



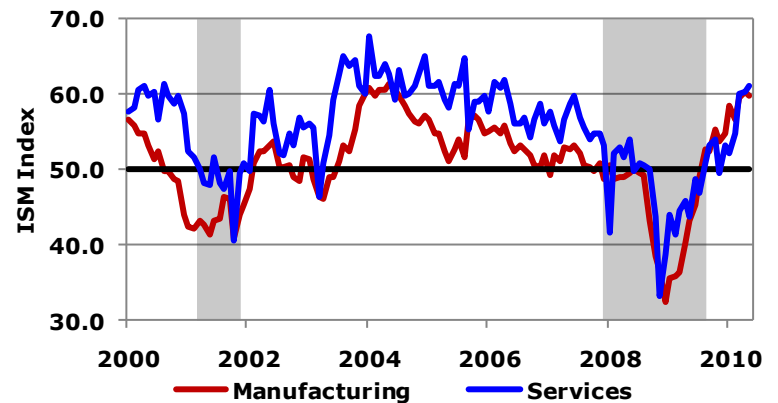
ECONOMIC & REVENUE UPDATE

11 June 2010

U.S.

- The economic recovery lost some steam in May, but remains on track for the moderate growth we have been predicting. Recoveries are not smooth events, and this one is no exception. Fears about European sovereign debt contagion rattled financial markets, still spooked by the memory of the meltdown in September 2008. Employers, who had been increasing permanent staff, slowed down – choosing instead to increase hours or hire temporary help until there was greater clarity. The May jobs report consequently was disappointing. But the risk of a double-dip, or return to recession, is also receding. Private spending, both by businesses and consumers is firming, despite today's weak retail sales report; the manufacturing and services sectors are both growing; and, only construction remains mired in the mud. We expect the economy to gain traction over the summer, and close out the year on a more positive note.
- First quarter real GDP growth was revised down marginally to a 3.0%, seasonally adjusted, annualized rate (SAAR), slightly higher than our prediction of 2.9% (SAAR). As expected, this was slower than the fourth quarter's 5.6% (SAAR) growth, but included growth in final private domestic demand that was faster. Business spending on equipment and software grew by 19% (SAAR) and 12.7% (SAAR), in 2009Q4 and 2010Q1, respectively. Private consumer spending too appears to be strengthening, as consumers show a greater willingness to open up their wallets to satisfy pent-up demand. Although retail sales softened in May, declining 1.2% (SA), they remained 6.9% above year ago. Confidence measures also show tentative signs of finally improving.
- A new but potentially significant risk to the recovery is the brewing worry about European sovereign debt. Interbank lending spreads have widened, the S&P

Services and manufacturing are growing



500 VIX, or volatility index (a proxy for the level of nervousness in financial markets) has also spiked, and U.S. equity markets declined close to 10% last month. A "flight to safety" has seen the USD strengthen against the EUR, and U.S. Treasuries have rallied, driving down yields. The worries about European sovereign debt spring from a fear that Greece might default on its debt, and that the contagion may spread to Spain, Portugal, Ireland, Italy, and possibly even the United Kingdom. Financial markets will therefore remain jittery for a while and could be a drag on the recovery. The strengthening USD will hurt U.S. export competitiveness, but Washington will be spared much of the pain. Exports of transportation equipment are minimally affected in the short run by currency fluctuations. Contracts and prices are negotiated in advance and hedges put in place to guard against exchange rate risk. Moreover, close to 90% of the state's commodity exports, which are most sensitive to a strengthening currency are to Asia, and the USD has remained stable against Asian currencies.

