8. 2009 PRELIMINARY YEAR-END FINANCIAL SUMMARY

STAFF REPORT

QUESTIONS FROM COUNCIL ON STAFF REPORT

DISCUSSION

ACTION TAKEN

NOTES:

City of Pullman
Finance Department

Memo

To: Mayor, City Council, and City Supervisor

From: William F. Mulholland, Finance Director

Date: May 12, 2010

Re: 2009 Preliminary Year-End Financial Report

The attached calculations of the Year-End Financial Report are preliminary. There is a possibility that adjustments will be made to the estimates during the preparation of the 2009 Financial Statements and subsequent audit. The Finance Department feels that any changes will be minor in nature, so we are comfortable in presenting the information at this time.

The preliminary estimate for General Fund revenues collected is $14,575,367 or 98.1 percent of the 2009 revenue budget and 99.4 percent of the 2010 preliminary budget estimate for 2009. When comparing the 2009 revenue collections with 2008 revenue collections, the categories that experienced the most significant change are property taxes, sales taxes, licensing and permits, and investment income.

- 2009 property tax collections grew $150,842 or 4.4 percent compared to 2008. The increase is due to $35.6M of assessed value being added to the property tax rolls and exercising the 1.0 percent revenue limit increase.

- 2009 sales tax activity was expected to decrease approximately 13.2 percent from 2008 due to reductions in construction activities but experienced sharper decreases amounting to 15.6 percent from 2008 levels. Sales tax from construction remained weak, as we did not have the WSU projects as we had in previous years as well as strong construction activity elsewhere in Pullman.

- Licensing and Permit revenues increased 19.9 percent or $38,678 due to receiving the permit fees for Wal-Mart in December. Without Wal-Mart, we would have had a decrease in building permit activity of 29.3 percent. Without Wal-Mar the building permit fees would have decreased $57,022 because permit issuance valuations would have decreased $2.7M. In 2009, without Wal-Mart, permits valued at $16.4M were issued while permits valued at

$64.3M were issued in 2005, $61.1M in 2006, $52.8M in 2007 and 19.0 M in 2008.

- Investment income decreased $231,765 or 75.3 percent. Fast decreasing interest rates are the reason for the decrease. The City primarily uses the Washington State Local Government Investment Pool (LGIP) and bank overnight sweep accounts for investment earnings. In 2007 the LGIP's average earnings rate was 5.0897 percent. In 2008 the earnings rate averaged 2.6814 percent. The rate dropped to a four-year low of 0.3327 percent in December 2009. The rate at the end of January 2010 was 0.3347 percent.

The 2009 General Fund expenditure projections were better than projected. The preliminary 2009 General Fund expenditures total $15,045,742 or 94.4 percent of the expenditure budget and 96.7 percent of the 2010 estimate of 2009 expenditures. The departments did a great job controlling costs to help address the city's budget challenges. In terms of dollars, the General Fund departments with the most significant increases from 2008 to 2009 are Police, Ambulance, and Parks and Recreation. In terms of percentage, the General Fund departments with the most significant increases from 2008 to 2009 are Legislative, Cemetery and Weed Control. Finance, General Government, Fire Services, Bldg Inspection, Commu/Dispatch and Library were the departments showing decreases from 2008 to 2009.

All city departments are experiencing increases to the cost of labor. General Fund salaries increased $205,663 or 2.7 percent in 2009 compared to 2008. During the same period the cost of benefits increased $155,462 or 5.3 percent. Of the $153,462 total General Fund expense increase in 2009, $361,125 was due to the increasing cost of labor and was offset with reductions in all other categories. The decrease in General Government is a result of decreasing insurance costs due to improving experience ratings and fewer transfers for one-time capital expenditures.

The 2009 original budget projected that the fund balance would be used to balance the deficit of revenues compared with expenditures. The preliminary year-end numbers still show a deficit, but much lower than projected. The preliminary year-end figures show that expenditures exceeded revenues by $470,375. The original 2009 budget projected that $924,985 of fund balance would be used to balance the budget. This is very welcome news since the 2010 Adopted Budget failed to attain the Council goal of maintaining a 13-percent reserve. The 2010 Budget was approved, projecting an ending cash balance of $1,732,870. This is equal to 11.38 percent after accounting for miscellaneous reserves. Bear in mind that the 2010 Budget does not include COLAs for five out of six labor groups or the non-represented employees. Now the estimated 2010 beginning cash balance is $2,963,191 or 19.5 percent of the 2010 operating budget. The 2010 Budget estimated a beginning cash balance of $2,565,571. The 2010 projected ending cash is $2,216,708 or 14.6 percent reserve and a cushion of $135K above the required reserve amount. As reported at the April 27th council meeting, budget amendments will add $163K to projected costs. This will result in a shortfall of $27.6K or a 12.6 percent reserve.

The 2010 Budget was adopted without addressing two key issues. The 13-percent reserve level was not preserved and salary adjustments for the aforementioned unsettled labor contracts are not included. Another issue that is not addressed is the potential worsening local economy. If the labor contracts are settled under terms similar to the settled uniformed police contract, the additional 2010 costs could be between $100,000 and $125,000.

It is my recommendation that any year-end savings that remain after addressing the reserve balance be saved to address further challenges to the 2010 Budget such as the unsettled labor contracts and a local economic downturn.

The same challenges the city has faced with recent budgets will continue to challenge future budgets. These include the property tax 1.0 percent revenue limit and large health insurance premium increases. As forewarned, the most serious 2010 challenge is coming from the area that has been the source of good news the last five years. The City of Pullman has been able to address increasing expenses, because strong construction levels have increased property, sales, and utility taxes faster than the rate of inflation. It is projected that the 2010 sales tax collections will be flat or a little under 2009 collections. These projections may be improved based on the impact of Wal-Mart sales tax dollars and if other construction projects move forward this year.

General Fund Summary

It is my recommendation that the city continue to move forward with the 2010 General Fund budget year with extreme caution in anticipation of labor contract settlements and a worsening local economy.

The City of Pullman sales tax base did not show signs of slowing when the City Council adopted the 2010 Budget. In addition, sales tax information is distributed two months after the sales takes place, so the information available at the time of budget adoption did not reflect the continued economic downturn that began in October 2008. We now have sales tax data through December 2009. The October – December 2009 sales taxes were lower than the October-December 2008 sales taxes and the five-year average. Sales tax collections showed significant decreases to certain top ten sales tax categories for 2009. The most notable decreases include:

- The motor vehicle and parts dealer category was down 4.7 percent comparing 2008.
- The miscellaneous Store Retailers stores category was down 15.3 percent comparing 2008.
- The largest sales tax category, construction of buildings, decreased 70.0 percent comparing 2008.

Overall sales taxes are weak and will remain so through the first half of the year.

Staff continues to advise that it is not time to panic. Pullman is definitely experiencing an economic slowdown, but at this time it is not of the same magnitude that the State and many other jurisdictions are facing.

State of Washington economic challenges have been well publicized. Those challenges will directly impact two of Pullman's major employers, Washington State University and the Pullman School District #267. Budget reductions to WSU will impact the City of Pullman when the first employment cuts take effect in May 2010.

The biggest expenditure challenges the city faces will continue to be the cost of labor. Forecasts continue to show large increases in medical insurance premiums. It is possible that medical insurance premiums could increase significantly in 2011 as 2010 increases were not as high as expected.

In addition, it is important to remember that the 2010 General Fund Budget was balanced with a $751,606 drawdown of reserves. This means that expenditures are expected to exceed revenues by $751,606. No matter the size of the deficit, the deficit will need to be addressed when excess cash is depleted.

It is hoped that the deficit will not be $751,606. The budget has been developed with a conservative approach, so the deficit represents a worse case scenario. Also the good stewardship of our department heads and employees has been instrumental in keeping our budget manageable. The reserve level might have been depleted by now if it weren't for those efforts.

Other Major Funds

The 2009 expenditures for the other major funds (Arterial Street, Street, Utility, and Transit) in total were less than the amended budgets by 5.67 percent. The funds expended 28.5 percent to 109.4 percent of the amended budgets.

The other major fund revenues were within an acceptable range of the budget except for the Arterial Street Fund. The range of revenues received versus budget was 37.2 percent to 107.6 percent. The Arterial Street Fund received only 37.2 percent of the budgeted revenues, but the large majority of the fund revenues are grants, which are highly dependent upon the timing of project completions. Expenditures for the Arterial Street Fund were 28.5 percent of the budgeted expenses.

The projected 2010 year-end fund balances for other major funds are considered healthy. The 2010 Transit Fund year-end fund balance projection is $182,148 or 5.8 percent of the operating budget. The fund balance is to be reduced by approximately $485K for our portion of the 5 new buses. Without this purchase, the fund balance would be 21.2 percent. The other major funds are projecting ending cash balances as a percentage of the operating budgets higher than the 13.0-percent goal for the General Fund. The higher reserves are justified because of the respective capital

