

General Overview

California sales tax receipts increased by 20.8% over the same quarter from last year, with Northern California reporting a 28.0% increase compared to a 23.9% increase for Southern California. Sales tax receipts for the City of Turlock increased by 29.4% over the same period. Most of the increase in the City of Turlock was in Wholesale Building Materials, Restaurants and Energy Sales. Auto Parts / Repair and Department Stores also had some gains.

Consumer Spending: Spending increased moderately in May; supported by a 0.5% rise in personal income. May 2019 increased by 1.4%; April 2019 increased by 0.6%; March 2019 increased by 1.0% and February 2019 decreased by 0.2%.

CA Labor Market: The unemployment rate remained at 4.2% in June. The U.S. Unemployment Rate dropped by 0.5% to 3.6% in May and remained at that level in June. California's Labor Force Participation Rate rose by 0.2% in June, the state's highest rate since August, 2013.

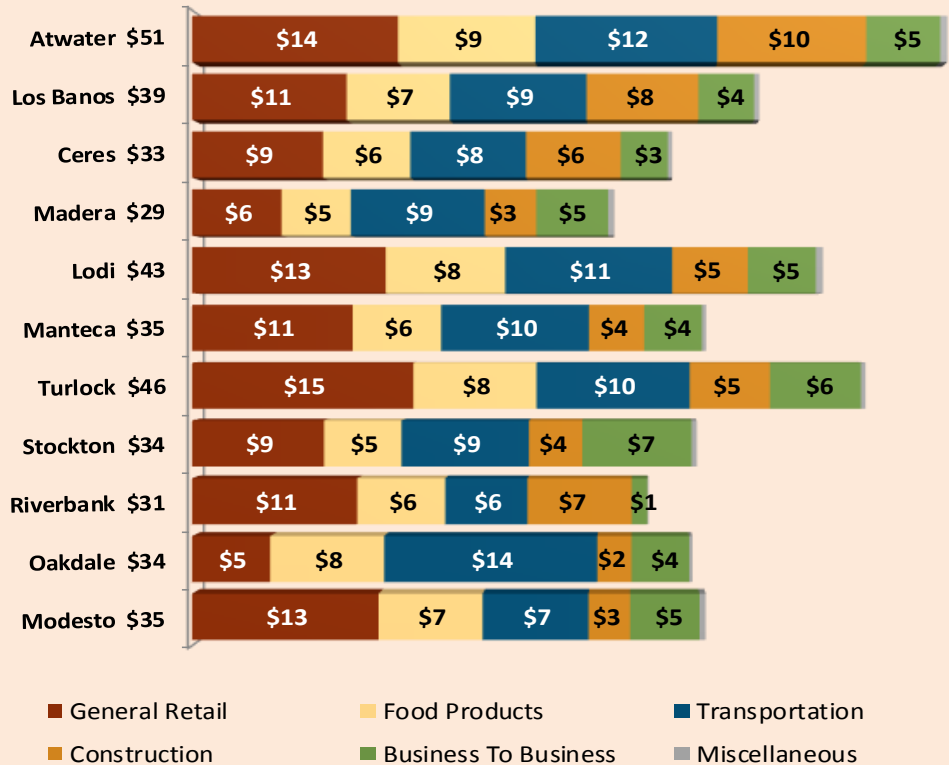
U.S. Retail: Sales excluding automobiles, gasoline, building materials and food services, grew by 0.4% in August 2019 over the previous month, and 4.1% over August 2018. Total sales for the June 2019 through August 2019 were up 3.7% over the same period a year ago. From June 2019 to July 2019 sales grew by 0.8%

Quarterly Business Activity Performance Analysis

| | |
|----------------------|------------------|
| 2019Q2 Taxable Sales | \$ 340.7 million |
| 2018Q2 Taxable Sales | \$ 339.4 million |
| Percent Change | 0.4% |