- This economic recovery has been driven by the manufacturing sector and by follow-on services activity. Manufacturing output grew 1.0% (SA) in April, and is up 6.0% over year ago according to the Federal Reserve Bank's latest G-17 report. Industrial capacity utilization also

ECONOMIC & REVENUE UPDATE

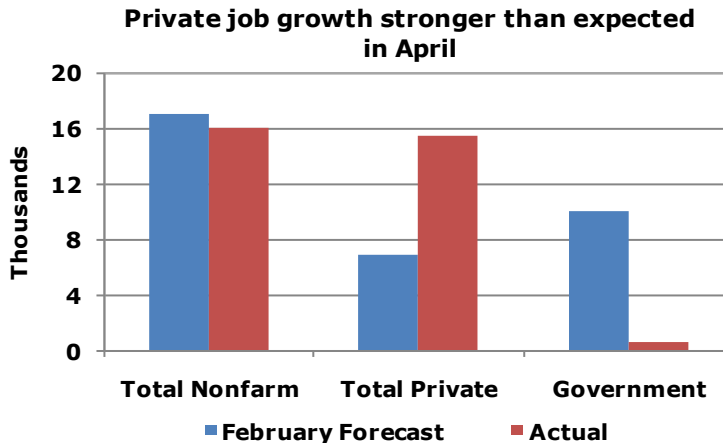
U.S....continued

increased from 73.1% to 73.7%. The Institute of Supply Management's Purchasing Managers Index (PMI) for manufacturing and Business Activity Index for services, both show continued and strong expansion in May ([see figure](#)). These indices are based on a survey of supply chain managers who have a vantage point in observing economic activity. An index value above 50 indicates that the respective sector is growing. The manufacturing index for 10 consecutive months, and the services index for 5 consecutive months, has now been indicating growth.

- The May jobs report was disappointing, just as the April report had been encouraging. Although the economy added 431,000 net new jobs, the vast majority of those were temporary Federal Census workers. Private job growth, which had been a robust 218,000 in April, slowed to 41,000 in May. Of these net new private jobs added in May, 31,000 were for temporary help. However, there were some indications of growing labor demand. Average weekly hours for private employees increased by a tenth of an hour, from 34.1 to 34.2 hours, and average hourly earnings were up \$0.07 per hour to \$22.57 per hour.

WASHINGTON

- Washington's economic recovery is unfolding largely as expected in the February forecast. Our major state economic variables – employment, income, and housing – are all coming in very close to what we had expected. As a result, the revisions that will be reflected in the June Washington economic forecast will be minimal.
- As expected, the State of Washington finally began to see positive overall employment growth in early 2010. We have four months of new employment data since the last forecast was adopted. The level of employment is lower than in the February forecast due to revisions in the historical data, but the pattern of growth so far this year is right on track. Overall employment grew 16,100 from December through April, very close to the 17,000 increase we had predicted. Even more encouraging is the fact that 15,500 of the 16,100 net new jobs were in the private sector. We had expected an increase of only 7,000 private sector jobs ([see figure](#)). Government employment grew less than forecast mainly as a result of less than expected temporary Census hiring but state and local government payrolls also fell more than expected. Private sector employment gains, however, were widespread. Since December, only financial activities and "other services"



lost jobs. Manufacturing and even construction grew modestly from December through April. The month of May was disappointing for U.S. employment growth so we may see a pause here as well but we continue to believe that we will see job growth improve in the second half of the year.

- We continue to remain bullish about the prospects for the state's aerospace industry. Both air cargo and passenger traffic are recovering, although April figures were negatively affected by flight cancellations due to Icelandic volcano ash. According to the IATA, air cargo grew 25.2% over year ago in April, after growing 28.1% in March. Passenger traffic fell 2.4% in April, and is now 7% below its prior pre-crisis peak. In March it had been within 1% of that peak.

ECONOMIC & REVENUE UPDATE

WASHINGTON...continued

Boeing's order book remains full and we expect aerospace employment to return to modest growth in 2012 and 2013. Although we are optimistic that Boeing will eventually be awarded the military's contract to build the next generation air refueling tanker, it is not included in our estimates. The National Association of Purchasing Managers Western Washington Index has now been above 50 for the last ten months. Values above 50 indicate expansion while values below 50 indicate contraction. The continued strength of this diffusion index signals a broad-based manufacturing recovery in Washington.

