

Subject	Quarterly Sales Tax and Investment Report for Quarter Ended March 31, 2008
Summary of Issues	<p>This report contains a summary of sales tax revenues and investment holdings for the reporting period ending March 31, 2008. Cumulative sales tax revenues received through this period totaled \$56,009,369. In comparison to the prior year, year to date sales tax revenues decreased by \$268,000 or -0.48%.</p> <p>Investment holdings of the Authority totaled \$98,190,791 which is a decrease of \$15,840,776 from the prior period. Of the decrease, \$27,234,150 was from principal and interest payments for the 1993 and 2002 bonds and \$402,222 was for payment of interest on Measure J Commercial Paper. The decreases were partially offset by an \$8,200,000 increase in the cash balance.</p> <p>All funds have been invested in accordance with State law and the Authority's investment policy.</p>
Recommendation	It is recommended that the accompanying reports be accepted.
Financial Implications	There is no financial impact of the recommendation.
Options	Not applicable
Attachments (See APC Packet dated 5/1/08)	<p>A. Sales Tax Revenues Comparison</p> <p>B. Summary of Investment Portfolio</p> <p>C. Report of Quarterly Security Holdings</p>
Changes from Committee	<i>None</i>

Background

Cumulative sales tax revenue was \$56,009,369 which is a decrease of \$268,000 or -0.48% over the same period last year. Sales tax revenue is reporting sales for the months of June 2007 through February 2008. Sales from December 2007 through February 2008 are estimated and will be adjusted in June 2008.

Analysis of sales tax revenue received by the Authority through December shows sales tax revenue from new motor vehicle sales, retail sales, and lumber and building dealers decreased. Partially offsetting the decreased sales tax revenue is increased sales tax revenue from service stations reflecting the increased price of gas. Overall, for nine months of the year the Authority's sales tax revenue is close to last year's.

Taxable retail sales slowed during the last half of 2007 and first quarter of 2008. Other factors which are impacting retail sales include sluggish job growth, rising unemployment, weakening consumer confidence, and fallout from the subprime mortgage crisis. Staff is monitoring this situation closely.