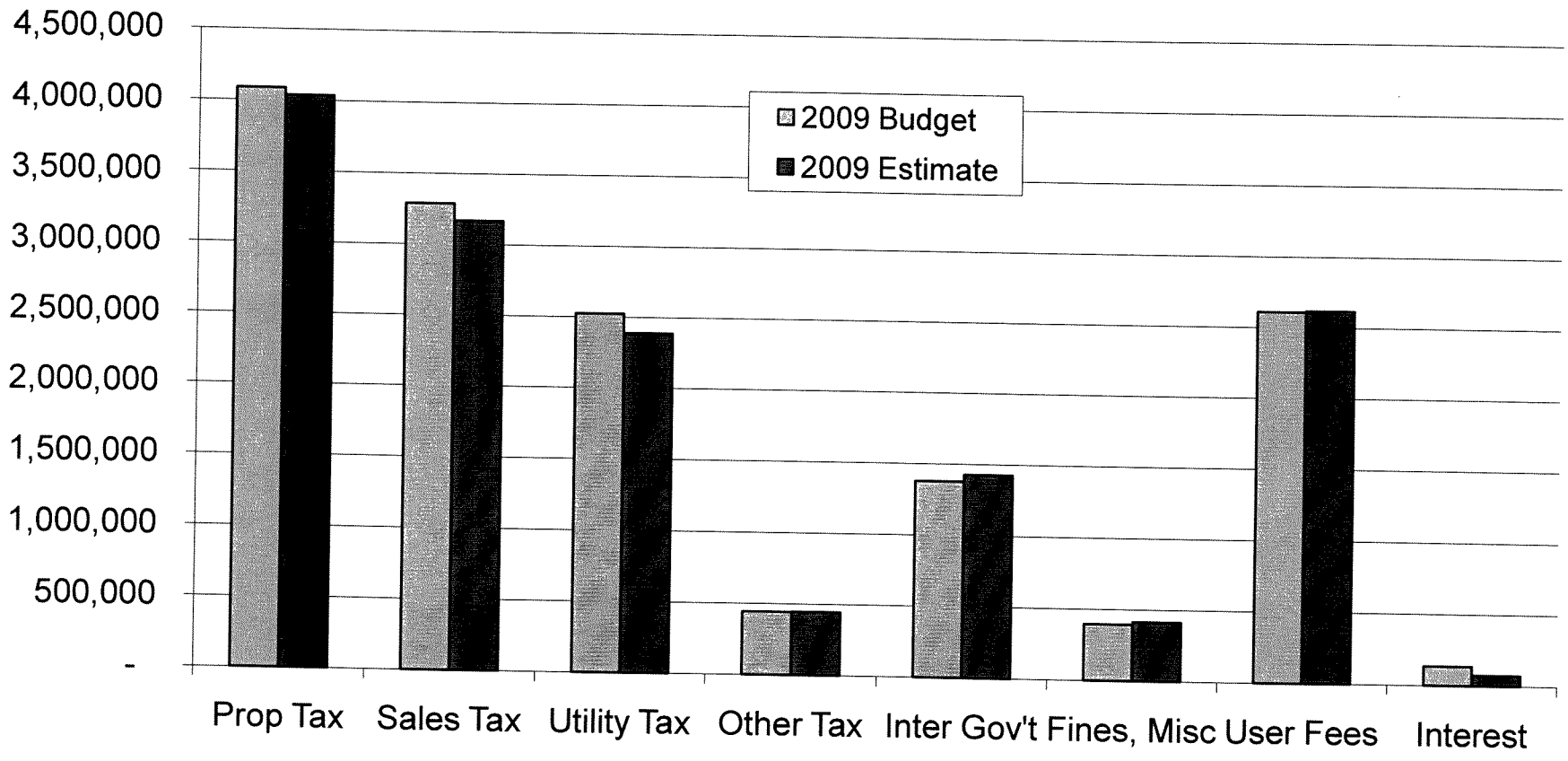
improvement programs and the potential impact from emergency repairs of infrastructure.

REVENUES: GENERAL FUND	2008 % OF BUDGET	ACTUALS 12/31/08	AMENDED 2009 BUDGET	2009 % OF BUDGET	ACTUALS 12/31/09
TAXES:					
PROPERTY	99.0%	3,393,643	3,588,022	98.8%	3,544,485
EMS SPECIAL LEVY	99.0%	471,579	498,590	98.6%	491,752
SALES	115.4%	3,431,430	2,979,629	97.2%	2,896,161
NAT GAS USE	108.8%	311,566	291,132	67.9%	197,709
CRIM JUST SALES TAX	108.7%	318,546	309,403	88.6%	274,143
ADMISSIONS	178.0%	402,274	276,833	81.7%	226,296
UTIL/GAS/ELE	93.8%	1,126,090	1,271,455	96.8%	1,230,987
UTIL/GARBAGE	99.7%	223,277	233,677	92.4%	215,921
UTIL/PHONE	100.2%	392,838	415,169	100.4%	416,982
UTIL/WATER	106.7%	288,719	312,826	104.2%	325,883
LEASEHOLD	96.0%	33,615	35,000	210.1%	73,534
GAMBLING	83.5%	121,034	132,747	109.4%	145,248
TOTAL TAXES	**105.7%**	**10,514,611**	**10,344,483**	**97.0%**	**10,039,101**
FRANCHISES	91.4%	147,192	148,590	100.9%	149,957
LIC & PERMITS	62.0%	194,520	361,700	64.5%	233,198
INTERGOVT:					
M VEH EXCISE		0	0		0
EQUALIZATION		0	0		0
LIQUOR EXCISE	102.4%	129,303	136,836	97.0%	132,747
LIQUOR PROFITS	95.5%	181,564	199,553	93.7%	186,923
EMS CONTRACTS	109.6%	100,674	91,873	112.7%	103,503
CRIMIN JUSTICE	20.6%	5,541	26,860	21.8%	5,859
INTERAGENCY, GRANTS	102.3%	840,467	921,975	108.1%	996,595
TOTAL IG:	**100.0%**	**1,257,550**	**1,377,097**	**103.5%**	**1,425,628**
SERVICE CHGS	107.3%	1,870,662	1,743,717	108.5%	1,891,646
INTERFUND CHG	87.8%	294,371	355,426	96.6%	343,295
FINES	97.0%	108,188	111,500	94.9%	105,829
INVESTMENTS	165.1%	307,968	136,500	55.8%	76,203
OTHER MISC.	119.5%	138,639	284,638	109.1%	310,511
FINANCING		0	0		0
TOTAL:	**104.7%**	**$14,833,700**	**$14,863,651**	**98.1%**	**14,575,367**

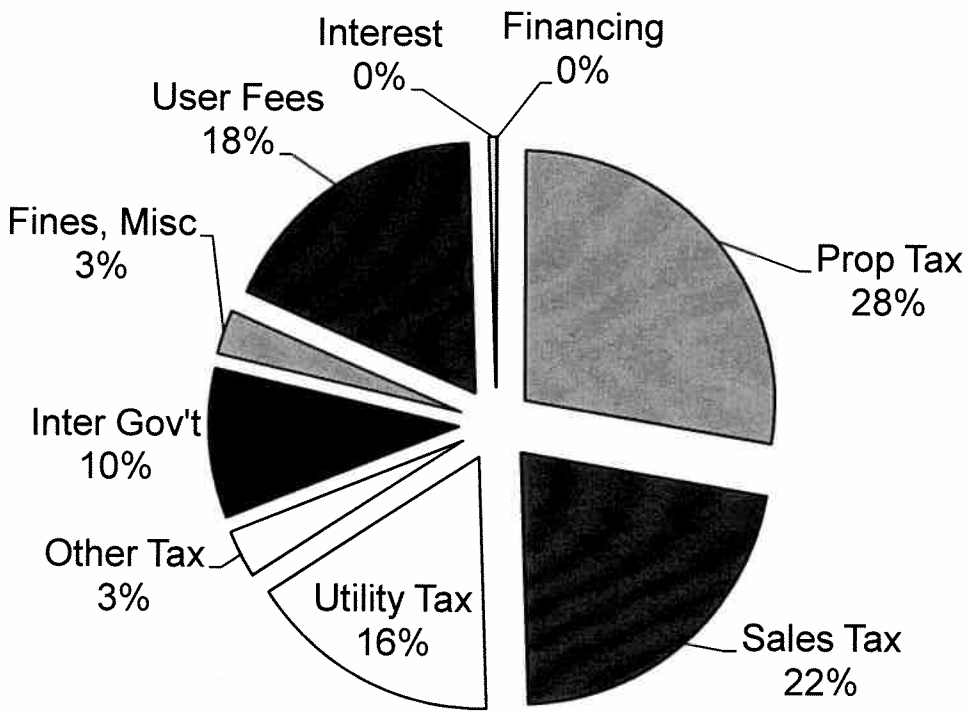
OTHER MAJOR FUND DIRECT REVENUES:

ARTERIALS	69.5%	279,845	1,378,500	37.2%	513,471
STREETS	110.6%	1,980,999	1,786,000	107.6%	1,922,522
UTILITIES	112.0%	8,826,651	7,981,400	100.4%	8,010,445
TRANSIT	110.1%	3,029,951	3,372,599	99.8%	3,365,904

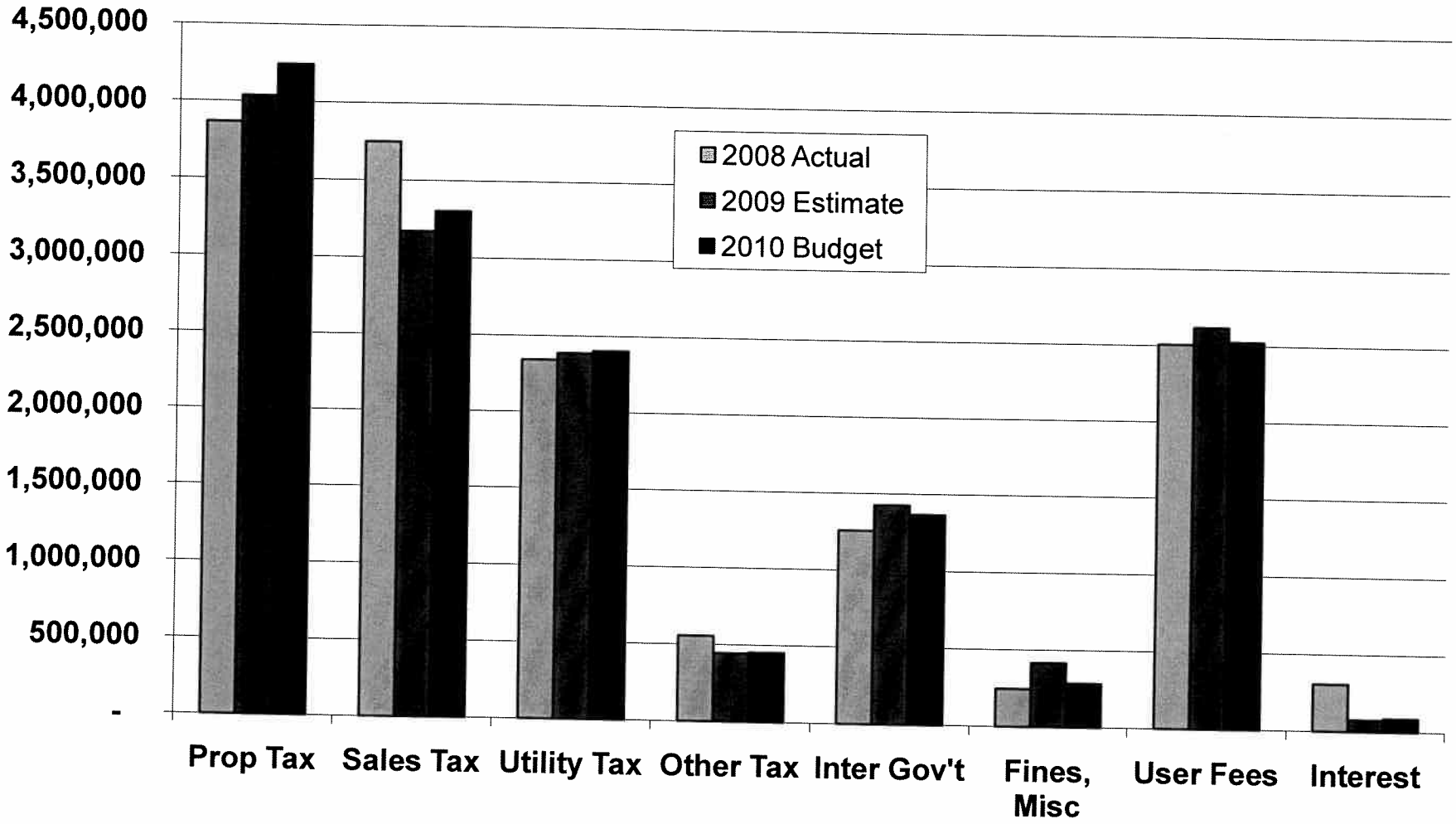
2009 General Fund Revenues
Budget vs. Estimate



