

Q1 2013



Temple City Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2013)

Temple City In Brief

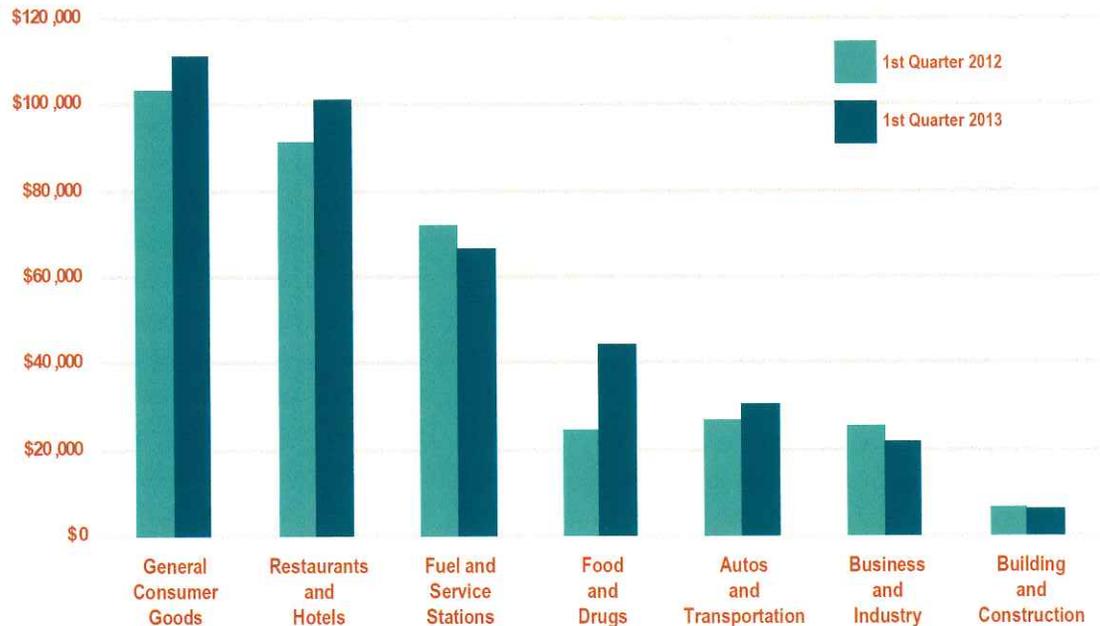
Receipts from first quarter sales were 9.9% above the same sales period one year earlier but onetime reporting aberrations skewed the data. Excluding anomalies, actual sales were up 8.7%.

Increases were most pronounced in the food and drug, restaurants and hotels, and general consumer goods categories. A combination of payment aberrations that temporarily increased proceeds in the current quarter and reduced year-ago receipts inflated the normally stable food and drugs comparison. Most segments of the general consumer goods category were up compared to the prior year. Restaurants with no alcohol and restaurants with beer and wine results benefited from new business additions. The city's allocation from the countywide use tax pool increased, in part, due to collection of previously escaped tax on Internet purchases.

Lower prices at the pump cut fuel and service station results. Slack sales in several business types caused the business and industry drop. Building and construction totals were little-changed.

Net of onetime accounting adjustments all of Los Angeles County gained 4.9%; statewide sales grew 6.5%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

99 Cents Only	OO Kook BBQ
Applebees	Pep Boys
AT&T Mobility	Peters Mobil Service
Chevron	Ralphs
CVS Pharmacy	Rite Aid
Edward Pharmaceutical	Super A Foods
Guppy House	Super Pets
Hometown Buffet	Temple City Powersports
In N Out Burgers	Temple City Shell
Jr Fueling	The Hat
K Mart	TJ Maxx
McDonalds	
Modern Lighting	
Office Depot	

REVENUE COMPARISON

Four Quarters - Fiscal Year To Date

	2011-12	2012-13
Point-of-Sale	\$1,501,871	\$1,533,218
County Pool	165,586	182,837
State Pool	559	817
Gross Receipts	\$1,668,016	\$1,716,872
Less Triple Flip*	\$(417,004)	\$(429,218)

*Reimbursed from county compensation fund

NOTES

California Overall

After adjusting for payment aberrations, statewide sales tax receipts for January through March sales were 6.5% higher than the same period in 2012.

