COMMONWEALTH of VIRGINIA

Office of the Governor

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May 11, 2007

MEMORANDUM

TO: The Honorable Timothy M. Kaine

THROUGH: The Honorable William H. Leighty

FROM: Jody M. Wagner Jody M Wagner

SUBJECT: April Revenue Data

This month's revenue report incorporates the revised general fund revenue forecast that reflects actions of the 2007 General Assembly. Under the revised forecast, general fund revenues are projected to grow 6.5 percent in fiscal year 2007.

April is a significant month for revenue collections. In addition to normal collections in withholding and sales taxes, final payments for tax year 2006 and the first estimated payment for tax year 2007 are due from corporations. A large amount of estimated and final payments from individuals, which are due May 1, are also typically received in April.

Total general fund revenue collections grew 2.5 percent in April compared to April 2006. On a year-to-date basis, revenues grew 3.6 percent over the same period last year, significantly behind the annual forecast of 6.5 percent. Collections of individual nonwithholding and corporate income taxes are trailing their forecasts. In addition, of particular note, individual income tax refunds have significantly exceeded expectations, further dampening growth.

Two factors are distorting growth – the end of the Accelerated Sales Tax Program in fiscal year 2006 and the controlled production at TAX due to implementation of new systems, which slowed processing of individual and corporate refunds during the first half of last fiscal year. Adjusting for these factors, revenues grew 2.9 percent through April of fiscal year 2007, behind the adjusted forecast of 5.4 percent annual growth.

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National Economic Indicators

Most national indicators depict a slowdown in the expansion of the economy. The national housing market and oil prices continue to be the significant factors affecting the short-term outlook.

- According to the advance estimate, real GDP grew 1.3 percent in the first quarter of 2007, the slowest growth in four years. Growth was below expectations and significantly slower than the 2.5 percent posted in the fourth quarter of last year. The most significant drag on the economy is homebuilding, which cut one percentage point from growth. Real investment in residential structures has fallen for six consecutive quarters and is 17 percent below its peak.

- Employers added a modest 88,000 jobs to payrolls in April, and gains for prior months were revised down. The weakness was most evident in construction, manufacturing, retail trade, and finance. In a separate report, the unemployment rate rose slightly from 4.4 to 4.5 percent.

- Initial claims for unemployment fell by 21,000 to 305,000 during the last week of April. The four-week moving average fell slightly, from 333,000 to 329,000 and is consistent with an expanding economy.

- Inflation remains contained. An increase in energy prices pushed the Consumer Price Index up 0.6 percent in March, following a 0.4 percent increase in February. Core inflation, excluding food and energy, increased 0.1 percent in March resulting in growth of 2.5 percent over the last year.

- The Institute of Supply Management index increased from 50.9 to 54.7 in April, the largest monthly increase since September 2005. This is a significant improvement from the sluggish growth over the last two quarters.

- The Conference Board's index of leading indicators rose 0.1 percent to 137.4 in March, the first increase since December.

- The Conference Board's index of consumer confidence fell from 108.2 to 104.0 in April, the second monthly decline following four consecutive gains. Both the expectations and current conditions components declined, with most of the weakness in the assessment of current conditions.

Virginia Economy

In Virginia, payroll employment grew 1.2 percent in March. Northern Virginia posted job growth of 2.0 percent in March. Jobs grew by 1.3 percent in Hampton Roads, 2.0 percent in Richmond-Petersburg, and 2.0 percent in the western MSAs. The unemployment rate fell from 3.2 percent to 3.1 percent in March.

The Virginia leading index fell 0.5 percent in March, its first decline in four months. An increase in building permits offset the negative impact of falling auto registrations and rising initial unemployment claims. The regional indices fell in nine of the state's eleven metropolitan areas in March. The indices in Hampton Roads and Harrisonburg increased for the month.

April Revenue Collections

April is a significant month for revenue collections. In addition to normal collections in withholding and sales taxes, final payments for tax year 2006 and the first estimated payment for tax year 2007 are due from corporations. A large amount of estimated and final payments from individuals, which are due May 1, are also received in April.

Individual Income Tax Withholding (54% of general fund revenues): Despite an additional deposit day compared with April of 2006, collections of payroll withholding taxes grew a modest 4.9 percent in April. Year-to-date withholding growth is 5.7 percent, matching the projected annual growth rate. Collections must grow 5.2 percent in the May-June period to attain the annual forecast; however, growth in the previous three months has been below 5.0 percent.

Individual Income Tax Nonwithholding (18% of general fund revenues): April is a significant month for nonwithholding collections. Final payments for tax year 2006 and the first estimated payment for tax year 2007 are both due May 1.

April collections were $646.3 million compared with $620.7 million in April of last year, a 4.1 percent increase. To date, about 65 percent of the nonwithholding forecast has been collected, and collections during this period are 7.1 percent above the same period last year, which is below the projected annual growth of 10.2 percent.