2009 Preliminary General Fund Revenues by Category



General Fund Revenues 2008 - 2010



EXPENDITURES: GENERAL FUND	2008 % OF BUDGET	ACTUALS 12/31/08	2009 AMENDED BUDGET	2009 % OF BUDGET	ACTUALS 12/31/09
LEGISLATIVE	81.4%	112,185	158,265	96.5%	152,709
EXECUTIVE	98.9%	170,473	178,085	97.3%	173,191
FINANCE	91.6%	715,184	804,287	87.8%	706,035
LEGAL	111.1%	94,263	99,815	98.8%	98,579
PERSONNEL	97.0%	92,481	99,248	95.7%	94,976
GEN GOVERNMENT	67.1%	141,611	191,009	66.7%	127,370
LAW ENFORCEMENT	97.3%	4,591,932	4,837,203	96.5%	4,668,291
FIRE SERVICES	121.1%	2,572,385	2,281,372	111.2%	2,537,206
BLDG INSPECTION	94.9%	336,564	353,966	89.4%	316,542
RESCUE/AMBULANCE	75.7%	1,383,944	1,959,312	75.4%	1,477,366
COMMUN/DISPATCH	100.0%	285,657	285,645	99.4%	283,977
WEED CONTROL	78.5%	83,363	109,259	91.7%	100,183
ENGINEERING	90.0%	258,671	313,689	82.5%	258,910
CEMETERY	98.5%	96,338	120,282	99.9%	120,209
ANIMAL CONTROL	83.3%	36,637	44,000	82.7%	36,376
PLANNING	99.5%	237,027	263,832	93.6%	247,077
LIBRARY	99.3%	1,184,819	1,187,778	97.2%	1,154,871
RECREATION/ADMIN	95.9%	861,517	942,804	92.9%	876,068
PARKS	95.5%	915,416	1,053,644	91.0%	958,877
AQUATIC CENTER	94.7%	492,137	538,089	95.1%	511,896
OTHER SUPPORT	97.6%	6,179	6,728	106.7%	7,179
SUBTOTAL:	**96.8%**	**14,668,784**	**15,828,312**	**94.2%**	**14,907,887**
TRANSFERS	100.0%	223,570	117,245	117.6%	137,855
TOTAL EXPENDITURES	**96.9%**	**$14,892,354**	**$15,945,557**	**94.4%**	**$15,045,742**

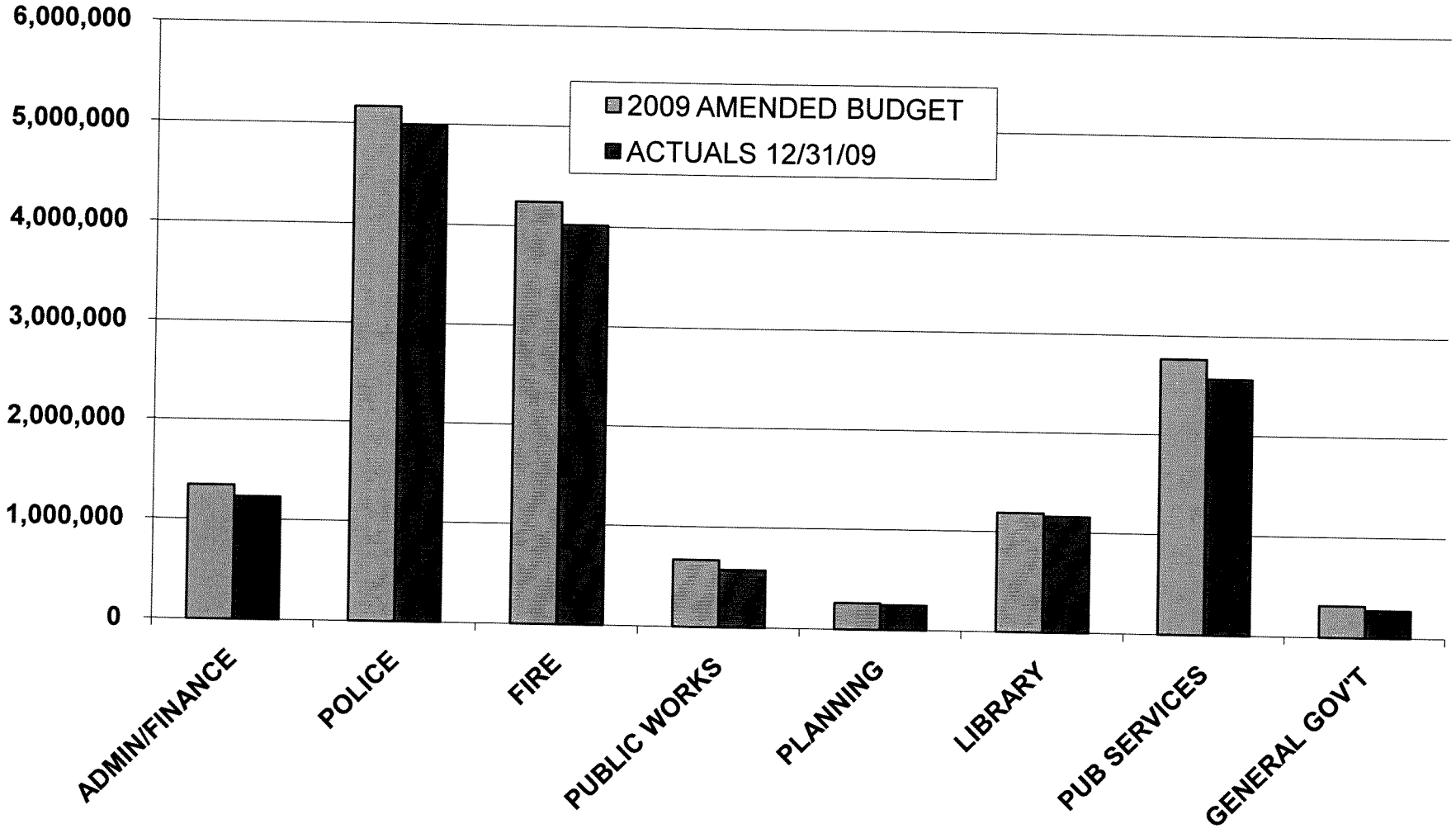
DEPARTMENT SUMMARY:

ADMIN/FINANCE	93.2%	1,184,586	1,339,700	91.5%	1,225,490
POLICE	97.3%	4,914,227	5,166,848	96.6%	4,988,644
FIRE	100.1%	3,956,330	4,240,684	94.7%	4,014,572
PUBLIC WORKS	92.7%	595,236	667,655	86.2%	575,452
PLANNING	99.5%	237,027	263,832	93.6%	247,077
LIBRARY	99.3%	1,184,819	1,187,778	97.2%	1,154,871
PUB SERVICES	94.9%	2,448,771	2,764,078	92.9%	2,567,233
GENERAL GOV'T	84.2%	371,360	314,982	86.5%	272,404