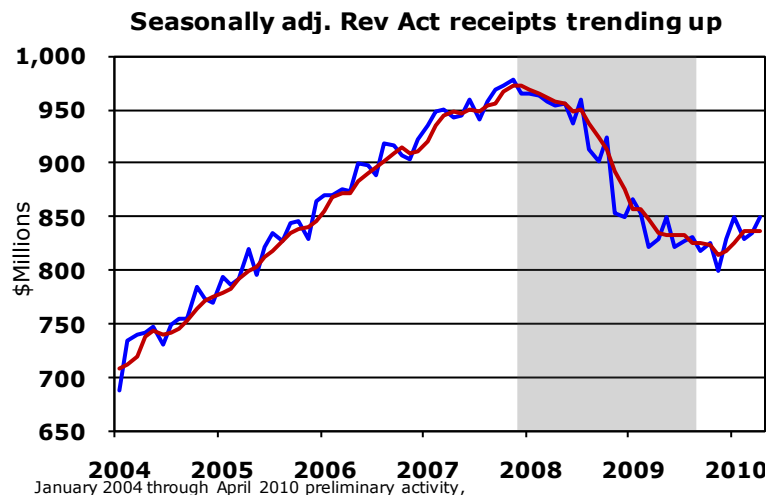
- The state's software publishing industry is also rapidly returning to health. Microsoft's balance sheet remains healthy and its launch of Windows 7 in October has been an overwhelming success, as evidenced by its latest earnings report. Also encouraging is the news that we are now beginning to see a transition from mostly consumer demand for the product to the more lucrative business demand. The software publishing industry has added 590 (seasonally adjusted) jobs through April this year, marginally higher than the 550 we predicted in February. We expect modest employment growth in software publishing to continue.
- New housing construction continued to improve through the first quarter according to the housing permit data but a drop in permits in April suggests a payback in the second and third quarters of this year as federal support is withdrawn. The number of housing permits rose to 21,100 units in the first quarter of 2010 from 19,000 units in the fourth quarter of 2009. This is up 40% from the trough in the second quarter of 2009 and 12% above our February forecast but it is still very low by historical standards. Some of the recent improvement in housing is no doubt due to the homebuyer's tax credit, which has now effectively expired. We therefore expect housing permits to weaken in the second and third quarters of this year, with growth resuming in the fourth quarter. In the longer term we are optimistic about housing construction. Population growth has been well below trend in recent years due to the recession and the housing crisis. We believe a return to trend population growth will boost housing construction in Washington in 2012 and 2013. Housing construction will not return to the levels reached in the bubble years of 2004-2006 over the forecast horizon.
- Construction employment continues to bump along the bottom. Our model indicates there is about a one-year lag between turning points in permits and turning points in housing related construction employment. This suggests that employment in residential building and related special trades will begin rising, slowly, in the second half of 2010. However nonresidential construction employment will continue to remain soft well into 2011. We expect overall construction employment to continue to drift down through mid-2011 as the weak residential recovery is not enough to offset continued reductions in nonresidential construction. In spite of a fairly strong recovery in 2012 and 2013, construction employment will still be 35,100 below the previous peak at the end of 2013.
- Washington's personal income is now growing moderately. After sharp declines in the fourth quarter of 2008 and first quarter of 2009, personal income grew in the second, third, and fourth quarters of 2009. Personal income declined only 0.3% from the fourth quarter of 2008 to the fourth quarter of 2009 in spite of the severe job losses during that period. Disposable personal income rose nearly 3% during that period thanks to the tax cuts and increased transfer payments in the stimulus package. This means that Washington residents do have more to spend now than a year ago. Personal income growth will accelerate in the years ahead as positive job growth resumes.