Typically, a large portion of final payments due May 1 are received in April, however, the amount varies from year to year. Estimated and final payments will continue to be processed in May; therefore, one must consider April and May collections together to accurately assess growth in this source. The final estimated payment for this fiscal year is due June 15.

Individual Income Tax Refunds: In the latter half of calendar year 2005, the transition to a new computer system required TAX to process a limited number of tax returns in the fall, resulting in few refunds for that period. With the new system in place, TAX returned to a normal schedule for processing this year.

Through April, $1.4 billion have been refunded compared with $1.1 billion in the same period last year. For the filing season beginning January 1, about 2.2 million refunds have been issued, compared with 2.1 million issued in the same period last year. The average check size is up a sharp 13 percent compared with the forecast of 5 percent.

For the first ten months of the fiscal year, refunds have already surpassed the forecast of $1.3 billion. Over the last three years' individual refunds issued in the last two months have been sizable, averaging a total of about $167 million.

Sales Tax (20% of general fund revenues): Collections of sales and use taxes, reflecting March sales, grew 17.0 percent in April. Five Saturdays in March and Easter falling early in April contributed to the growth. Year-to-date growth in sales and use taxes of 11.2 percent is inflated due to the repeal of the Accelerated Sales Tax program. Adjusting for the repeal of this program, growth in this source was 4.2 percent through April, consistent with the forecast of 4.2 percent growth needed to meet the annual estimate.

Corporate Income Tax (6% of general fund revenues): In April, corporations made their first estimated payment for tax year 2007, and made either a final or extension payment for tax year 2006. A sample of filings by large corporations revealed payments attributable to calendar year 2006 liabilities declined 19 percent as compared to payments last year for calendar year 2005 liabilities. Estimated payments toward calendar year 2007 liability fell 4 percent for the same sample compared to last year's estimated payments for calendar year 2006.

Net collections of corporate income tax were $147.6 million in April 2007, compared with $127.4 million in April of last year, however, April 2006 collections were impacted by the delayed processing of corporate refunds that were postponed due to TAX's controlled production. Year-to-date collections are up 0.3 percent compared to the same period last year, trailing the annual projected growth rate of 3.4 percent.

Wills, Suits, Deeds, Contracts (4% of general fund revenues): Wills, suits, deeds, and contracts – mainly recordation tax collections – fell 2.2 percent in April as the housing market continued to slow. Year-to-date collections in this source declined 16.6 percent from last year, close to the estimate of a 20.2 percent decline.

Other Revenue Sources

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

	Year-to-Date	Annual Estimate
Insurance Premiums Taxes (3% GF revenues)	-0.4%	2.9%
ABC Taxes (1% GF revenues)	3.9%	3.6%
Interest Income (0.6% GF revenues)	63.3%	104.1%

All Other Revenue: Receipts in All Other Revenue grew 43.1 percent in April – $37.1 million compared with $25.9 million in April of last year. Most of the increase was in payments from public service corporations. For the fiscal year-to-date, collections of All Other Revenue are 2.4 percent below the same period in fiscal year 2006, lagging the annual estimate of 3.6 percent growth.

Lottery Revenues: Net income of $39.0 million in April was 3.2 percent below April of last year mainly due to higher prize expenses. Sales continue to be strong in the daily and scratch games, leading to a 3.1 percent increase in April sales. Year-to-date, net income is down 6.9 percent, better than the forecast of a 10.7 percent decline.

Summary

Total general fund revenue collections grew 2.5 percent in April compared with April 2006. On a year-to-date basis, revenues grew 3.6 percent over the same period last year, significantly behind the annual forecast of 6.5 percent. Collections of individual nonwithholding and corporate income taxes are trailing their forecasts. In addition, individual income tax refunds have exceeded expectations, further dampening growth.

Two factors are distorting growth – the end of the Accelerated Sales Tax Program in fiscal year 2006 and the controlled production at TAX due to implementation of new systems, which slowed processing of individual and corporate refunds during the first half of last fiscal year. Adjusting for these factors, revenues grew 2.9 percent through April of fiscal year 2007, behind the adjusted forecast of 5.4 percent annual growth.

Total general fund collections are significantly trailing the annual estimate. May and June are also important collection months, with continued processing of final payments for individual and corporate income taxes in May, and the second estimated payment for individuals, corporations, and insurance companies due in June.

