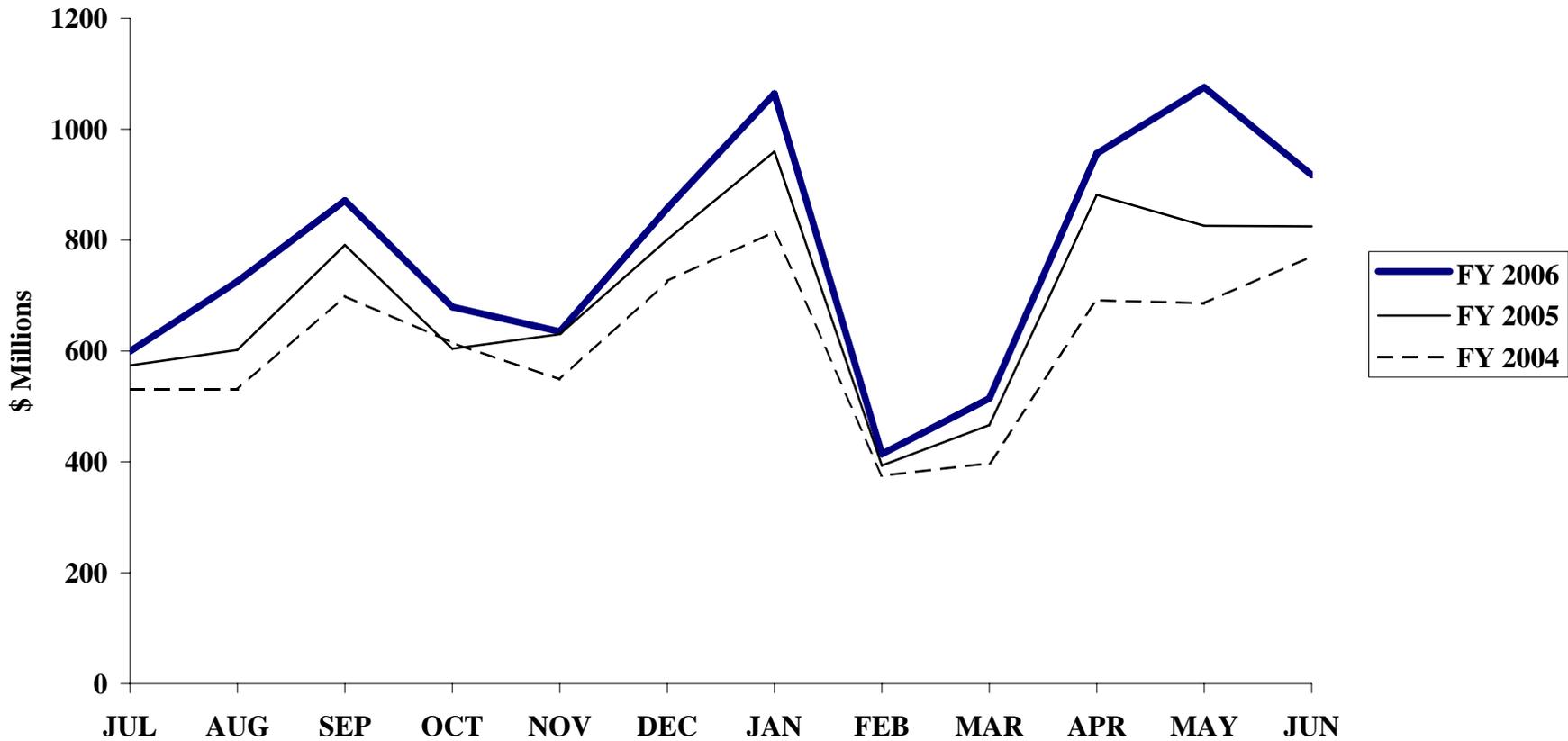
Percentage is greater than 1,000%.