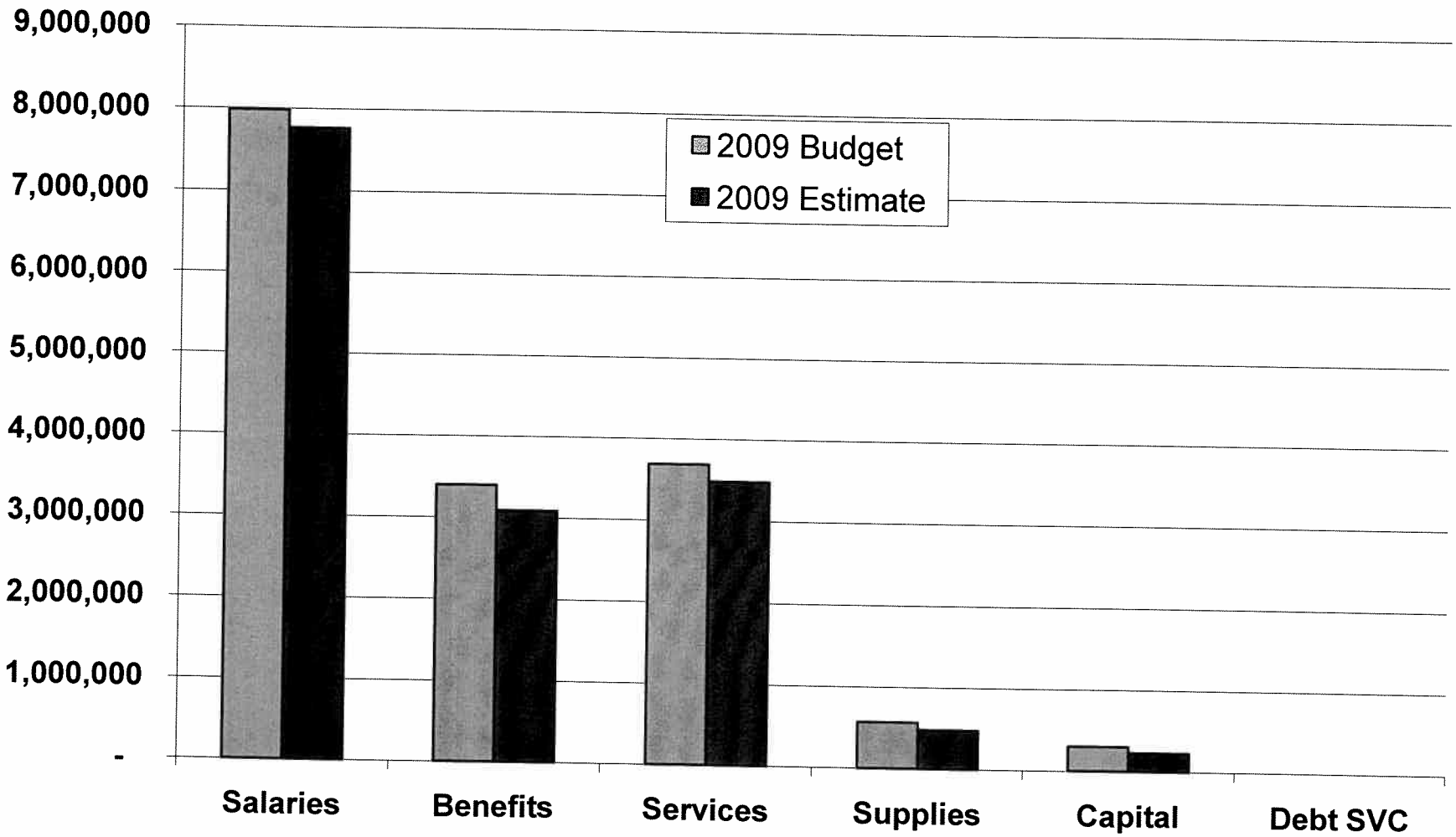
OTHER MAJOR FUNDS:

ARTERIAL ST.	33.8%	98,384	1,846,250	28.5%	526,819
STREETS	96.1%	2,338,851	2,353,466	94.2%	2,218,089
UTILITIES	83.7%	6,443,133	7,295,872	109.4%	7,980,412
TRANSIT	93.0%	2,854,946	3,548,892	97.7%	3,465,733

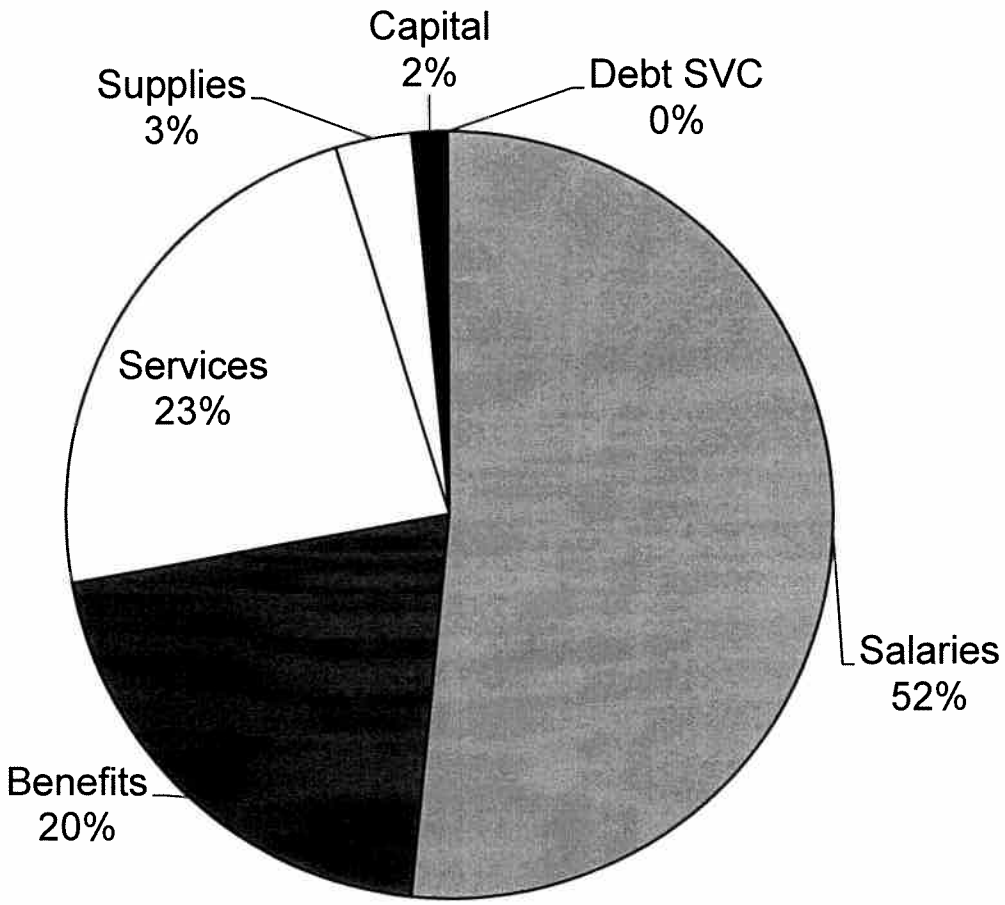
2009 General Fund Budget vs. Estimate



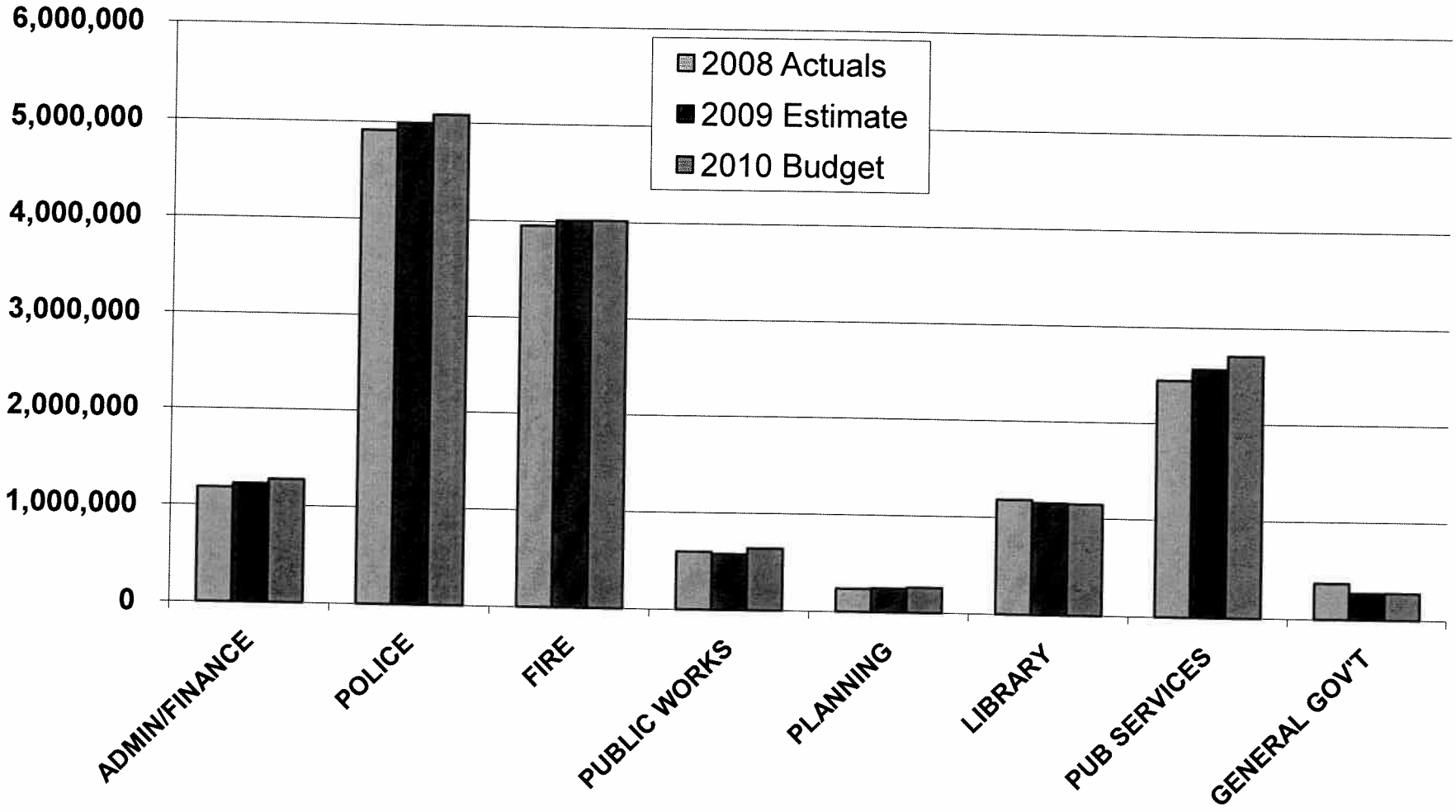
2009 General Fund Preliminary Expenditures



2009 General Fund Preliminary Expenditures by Category



General Fund Expenditures 2008 - 2010



9. 2010 FIRST QUARTER FINANCIAL SUMMARY

STAFF REPORT

QUESTIONS FROM COUNCIL ON STAFF REPORT

DISCUSSION

ACTION TAKEN

NOTES:

City of Pullman
Finance Department

Memo

To: Mayor, City Council, City Supervisor, and Department Heads

From: William Mulholland, Finance Director

CC: Finance Staff

Date: May 12, 2010

Re: 2010 First Quarter Financial Summary

At the April 27th Council meeting, I presented a preliminary 2010 first quarter financial summaries and comparisons to the 2010 Budget and last year's data. There has been no change to the Revenues or Expenditures that were presented at that time. I have attached the original document to this memo.

We have received notification from Washington State University that they are proceeding on the WSU Recreational Playfields Improvements, a $6,460,100 project that will be completed by the end of the year. WSU also contracted for the Carver Farm Parking Lot, a $444,500 project. These projects should generate in excess of $58,000 in sales tax revenue.