ECONOMIC & REVENUE UPDATE

REVENUE COLLECTIONS

Overview

- For the second consecutive month, Revenue Act receipts showed year-over-year growth after adjustment for legislative changes and non-economic factors. Adjusted receipts from the May 11, 2010 – June 10, 2010 collection period were 2.2% above their year-ago level. Seasonally adjusted Revenue Act revenue has been trending upward since November 2009 (see figure).
- Major General Fund-State revenues for the May 11, 2010 – June 10, 2010 collection period were \$30.8 million (1.9%) higher than our February forecast. During the period, there was a large one-time assessment payment of \$32.4 million that was not included in the forecast. Also, an extra \$9 million was collected in cigarette taxes due to the legislatively enacted increase in the tax rate that took effect on May 1st. In addition, the continued non-economic shift in watercraft excise taxes described below in “Other Revenue” has subtracted \$1.5 million from May collections. Adjusted for these special factors, the forecast variance for the period is -\$9.1 million (-0.6%).
- Combined with the shortfall from the last collection period, the cumulative variance for the February 11 - June 10, 2010 period is now -\$38.5 million (-0.9%). During this period, the forecast variance of expected large one-time payments and refunds combined with unexpected large payments and refunds summed to \$13.3 million. The non-economic changes to cigarette and watercraft excise taxes totaled \$3.1 million. Adjusted for these factors, the cumulative variance is -\$54.9 million (-1.3%).
- 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.”

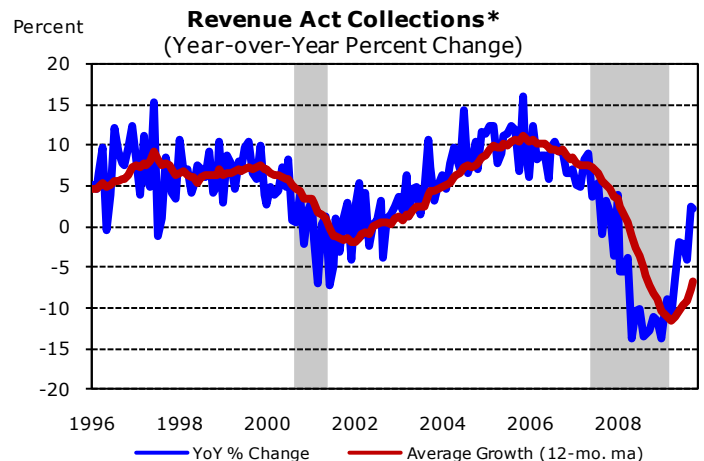
ECONOMIC & REVENUE UPDATE

Revenue Act

- The revenue collections reported here are for the May 11 – June 10, 2010 collection period. Collections correspond primarily to economic activity in April 2010.
- Collections for this period are \$17.9 million (2.3%) above the February forecast.
- A large one-time assessment payment of \$32.4 million, which was not included in the forecast, was received during the collection period. Without this payment, the forecast variance would have been -\$14.5 million (-1.8%).
- The chart below shows year-over-year Revenue Act growth reflects the revenues added under ESSB 5073. By this measure, revenues increased 2.2% year-over-year in the current period after adjustments for large one-time payments and refunds after a 2.3% increase in the previous period. Unadjusted for definitional changes and one time revenue, collections increased 8.8% year-over-year as shown in the “Key Revenue Variables” table.
- Preliminary ERFC monthly estimates indicate retail sales tax collections are up 0.9% year-over-year and B&O taxes are up 31.1% due to the \$32.4 million assessment. Excluding the payment, B&O taxes would have been up 12.5%.
- Preliminary tax payments from electronic filers who also paid in the May 11 – June 10 collection period of last year were up

6.8% year-over-year. This was the largest year-over-year increase since November 2007. Some details:

- Payments in the retail trade sector were up 3.3% year-over-year. The growth rate slowed from the prior month’s 13.5% rate due to this year’s early Easter holiday, which shifted sales which would have normally happened in April back into March. Payments from ten of the twelve major retail trade sectors showed a year-over-year increase in the current period.



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

- The largest year-over-year increases in tax payments from the retail trade sector were in nonstore retailers (+13.2%), gas stations and convenience stores (+11.9%), electronics and appliances (+11.5%), furniture and home furnishings (+8.3%) and motor vehicles and parts (+7.6%). The largest decreasing sector was food and beverage stores, whose 12.4% year-over-year decline was likely due to the shift in the timing of the Easter holiday mentioned above.
- Payments in non-retail trade sectors were up 9.0% year-over-year due to the large payment mentioned above. Even without the payment, however, non-retail trade grew at 2.5%, an improvement from last month’s growth of 1.6%.
- Payments in the construction sector were down 11.7%, while those in the manufacturing sector were up 119.0% year-over-year due to the large one-time payment previously discussed. Excluding this payment, tax receipts from the sector grew at 10.6%.
- Excluding the construction sector, total payments were up 9.5% year-over-year and payments from non-retail trade sectors were up 14.3%. Excluding both construction and manufacturing, payments from non-retail trade sectors were up 3.5%.