Total General Fund Revenues



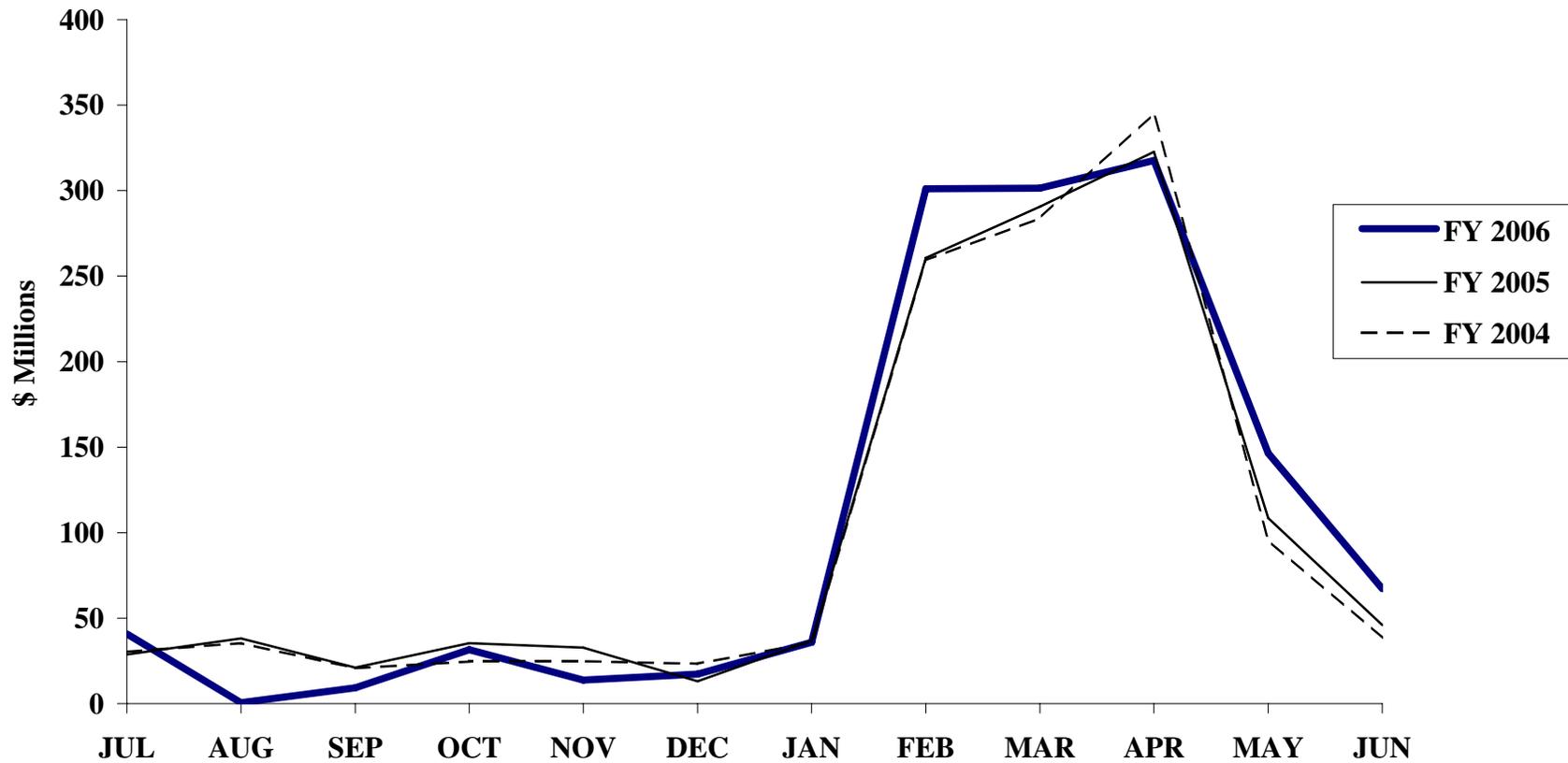
FY 2004 Actual = \$11,917.8 Million
FY 2005 Actual = \$13,687.3 Million
FY 2006 Actual = \$14,834.3 Million

Net Individual Income Tax



FY 2004 Actual = \$7,384.8 Million
FY 2005 Actual = \$8,352.4 Million
FY 2006 Actual = \$9,308.6 Million

Individual and Fiduciary Income Tax Refunds



FY 2004 Actual = \$1,217.2 Million
FY 2005 Actual = \$1,234.2 Million
FY 2006 Actual = \$1,282.6 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio
 Monthly Average Balances and Rates
 For the Fiscal Year 2006
 (Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION ^{1, 2, 3}		COMPOSITE ³	
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate
July, 2005	\$4,108.3	3.13%	\$1,030.1	-9.54%	\$5,138.4	0.59%
August	\$4,049.1	3.29%	\$1,031.9	14.20%	\$5,081.0	5.51%
September	\$4,407.7	3.54%	\$1,033.8	-9.21%	\$5,441.5	1.12%
October	\$4,423.6	3.60%	\$1,027.1	-5.99%	\$5,450.7	1.79%
November	\$4,364.1	3.79%	\$1,026.5	5.00%	\$5,390.6	4.02%
December	\$4,136.2	3.92%	\$1,132.7	8.78%	\$5,268.9	4.97%
January, 2006	\$4,646.4	4.11%	\$1,237.0	0.72%	\$5,883.4	3.40%
February	\$5,077.6	4.46%	\$1,238.7	2.95%	\$6,316.3	4.16%
March	\$4,937.7	4.47%	\$1,236.8	-6.46%	\$6,174.5	2.28%
April	\$4,913.9	4.64%	\$1,233.4	0.22%	\$6,147.3	3.75%
May	\$5,611.8	4.83%	\$1,233.4	0.32%	\$6,845.2	4.02%
June	\$5,659.8	5.03%	\$1,234.7	2.78%	\$6,894.5	4.63%
Year-to-Date Average	\$4,694.7	4.13%	\$1,141.3	0.36%	\$5,836.0	3.39%
Latest 12-month Average	\$4,694.7	4.13%	\$1,141.3	0.36%	\$5,836.0	3.39%

¹ 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.

