

Q2 2013



Temple City Sales Tax *Update*

Third Quarter Receipts for Second Quarter Sales (April - June 2013)

Temple City In Brief

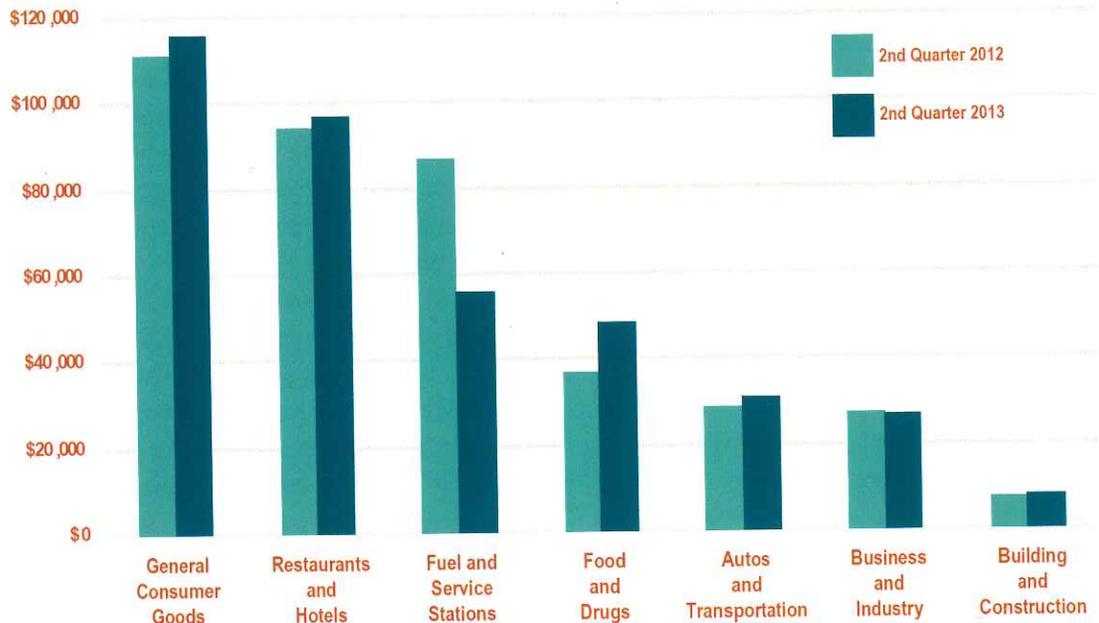
Receipts from Temple City's April through June sales were 3.6% lower than the same quarter one year ago.

The majority of decreased sales can be attributed to reduced service station gasoline consumption. Increased vehicle fuel efficiency, conversions of fleets to natural gas, and changing driver's demographic preferences have negatively impacted fuel and service stations group results. A lower allocation from the countywide use tax pool further contributed to the loss.

The losses were partially offset by a new business addition and payment adjustments that positively impacted the food and drugs group. Restaurant receipts were higher due to new eatery openings while improving sales buoyed both autos and transportation and building and construction revenues.

Adjusted for aberrations, taxable sales for all of Los Angeles County increased 3.7% over the comparable time period, while the Southern California region as a whole was up 5.2%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

7 Eleven	Peters Mobil Service
AT&T Mobility	Ralphs
Chevron	Rite Aid
CVS Pharmacy	Super A Foods
DD Wire	Super Pets
Hometown Buffet	Temple City Powersports
In N Out Burgers	Temple City Shell
Jr Fueling	Temple Liquor
K Mart	The Hat
McDonalds	TJ Maxx
Modern Lighting	Zen Buffet
Office Depot	
OO Kook BBQ	
Pep Boys	

REVENUE COMPARISON

One Quarter - Fiscal Year To Date

	2012-13	2013-14
Point-of-Sale	\$392,519	\$383,192
County Pool	46,229	40,069
State Pool	393	263
Gross Receipts	\$439,142	\$423,524
Less Triple Flip*	\$(109,785)	\$(105,881)

*Reimbursed from county compensation fund

State Overall

Adjusted for accounting anomalies, receipts from local governments' one cent sales and use tax were up 5.4% over the second quarter of 2012.

More than half of the increase was driven by a strong quarter for auto sales plus new revenues flowing to the countywide use tax allocation pools largely as result of the previous passage of AB 155's expanded definition of nexus for out-of-state companies required to collect California sales and use taxes.