We also received the latest update from the Washington State Economic and Revenue Forecast Council which is attached.

City of Pullman
Finance Department

Memo

To: Mayor, City Council, City Supervisor, and Department Heads

From: William Mulholland, Finance Director

CC: Finance Staff

Date: April 20, 2010

Re: 2010 First Quarter Preliminary Financial Summary

The 2010 first quarter financial summaries and comparisons to the 2010 Budget and last year's data will be presented at the May 18, 2010 Council meeting. This summary will focus on the General Fund and preliminary financial results for the 1st quarter as illustrated in Attachment 1.

GENERAL FUND EXPENDITURES

As of March 31, 2010, total General Fund Expenditures were $3,251,689 or 21.11 percent of the 2010 Budget. This is a total increase of $99,770 from the March 31, 2009, total. Expenditures at March 31, 2009, were 20.26 percent of the total 2009 General Fund Budget. There are of course differences in expenditure rates among divisions and departments. Expenditure rates differ within the various divisions. Also when reoccurring expenditures are paid can affect these percentages. These differences will be looked at the May 18th meeting.

The 1st budget amendment will be presented before long, and will include $125,000 for LEOFF 1 Fire payments and $28,000 for the library, which were originally left off of the 2010 budget. With these amounts added to the budget, expenditures to date would equal 20.9 percent of the budget

GENERAL FUND REVENUES

As of March 31, 2010, total General Fund Revenues are $2,207,341 or 15.1 percent of budget. Last year at this same time, revenues were 15.7 percent of budget. As of March 31, we saw a decrease in revenues totaling $90,958 from last year to this year. The main differences are decreases to sales tax and the Electric/Gas utility tax.

Sales tax collections decreased $108,548 during the first quarter of 2010 as compared with the first quarter of 2009. As expected, the decrease comes from a construction-related sales tax categories slowdown as well as the general economic climate. The construction of buildings category is down 71.6 percent or $97,485 through the first quarter of 2010. The 2010 General Fund Budget included a sales tax projection of a slight increase over 2009's actual collections. Construction permit valuations are ahead of last year, and the construction related tax collections should start picking up. However, with the budget cuts at WSU and staff reductions it is too early to tell what effect this will have on further residential construction for the year. Although Wal-mart was not figured into tax projections, we will not start receiving construction revenue in April. Obviously, staff will be closely monitoring tax collections throughout the year.

Revenues from the Electric/Gas utility tax is down $49,324 or 17.4 percent for the 3 month period. The majority of the decrease is due to a rate decrease for gas prices by Avista, and of course our relatively mild winter as compared to the two previous ones. Whereas, the mild winter was great for all involved, it did mean a lowered demand and use of gas and electric. Avista is looking at another rate hike, and if the summer is warmer than normal, we should recoup some of these taxes back latter in the year.

CONCLUSION

At this early stage in the year, both revenues and expenditures are in the position that is not unexpected. The 2010 Budget was adopted without consideration for unsettled labor contracts and no COLAs for unrepresented employees. Sometime in April we will receive part of our first installment on 2010 property taxes. Dependent on the payments received, we could either exceed or be behind last year's amounts at the end of April. This as well as payment s that go out are functions of timing considerations, of which we are not always in control. This simple fact needs to be understood, since not recognizing this reality could result in wrong conclusions. Between revenues and expenses we are behind $190,728 from last year. Though this is not where I would like to be at this time, these timing issues have a tendency to distort results. We still have a tough year ahead of us, and constant vigilance on our results is a must to insure that if unexpected results or circumstances do occur that we can react in a timely fashion to mitigate the results.

001

GENERAL FUND

		1st Qtr Budget	2010	2009	Over/Under	Percent
310	TAXES					
311.10.00.00	REAL AND PERSONAL PROPERTY TAX	3,723,291	19,586.84	11,496.35	8,090.49	70.37%
311.15.00.00	REAL PROPERTY TAX-EMS DISTRICT	517,389	2,721.79	1,593.20	1,128.59	70.84%
313.10.00.00	LOCAL RETAIL SALES/USE TAX	3,020,000	636,808.83	745,357.12	-108,548.29	-14.56%
313.60.00.00	NATURAL GAS USE TAX	272,000	72,659.58	51,077.06	21,582.52	42.25%
313.71.00.00	LOCAL CRIMINAL JUSTICE TAX	281,904	64,231.73	69,760.67	-5,528.94	-7.93%
314.52.00.00	INTERFUND TAXES- UTILITIES- WATER	145,000	27,665.92	27,145.63	520.29	1.92%
314.54.00.00	INTERFUND TAXES- UTILITIES- SEWER	165,000	59,421.21	57,013.58	2,407.63	4.22%
314.59.00.00	INTERFUND TAXES- UTILITIES- STORMWATER	36,500	5,578.54	0.00	5,578.54	
316.20.00.00	ADMISSIONS TAX	263,756	20,691.04	24,134.19	-3,443.15	-14.27%
316.41.00.00	PRIV OWN PUB UTIL TAX ELEC/GAS	1,125,000	234,119.55	283,443.47	-49,323.92	-17.40%
316.45.00.00	PRIV OWN PUB UTIL TAX-GARBAGE	245,000	34,612.88	35,577.11	-964.23	-2.71%
316.47.00.00	PRIV OWN PUB UTIL TX-TELEPHONE	415,000	89,980.67	77,436.03	12,544.64	16.20%
316.70.00.00	INTERFUND REV OF GOV OWN UT	0	0.00	0.00	0.00	
316.72.00.00	TAX BILLED TO CUST-GOVT OWNED- WATER	0	0.00	0.00	0.00	
317.20.00.00	LEASEHOLD EXCISE TAX	40,000	18,010.12	11,822.58	6,187.54	52.34%
317.53.00.00	GAMBLING TAXES- AMUSEMENT GAMES	0	0.00	0.00	0.00	
317.54.00.00	GAMBLING TAXES- CARD ROOMS	147,747	0.00	0.00	0.00	
Total Taxes		10,397,587	1,286,089	1,395,857	-109,768	-7.86%
Total Revenue		14,659,923	2,207,341.00	2,298,298.57	-90,958	-3.96%
Total Expenditures		15,402,406	3,251,688.68	3,151,918.72	-99,770	-3.17%
Net Results		-742,483	-1,044,347.68	-853,620.15	-190,727.53	-22.34%

ATTACHMENT 1

ECONOMIC & REVENUE UPDATE

11 May 2010

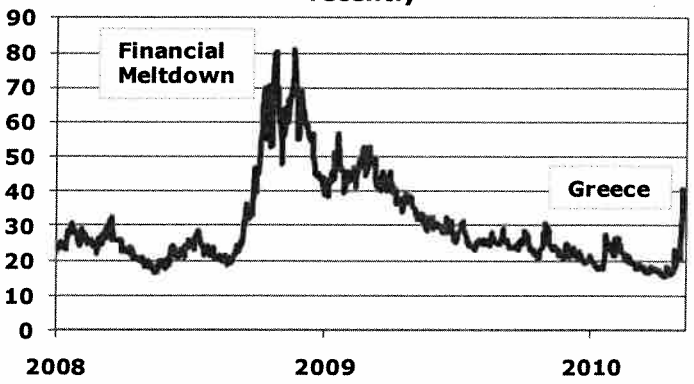
U.S.

- The economic recovery appears to be gathering momentum, although the financial sector where the meltdown began remains jittery. First quarter GDP results show continued growth in economic activity for a third consecutive quarter. More importantly, private spending, both by consumers and businesses, is firming up, reducing the risk of a "double-dip" slide into another recession. Jobs that typically lag the recovery are also finally starting to grow again. The national economy has seen net job growth in 5 of the last 6 months. Both manufacturing and services have now returned to solid growth. Only the construction sector, especially commercial real estate is lagging.

- Real GDP grew at a 3.2% seasonally adjusted annualized rate (SAAR) in the first quarter of 2010. Real consumer spending was up 3.6% (SAAR), contributing 2.6 percentage points of the total 3.2 percent growth. Business spending on equipment and software was up 13.4% (SAAR) – its second consecutive quarter of robust double-digit growth. In April, the ISM's Purchasing Manager's Index for manufacturing rose to 60.4 while the non-manufacturing index was unchanged at 55.4 – signaling robust growth in both sectors. A reading above 50 implies growth.

- The April jobs report was encouraging, showing that the economy created 290,000 net new jobs in that month. This is the highest gain since the recession began. The prior months' numbers were also revised up for an additional gain of 121,000 net jobs. Job gains in April were widespread across sectors – manufacturing (44,000); construction (14,000); and private service producing (166,000) which included 45,000 jobs in leisure and hospitality, 80,000 jobs in professional and business services and 12,400 jobs in retail trade. Temporary census workers accounted for just 66,000 new jobs. The manufacturing workweek for all employees increased by 0.2 hours for the second straight month to 40.1 hours, and factory overtime was up by 0.1 hours during the month. Average hourly earnings of employees in the private nonfarm sector increased by 1 cent to $22.47, bringing the 12-month increase to 1.6%.

The S&P 500 VIX volatility index has spiked recently



- Financial markets remain jittery, indicating the still fragile nature of this recovery. The nervousness in U.S. equity markets as measured by the S&P 500 VIX or volatility index spiked on fears of a "Greek default" (see figure). Consequently, a "flight to safety" has caused the USD to strengthen against the EUR. Fortunately, this appreciation in the USD as explained in the next section will not have a major impact on Washington exports. As we go to press, a EUR 750 billion rescue package appears to have calmed market fears of contagion from a potential default on sovereign bonds by Greece to other vulnerable countries in Europe - Spain, Portugal and Ireland. Its long-term impact remains to be evaluated.

WASHINGTON

- Economic data released since the February 2010 forecast release continue to support the view that the state's economy has turned the corner and is expanding at a moderate rate. As expected in the February forecast, employment increased 6,600 during the first three months of 2010. Washington housing permits continued to grow in the first quarter of 2010, exceeding the February forecast by about 12%. Consumer spending appears to be coming back and the outlook for manufacturing remains positive. However, construction employment continues to decline.