² Unaudited.

³ Revised External Manager and Composite balances and returns for the months of July, August, September, and October.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2006**

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$482,259,307	\$0	\$0	\$0	\$482,259,307
August	\$482,259,307	\$0	\$0	\$0	\$482,259,307
September	\$482,259,307	\$0	\$0	\$0	\$482,259,307
October	\$482,259,307	\$0	\$0	\$3,946,315	\$486,205,622
November	\$486,205,622	\$0	\$0	\$0	\$486,205,622
December	\$486,205,622	\$0	\$0	\$0	\$486,205,622
January	\$486,205,622	\$0	\$0	\$3,966,957	\$490,172,579
February	\$490,172,579	\$0	\$0	\$0	\$490,172,579
March	\$490,172,579	\$0	\$0	\$0	\$490,172,579
April	\$490,172,579	\$0	\$0	\$4,461,854	\$494,634,433
May	\$494,634,433	\$0	\$0	\$0	\$494,634,433
June	\$494,634,433	\$584,160,131 (B)	(\$19,103,708) (C)	\$4,973,659	\$1,064,664,515

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. Interest deposited in June as required by statute was subsequently withdrawn (see Note C).

(B) Deposit of \$584,160,131 made as required by Item 280 of Special Session I, Chapter 2. A portion was subsequently withdrawn (see Note C).

(C) Withdrawals of \$4,973,659 (see Note A) and \$14,130,049 (see Note B) were required by Section 3-1.01J, Special Session I, Chapter 2, as the Revenue Stabilization Fund cannot exceed the maximum fund allowed as outlined in both Article X of the Constitution of Virginia and Section 2.2-1829, Code of Virginia. As of June 30, 2006, the maximum fund allowed is \$1,064,664,515.

Commonwealth of Virginia/Department of Accounts
Summary Report on General Fund and Lottery Revenue Collections
For the Fiscal Years 2006 and 2007
(Dollars in Thousands)

Revenue	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	FY 2007 Estimate	As a % of Gen Fund Rev & Net Lottery Profits	July FY 2007	July FY 2006	% Change	Year-To-Date FY 2007	Year-To-Date FY 2006	% Change	% Annual Growth Req By Est
Individual Income Tax:									
Withholding	\$8,486,500	53.44	\$645,087	\$611,542	5.5	\$645,087	\$611,542	5.5	5.3
Tax Dues/Estimated Payments	2,486,000	15.66	26,435	28,532	(7.3)	26,435	28,532	(7.3)	(1.7)
Gross Individual Income Tax	\$10,972,500	69.10	\$671,522	\$640,074	4.9	\$671,522	\$640,074	4.9	3.6
Individual and Fiduciary Income (Refunds)	(1,322,200)	(8.33)	(33,640)	(40,731)	(17.4)	(33,640)	(40,731)	(17.4)	3.1
Net Individual Income Tax	\$9,650,300	60.77	\$637,882	\$599,343	6.4	\$637,882	\$599,343	6.4	3.7
Sales and Use Tax	\$3,147,700	19.82	\$266,856	\$90,487	194.9	\$266,856	\$90,487	194.9	11.9
Corporations Income Tax	787,600	4.96	36,168	38,021	(4.9)	36,168	38,021	(4.9)	(9.6)
Wills, Suits, Deeds, Contracts (a)	588,000	3.70	51,514	64,360	(20.0)	51,514	64,360	(20.0)	(15.4)
Insurance Premiums	416,400	2.62	1,139	1,925	(40.8)	1,139	1,925	(40.8)	11.4
Interest Income (b)	181,800	1.15	24,259	9,760	148.6	24,259	9,760	148.6	87.8
Alcoholic Beverage Sales (c)	154,900	0.98	4,318	4,186	3.2	4,318	4,186	3.2	1.3
All Other Revenues (a)	526,600	3.32	37,536	32,378	15.9	37,536	32,378	15.9	0.7
Total General Fund Revenues	\$15,453,300	97.32	\$1,059,672	\$840,460	26.1	\$1,059,672	\$840,460	26.1	4.2
Gross Lottery Revenue	\$1,371,600	8.64	\$99,208	\$111,561	(11.1)	\$99,208	\$111,561	(11.1)	0.5
Less: Expenses	(945,500)	(5.96)	(67,076)	(78,444)	(14.5)	(67,076)	(78,444)	(14.5)	3.9
Net Lottery Profits	\$426,100	2.68	\$32,132	\$33,117	(3.0)	\$32,132	\$33,117	(3.0)	(6.3)
Total General Fund Revenues and Net Lottery Profits	\$15,879,400	100.00	\$1,091,804	\$873,577	25.0	\$1,091,804	\$873,577	25.0	3.9

Percentage is greater than 1,000%.