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)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		As a % of	April			Year-To-Date			% Annual
		Gen Fund Rev							Growth
	FY 2007	& Net Lottery			%			%	Req By
Revenue	Estimate	Profits	FY 2007	FY 2006	Change	FY 2007	FY 2006	Change	Est
Individual Income Tax:									
Withholding	$8,517,500	52.56	$684,771	$653,081	4.9	$7,066,182	$6,682,729	5.7	5.7
Tax Dues/Estimated Payments	2,788,400	17.20	646,328	620,668	4.1	1,822,717	1,702,526	7.1	10.2
Gross Individual Income Tax	$11,305,900	69.76	$1,331,099	$1,273,749	4.5	$8,888,899	$8,385,255	6.0	6.7
Individual and Fiduciary Income (Refunds)	(1,337,100)	(8.25)	(401,626)	(317,548)	26.5	(1,361,980)	(1,068,974)	27.4	4.2
Net Individual Income Tax	$9,968,800	61.51	$929,473	$956,201	(2.8)	$7,526,919	$7,316,281	2.9	7.1
Sales and Use Tax (a)	$3,092,900	19.08	$287,733	$245,958	17.0	$2,571,756	$2,312,413	11.2	10.0
Corporations Income Tax	901,400	5.56	147,621	127,366	15.9	718,926	716,425	0.3	3.4
Wills, Suits, Deeds, Contracts (b)	554,400	3.42	50,615	51,743	(2.2)	478,906	574,362	(16.6)	(20.2)
Insurance Premiums	384,600	2.37	95,005	90,884	4.5	282,343	283,393	(0.4)	2.9
Interest Income (c)	197,600	1.22	(28,592)	(16,707)	(71.1)	133,472	81,713	63.3	104.1
Alcoholic Beverage Sales (d)	158,400	0.98	3,465	3,511	(1.3)	97,805	94,094	3.9	3.6
All Other Revenues (b)	542,100	3.35	37,091	25,912	43.1	370,380	379,501	(2.4)	3.6
Total General Fund Revenues	$15,800,200	97.49	$1,522,411	$1,484,868	2.5	$12,180,507	$11,758,182	3.6	6.5
Gross Lottery Revenue	$1,304,430	8.05	$113,779	$110,331	3.1	$1,130,886	$1,157,940	(2.3)	(4.5)
Less: Expenses	(898,099)	(5.54)	(74,755)	(69,999)	6.8	(770,218)	(770,386)	0.0	(1.4)
Net Lottery Profits	$406,331	2.51	$39,024	$40,332	(3.2)	$360,668	$387,554	(6.9)	(10.7)
Total General Fund Revenues and Net Lottery Profits	$16,206,531	100.00	$1,561,435	$1,525,200	2.4	$12,541,175	$12,145,736	3.3	6.0

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

(a) A comparison of the Fiscal Year 2007 and 2006 Sales and Use Tax amounts is not appropriate due to the discontinuation of the Accelerated Sales Tax Program (AST) at the end of Fiscal Year 2006. After eliminating the effects of the AST, the Sales and Use Tax adjusted year-to-date growth rate is 4.2% compared to the forecasted growth rate of 4.2%.

(b) 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."