- We have three months of new job data since the last forecast. Washington payroll employment surged in January, retrenched in February, and rose modestly in March. Employment growth for the three months as a whole was 6,600, exactly as expected in the February forecast. The private sector added 7,300 during the first quarter of 2010, more than twice the 3,000 expected in the forecast. The strength in private job growth was largely in the trade, transportation, and utilities sector. Government employment declined 700 from December to March. We had expected an increase of 3,700 jobs. The variance was mostly in federal government employment as there were not as many temporary 2010 census workers hired as we had anticipated. The reduction in state and local government employment was also greater than expected in the forecast. The unemployment rate edged up during the first quarter, but this was not a surprise. The unemployment rate typically lags payroll jobs. We believe the state's unemployment rate will peak in the current quarter.

- We remain comfortable with our February forecast. Employment during 2010 will be affected by the hiring of temporary Census workers, which will add thousands of new jobs through May and then subtract thousands through the rest of the year. Excluding the temporary Census jobs, employment growth will rise to over 2% in the second half of 2010, and then to over 3% during 2011.

- The recovery in housing permits in the first quarter also exceeded our expectation. Housing permits came in at 23,900, 20,200, and 19,300 (SAAR) in January, February, and March. The declining trend was due entirely to the volatile multi-family segment that jumped to 7,400 in January and then declined to 3,300 and 1,500 in February and March. The January spike in multi-family housing was clearly unsustainable in the current environment of high vacancy rates and difficult credit conditions. The average number of multi-family units in the first quarter came in at 4,100 units (SAAR), surpassing our forecast of 2,900. We expect multi-family permits to remain very low through the remainder of this year. The single-family segment of the market is showing sustained, albeit modest, growth. Single-family permits declined slightly in January to 16,400 from 16,800 in December but then rose to 16,800 in February and 17,800 in March. March's single-family permits were the highest since May 2008. Much of the recent improvement in single-family activity was likely the result of government incentives. The upcoming expiration of these programs is a threat to the housing recovery. In the longer term, we are optimistic about housing construction. We expect an upturn in population growth, which has been depressed by the recession and housing crisis, and an improving economy will lead to a rise in household formation. Housing construction will not return to the levels reached in the bubble years.

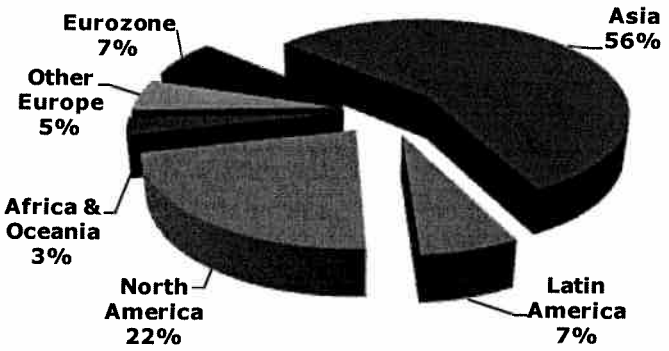
- Despite the turnaround in housing permits, construction employment continues to decline. Employment in residential building and related special trades will begin rising in the second half of 2010. However nonresidential construction employment will continue to

WASHINGTON...continued

decline well into 2011. We expect overall construction employment to bottom out in the third quarter of this year. Because of the continued drag from nonresidential construction, though, we expect little growth in overall construction employment until the second half of 2011. In spite of a fairly strong recovery in 2012 and 2013, construction employment will still be 36,000 below the previous peak at the end of 2013.

The outlook for manufacturing remains positive. The National Association of Purchasing Managers Western Washington Index rose to 63.2 in April, its highest level since August 2008. The index has now been above 50 for the last nine months (values above 50 indicate expansion while values below 50 indicate contraction). Boeing is likely to get the contract to build the U.S. Air Force's new tanker refueling aircraft. While Boeing is scheduled to trim its production of the 777 later this year to 5 per month from 7 per month, they now plan to restore the 7-per-month rate next year. They are also considering increasing 737 production in 2011 and 747 production in 2012. Production of the new 787 will also ramp up over the next few years.

The Eurozone crisis won't have a large impact on Washington exports



- We have long been arguing that Washington's export orientation will benefit us as the global economy recovers. The European Union sovereign debt crisis is a potential threat to Washington export growth. The U.S. dollar is up 13% versus the Euro since the beginning of the year. Fortunately, the Eurozone comprises only 7% of Washington's non-transportation equipment export market (see figure). (Aircraft are ordered well in advance at negotiated prices so near-term aircraft exports are not affected.) Washington State is much more reliant on exports to emerging markets in Asia and elsewhere and the dollar is virtually unchanged versus emerging market currencies. Therefore, we do not see the EU debt crisis as a major threat to Washington unless it degenerates to the extent that it derails the global recovery.

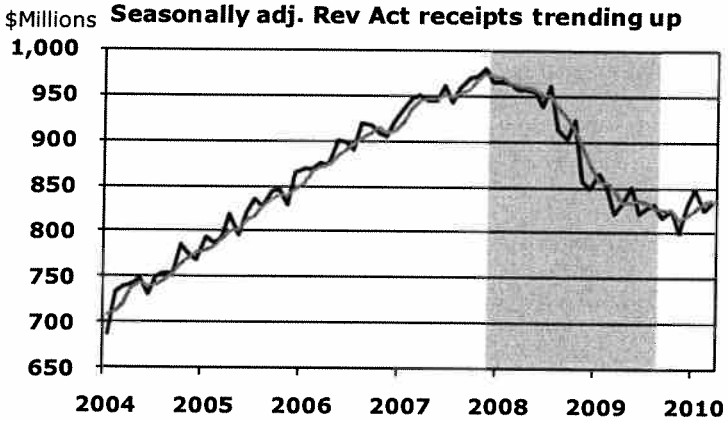
REVENUE COLLECTIONS

Overview

- For the first time since September 2008, Revenue Act receipts showed year-over-year growth after adjustment for legislative changes and non-economic factors. Adjusted receipts from the April 11, 2010 – May 10, 2010 collection period were 2.3% above their year-ago level. Seasonally adjusted Revenue Act collections have been trending upward since November 2009 (see figure).

- Major General Fund-State revenues for the April 11, 2010 – May 10, 2010 collection period were $19.5 million (1.8%) lower than our February forecast. During the period, there was a total of $3.6 million in large one-time payments and refunds that were not included in the forecast. Adjusted for these special factors, the forecast variance for the period is -$15.8 million (-1.5%).

Overview...continued

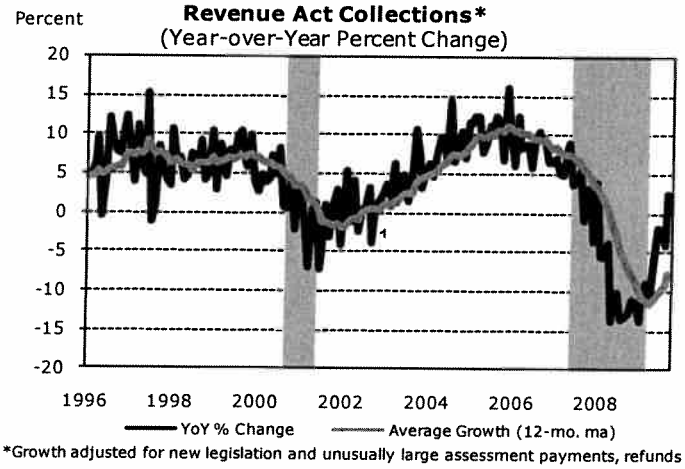


January 2004 through March 2010 preliminary activity, ESSB 5073 definition, adjusted for large payments/refunds

- A shift in the payment patterns of watercraft excise taxes (described below in "Other Revenue") is responsible for $4.3 million of the shortfall. This revenue is now expected to be received over the next three months instead of in April.
- Combined with the shortfall from the last collection period, the cumulative variance for the February 11 - May 10, 2010 period is now -$69.3 million (-2.6%). During this period, the forecast variance of expected large one-time payments and refunds combined with unexpected large payments and refunds summed to -$19.1 million. Adjusted for these factors, the cumulative variance is -$50.2 million (-1.8%).
- The revenues reported here conform to the new definition of General Fund-State as set forth in Engrossed Substitute Senate Bill 5073 (ESSB 5073), which was passed in the 2009 legislative session. Under the bill, the Health Services (HSA), Water Quality (WQA), Violence Reduction and Drug Enforcement (VRDE), Student Achievement (SAF), and Public Safety and Education (PSEA) Accounts have been consolidated into the General Fund-State effective July 1, 2009. The changes to reported revenues are as follows:
  - The B&O hospital tax, which formerly went to the HSA, has been added to total B&O (Revenue Act) taxes.
  - The tobacco products taxes that formerly went to the HSA and WQA are added to total tobacco products (Revenue Act) taxes.
  - Cigarette and Liquor taxes that formerly went to the HSA, WQA, and VRDE account are added to Department of Revenue cigarette and liquor (non-Revenue Act) taxes.
  - Revenue that was formerly transferred from the state property tax levy to the SAF are retained in the property tax (non-Revenue Act).
  - The syrup tax that formerly went to the VRDE account is added to "other" Department of Revenue non-Revenue Act taxes.
  - Revenue that formerly went to the PSEA is reported under "Administrative Office of the Courts."

Revenue Act

- The revenue collections reported here are for the April 11 – May 10, 2010 collection period. Collections correspond primarily to economic activity in March 2010.
- Collections for this period are $11.1 million (1.2%) below the February forecast.
- Two large one-time refunds totaling $3.6 million, which were not included in the forecast, occurred during the collection period. Without these non-economic factors, the forecast variance would have been -$7.5 million (-0.8%).
- The chart (below) showing year-over-year Revenue Act growth reflects the



*Growth adjusted for new legislation and unusually large assessment payments, refunds etc.