(a) Effective for FY 2007, "Wills, Suits, Deeds, Contracts" is reported separately from "All Other Revenues" and "Public Service Corporations" is included in "All Other Revenues." Accordingly, "All Other Revenues" amounts have been restated for July 2006 and FY 2006 by \$58,224, which represents the net change between "Wills, Suits, Deeds, Contracts" and "Public Service Corporations."

(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 2006 and 2007
(Dollars in Thousands)

Revenue	(1)	(2)	(3) (4)		(5)	(6) (7)		(8)	(9)
	FY 2007 Estimate	As a % of Total Gen Fund Rev	FY 2007	July FY 2006	% Change	FY 2007	Year-To-Date FY 2006	% Change	% Annual Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	\$8,486,500	54.92	\$645,087	\$611,542	5.5	\$645,087	\$611,542	5.5	5.3
Tax Dues/Estimated Payments	2,486,000	16.08	26,435	28,532	(7.3)	26,435	28,532	(7.3)	(1.7)
Gross Individual Income Tax	\$10,972,500	71.00	\$671,522	\$640,074	4.9	\$671,522	\$640,074	4.9	3.6
Individ and Fiduc Income (Refunds)	(1,322,200)	(8.55)	(33,640)	(40,731)	(17.4)	(33,640)	(40,731)	(17.4)	3.1
Net Individual Income Tax	\$9,650,300	62.45	\$637,882	\$599,343	6.4	\$637,882	\$599,343	6.4	3.7
Sales and Use Tax	3,147,700	20.37	266,856	90,487	194.9	266,856	90,487	194.9	11.9
Corporations Income	787,600	5.10	36,168	38,021	(4.9)	36,168	38,021	(4.9)	(9.6)
Public Service Corporations	92,800	0.60	6,219	6,136	1.4	6,219	6,136	1.4	3.1
Insurance Premiums	416,400	2.69	1,139	1,925	(40.8)	1,139	1,925	(40.8)	11.4
Alcoholic Beverage Excise	112,900	0.73	0	0	-	0	0	-	2.6
Beer and Beverage Excise	42,000	0.27	4,318	4,186	3.2	4,318	4,186	3.2	(2.2)
Wills, Suits, Deeds, Contracts	588,000	3.81	51,514	64,360	(20.0)	51,514	64,360	(20.0)	(15.4)
Inheritance, Gift, and Estate	145,000	0.94	17,507	7,394	136.8	17,507	7,394	136.8	(9.6)
Bank Franchise	11,200	0.07	60	(80)	175.0	60	(80)	175.0	(9.1)
Other Taxes	5,800	0.04	1,598	1,215	31.5	1,598	1,215	31.5	(61.6)
Total Taxes	\$14,999,700	97.07	\$1,023,261	\$812,987	25.9	\$1,023,261	\$812,987	25.9	3.5
Rights and Privileges:									
Licenses and Permits	\$4,900	0.03	\$211	\$218	(3.2)	\$211	\$218	(3.2)	2.8
Corp. Franchise and Charters	45,300	0.29	596	566	5.3	596	566	5.3	(2.3)
Fees for Misc. Privileges & Services	13,500	0.09	560	571	(1.9)	560	571	(1.9)	(4.1)
Total Rights and Privileges	\$63,700	0.41	\$1,367	\$1,355	0.9	\$1,367	\$1,355	0.9	(2.3)
Other Revenues:									
Sales of Property & Commodities	\$100	0.00	\$0	\$146	(100.0)	\$0	\$146	(100.0)	(98.6)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	32	54	(40.7)	32	54	(40.7)	20.5
Institutional Revenue	9,200	0.06	44	1,257	(96.5)	44	1,257	(96.5)	11.7
Interest (a)	181,800	1.18	24,259	9,760	148.6	24,259	9,760	148.6	87.8
Dividends and Rent	300	0.00	10	25	(60.0)	10	25	(60.0)	6.0
Fines, Forfeitures & Fees	233,900	1.51	14,352	17,615	(18.5)	14,352	17,615	(18.5)	25.1
Other Revenue	(9,800)	(0.06)	324	1,016	(68.1)	324	1,016	(68.1)	(211.4)
Excess Fees	(35,500)	(0.23)	(4,713)	(4,529)	(4.1)	(4,713)	(4,529)	(4.1)	14.6
Private Donations, Gifts & Cont.	0	0.00	5	8	(37.5)	5	8	(37.5)	0.0
Cities, Counties, and Towns	9,500	0.06	731	766	(4.6)	731	766	(4.6)	(5.0)
Total Other Revenues	\$389,900	2.52	\$35,044	\$26,118	34.2	\$35,044	\$26,118	34.2	40.8
Total General Fund Revenues	\$15,453,300	100.00	\$1,059,672	\$840,460	26.1	\$1,059,672	\$840,460	26.1	4.2

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 2006 and 2007
(Dollars in Thousands)**

