



Budget Bulletin

County of Yolo

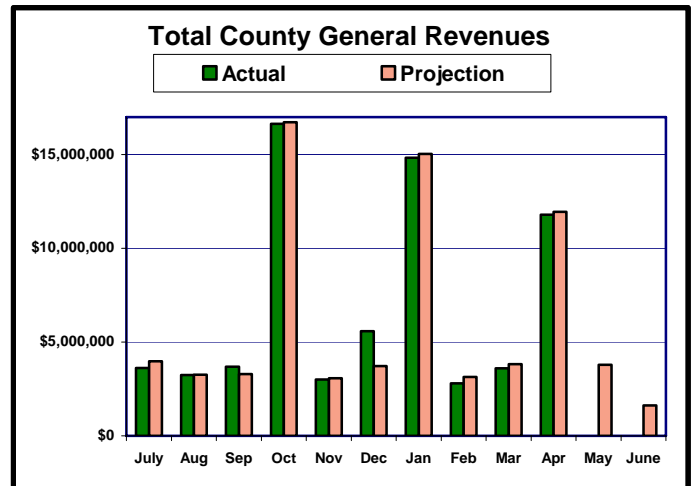
June 2007

General Revenues

General revenues are on target to meet the amounts projected in the 2006-07 Budget. General revenues consist of the top 4 unrestricted and partially restricted revenue sources, which are projected to generate approximately \$75 million in 2006-07. This is 25% of the total funding for the \$299 million budget.

The charts and narrative on page 3 of this report illustrate the comparison of actual and forecasted general revenues for the month of April, the most recent month to report the receipt of all revenue. The receipt of these revenues in the county's treasury may be delayed by up to two months from when they were initially collected. To accurately compare figures the amounts are shown under the month that they were first collected at the state or retail site.

- Total receipts for the month of April were \$157,167 (-1.3%) less than the projected amount of approximately \$11.95 million. The shortfall was primarily the result of a \$204,716 shortfall in Realignment revenue. Property taxes were short of projection by \$14,683. Public safety sales tax was also short of projection by \$14,004. An increase in general sales tax revenue of \$76,237 partially offsets a portion of the overall shortfall. While there is a revenue shortfall for the month, the year-to-date total is an increase of \$784,435.



2006-07 Actual Versus Projected County General Revenues

Revenue Source	APRIL				YEAR-TO-DATE			
	Projection	Actual	Change	Percent Change	Projection	Actual	Change	Percent Change
Property Taxes	\$ 9,051,576	\$ 9,036,893	\$ (14,683)	-0.2%	\$ 33,934,711	\$ 34,618,647	\$ 683,936	2.0%
General Sales Tax	\$ 104,663	\$ 180,900	\$ 76,237	72.8%	\$ 1,729,260	\$ 1,890,154	\$ 160,894	9.3%
Public Safety Sales Tax	\$ 1,251,433	\$ 1,237,428	\$ (14,004)	-1.1%	\$ 13,132,889	\$ 12,846,869	\$ (286,020)	-2.2%
Realignment Revenues	\$ 1,542,479	\$ 1,337,763	\$ (204,716)	-13.3%	\$ 19,194,938	\$ 19,420,563	\$ 225,625	1.2%
Total	\$ 11,950,151	\$ 11,792,984	\$ (157,167)	-1.3%	\$ 67,991,798	\$ 68,776,233	\$ 784,435	1.2%