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

(d) 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)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		As a %	April			Year-To-Date			% Annual
Revenue	FY 2007 Estimate	of Total Gen Fund Rev	FY 2007	FY 2006	% Change	FY 2007	FY 2006	% Change	Growth Req By Est
Taxes:									
Individual Income Tax - Withholding	$8,517,500	53.91	$684,771	$653,081	4.9	$7,066,182	$6,682,729	5.7	5.7
Tax Dues/Estimated Payments	2,788,400	17.65	646,328	620,668	4.1	1,822,717	1,702,526	7.1	10.2
Gross Individual Income Tax	$11,305,900	71.56	$1,331,099	$1,273,749	4.5	$8,888,899	$8,385,255	6.0	6.7
Individ and Fiduc Income (Refunds)	(1,337,100)	(8.47)	(401,626)	(317,548)	26.5	(1,361,980)	(1,068,974)	27.4	4.2
Net Individual Income Tax	$9,968,800	63.09	$929,473	$956,201	(2.8)	$7,526,919	$7,316,281	2.9	7.1
Sales and Use Tax	3,092,900	19.58	287,733	245,958	17.0	2,571,756	2,312,413	11.2	10.0
Corporations Income	901,400	5.70	147,621	127,366	15.9	718,926	716,425	0.3	3.4
Public Service Corporations	92,500	0.59	10,563	4,081	158.8	73,791	68,316	8.0	2.8
Insurance Premiums	384,600	2.43	95,005	90,884	4.5	282,343	283,393	(0.4)	2.9
Alcoholic Beverage Excise	114,400	0.72	0	0	-	62,319	58,633	6.3	4.0
Beer and Beverage Excise	44,000	0.28	3,465	3,511	(1.3)	35,486	35,461	0.1	2.5
Wills, Suits, Deeds, Contracts	554,400	3.51	50,615	51,743	(2.2)	478,906	574,362	(16.6)	(20.2)
Inheritance, Gift, and Estate	160,400	1.02	8,210	6,904	18.9	116,825	130,316	(10.4)	0.0
Bank Franchise	12,900	0.08	3	56	(94.6)	(36)	1,126	(103.2)	4.7
Other Taxes	13,600	0.09	569	(1,087)	152.3	6,030	572	954.2	(9.9)
Total Taxes	$15,339,900	97.09	$1,533,257	$1,485,617	3.2	$11,873,265	$11,497,298	3.3	5.8
Rights and Privileges:									
Licenses and Permits	$4,900	0.03	$256	$200	28.0	$3,777	$3,697	2.2	2.8
Corp. Franchise and Charters	45,300	0.29	587	488	20.3	17,317	16,884	2.6	(2.3)
Fees for Misc. Privileges & Services	14,600	0.09	2,176	1,692	28.6	11,174	10,150	10.1	3.8
Total Rights and Privileges	$64,800	0.41	$3,019	$2,380	26.8	$32,268	$30,731	5.0	(0.6)
Other Revenues:									
Sales of Property & Commodities	$100	0.00	$73	$0	-	$73	$7,026	(99.0)	(98.6)
Assessmts & Rcpts for Support of Special Svcs	400	0.00	0	40	(100.0)	163	228	(28.5)	20.5
Institutional Revenue	8,800	0.06	791	646	22.4	6,479	7,257	(10.7)	6.9
Interest (a)	197,600	1.25	(28,592)	(16,707)	(71.1)	133,472	81,713	63.3	104.1
Dividends and Rent	300	0.00	10	8	25.0	246	228	7.9	6.0
Fines, Forfeitures & Fees	204,100	1.29	15,290	14,822	3.2	151,200	155,370	(2.7)	9.1
Other Revenue	6,000	0.04	241	322	(25.2)	2,605	5,285	(50.7)	(31.8)
Excess Fees	(32,000)	(0.20)	(2,631)	(3,159)	16.7	(27,721)	(35,261)	21.4	23.1
Private Donations, Gifts & Cont.	0	0.00	2	(59)	103.4	19	8	137.5	0.0
Cities, Counties, and Towns	10,200	0.06	951	958	(0.7)	8,438	8,299	1.7	2.0
Total Other Revenues	$395,500	2.50	($13,865)	($3,129)	(343.1)	$274,974	$230,153	19.5	42.8
Total General Fund Revenues	$15,800,200	100.00	$1,522,411	$1,484,868	2.5	$12,180,507	$11,758,182	3.6	6.5

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

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

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

		April			Year-To-Date			% Annual
	FY 2007 Estimate (a)	FY 2007	FY 2006	% Change	FY 2007	FY 2006	% Change (b)	Growth Required By Estimate
Lottery Collections								
Lotto South/Win for Life (c)	$45,136	$2,922	$4,742	(38.4)	$35,163	$54,191	(35.1)	(27.0)
Cash 5	25,121	2,363	2,151	9.9	22,809	23,252	(1.9)	(9.4)
Pick 4	167,717	15,574	12,847	21.2	148,374	142,546	4.1	(1.2)
Pick 3	251,279	22,645	19,804	14.3	220,495	215,295	2.4	(2.2)
Mega Millions	122,553	9,358	15,483	(39.6)	110,604	141,302	(21.7)	(23.2)
Scratch/Bingo (d)	692,624	60,917	55,304	10.1	593,441	581,354	2.1	0.5
Gross Lottery Revenue	1,304,430	113,779	110,331	3.1	1,130,886	1,157,940	(2.3)	(4.5)
Expenses (e)	898,099	74,755 (f)	69,999	6.8	770,218 (f)	770,386	0.0	(1.4)
Net Lottery Ticket Profits	$406,331	$39,024 (f)	$40,332	(3.2)	$360,668 (f)	$387,554	(6.9)	(10.7)

(a) Estimate established in December 2006 and includes the residual amount ($931,308) of FY 2006 profits that were transferred in FY 2007.

(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) Fast Play Bingo began on February 4, 2007. Fast Play Bingo is an online game which plays like a Scratch game.

(e) "Expenses" includes prizes to winners, compensation to retailers, instant ticket printing costs, Lottery operating expenses, and net other income/expense.

