

Q4 2013



Temple City Sales Tax *Update*

First Quarter Receipts for Fourth Quarter Sales (October - December 2013)

Temple City In Brief

Receipts for Temple City's October through December sales were 11.0% higher than the same quarter one year ago. Actual sales activity was up 0.2% when reporting aberrations were factored out.

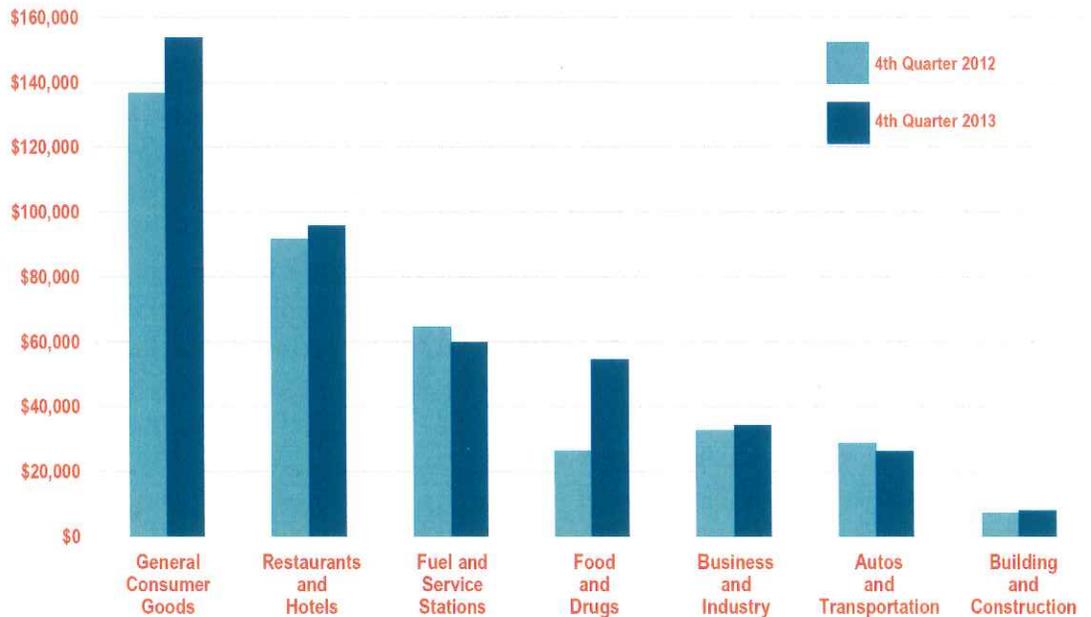
Accounting adjustments were responsible for boosting receipts from the food and drugs sector. In addition, onetime payments temporarily lifted the general consumer goods group.

Payment anomalies inflated the gain from business and industry. Correspondingly, the restaurant group posted higher receipts; however, missing payments cut the overall increase.

The gains were partially offset by sales declines from service stations. Autos and transportation also posted lower receipts from auto supply, auto repair shops, and other categories.

Adjusted for aberrations, taxable sales for all of Los Angeles County increased 1.7% over the comparable time period, while the Southern California region as a whole was up 2.7%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

99 Cents Only	Peters Mobil Service
AT&T Mobility	Ralphs
Chevron	Rite Aid
CVS Pharmacy	Seafood Village
Daiso Japan	Super A Foods
Green Island Restaurant	Super Pets
Hometown Buffet	Temple City Mobil
In N Out Burgers	Temple City Powersports
K Mart	The Hat
McDonalds	TJ Maxx
Modern Lighting	Vasil Corp
Office Depot	Zen Buffet
Pep Boys	

REVENUE COMPARISON

Three Quarters - Fiscal Year To Date

	2012-13	2013-14
Point-of-Sale	\$1,151,896	\$1,195,214
County Pool	138,336	140,630
State Pool	542	707
Gross Receipts	\$1,290,774	\$1,336,550
Less Triple Flip*	\$(322,694)	\$(334,138)

*Reimbursed from county compensation fund

Statewide Results

Excluding accounting anomalies, the local share of sales and use tax receipts from California's 2013 holiday spending rose 3.4% over the fourth quarter of 2012.

Auto sales and leases and all categories of building and construction materials were substantially up over the previous year while tourism and convenience-driven consumer demand continued to produce healthy gains in restaurant related revenues.