State Budget

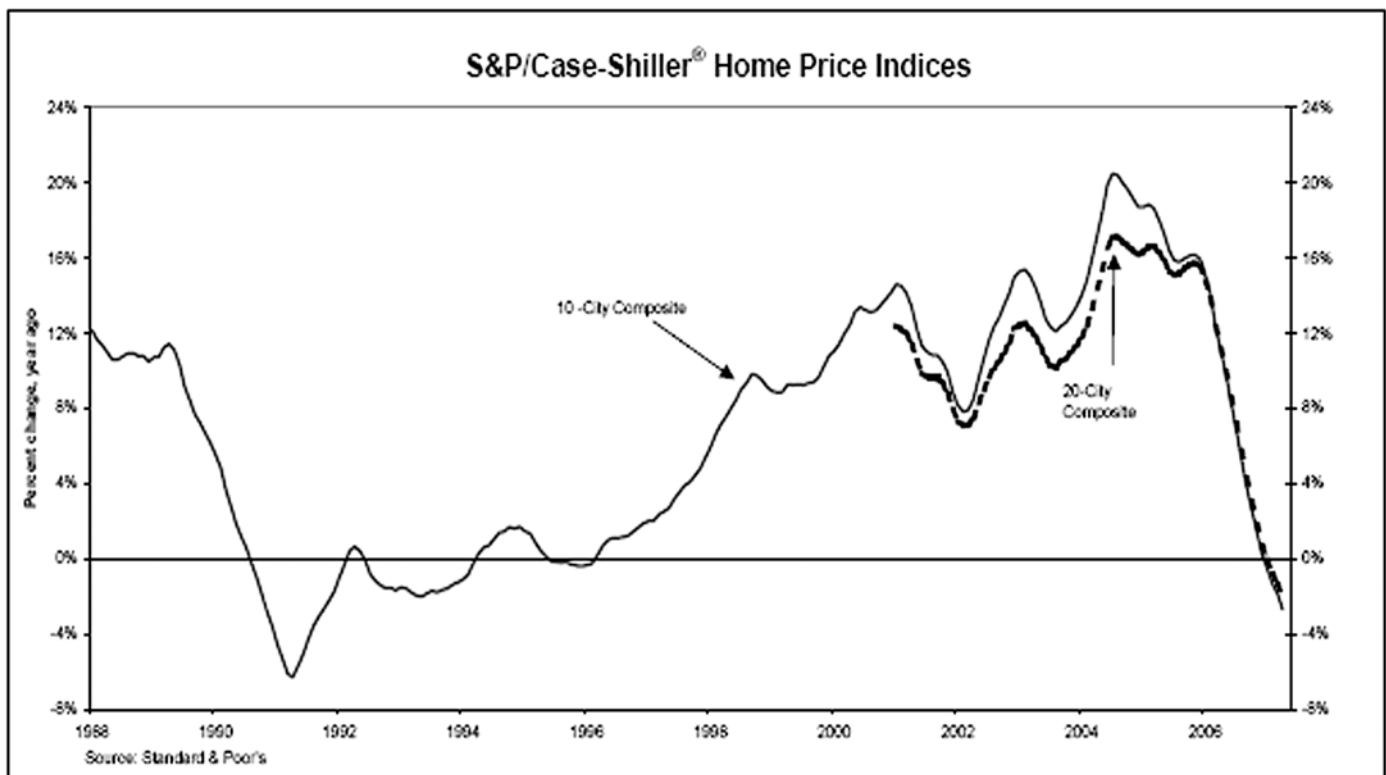
As reported in the Department of Finance, June Finance Bulletin, the state's year-to-date revenues are \$538 million (-0.06%) below the amount estimated in the budget. There is one more monthly financial report for fiscal year 2006-07 that will be completed by the Department of Finance at the end of July.

The slowdown in the residential real estate market is holding back job gains. The state gained only 7,400 jobs in April. Well below the average monthly gain of 21,700 jobs in 2006. The state's unemployment rate increased to 5.1 percent, 0.03 percent greater than March's 4.8 percent.