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

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Selected Revenue Estimates & Collections
For the Fiscal Years 2006 and 2007
(Dollars in Thousands)

Revenue	FY 2007 Estimate	As a % of Total Fund	April FY 2007	April FY 2006	April % Change	Year-To-Date FY 2007	Year-To-Date FY 2006	Year-To-Date Change	% Annual Growth Required By Estimate
Motor Fuel Taxes	$861,600	22.46	$64,237	$66,490	(3.4)	$643,148	$652,206	(1.4)	(1.0)
Priority Transportation Fund	20,000	0.52	2,000	2,000	0.0	16,000	16,000	0.0	0.0
Motor Vehicle Sales and Use Tax	618,300	16.12	50,415	43,790	15.1	506,362	512,369	(1.2)	(1.7)
State Sales and Use Tax	508,700	13.26	46,610	39,103	19.2	434,810	388,739	11.9	6.8
Motor Vehicle License Fees	170,400	4.44	15,033	13,684	9.9	140,584	136,876	2.7	0.6
International Registration Plan	62,400	1.63	3,385	6,008	(43.7)	44,720	46,759	(4.4)	3.0
Interest Earnings	33,800	0.88	14,011	8,546	63.9	38,643	22,794	69.5	(12.5)
Misc. Taxes, Fees, and Revenues (a)	12,700	0.33	951	1,092	(12.9)	10,121	9,825	3.0	5.9
Total State Taxes and Fees (a)	$2,287,900	59.64	$196,642	$180,713	8.8	$1,834,388	$1,785,568	2.7	0.5

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

(a) Certain Fiscal Year 2007 year-to-date and Fiscal Year 2006 monthly and year-to-date amounts have been reclassified. Refer to (a) on page 5 for additional information.

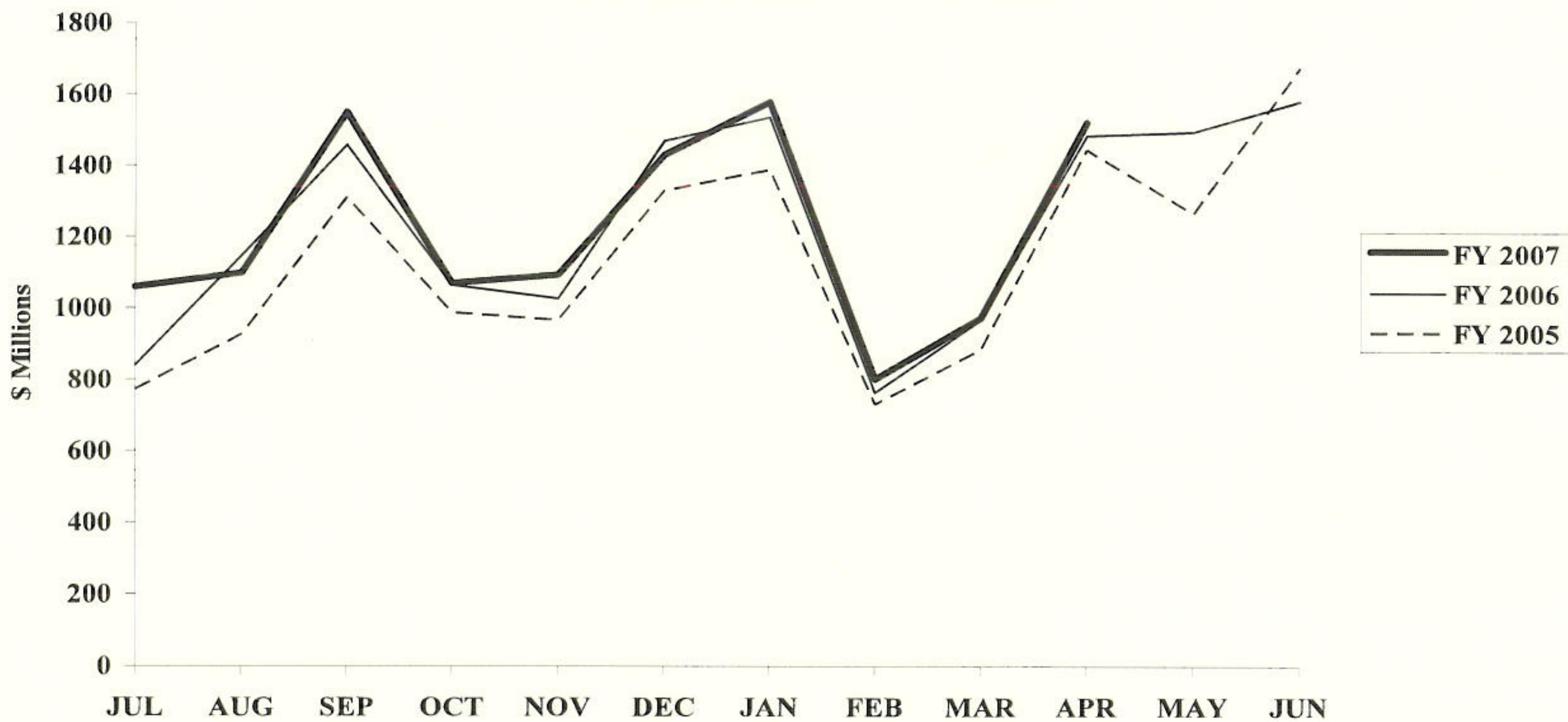
Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2006 and 2007
(Dollars in Thousands)

