

General Overview

California sales tax receipts increased by 3.7% over the same quarter from last year, with Northern California reporting a 6.0% increase compared to 3.6% for Southern California. Sales tax receipts for the City of Turlock declined by 3.6% over the same period. Most of the decline for the City of Turlock was in the light industry and recreation products economic segments.

Real gross domestic product (GDP)

increased at an annual rate of 2.9% in the fourth quarter of 2017, according to the "third" estimate released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 3.2%. (BEA)

Unemployment (California and the US):

Rate fell to 4.3% in December. The U.S. rate held at 4.1% in December and remained 4.1% in January 2018.

Holiday 2017 Retail Sales Between

November 1 and December 24: Up 4.9% for 2017, setting a record for dollars spent. This is the largest year-over-year increase since 2011. Online shopping also saw large gains of 18.1% compared to 2016. (Mastercard)

Retail Sales and Use Tax for January:

\$43 million below the month's forecast of \$2.790 billion - a decrease of 1.5%. January receipts includes the final payment for fourth quarter sales, which was due on January 31. Year-to date sales tax revenues are \$35 million below forecast. (DOF)

Quarterly Business Activity

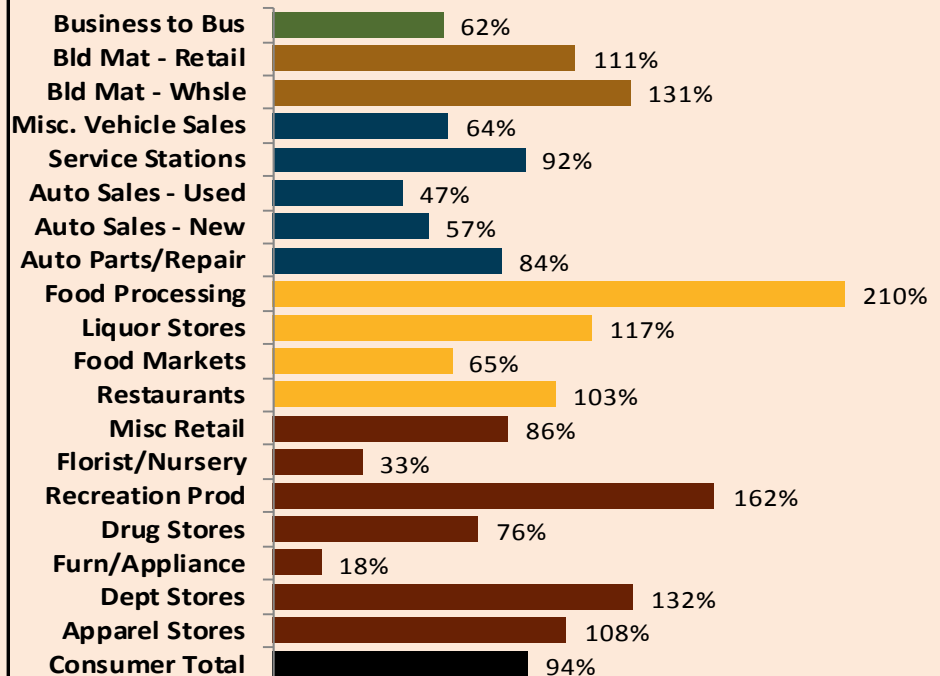
Performance Analysis

2017Q4 Taxable Sales	\$	343.9 million
2016Q4 Taxable Sales	\$	337.0 million
Percent Change		2.1%



Turlock: 4th Quarter 2017 Sales Tax Capture & Gap Analysis Report

Percent of Potential Sales Tax: Less than 100% indicates Leakage and more than 100% indicates capture. It compares Turlock's Sales Tax Revenue to other cities throughout the Central Valley based on purchasing habits and disposable income.