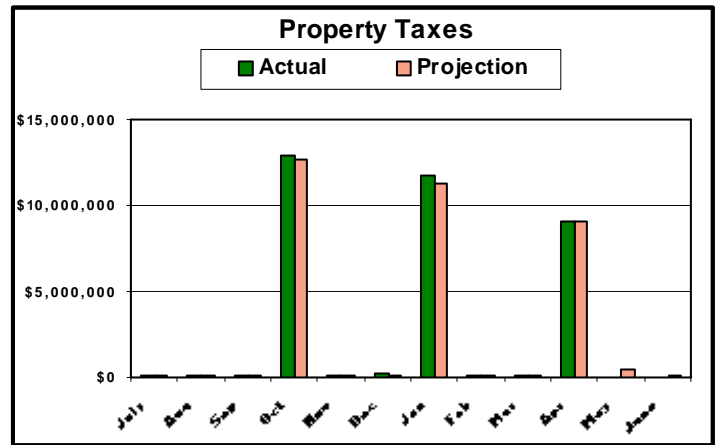
Economic Update

The dramatic slowdown in the housing market has reduced economic growth and increased the risk of a recession. In a report released on June 21, the UCLA Anderson Business School Forecast notes that the national economy is not in a recession, but we are "certainly close" to recessionary conditions. The forecast concludes that a recession is not imminent for the U.S. economy. With the housing and consumption both "down," the strength of the national economy lies in the rest of the world. "The global economy is booming," writes UCLA Anderson Forecast Senior Economist David Shulman.

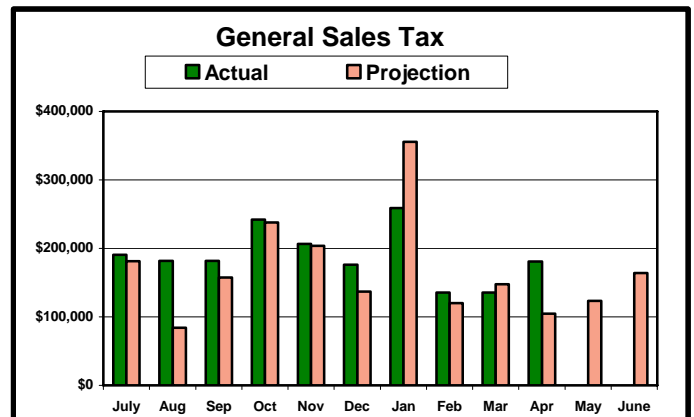
The following chart illustrates the rapid decline in the appreciation rate for residential housing and provides a historical perspective on the decline.



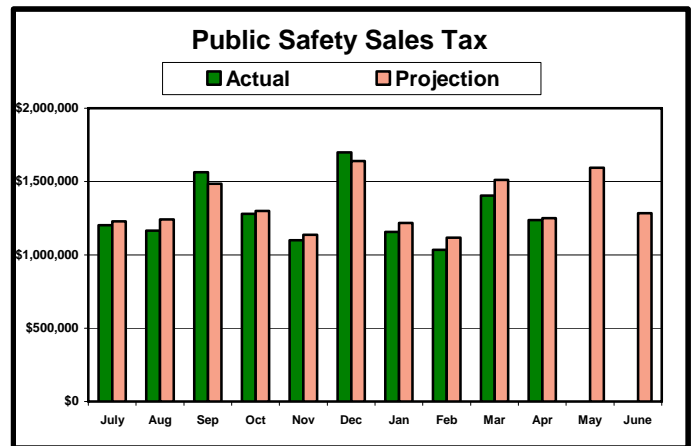
- Approximately \$34.6 million (96%) of the year's \$36.1 million in property tax revenue has been received to date. The year-to-date actual revenue is \$683,936 (2.0%) greater than the amount projected in the budget. The current slowdown in the housing market is not anticipated to significant impact 2006-07 property tax revenue; however, if there is a more drastic or prolonged slump, future property tax revenue could be impacted. Staff will continue to closely monitor the housing market and other economic indicators.



- General sales tax revenue is projected to exceed the amount estimated in the budget. The increase for the year-to-date is a modest amount of \$169,894. Sales tax is directly linked to consumer spending and the strength of the economy. Total projected revenue for 2006-07 is \$2.01 million.



- Public safety sales tax for the year-to-date is \$286,020 (-2.2%) below budget. There are two monthly revenue distributions that are forthcoming from the State Board of Equalization. One will be distributed in late July and the second in late August. Total budgeted revenue for 2006-07 is \$16.01 million and is a critical source of funding for law and justice services.



- For the year-to-date, Realignment revenue is \$225,625 (1.2%) above projection. This increase includes the allocation of \$1.4 million in the "growth" portion of this revenue source. Total budgeted revenue is \$20.89 million.