Strong sales for apparel, department stores and big box discounters lifted general consumer goods and accounted for 23% of the statewide increase. Improvements in the housing sector pushed building and construction sales up 8.6%. Continued robust sales of new automobiles led to a 9.3% increase over the comparable quarter. Reduced consumption combined with lower gasoline prices cut fuel and service station returns in the first quarter by 2.7%.

Energy Projects Boost Business and Industry Gains

Taxes from construction of solar, wind, biomass and geothermal power projects accounted for 39% of California's business-to-business sales this quarter and produced significant windfalls for a handful of local agencies.

This temporary boost in revenues came from the federal government's goal of doubling the nation's renewable energy production in three years and from California's SB 2X which was signed in April of 2011 and calls for 33% of all retail electricity sales to be from renewable energy sources by 2020. Joint federal and state funding efforts to meet these goals have resulted in the initiation of more than a dozen utility-scale solar energy projects and over 130 renewable power plant projects in California.

Intermittent quarterly spikes in sales and use tax receipts from projects under construction or in the pipeline are expected for another two years.

Decline in Fuel Consumption Continues

According to the most recent data from the State Board of Equalization, California's gasoline usage fell 1.7% while diesel consumption eased 0.4% in the fourth quarter of 2012 from 2011 levels. This continues a decline that began in 2005 and which is almost twice the nationwide drop.

Historically, economic conditions have been the primary driver in fuel usage, however other factors are becoming increasingly prevalent. Nationally, total vehicle miles traveled have dropped eight years in a row as aging drivers travel fewer miles and the millennial generation, focused on social networking technology, is driving less than previous generations. Increased fuel efficiency is also at play with the average new car achieving 16% more miles per gallon than just five years ago and some

commercial trucking fleets shifting to natural gas.

Until recently, price increases have offset consumption declines. The price gains were partly the result of California refineries exporting their finished product to emerging economies with higher demand and also by periodic refinery and transmission interruptions in the state's limited production infrastructure.

SALES PER CAPITA



TEMPLE CITY TOP 15 BUSINESS TYPES

Business Type	Temple City		County	HdL State
	Q1 '13	Change	Change	Change
Auto Repair Shops	6,001	-4.6%	4.6%	3.9%
Automotive Supply Stores	13,086	-4.4%	4.6%	4.9%
Boats/Motorcycles	10,549	68.8%	8.6%	10.2%
Discount Dept Stores	— CONFIDENTIAL —		5.4%	5.1%
Drug Stores	15,857	54.8%	2.9%	2.9%
Electronics/Appliance Stores	10,080	14.1%	-0.6%	-3.3%
Family Apparel	27,949	10.4%	16.7%	16.3%
Grocery Stores Liquor	21,035	142.6%	64.0%	24.7%
Home Furnishings	8,206	26.5%	2.6%	4.8%
Office Supplies/Furniture	11,664	1.2%	2.6%	-0.5%
Restaurants Beer And Wine	21,104	46.6%	-1.7%	-1.4%
Restaurants Liquor	8,628	-17.5%	7.7%	6.5%
Restaurants No Alcohol	71,285	6.8%	4.4%	6.0%
Service Stations	66,440	-7.7%	-6.0%	-2.2%
Specialty Stores	20,364	14.1%	-4.5%	2.4%
Total All Accounts	\$381,322	8.9%	5.0%	5.7%
County & State Pool Allocation	44,777	19.4%		
Gross Receipts	\$426,099	9.9%		