ECONOMIC & REVENUE UPDATE

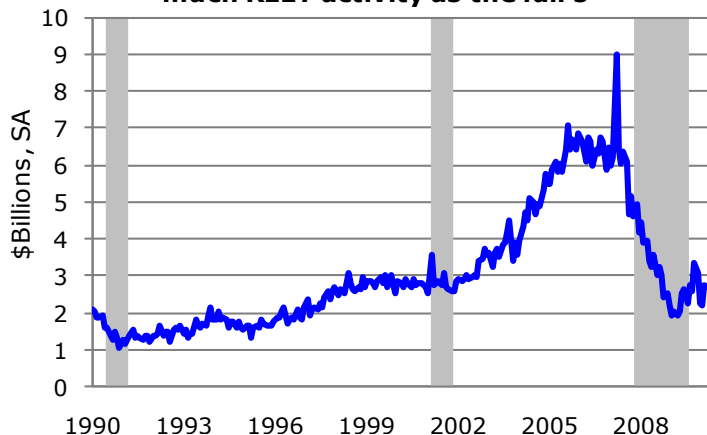
DOR Non-Revenue Act

- May collections were \$14.2 million (1.8%) above the February forecast.
 - Much of the positive variance was due to post-forecast changes in the cigarette tax, the GF-S portion of which increased by 91.4 cents per pack on May 1st. Receipts from "floor taxes," the extra tax owed on cigarettes in stock at the time of the tax change, accounted for \$8 million of the \$12.1 million positive variance in the tax. About \$1 million of the rest of the variance was from cigarettes sold at the new tax rate, while the remaining \$3 million was from higher-than-forecasted sales of cigarettes taxed at the old rate.
 - Most of the rest of the positive variance was from property tax collections from the state school levy, which came in \$8.1 million (1.2%) above the forecasted value.
 - Much of the positive variance was offset by a \$7.8 million (18.8%) shortfall in real estate excise taxes. While March, April and May receipts were inflated by homebuyers seeking the Federal tax credits that expired April 30th, the February forecast had not anticipated such a large drop-off in sales after the previous round of credits expired in November 2009, and had forecasted an increase closer to that of the fall ([see figure below](#)).
- "Other" revenues came in \$1.6 million above the forecast due mainly to larger-than-forecasted transfers of unclaimed property into the GF-S.
 - Due to the redefinition of GF-S revenue under ESSB 5073, May DOR non-Revenue Act collections are up 10.9% year-over-year. Without the changes, revenue would have been up approximately 4%, due largely to the 37.6% year-over-year increase in real estate excise tax.

Other Revenue

- Preliminary May Department of Licensing receipts were \$1.5 million (38.8%) below the February forecast due to a change in the historical 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, May and June. Due to budget cutbacks, however, the Department did not send out payment reminders this year, resulting in a much lower volume of receipts. 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.
- May revenue from the Administrative Office of the Courts was \$178,000 (2.1%) above the forecast.