Receipts from the building and construction categories exhibited significant gains reflecting the beginning of a recovery in new housing construction and considerable remodeling activity. Restaurant sales were also strong but limited to low priced quick service chains and higher priced fine dining restaurants with full liquor licenses.

Gains from general consumer goods were modest overall and tended to be retailer and community specific. Tax revenues from fuel were down from last year's comparable quarter while receipts from business and industrial purchases were flat with the few increases in that group primarily tied to agriculture and food processing.

The Remaining Fiscal Year

The general consensus is that the state's economy will continue to recover in 2013-14 but sales tax growth may be more modest in the second half of the fiscal year than the first half.

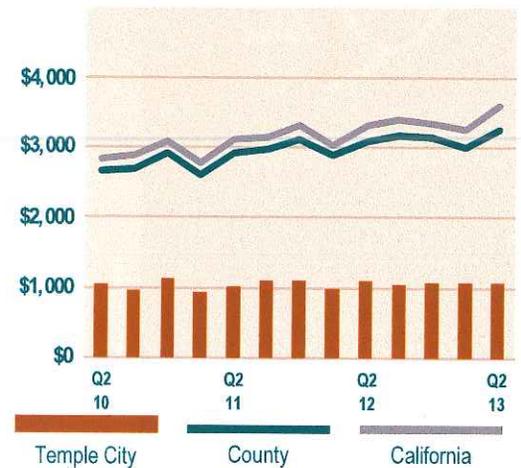
Auto sales which have been up by double digits from years of pent-up demand are expected to plateau in another quarter or two with the pace of growth returning to more normal levels. With consumers taking on more debt to purchase new cars and homes, discretion-

ary spending on other items is expected to slow. Low inflation, price competition and a job recovery tilted toward low paying or part-time work will also keep the cost of taxable goods in check.

The six year boom in the state's technology sector appears to be slowing with companies shifting from buying their own hardware and software to renting computer power through cloud based services. Gas prices will continue to be impacted by refinery shutdowns, Middle East crises and oil speculators. However with today's new cars almost 20% more fuel efficient than those sold only six years ago, further tax gains from this segment are not anticipated.

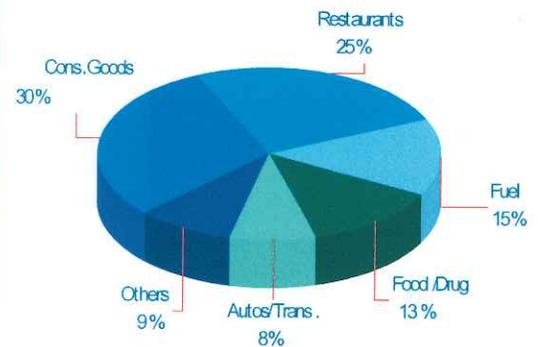
Continued recovery in construction activity is expected to generate a major share of sales tax growth in the second half of the fiscal year. With rising home and stock market values benefiting higher income families, luxury goods in all categories are also projected to show solid gains.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP

Temple City This Quarter



TEMPLE CITY TOP 15 BUSINESS TYPES

Business Type	Temple City		County	HdL State
	Q2 '13	Change	Change	Change
Automotive Supply Stores	14,418	4.7%	4.0%	3.4%
Boats/Motorcycles	9,788	18.2%	12.2%	6.2%
Discount Dept Stores	— CONFIDENTIAL —		2.5%	2.3%
Drug Stores	12,231	18.6%	0.6%	0.8%
Electronics/Appliance Stores	11,408	27.5%	4.3%	3.9%
Family Apparel	27,515	3.9%	4.3%	4.7%
Grocery Stores Beer/Wine	6,800	242.6%	2.3%	-2.5%
Grocery Stores Liquor	23,236	1.0%	4.2%	2.7%
Home Furnishings	9,026	40.4%	4.4%	6.8%
Office Supplies/Furniture	9,557	-8.0%	8.0%	-11.7%
Plumbing/Electrical Supplies	— CONFIDENTIAL —		24.3%	22.6%
Restaurants Beer And Wine	24,677	49.2%	-2.1%	-0.6%
Restaurants No Alcohol	66,571	-2.6%	5.7%	5.9%
Service Stations	55,933	-35.5%	-5.8%	-5.7%
Specialty Stores	22,142	0.2%	3.3%	5.2%
Total All Accounts	\$383,192	-2.4%	6.4%	7.0%
County & State Pool Allocation	40,332	-13.5%		
Gross Receipts	\$423,524	-3.6%		