Revenue	FY 2007 Estimate	As a % of Total Fund	April FY 2007	April FY 2006	April % Change	Year-To-Date FY 2007	Year-To-Date FY 2006	Year-To-Date % Change	% Annual Growth Required By Est
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	$743,300	19.38	$56,046	$54,905	2.1	$555,258	$561,832	(1.2)	(1.2)
Motor Vehicle Sales and Use Tax	381,900	9.95	31,131	27,594	12.8	313,369	317,758	(1.4)	(2.1)
Motor Vehicle License Fees	149,200	3.89	13,095	11,970	9.4	122,689	119,833	2.4	0.6
International Registration Plan	62,400	1.63	3,385	6,008	(43.7)	44,720	46,759	(4.4)	3.0
Misc. Taxes, Fees, and Revenues (a)	12,700	0.33	951	1,092	(12.9)	10,121	9,825	3.0	5.9
Total State Taxes and Fees	$1,349,500	35.18	$104,608	$101,569	3.0	$1,046,157	$1,056,007	(0.9)	(1.0)
Other Revenues:									
Federal Grants and Contracts	$0	0.00	$3,312	$470	604.7	$22,726	$26,589	(14.5)	(100.0)
Miscellaneous Revenues (a)	10,600	0.27	1,137	1,090	4.3	14,432	19,487	(25.9)	(50.8)
Transfer (to) / from Transportation Trust Fund	286,303	7.46	0	0	-	231,205	186,199	24.2	53.8
Total Highway Maintenance and Operating Fund	$1,646,403	42.91	$109,057	$103,129	5.7	$1,314,520	$1,288,282	2.0	2.4
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	$118,300	3.08	$8,191	$11,585	(29.3)	$87,890	$90,374	(2.7)	(0.1)
Priority Transportation Fund	20,000	0.52	2,000	2,000	0.0	16,000	16,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	236,400	6.17	19,284	16,196	19.1	192,993	194,611	(0.8)	(0.9)
State Sales and Use Tax	508,700	13.26	46,610	39,103	19.2	434,810	388,739	11.9	6.8
Motor Vehicle License Fees	21,200	0.55	1,938	1,714	13.1	17,895	17,043	5.0	0.6
Interest Earnings	33,800	0.88	14,011	8,546	63.9	38,643	22,794	69.5	(12.5)
Total State Taxes and Fees	$938,400	24.46	$92,034	$79,144	16.3	$788,231	$729,561	8.0	2.8
Other Revenues:									
Federal Grants and Contracts	$1,354,852	35.32	$40,705	$38,677	5.2	$505,195	$374,680	34.8	181.8
Receipts from Cities/Counties (a)	69,303	1.81	2,341	4,246	(44.9)	39,841	39,153	1.8	46.4
Toll Revenues (Includes Route 28)	96,447	2.51	14,398	12,871	11.9	87,065	94,924	(8.3)	(15.0)
Miscellaneous Revenues	17,391	0.45	1,367	662	106.5	16,801	13,436	25.0	(21.0)
Total Other Revenues	$1,537,993	40.09	$58,811	$56,456	4.2	$648,902	$522,193	24.3	131.8
Transfer (to) / from Highway Maintenance and Operating Fund	($286,303)	(7.46)	$0	$0	-	($231,205)	($186,199)	(24.2)	(53.8)
Total Transportation Trust Fund	$2,190,090	57.09	$150,845	$135,600	11.2	$1,205,928	$1,065,555	13.2	57.5
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	$3,836,493	100.00	$259,902	$238,729	8.9	$2,520,448	$2,353,837	7.1	27.9