Spring home buyer's credit did not produce as much REET activity as the fall's



Key U.S. Economic Variables

	2009	2010						2008	2009
	Dec.	Jan.	Feb.	Mar.	Apr.	May			
Real GDP (SAAR)	5.6	-	-	3.0	-	-		0.4	-2.4
Industrial Production (SA, 2002 = 100)	100.2	101.4	101.2	101.5	102.3	-		109.2	98.2
Y/Y % Change	-2.1	1.3	1.9	3.8	5.3	-		-2.0	-10.0
ISM Manufacturing Index (50+ = growth)	54.9	58.4	56.5	59.6	60.4	59.7		45.5	46.2
ISM Non-Manuf. Index (50+ = growth)	49.8	50.5	53.0	55.4	55.4	55.4		47.3	46.2
Housing Starts (SAAR, 000)	576	612	605	635	672	-		900	554
Y/Y % Change	3.6	25.4	4.1	22.1	40.9	-		-32.9	-38.4
Light Motor Vehicle Sales (SAAR, mil.)	11.2	10.8	10.4	11.8	11.2	11.6		13.2	10.4
Y/Y % Change	8.7	12.1	13.2	21.2	21.4	17.9		-18.2	-21.6
CPI (SA, 1982-84 = 100)	217.2	217.6	217.6	217.7	217.6	-		215.2	214.5
Y/Y % Change	2.8	2.7	2.2	2.4	2.2	-		3.8	-0.3
Core CPI (SA, 1982-84 = 100)	220.8	220.5	220.6	220.7	220.8	-		215.6	219.2
Y/Y % Change	1.8	1.5	1.3	1.2	1.0	-		2.3	1.7
IPD for Consumption (2000=100)	110.4	110.6	110.6	110.7	110.7	-		109.0	109.2
Y/Y % Change	2.1	2.1	1.8	2.1	2.0	-		3.3	0.2
Nonfarm Payroll Empl., e-o-p (SA, mil.)	129.6	129.6	129.6	129.8	130.1	130.6		134.3	129.6
Monthly Change	-0.11	0.01	0.04	0.21	0.29	0.43		-3.62	-4.74
Unemployment Rate (SA, percent)	10.0	9.7	9.7	9.7	9.9	9.7		5.8	9.3
Yield on 10-Year Treasury Note (percent)	3.59	3.73	3.69	3.73	3.85	3.42		3.67	3.26
Yield on 3-Month Treasury Bill (percent)	0.05	0.06	0.11	0.15	0.16	0.16		1.39	0.15
Broad Real USD Index** (Mar. 1973=100)	87.2	87.4	88.6	87.7	87.1	89.6		87.6	91.1
Federal Budget Deficit (\$ bil.)*	91.4	42.6	220.9	65.4	82.7	-		454.8	1,415.7
FYTD sum	388.1	430.7	651.6	717.0	799.7	-			
US Trade Balance (\$ bil.)	-37.1	-35.1	-40.1	-40.0	-40.3	-		-698.8	-374.9
YTD Sum	-374.9	-35.1	-75.2	-115.3	-155.5	-			

*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	2010						2008	2009
	Dec.	Jan.	Feb.	Mar.	Apr.	May			
Employment									
								<i>End-of-period</i>	
Total Nonfarm (SA, 000)	2,784.2	2,792.5	2,787.4	2,792.5	2,798.6	-	2,914.0	2,784.2	
Change from Previous Month (000)	-4.4	8.3	-5.1	5.1	6.1	-	-49.4	-129.8	
Construction	148.5	150.6	148.2	147.4	148.8	-	184.9	148.5	
Change from Previous Month	-1.3	2.1	-2.4	-0.8	1.4	-	-24.5	-36.4	
Manufacturing	257.7	258.4	257.5	257.6	258.9	-	284.4	257.7	
Change from Previous Month	-0.4	0.7	-0.9	0.1	1.3	-	-11.8	-26.7	
Aerospace	81.2	81.8	80.9	81.1	80.8	-	85.5	81.2	
Change from Previous Month	-0.6	0.6	-0.9	0.2	-0.3	-	2.6	-4.3	
Software	50.4	50.5	50.6	50.9	50.8	-	53.0	50.4	
Change from Previous Month	-0.1	0.1	0.1	0.3	-0.1	-	4.6	-2.6	
All Other	2,327.6	2,333.0	2,331.1	2,336.6	2,340.1	-	2,391.7	2,327.6	
Change from Previous Month	-2.6	5.4	-1.9	5.5	3.5	-	-17.7	-64.1	
Other Indicators									
								<i>Annual Average</i>	
Seattle CPI (1982-84=100)	225.6	-	226.1	-	226.5	-	224.7	226.0	
	1.4%	-	0.6%	-	0.3%	-	4.2%	0.6%	
Housing Permits (SAAR, 000)	19.9	23.9	20.2	19.3	16.7	-	27.4	15.9	
	33.4%	44.8%	59.6%	35.8%	30.6%	-	-39.5%	-42.1%	
WA Index of Leading Ind. (2004=100)	113.6	114.6	113.9	114.9	115.4	-	116.5	110.0	
	1.8%	3.3%	5.1%	8.0%	7.2%	-	-0.1%	-5.6%	
WA Business Cycle Ind. (Trend=50)	5.3	4.5	3.0	4.1	4.2	-	41.1	8.2	
	-76.4%	-76.1%	-78.4%	-64.5%	-49.6%	-	-33.2%	-80.0%	
Avg. Weekly Hours in Manuf. (SA)	41.8	40.9	41.2	41.3	41.5	-	42.3	42.0	
	-7.3%	-7.9%	-3.7%	2.3%	0.3%	-	0.8%	-0.7%	
Avg. Hourly Earnings in Manuf.	24.0	24.0	23.9	23.8	23.3	-	21.0	23.4	
	6.9%	4.9%	3.8%	1.0%	-0.7%	-	2.4%	11.4%	
New Vehicle Registrations (SA, 000)	15.1	15.0	16.7	14.0	16.1	16.3	19.0	14.0	
	16.8%	1.8%	18.1%	9.5%	25.5%	28.7%	-20.5%	-26.5%	
Initial Unemployment Claims (SA, 000)	60.8	52.1	57.5	56.9	55.2	57.1	45.8	69.4	
	-3.8%	-16.0%	-21.8%	-20.3%	-20.5%	-22.4%	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	-	-	245.9	-	-	283.4	255.7	
	-8.5%	-	-	-3.0%	-	-	-7.5%	-9.8%	

