

General Overview

California sales tax receipts increased by 7.3% over the same quarter from last year, with Northern California reporting a 6.9% increase compared to a 7.6% increase for Southern California. Sales tax receipts for the City of Turlock increased by 4.3% over the same period. Most of the increase in the City of Turlock was in the Heavy Industry, Auto Sales New and Service Stations. Furniture/Appliance and Food Markets also had some gains.

GDP: Grew 2.6% in 2018Q4; 3.4% in 2018Q3; and 4.2% in 2018Q2. Consumer spending was robust due to a strong job market, tax cuts and household income gains. Business investment, after faltering in the third quarter, bounced back in final three months of the year.

The California Department of Tax and Fee Administration announced that it will require out-of-state retailers to collect and remit use tax beginning on April 1, 2019 if in the preceding or current calendar year their sales into California exceed \$100,000, or 200 or more separate transactions.

Real Estate Sales in California:

Statewide sales of existing, single-family homes in January 2019 totaled 357,730, down 3.9% from December and down 12.6% from January 2018. The 30-year, fixed-mortgage interest rate averaged 4.46% in January, up from 4.03% in January 2018 (Freddie Mac).

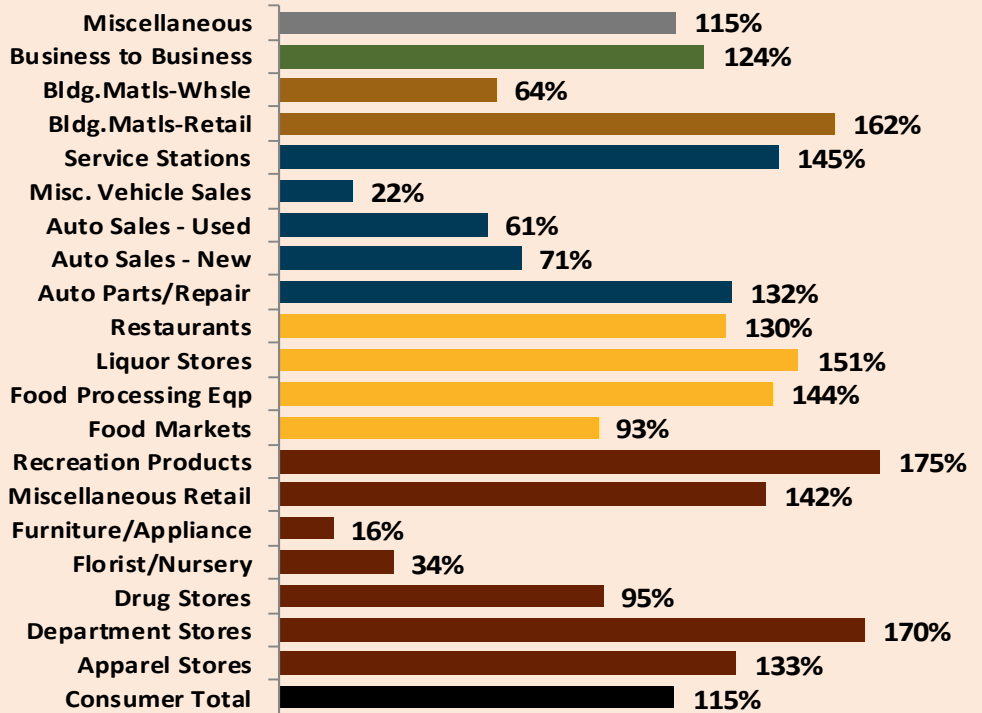
Quarterly Business Activity Performance Analysis

2018Q4 Taxable Sales	\$ 346.0 million
2017Q4 Taxable Sales	\$ 347.1 million
Percent Change	-0.3%



Turlock: 4th Quarter 2018 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.