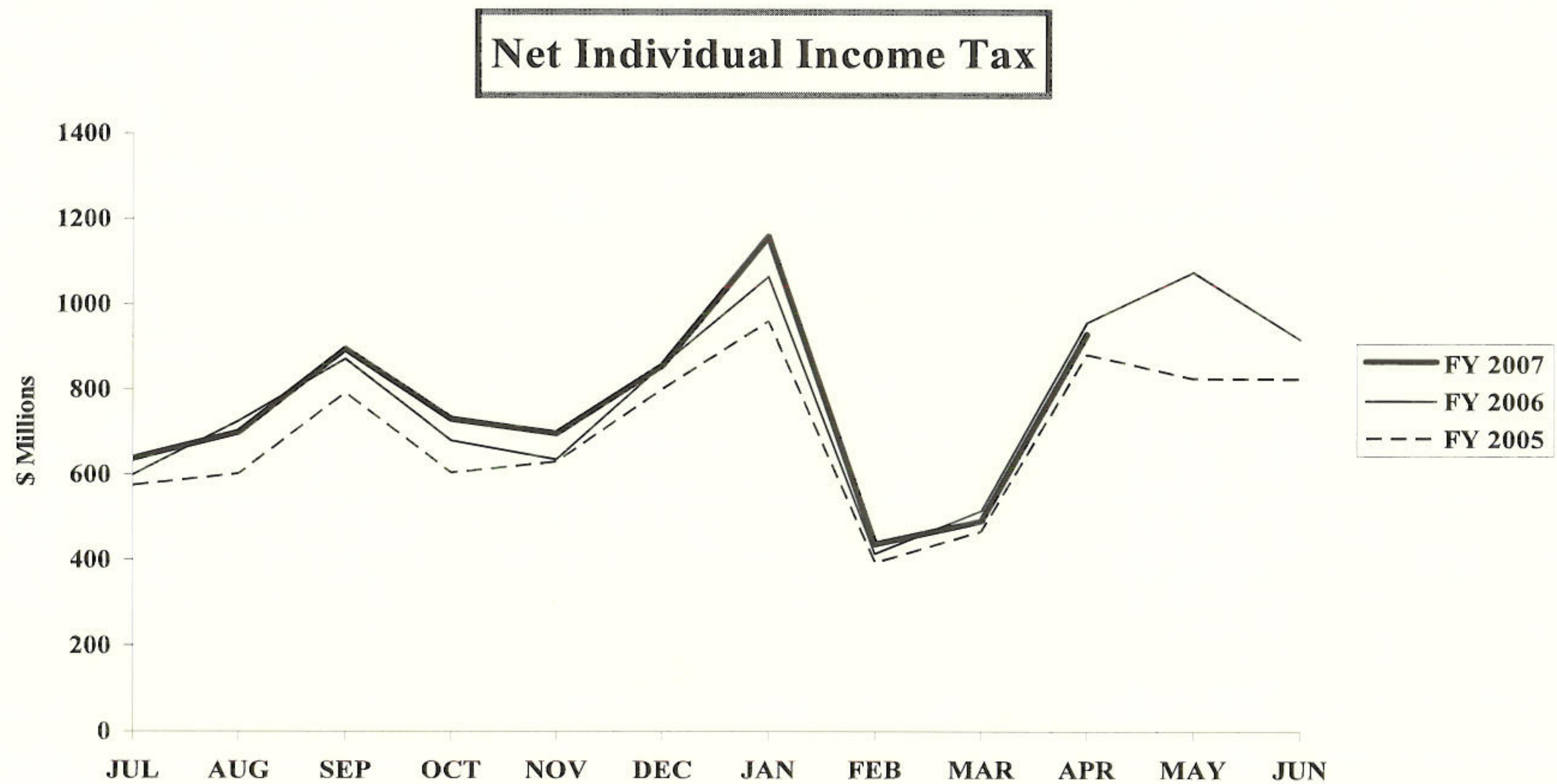
Percentage is greater than or equal to 1,000%.

(a) A new line, "Miscellaneous Revenues", was added to the Highway Maintenance and Operating Fund Revenue Forecast. A portion of the amounts previously reported in "Miscellaneous Taxes, Fees, and Revenues" and "Receipts from Cities/Counties" were reclassified to "Miscellaneous Revenues." In order to provide comparable data, the Fiscal Year 2007 and Fiscal Year 2006 monthly and year-to-date amounts were likewise reclassified.