*Percentage Change is Year-over-Year

Key Revenue Variables

	2009					2010					
	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	May 11- Jun 10*
Department of Revenue-Total	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	1,601,911
	-7.4	-6.9	-5.7	-6.2	-4.3	6.3	3.5	1.7	12.1	7.7	9.8
Revenue Act	934,166	828,176	801,901	925,039	769,855	738,003	1,048,036	718,560	687,570	892,259	804,996
	-11.1	-11.5	-10.5	-9.5	-10.4	-5.6	-1.1	-2.3	3.7	2.1	8.8
Retail Sales Tax	600,362	559,803	536,300	591,854	498,284	479,966	675,459	442,862	442,827	558,294	489,099
	-13.0	-12.1	-12.0	-12.3	-14.0	-9.0	-1.5	-8.8	0.4	0.7	0.9
Business and Occupation Tax	252,507	195,689	193,883	257,068	201,453	174,957	285,711	190,756	169,039	252,778	228,500
	-9.0	-10.3	-7.0	-3.8	1.7	-7.3	1.9	9.7	8.2	6.9	31.1
Use Tax	40,621	35,296	33,364	36,620	31,985	30,001	42,638	31,493	32,207	37,466	36,200
	-10.5	-16.9	-20.9	-11.6	-21.8	5.1	-6.6	1.3	-1.2	6.1	-4.2
Public Utility Tax	26,775	25,761	26,399	27,222	25,863	35,188	32,902	36,036	29,597	32,517	31,385
	-0.3	-0.4	4.3	0.2	-10.7	42.1	-11.5	7.9	-17.2	-10.7	-4.5
Tobacco Products Tax	3,033	2,705	4,695	2,764	2,696	2,491	3,020	2,197	2,445	3,265	2,328
	234.1	172.6	464.2	174.9	177.2	189.8	251.7	167.4	146.1	240.5	144.7
Penalties and Interest	10,870	8,922	7,259	9,510	9,575	15,400	8,306	15,217	11,456	7,940	17,484
	4.8	-25.3	-24.5	-7.7	-7.2	40.7	-16.0	38.0	-445.4	-22.1	83.5
Non-Revenue Act**	107,128	88,789	91,559	140,303	729,121	264,268	94,073	64,116	101,307	153,222	796,916
	47.3	81.5	78.1	24.2	3.1	63.9	113.7	90.4	151.4	57.4	10.9
Liquor Sales/Liter	16,203	18,738	16,044	15,534	17,057	15,940	23,070	13,934	14,126	15,366	15,556
	24.2	31.4	11.2	26.5	23.5	18.4	21.6	14.9	23.8	24.2	25.1
Cigarette	30,015	25,777	25,001	23,475	22,361	25,990	25,758	12,829	23,816	23,570	35,990
	557.5	511.7	459.3	387.6	541.2	636.8	520.2	266.8	488.1	558.1	749.4
Property (State School Levy)	10,182	6,655	9,186	26,889	611,109	179,586	10,976	6,304	24,533	66,565	692,782
	NA	NA	NA	185.0	-0.1	60.7	NA	NA	NA	72.6	4.4
Real Estate Excise	36,403	31,242	34,147	33,271	31,545	35,706	20,687	18,792	31,952	32,636	33,849
	-26.5	-24.3	-22.9	-10.0	-15.1	33.1	7.1	-36.1	61.3	32.2	37.6
Timber (state share)	0	730	684	0	807	0	0	919	0	0	646
	NA	-49.8	NA	NA	-46.5	NA	NA	-8.2	NA	NA	-3.2
Other	14,326	5,647	6,498	41,135	46,242	7,045	13,582	11,338	6,881	15,085	18,093
	-28.1	0.2	54.8	-16.5	17.8	23.8	-11.0	172.3	622.8	-17.0	33.8
Department of Licensing**	3,136	898	416	282	200	198	168	283	447	1,045	2,326
	5.0	1.9	3.0	-13.1	11.0	-7.2	-30.5	7.9	4.2	-81.5	-38.1
Lottery**	4,728	0	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**	9,124	8,627	8,575	8,380	9,001	7,681	7,928	6,693	8,189	10,012	8,827
	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total General Fund-State***	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	1,613,065
	-6.1	-6.0	-4.8	-5.4	-4.4	7.1	4.2	2.6	13.3	8.2	10.3