	FY 2007 Estimate (a)	July			Year-To-Date			% Annual Growth Required By Estimate
		FY 2007	FY 2006	% Change	FY 2007	FY 2006	% Change (b)	
Lottery Collections								
Lotto South/Win for Life (c)	\$63,600	\$3,942	\$5,315	(25.8)	\$3,942	\$5,315	(25.8)	2.8
Cash 5	26,300	2,135	2,280	(6.4)	2,135	2,280	(6.4)	(5.1)
Pick 4	172,800	13,143	14,013	(6.2)	13,143	14,013	(6.2)	1.8
Pick 3	240,200	19,892	21,492	(7.4)	19,892	21,492	(7.4)	(6.5)
Mega Millions	132,400	6,852	14,476	(52.7)	6,852	14,476	(52.7)	(17.1)
Scratch	736,300	53,244	53,985	(1.4)	53,244	53,985	(1.4)	6.8
Gross Lottery Revenue	<u>1,371,600</u>	<u>99,208</u>	<u>111,561</u>	<u>(11.1)</u>	<u>99,208</u>	<u>111,561</u>	<u>(11.1)</u>	<u>0.5</u>
Expenses (d)	<u>945,500</u>	<u>67,076 (e)</u>	<u>78,444</u>	<u>(14.5)</u>	<u>67,076 (e)</u>	<u>78,444</u>	<u>(14.5)</u>	<u>3.9</u>
Net Lottery Ticket Profits	<u>\$426,100</u>	<u>\$32,132 (e)</u>	<u>\$33,117</u>	<u>(3.0)</u>	<u>\$32,132 (e)</u>	<u>\$33,117</u>	<u>(3.0)</u>	<u>(6.3)</u>

(a) Estimate established in December 2005.

(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) Lotto South ended on February 25, 2006, and was replaced with Win for Life.

(d) "Expenses" includes prizes to winners, compensation to retailers, instant ticket printing 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 Revenue Estimates & Collections
For the Fiscal Years 2006 and 2007
(Dollars in Thousands)

Revenue	FY 2007 Estimate	As a % of Total Fund	July			Year-To-Date			% Annual Growth Required By Estimate
			FY 2007	FY 2006	% Change	FY 2007	FY 2006	% Change	
Motor Fuel Taxes	\$869,900	22.09	\$1,524	\$8,046	(81.1)	\$1,524	\$8,046	(81.1)	(0.1)
Priority Transportation Fund	20,000	0.51	0	0	-	0	0	-	0.0
Motor Vehicle Sales and Use Tax	652,600	16.57	51,816	52,497	(1.3)	51,816	52,497	(1.3)	3.8
State Sales and Use Tax	520,400	13.21	45,147	16,197	178.7	45,147	16,197	178.7	9.3
Motor Vehicle License Fees	170,700	4.33	14,324	11,885	20.5	14,324	11,885	20.5	0.8
International Registration Plan	60,800	1.55	3,667	1,257	191.7	3,667	1,257	191.7	0.4
Interest Earnings	25,300	0.64	44	4	#	44	4	#	(34.5)
Misc. Taxes, Fees, and Revenues	23,300	0.59	2,156	1,959	10.1	2,156	1,959	10.1	(27.2)
Total State Taxes and Fees	\$2,343,000	59.49	\$118,678	\$91,845	29.2	\$118,678	\$91,845	29.2	2.1

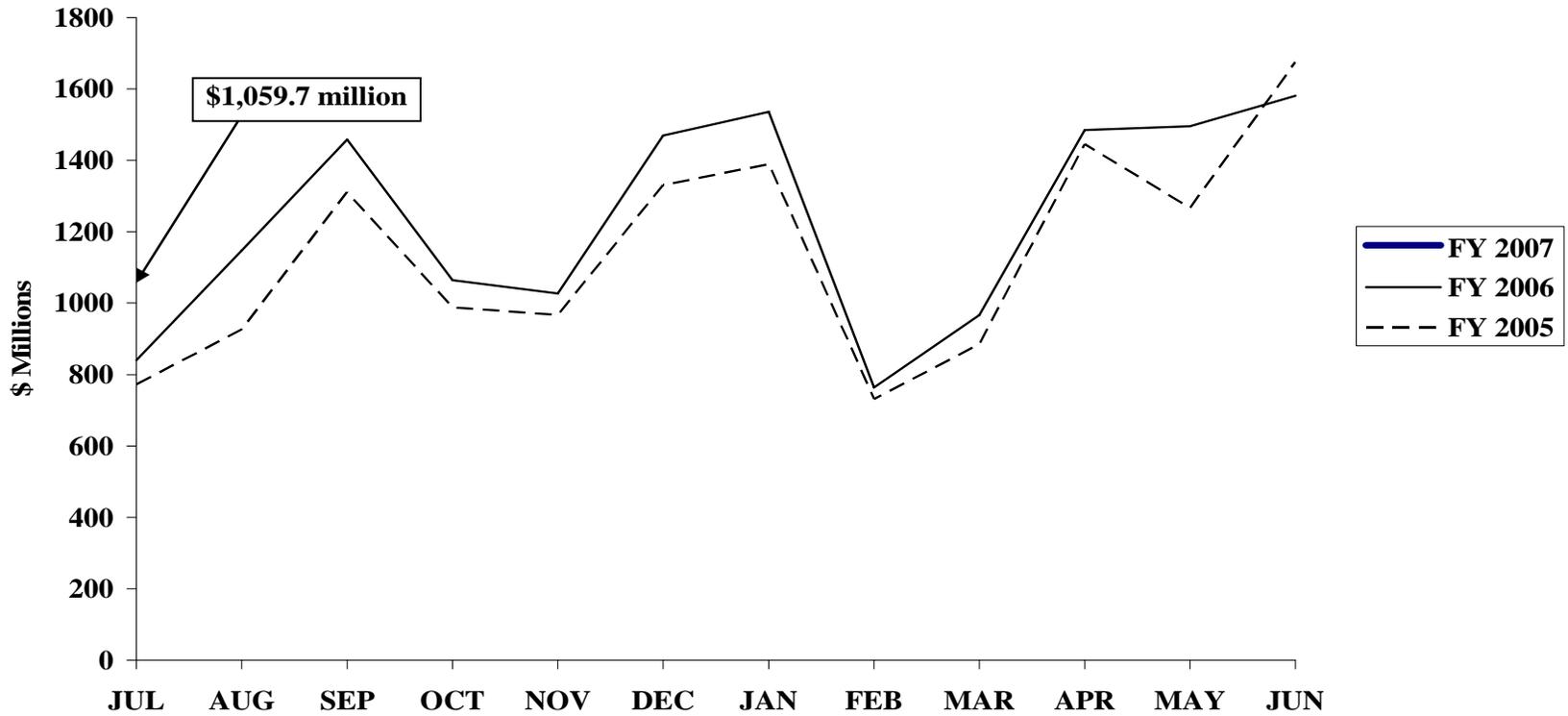
Percentage is greater than or equal to 1,000%.