Total General Fund Revenues

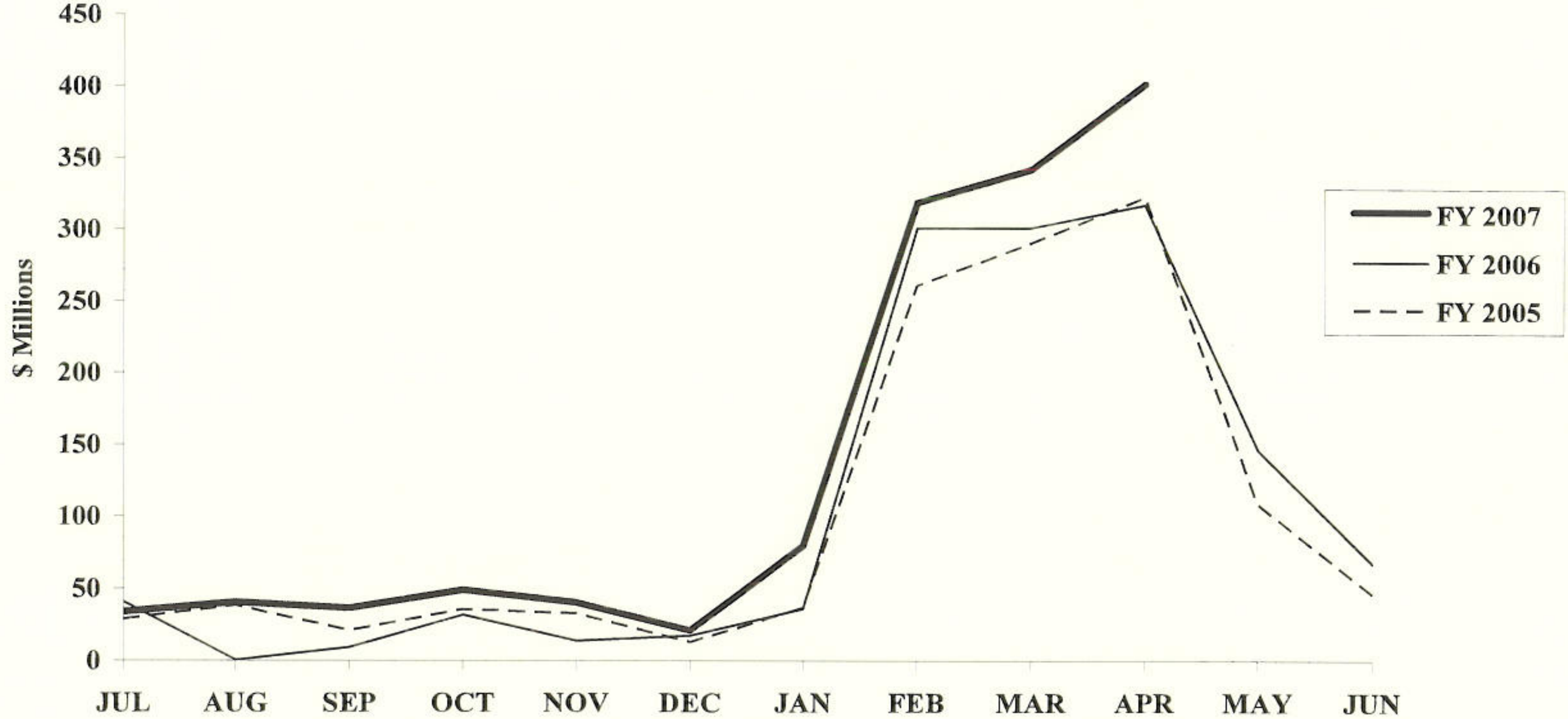


FY 2005 Actual = $13,687.3 Million
FY 2006 Actual = $14,834.3 Million
FY 2007 Estimate = $15,800.2 Million



FY 2005 Actual = $8,352.4 Million
FY 2006 Actual = $9,308.6 Million
FY 2007 Estimate = $9,968.8 Million

Individual and Fiduciary Income Tax Refunds



FY 2005 Actual = $1,234.2 Million
FY 2006 Actual = $1,282.6 Million
FY 2007 Estimate = $1,337.1 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, 3]		COMPOSITE[3]	
	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	$5,305.9	5.20%	$1,357.8	14.82%	$6,663.7	7.16%
September	$5,541.2	5.31%	$1,371.6	9.66%	$6,912.8	6.17%
October	$5,805.7	5.27%	$1,381.2	7.47%	$7,186.9	5.69%
November	$5,528.9	5.32%	$1,391.9	11.64%	$6,920.8	6.59%
December	$5,209.7	5.28%	$1,395.8	-4.51%	$6,605.5	3.21%
January, 2007	$5,938.6	5.29%	$1,393.8	1.21%	$7,332.4	4.51%
February	$5,838.4	5.48%	$1,705.4	15.98%	$7,543.8	7.85%
March	$5,513.1	5.32%	$1,717.2	1.86%	$7,230.3	4.50%
April	$5,368.4	5.40%	$1,722.3	6.03%	$7,090.7	5.55%
May						
June						
Year-to-Date Average	$5,573.5	5.30%	$1,468.0	7.68%	$7,041.5	5.80%
Latest 12-month Average	$5,583.8	5.24%	$1,429.0	6.80%	$7,012.8	5.55%

[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 Duration Average Balance & Annualized Total Return and Composite Average Balance & Rate for March 2007.

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	$1,064,664,515	$0	$0	$0	$1,064,664,515
September	$1,064,664,515	$0	$0	$0	$1,064,664,515
October	$1,064,664,515	$0	$0	$12,886,734	$1,077,551,249
November	$1,077,551,249	$0	$0	$0	$1,077,551,249
December	$1,077,551,249	$0	$0	$0	$1,077,551,249
January	$1,077,551,249	$0	$0	$12,379,321	$1,089,930,570
February	$1,089,930,570	$0	$0	$0	$1,089,930,570
March	$1,089,930,570	$0	$0	$0	$1,089,930,570
April	$1,089,930,570	$0	$0	$13,196,740	$1,103,127,310
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.