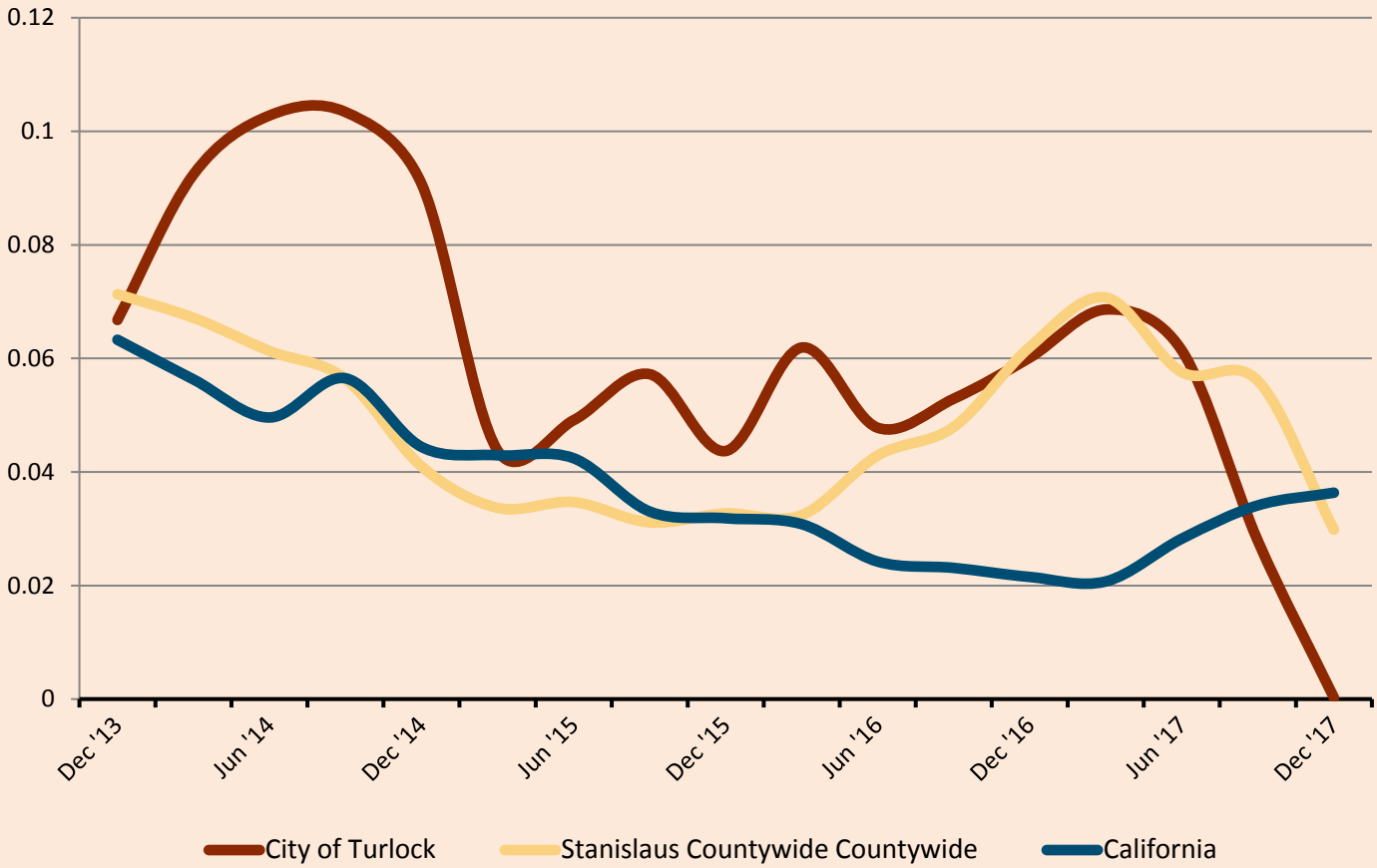


Top 25 Sales & Use Tax Generators

The list is alphabetical and is based on sales from Jan. 2017 through Dec. 2017. These twenty five businesses generate 48.5% of Turlock's Sales and Use Tax Revenue.

ARCO AM/PM	JOE GOMES & SONS	SAVE MART
AT & T MOBILITY	KOHL'S	SHAMBAUGH & SON
BONANDER GMC	LOWE'S	SHELL
CHEVRON	MCDONALD'S	SMITH CHEVROLET
COSTCO	N & S TRACTOR COMPANY	TARGET
GARTON FORD TRACTOR	NELSON-JAMESON	TJ MAXX
HOME DEPOT	ROSS	TURLOCK CHRYS. DODGE JEEP
IND ELECTRIC SUPPLY	SAFEWAY	WAL MART
JKB ENERGY		

Annualized Change in Sales Tax Cash Receipts



Sales Tax Revenue on a Cash Basis

	2017Q4	2016Q4	% Change
General Retail	1,326,121	1,359,736	-2.5%
Food Products	610,836	612,259	-0.2%
Transportation	646,412	658,439	-1.8%
Construction	469,093	483,904	-3.1%
Business To Business	399,187	320,829	24.4%
Miscellaneous	24,980	20,174	23.8%
Gross 1%	3,476,629	3,455,341	0.6%
County Pool	437,973	605,903	-27.7%
State Pool	991	3,640	-72.8%
County Sharing	(195,780)	(203,244)	3.7%
Administration	(40,779)	(44,468)	8.3%
Subtotal	202,405	361,831	44.1%
Total Sales Tax	3,679,034	3,817,172	-3.6%

Sales Tax Cash Basis Performance Stanislaus County

	% Change
Ceres	11.0%
Modesto	0.9%-
Newman	5.3%-
Oakdale	1.1%-
Patterson	0.8%
Riverbank	1.3%
Turlock	3.6%-
Waterford	0.1%
Hughson	21.2%-
Unincorporated	0.3%
Countywide	0.4%-