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 2006 and 2007
(Dollars in Thousands)

Revenue	FY 2007 Estimate	As a % of Total Fund	July			Year-To-Date			% Annual Growth Required By Est
			FY 2007	FY 2006	% Change	FY 2007	FY 2006	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$746,400	18.95	(\$772)	\$6,797	(111.4)	(\$772)	\$6,797	(111.4)	(0.7)
Motor Vehicle Sales and Use Tax	404,100	10.26	31,809	33,596	(5.3)	31,809	33,596	(5.3)	3.6
Motor Vehicle License Fees	149,200	3.79	12,505	10,324	21.1	12,505	10,324	21.1	0.6
International Registration Plan	60,800	1.55	3,667	1,257	191.7	3,667	1,257	191.7	0.4
Misc. Taxes, Fees, and Revenues	23,300	0.59	2,156	1,959	10.1	2,156	1,959	10.1	(27.2)
Total State Taxes and Fees	\$1,383,800	35.14	\$49,365	\$53,933	(8.5)	\$49,365	\$53,933	(8.5)	0.1
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$1,170	\$2,021	(42.1)	\$1,170	\$2,021	(42.1)	(100.0)
Transfer (to) / from Transportation Trust Fund	286,303	7.27	100,000	186,199	(46.3)	100,000	186,199	(46.3)	53.8
Total Highway Maintenance and Operating Fund	\$1,670,103	42.41	\$150,535	\$242,153	(37.8)	\$150,535	\$242,153	(37.8)	4.0
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$123,500	3.14	\$2,296	\$1,249	83.8	\$2,296	\$1,249	83.8	4.3
Priority Transportation Fund	20,000	0.51	0	0	-	0	0	-	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	248,500	6.31	20,007	18,901	5.9	20,007	18,901	5.9	4.2
State Sales and Use Tax	520,400	13.21	45,147	16,197	178.7	45,147	16,197	178.7	9.3
Motor Vehicle License Fees	21,500	0.54	1,819	1,561	16.5	1,819	1,561	16.5	2.1
Interest Earnings	25,300	0.64	44	4	#	44	4	#	(34.5)
Total State Taxes and Fees	\$959,200	24.35	\$69,313	\$37,912	82.8	\$69,313	\$37,912	82.8	5.1
Other Revenues:									
Federal Grants and Contracts	\$1,354,852	34.40	\$57,086	\$34,011	67.8	\$57,086	\$34,011	67.8	181.8
Receipts from Cities/Counties	125,272	3.18	2,496	3,848	(35.1)	2,496	3,848	(35.1)	156.5
Toll Revenues (Includes Route 28)	96,447	2.45	6,374	5,777	10.3	6,374	5,777	10.3	(15.0)
Miscellaneous Revenues	18,717	0.48	1,032	1,046	(1.3)	1,032	1,046	(1.3)	(15.0)
Total Other Revenues	\$1,595,288	40.51	\$66,988	\$44,682	49.9	\$66,988	\$44,682	49.9	139.9
Transfer (to) / from Highway Maintenance and Operating Fund	(\$286,303)	(7.27)	(\$100,000)	(\$186,199)	46.3	(\$100,000)	(\$186,199)	46.3	(53.8)
Total Transportation Trust Fund	\$2,268,185	57.59	\$36,301	(\$103,605)	135.0	\$36,301	(\$103,605)	135.0	63.0
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$3,938,288	100.00	\$186,836	\$138,548	34.9	\$186,836	\$138,548	34.9	31.3