Revenue Act...continued

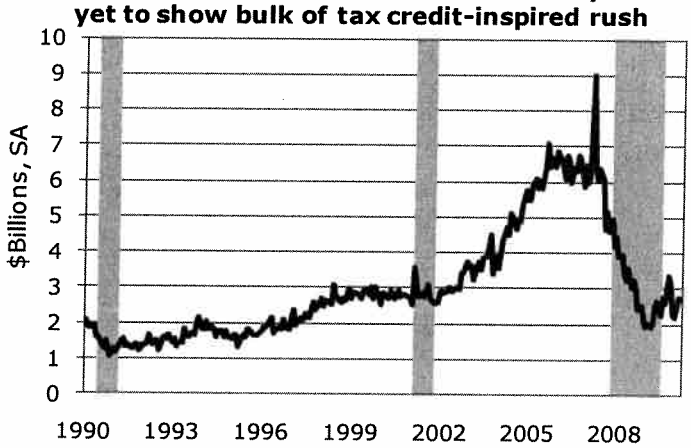
revenues added under ESSB 5073. By this measure, revenues increased 2.3% year-over year in the current period after adjustments for large one-time payments and refunds, sharp improvement from the 4.0% adjusted decline in the previous period. Unadjusted for definitional changes and one time revenue, revenue increased 7.7% year-over-year as shown in the "Key Revenue Variables" table.

- Preliminary ERFC monthly estimates indicate retail sales tax collections are up 0.4% year-over-year and B&O taxes are up 6.5%.
- Preliminary tax payments from electronic filers who also paid in the April 11 – May 10 collection period of last year were up 5.9% year-over-year. This was the largest year-over-year increase since November 2007. Some details:
  - Payments in the retail trade sector were 13.5% year-over-year, the strongest growth since the electronic filers report began in November 2004. Payments in all twelve major retail trade sectors showed a year-over-year increase.
  - The largest increases in the retail trade sector were in gas stations and convenience stores (+21.1%), building materials and garden equipment (+20.7%), apparel and accessories (+18.3%), electronics and appliances (+17.7%), food and beverage stores (+17.7%) and motor vehicles and parts (+17.6%).
  - Payments in non-retail trade sectors were up 1.6% year-over-year.
  - Payments in the construction sector were down 19.0%, while those in the manufacturing sector were up 36.6% year-over-year due largely to the effects of the year-over-year increase oil prices on the gross receipts of petroleum refiners.
  - Excluding the construction sector, total payments were up 9.8% year-over-year and payments from non-retail trade sectors were up 7.1%. Excluding both construction and manufacturing, payments from non-retail trade sectors were up 4.0%.

DOR Non-Revenue Act

- April collections were $4.8 million (3.0%) below the February forecast.
- Most of the negative variance was due to an $8.8 million (21.2%) shortfall in real estate excise taxes. The February forecast had real estate sales steadily increasing in the months leading up to the April 30th expiration date of Federal tax credits for certain homebuyers, but media accounts indicated that much of the activity was instead concentrated into deals signed in the month of April. Most of the excise tax from the April transactions will be collected in May and June when the deals close, which should reduce the shortfall.

April REET collections from March activity have yet to show bulk of tax credit-inspired rush



- April cigarette taxes came in $759,000 (3.1%) below the February forecast, and liquor taxes were $731,000 (4.5%) below.
- Property tax collections from the state school levy were $4.1 million (6.1%) above the forecasted value.
- "Other" revenues came in $1.4 million above the forecast due to lower-than-expected refunds of unclaimed property.

DOR Non-Revenue Act...continued

- Due to the redefinition of GF-S revenue under ESSB 5073, April DOR non-Revenue Act collections are up 57.4% year-over-year. Without the changes, revenue would have been up approximately 10%, due mainly to the 32.2% year-over-year increase in real estate excise tax.

Other Revenue

- Preliminary April Department of Licensing receipts were $4.3 million (80.5%) below the February forecast due to a change in the traditional pattern of watercraft excise tax payments. Historically, the Department sent out payment reminders in March and subsequently received a large volume of payments in April. Due to budget cutbacks, however, the Department did not send out payment reminders this year, resulting in a much lower volume of payments. As the annual tax is not due until June 30, much of the expected revenue (which totals approximately $17 million per fiscal year) may now not arrive until the next fiscal year.
- April revenue from the Administrative Office of the Courts was $708,000 (7.6%) above the forecast.

Key U.S. Economic Variables

	2009 Nov.	2009 Dec.	2010 Jan.	2010 Feb.	2010 Mar.	2010 Apr.	2008	2009
Real GDP (SAAR)	-	5.6	-	-	3.2	-	0.4	-2.4
Industrial Production (SA, 2002 = 100)	99.6	100.3	101.2	101.5	101.6	-	109.2	98.2
Y/Y % Change	*-5.0*	*-2.1*	*1.1*	*2.2*	*3.9*	-	*-2.0*	*-10.0*
ISM Manufacturing Index (50+ = growth)	53.7	54.9	58.4	56.5	59.6	60.4	45.5	46.2
ISM Non-Manuf. Index (50+ = growth)	48.4	49.8	50.5	53.0	55.4	55.4	47.3	46.2
Housing Starts (SAAR, 000)	579	573	609	616	626	-	900	553
Y/Y % Change	*-11.6*	*3.1*	*24.8*	*7.3*	*20.2*	-	*-32.9*	*-38.6*
Light Motor Vehicle Sales (SAAR, mil.)	10.9	11.2	10.8	10.4	11.8	11.2	13.2	10.4
Y/Y % Change	*4.9*	*8.7*	*12.1*	*13.2*	*21.2*	*21.4*	*-18.2*	*-21.6*
CPI (SA, 1982-84 = 100)	216.9	217.2	217.6	217.6	217.7	-	215.2	214.5
Y/Y % Change	*1.8*	*2.8*	*2.7*	*2.2*	*2.4*	-	*3.8*	*-0.3*
Core CPI (SA, 1982-84 = 100)	220.5	220.8	220.5	220.6	220.7	-	215.6	219.2
Y/Y % Change	*1.7*	*1.8*	*1.5*	*1.3*	*1.2*	-	*2.3*	*1.7*
IPD for Consumption (2000=100)	105.4	105.6	105.7	106.3	106.8	-	105.4	104.7
Y/Y % Change	*0.8*	*1.7*	*1.2*	*1.7*	*2.4*	-	*-0.2*	*-0.6*
Nonfarm Payroll Empl., e-o-p (SA, mil.)	129.7	129.6	129.6	129.6	129.9	130.2	134.3	129.6
Monthly Change	*0.06*	*-0.11*	*0.01*	*0.04*	*0.23*	*0.29*	*-3.62*	*-4.74*
Unemployment Rate (SA, percent)	10.0	10.0	9.7	9.7	9.7	9.9	5.8	9.3
Yield on 10-Year Treasury Note (percent)	3.40	3.59	3.73	3.69	3.73	3.85	3.67	3.26
Yield on 3-Month Treasury Bill (percent)	0.05	0.05	0.06	0.11	0.15	0.16	1.39	0.15
Broad Real USD Index** (Mar. 1973=100)	87.3	87.3	87.5	88.5	88.1	87.9	88.2	91.7
Federal Budget Deficit ($ bil.)*	120.3	91.4	42.6	220.9	65.4	-	454.8	1,415.7
FYTD sum	*296.7*	*388.1*	*430.7*	*651.6*	*717.0*	-		
US Trade Balance ($ bil.)	-36.1	-39.9	-37.0	-39.7	-	-	-695.9	-378.6
YTD Sum	*-338.7*	*-378.6*	*-37.0*	*-76.7*	-	-		

**Federal Fiscal Year 2009 runs from Oct. 1, 2008 to Sept. 30, 2009.*

***Weighted average of U.S. dollar foreign exchange values against currencies of major U.S. trading partners, Federal Reserve.*

Key Washington Economic Variables

	2009 Nov.	Dec.	2010 Jan.	Feb.	Mar.	Apr.	2008	2009
Employment								*End-of-period*
Total Nonfarm (SA, 000)	2,790.9	2,782.5	2,793.4	2,785.3	2,786.9	-	2,914.2	2,782.5
Change from Previous Month (000)	*-6.5*	*-8.4*	*10.9*	*-8.1*	*1.6*	-	*-49.8*	*-131.7*
Construction	149.2	144.5	146.8	143.3	141.9	-	184.9	144.5
Change from Previous Month	*-4.6*	*-4.7*	*2.3*	*-3.5*	*-1.4*	-	*-24.5*	*-40.4*
Manufacturing	258.8	258.8	259.4	258.4	258.4	-	284.6	258.8
Change from Previous Month	*-0.2*	*0.0*	*0.6*	*-1.0*	*0.0*	-	*-11.7*	*-25.8*
Aerospace	81.1	81.4	82.0	81.1	81.2	-	85.5	81.4
Change from Previous Month	*-0.1*	*0.3*	*0.6*	*-0.9*	*0.1*	-	*2.6*	*-4.1*
Software	50.8	50.8	50.9	51.2	51.2	-	53.0	50.8
Change from Previous Month	*-0.2*	*0.0*	*0.1*	*0.3*	*0.0*	-	*4.6*	*-2.2*
All Other	2,332.1	2,328.4	2,336.3	2,332.4	2,335.4	-	2,391.7	2,328.4
Change from Previous Month	*-1.5*	*-3.7*	*7.9*	*-3.9*	*3.0*	-	*-18.2*	*-63.3*
Other Indicators								*Annual Average*
Seattle CPI (1982-84=100)	-	225.6	-	226.1	-	-	224.7	226.0
	-	1.4%	-	0.6%	-	-	*4.2%*	*0.6%*
Housing Permits (SAAR, 000)	16.4	19.9	23.9	20.2	19.3	-	27.4	15.9
	-15.1%	*33.4%*	*44.8%*	*59.6%*	*35.8%*	-	*-39.5%*	*-42.1%*
WA Index of Leading Ind. (2004=100)	112.8	113.7	114.8	114.1	115.0	-	116.5	110.0
	1.0%	*1.8%*	*3.4%*	*5.2%*	8.1%	-	*-0.1%*	*-5.6%*
WA Business Cycle Ind. (Trend=50)	5.1	5.3	4.5	3.1	4.2	-	41.1	8.2
	-80.9%	*-76.2%*	*-76.0%*	*-78.2%*	*-63.8%*	-	*-33.2%*	*-80.0%*
Avg. Weekly Hours in Manuf. (SA)	42.1	41.8	40.9	41.2	41.3	-	42.3	42.0
	-4.2%	*-7.3%*	*-7.9%*	*-3.7%*	*2.3%*	-	*0.8%*	*-0.7%*
Avg. Hourly Earnings in Manuf.	23.6	24.0	24.0	23.9	23.4	-	21.0	23.4
	11.1%	*6.9%*	*4.9%*	*3.8%*	*-0.9%*	-	*2.4%*	*11.4%*
New Vehicle Registrations (SA, 000)	12.7	15.1	15.0	16.7	14.0	16.1	19.0	14.0
	-15.0%	*16.8%*	*1.8%*	*18.1%*	*9.5%*	*25.5%*	*-20.5%*	*-26.5%*
Initial Unemployment Claims (SA, 000)	60.0	60.8	52.1	57.5	56.9	55.2	45.8	69.4
	3.7%	*-3.8%*	*-16.0%*	*-21.8%*	*-20.3%*	*-20.5%*	*34.1%*	*51.4%*
Personal Income (SAAR, $bil.)	-	279.5	-	-	-	-	280.7	278.2
	-	*-0.6%*	-	-	-	-	*3.6%*	*-0.9%*
Median Home Price ($000)	-	244.0	-	-	-	-	283.4	255.7
	-	*-8.5%*	-	-	-	-	*-7.5%*	*-9.8%*