*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 definition 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
May 11, 2010 - June 10, 2010				
June 10, 2010 Collections Compared to the February 2010 Forecast				
Department of Revenue-Total	\$1,569,811	\$1,601,911	\$32,101	2.0%
Revenue Act** (1)	787,064	804,996	17,932	2.3%
Non-Revenue Act(2)	782,747	796,916	14,169	1.8%
Liquor Sales/Liter	15,352	15,556	204	1.3%
Cigarette	23,910	35,990	12,080	50.5%
Property (State School Levy)	684,727	692,782	8,054	1.2%
Real Estate Excise	41,683	33,849	(7,835)	-18.8%
Timber (state share)	653	646	(7)	-1.0%
Other	16,421	18,093	1,672	10.2%
Department of Licensing (2)	3,802	2,326	(1,476)	-38.8%
Lottery (5)	0	0	0	0.0%
Administrative Office of the Courts (2)	8,649	8,827	178	2.1%
Total General Fund-State***	\$1,582,262	\$1,613,065	\$30,803	1.9%

Cumulative Variance Since the February Forecast (February 11, 2009 - June 10, 2010)

Department of Revenue-Total	\$4,252,441	4,218,945	(33,496)	-0.8%
Revenue Act** (3)	3,130,609	3,103,384	(27,225)	-0.9%
Non-Revenue Act(4)	1,121,832	1,115,561	(6,271)	-0.6%
Liquor Sales/Liter	60,594	58,983	(1,612)	-2.7%
Cigarette	89,072	96,205	7,133	8.0%
Property (State School Levy)	780,921	790,183	9,263	1.2%
Real Estate Excise	147,903	117,228	(30,675)	-20.7%
Timber (state share)	1,588	1,565	(23)	-1.5%
Other	41,754	51,397	9,643	23.1%
Department of Licensing (4)	9,748	3,915	(5,833)	-59.8%
Lottery	0	0	0	0.0%
Administrative Office of the Courts	32,901	33,722	821	2.5%
Total General Fund-State***	\$4,295,089	\$4,256,581	(\$38,508)	-0.9%

1 Collections May 11, 2010 - June 10, 2010. Collections primarily reflect April 2010 activity.

2 May 2010 collections.

3 Cumulative collections, estimates and variance since the February 2010 forecast; (February 11, 2009 - June 10, 2010) and revisions to history.

4 Cumulative collections, estimates and variance since the February forecast (February-May 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.