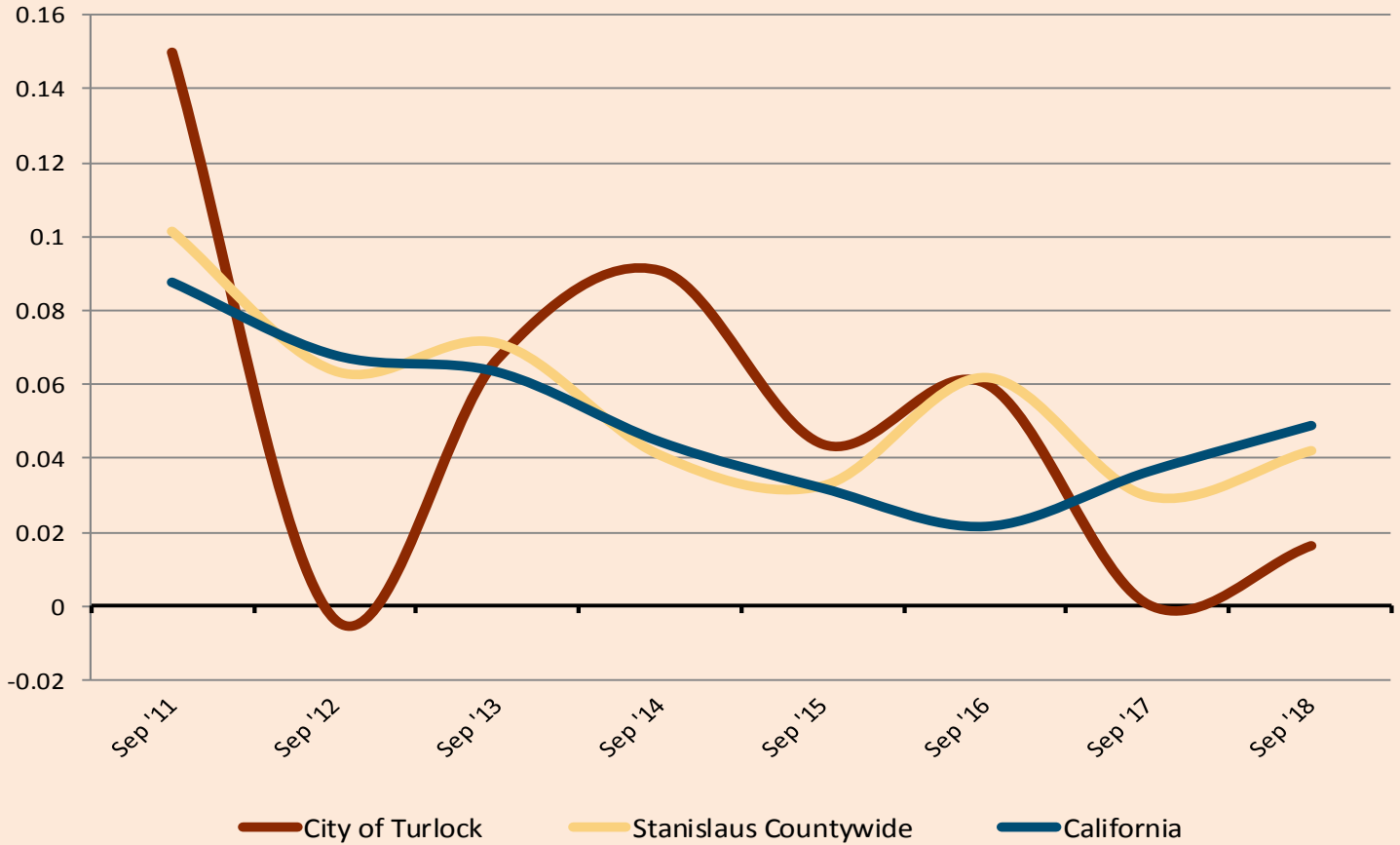


Top 25 Sales & Use Tax Generators

The list is alphabetical and is based on sales from Jan. 2018 through Dec. 2018. These twenty five businesses generate 54% of Turlock's Sales and Use Tax Revenue.

ARCO AM/PM	JKB ENERGY CORPORATION	ROSS STORES
AT & T MOBILITY	KOHL'S	SAFWAY
BON. PONTIAC/BUICK/GMC	LOWE'S HOME CENTERS	SAVE MART
CHEVRON	MCDONALD'S	SHELL SERVICE STATIONS
CHRYSLER DODGE JEEP RAM	N & S TURLOCK	SMITH CHEVROLET
COSTCO WHOLESALE	NELSON-JAMESON	TARGET STORE
GARTON TRACTOR	OLD NAVY	TJ MAXX
HOME DEPOT	QUIK STOP	WAL MART STORES
IND. ELECTRIC SUPPLY		

Annualized Change in Sales Tax Cash Receipts



Sales Tax Revenue on a Cash Basis

	2018Q4	2017Q4	% Change
General Retail	1,138,901	1,158,246	-1.7%
Food Products	594,213	593,680	0.1%
Transportation	903,360	756,941	19.3%
Construction	381,634	389,389	-2.0%
Business To Business	531,953	551,837	-3.6%
Miscellaneous	34,193	26,536	28.9%
Gross 1%	3,584,254	3,476,629	3.1%
County Pool	491,469	437,973	12.2%
State Pool	1,731	991	74.7%
County Sharing	(203,873)	(195,780)	-4.1%
Administration	(35,995)	(40,779)	11.7%
Subtotal	253,332	202,405	-25.2%
Total Sales Tax	3,837,586	3,679,034	4.3%

Sales Tax Cash Basis Performance Stanislaus County

	% Change
Ceres	13.8%
Modesto	7.3%
Newman	11.5%
Oakdale	2.8%
Patterson	12.7%
Riverbank	16.9%
Turlock	4.3%
Waterford	0.9%
Hughson	29.4%
Unincorporated	18.0%
Countywide	8.3%