**Percentage Change is Year-over-Year*

Key Revenue Variables

	2009					2010					
	Jun 11 - Jul 10	Jul 11 - Aug 10	Aug 11- Sep 10	Sep 11- Oct 10	Oct 11- Nov 10	Nov 11- Dec 10	Dec 11- Jan 10	Jan 11- Feb 10	Feb 11- Mar 10	Mar 11- Apr 10	Apr 11- May 10*
Department of Revenue-Total	1,028,278	1,041,295	916,965	893,460	1,065,342	1,498,976	1,002,270	1,142,108	782,676	788,877	1,045,481
	-11.1	*-7.4*	*-6.9*	*-5.7*	*-6.2*	*-4.3*	*6.3*	*3.5*	*1.7*	*12.1*	*7.7*
Revenue Act	791,144	934,166	828,176	801,901	925,039	769,855	738,003	1,048,036	718,560	687,570	892,259
	-11.1	*-11.1*	*-11.5*	*-10.5*	*-9.5*	*-10.4*	*-5.6*	*-1.1*	*-2.3*	*3.7*	*2.1*
Retail Sales Tax	536,955	600,362	559,803	536,300	591,854	498,284	479,966	675,459	442,862	442,827	556,686
	-12.4	*-13.0*	*-12.1*	*-12.0*	*-12.3*	*-14.0*	*-9.0*	*-1.5*	*-8.8*	*0.4*	*0.4*
Business and Occupation Tax	178,945	252,507	195,689	193,883	257,068	201,453	174,957	285,711	190,756	169,039	251,830
	-13.6	*-9.0*	*-10.3*	*-7.0*	*-3.8*	*1.7*	*-7.3*	*1.9*	*9.7*	*8.2*	*6.5*
Use Tax	34,213	40,621	35,296	33,364	36,620	31,985	30,001	42,638	31,493	32,207	33,599
	4.3	*-10.5*	*-16.9*	*-20.9*	*-11.6*	*-21.8*	*5.1*	*-6.6*	*1.3*	*-1.2*	*-4.9*
Public Utility Tax	28,498	26,775	25,761	26,399	27,222	25,863	35,188	32,902	36,036	29,597	33,875
	-0.3	*-0.3*	*-0.4*	*4.3*	*0.2*	*-10.7*	*42.1*	*-11.5*	*7.9*	*-17.2*	*-6.9*
Tobacco Products Tax	1,008	3,033	2,705	4,695	2,764	2,696	2,491	3,020	2,197	2,445	2,648
	5.2	*234.1*	*172.6*	*464.2*	*174.9*	*177.2*	*189.8*	*251.7*	*167.4*	*146.1*	*176.1*
Penalties and Interest	11,525	10,870	8,922	7,259	9,510	9,575	15,400	8,306	15,217	11,456	13,621
	45.6	*4.8*	*-25.3*	*-24.5*	*-7.7*	*-7.2*	*40.7*	*-16.0*	*38.0*	*-445.4*	*33.6*
Non-Revenue Act**	237,134	107,128	88,789	91,559	140,303	729,121	264,268	94,073	64,116	101,307	153,222
	-11.0	*47.3*	*81.5*	*78.1*	*24.2*	*3.1*	*63.9*	*113.7*	*90.4*	*151.4*	*57.4*
Liquor Sales/Liter	13,934	16,203	18,738	16,044	15,534	17,057	15,940	23,070	13,934	14,126	15,366
	-0.5	*24.2*	*31.4*	*11.2*	*26.5*	*23.5*	*18.4*	*21.6*	*14.9*	*23.8*	*24.2*
Cigarette	3,229	30,015	25,777	25,001	23,475	22,361	25,990	25,758	12,829	23,816	23,570
	-26.4	*557.5*	*511.7*	*459.3*	*387.6*	*541.2*	*636.8*	*520.2*	*266.8*	*488.1*	*558.1*
Property (State School Levy)	154,043	10,182	6,655	9,186	26,889	611,109	179,586	10,976	6,304	24,533	66,565
	-12.9	*NA*	*NA*	*NA*	*185.0*	*-0.1*	*60.7*	*NA*	*NA*	*NA*	*72.6*
Real Estate Excise	35,293	36,403	31,242	34,147	33,271	31,545	35,706	20,687	18,792	31,952	32,636
	-23.6	*-26.5*	*-24.3*	*-22.9*	*-10.0*	*-15.1*	*33.1*	*7.1*	*-36.1*	*61.3*	*32.2*
Timber (state share)	0	0	730	684	0	807	0	0	919	0	0
	NA	*NA*	*-49.8*	*NA*	*NA*	*-46.5*	*NA*	*NA*	*-8.2*	*NA*	*NA*
Other	30,635	14,326	5,647	6,498	41,135	46,242	7,045	13,582	11,338	6,881	15,085
	23.1	*-28.1*	*0.2*	*54.8*	*-16.5*	*17.8*	*23.8*	*-11.0*	*172.3*	*622.8*	*-17.0*
Department of Licensing**	6,891	3,136	898	416	282	200	198	168	283	447	1,045
	6.1	*5.0*	*1.9*	*3.0*	*-13.1*	*11.0*	*-7.2*	*-30.5*	*7.9*	*4.2*	*-81.5*
Lottery**	0	4,728	0	0	0	0	0	0	0	0	0
	NA	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*
Administrative Office of the Courts**	0	9,124	8,627	8,575	8,380	9,001	7,681	7,928	6,693	8,189	10,012
	NA	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*
Total General Fund-State***	1,035,169	1,058,281	926,489	902,451	1,074,004	1,508,177	1,010,149	1,150,205	789,652	797,513	1,056,538
	-11.5	*-6.1*	*-6.0*	*-4.8*	*-5.4*	*-4.4*	*7.1*	*4.2*	*2.6*	*13.3*	*8.2*

*Revenue Act components: ERFC preliminary estimates
**Monthly Revenues (month of beginning of collection period)
*** Detail may not add due to rounding. The GFS total in this report includes only collections from larger state agencies: the DOR, Lottery Commission, AOC and DOL. Reflects new defintion of GF-S revenue after July 2009.
Note: Italic figures refer to Year-over-Year percent change.

Revenue Forecast Variance
Thousands of Dollars

Period/Source	Estimate*	Actual	Difference Amount	Percent
April 11, 2010 - May 10, 2010				
May 10, 2010 Collections Compared to the February 2010 Forecast				
Department of Revenue-Total	$1,061,352	$1,045,481	($15,872)	-1.5%
Revenue Act** (1)	903,367	892,259	(11,108)	-1.2%
Non-Revenue Act(2)	157,985	153,222	(4,763)	-3.0%
Liquor Sales/Liter	16,097	15,366	(731)	-4.5%
Cigarette	24,329	23,570	(759)	-3.1%
Property (State School Levy)	62,509	66,565	4,056	6.5%
Real Estate Excise	41,400	32,636	(8,764)	-21.2%
Timber (state share)	0	0	0	0.0%
Other	13,651	15,085	1,434	10.5%
Department of Licensing (2)	5,363	1,045	(4,318)	-80.5%
Lottery (5)	0	0	0	0.0%
Administrative Office of the Courts (2)	9,304	10,012	708	7.6%
Total General Fund-State***	$1,076,019	$1,056,538	($19,481)	-1.8%
Cumulative Variance Since the February Forecast (February 11, 2009 - May 10, 2010)				
Department of Revenue-Total	$2,682,630	2,617,033	(65,596)	-2.4%
Revenue Act** (3)	2,343,545	2,298,388	(45,157)	-1.9%
Non-Revenue Act(4)	339,085	318,645	(20,440)	-6.0%
Liquor Sales/Liter	45,242	43,427	(1,815)	-4.0%
Cigarette	65,162	60,215	(4,947)	-7.6%
Property (State School Levy)	96,193	97,402	1,208	1.3%
Real Estate Excise	106,219	83,379	(22,840)	-21.5%
Timber (state share)	935	919	(17)	-1.8%
Other	25,333	33,303	7,971	31.5%
Department of Licensing (4)	5,946	1,589	(4,357)	-73.3%
Lottery	0	0	0	0.0%
Administrative Office of the Courts	24,252	24,895	643	2.7%
Total General Fund-State***	$2,712,827	$2,643,517	($69,311)	-2.6%

1 Collections April 11, 2010 - May 10, 2010. Collections primarily reflect March 2010 activity.
2 April 2010 collections.
3 Cumulative collections, estimates and variance since the February 2010 forecast; (February 11, 2009 - May 10, 2010) and revisions to history.
4 Cumulative collections, estimates and variance since the February forecast (February-April 2010) and revisions to history.
5 Lottery transfers to the General Fund
* Based on the February 2010 economic and revenue forecast.
**The Revenue Act consists of the retail sales, B&O, use, public utility, tobacco products taxes, and penalty and interest.
*** Detail may not add due to rounding. The General Fund-State total in this report includes only collections from larger state agencies: the Department of Revenue, Department of Licensing, Lottery Commission and Administrative Office of the Courts.