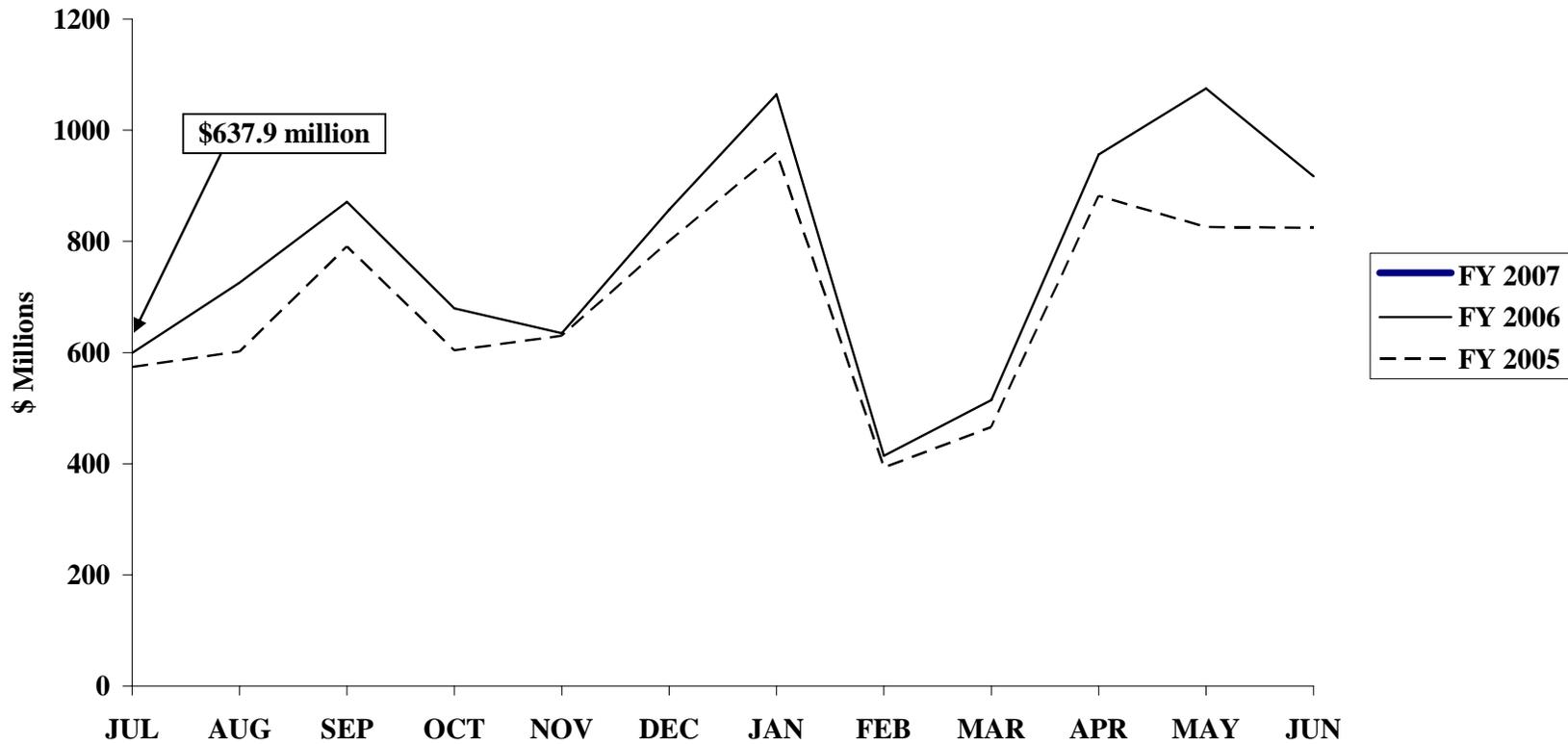
Percentage is greater than or equal to 1,000%.