Sales of luxury goods and portable electronics did particularly well while cut backs in food stamp programs and unemployment benefits reduced spending at discount department stores and many value oriented retailers. Generally, the gains in sales from online purchases were higher than for brick and mortar stores.

Rising fuel efficiency resulted in lower receipts from service stations and petroleum supply companies while a slowing pace in solar and alternate energy development reduced use tax receipts from the business/industrial segment.

Spending patterns were fairly consistent throughout most regions.

E-Commerce Spending Up

Tax receipts from holiday spending on general consumer goods at brick and mortar stores grew by 2.3% over last year's comparable quarter while local tax revenues from online purchases increased 16% and accounted for 10.3% of total general consumer goods sales and use tax receipts.

The rise in online retail shopping accelerates trends that began 20 years ago by sellers of materials and equipment to business and industrial users. Suppliers were able to take advantage of business preferences for the ease

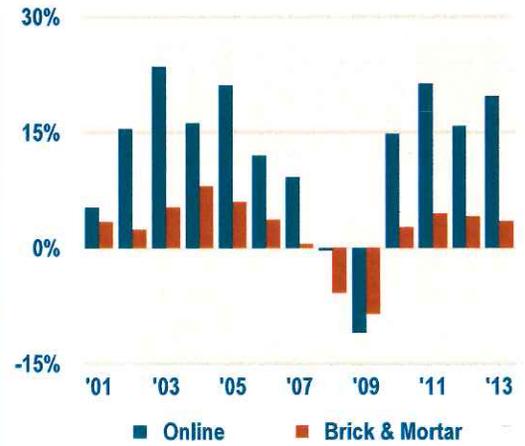
of online ordering by consolidating sales offices and inventories into just a few locations.

However, it was not until social networking and growth in the use of mobile devices that the general public became fully comfortable with online purchasing. Retail analysts expect the trend to expand and every major retailer is testing new concepts to reduce store size and overhead costs by driving more of their sales to centralized web-based order desks.

New technology, recent court decisions and legislative exemptions are constantly reducing what is taxable and has substantially altered the base on which the tax was created in 1933. The concentration of business supplies and now consumer goods into fewer and larger "points of sale" has accelerated competition for what is becoming a diminishing resource. Local governments are now bidding rebates up to 85% of the local tax collected in exchange for location of order desks.

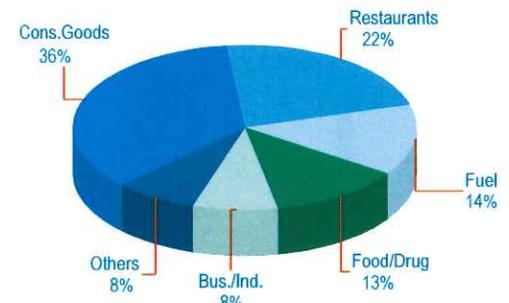
ONLINE VS. BRICK & MORTAR

Year-Over-Year Percent Growth



REVENUE BY BUSINESS GROUP

Temple City This Quarter



TEMPLE CITY TOP 15 BUSINESS TYPES

Business Type	Temple City		County	HdL State
	Q4 '13	Change	Change	Change
Automotive Supply Stores	10,240	-6.2%	2.6%	3.2%
Casual Dining	36,906	7.5%	6.1%	6.4%
Discount Dept Stores	—	CONFIDENTIAL	-0.2%	0.2%
Drug Stores	13,012	21.3%	2.4%	2.5%
Electronics/Appliance Stores	11,076	-18.4%	1.2%	-0.6%
Family Apparel	32,470	2.9%	6.8%	6.3%
Fast-Casual Restaurants	—	CONFIDENTIAL	13.7%	14.4%
Grocery Stores Liquor	33,838	243.4%	99.5%	38.8%
Home Furnishings	9,594	27.2%	5.9%	7.9%
Light Industrial/Printers	10,346	32.3%	2.3%	8.9%
Office Supplies/Furniture	10,254	13.8%	9.4%	-3.3%
Quick-Service Restaurants	49,111	1.7%	6.4%	7.9%
Service Stations	59,880	-7.3%	-4.9%	-2.8%
Specialty Stores	19,076	-22.2%	4.3%	7.0%
Variety Stores	17,937	169.1%	4.8%	8.3%
Total All Accounts	\$432,456	11.5%	8.0%	8.7%
County & State Pool Allocation	\$55,324	6.8%	3.4%	9.4%
Gross Receipts	\$487,780	11.0%	7.4%	8.8%