Total General Fund Revenues



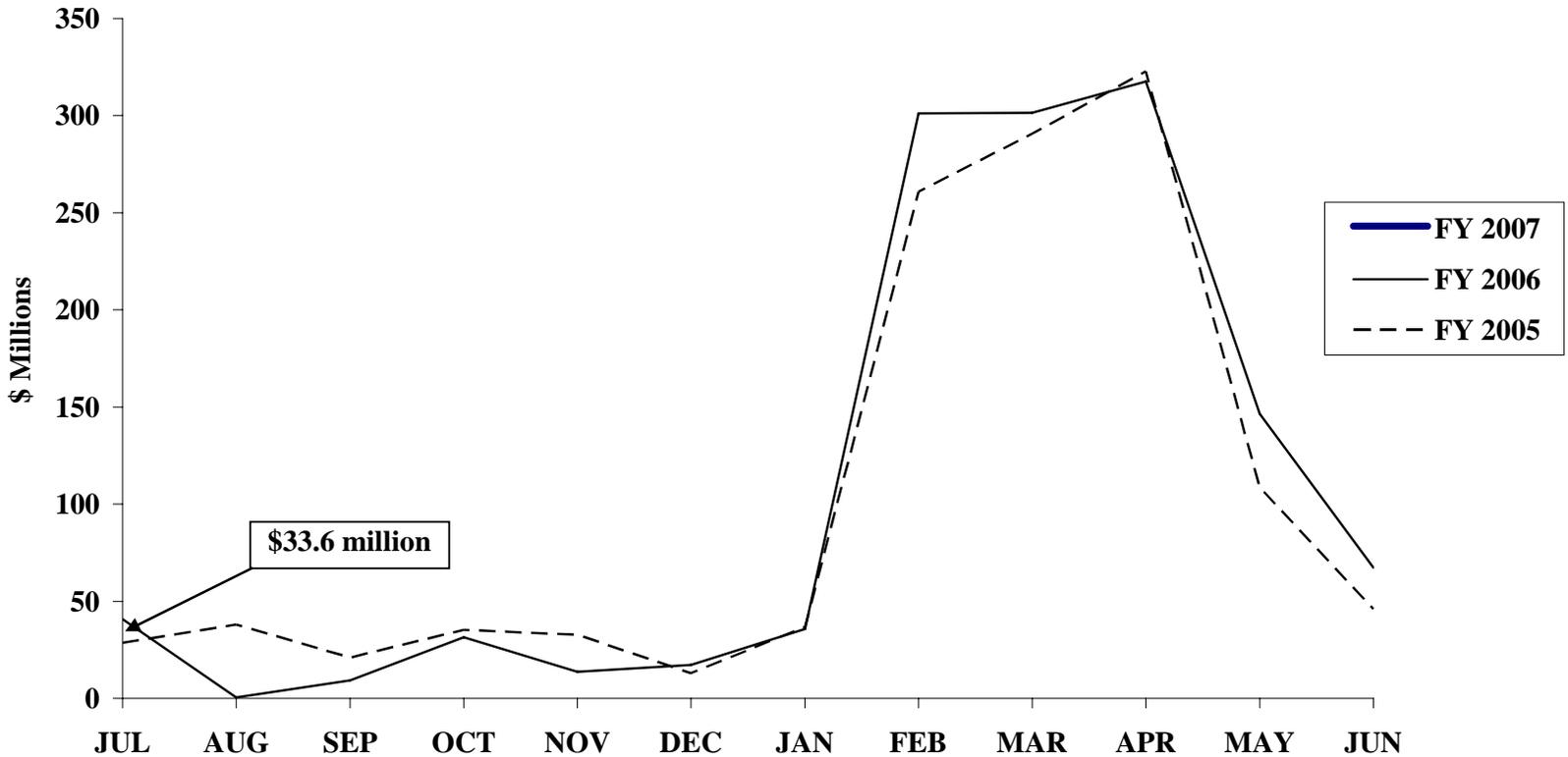
FY 2005 Actual = \$13,687.3 Million
FY 2006 Actual = \$14,834.3 Million
FY 2007 Estimate = \$15,453.3 Million

Net Individual Income Tax



FY 2005 Actual = \$8,352.4 Million
FY 2006 Actual = \$9,308.6 Million
FY 2007 Estimate = \$9,650.3 Million

Individual and Fiduciary Income Tax Refunds



FY 2005 Actual = \$1,234.2 Million
FY 2006 Actual = \$1,282.6 Million
FY 2007 Estimate = \$1,322.2 Million

DEPARTMENT OF THE TREASURY

General Account Investment Portfolio

Monthly Average Balances and Rates

For the Fiscal Year 2007

(Dollars in Millions)

MONTH	PRIMARY LIQUIDITY		EXTERNAL MANAGEMENT EXTENDED DURATION ^{1,2}		COMPOSITE	
	Avg. Balance	Yield	Avg. Balance	Annualized Total Return	Avg. Balance	Rate
July, 2006	\$5,684.6	5.12%	\$1,242.8	13.40%	\$6,927.4	6.61%
August						
September						
October						
November						
December						
January, 2007						
February						
March						
April						
May						
June						
Year-to-Date Average	\$5,684.6	5.12%	\$1,242.8	13.40%	\$6,927.4	6.61%
Latest 12-month Average	\$4,826.0	4.30%	\$1,159.1	2.26%	\$5,985.1	3.90%

¹ 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.

² Unaudited.

**Commonwealth of Virginia/Department of Accounts
Report on the Revenue Stabilization Fund
For the Fiscal Year 2007**

Month	Beginning Balance	Deposits	Withdrawals	Interest Allocated (A)	Ending Balance
July	\$1,064,664,515	\$0	\$0	\$0	\$1,064,664,515
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.