Turlock: 2nd Quarter 2019 Per Capita Sales Tax CENTRAL VALLEY REGION

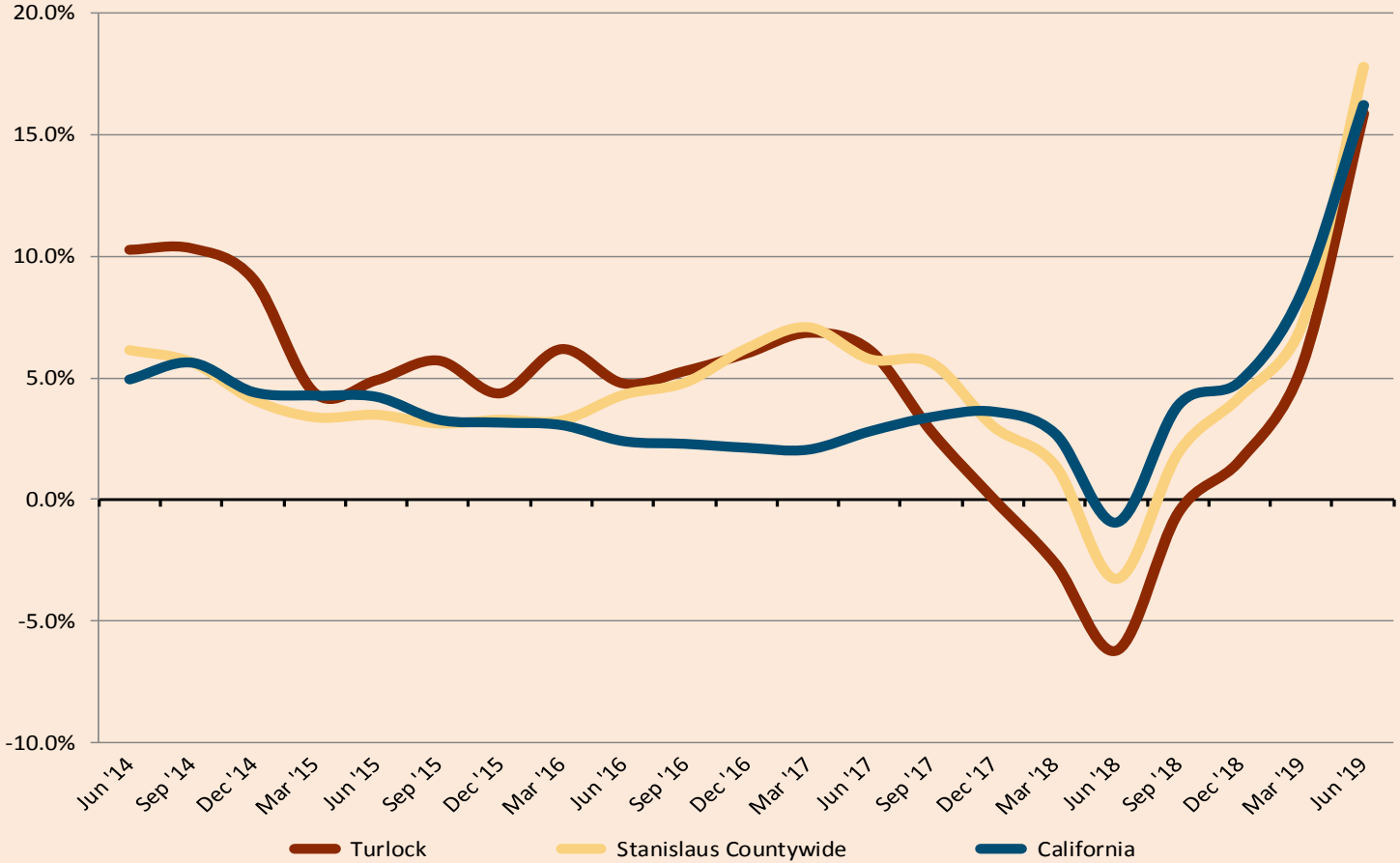


Top 25 Sales & Use Tax Generators

The list is alphabetical and is based on sales from July, 2018 through June 2019. These twenty five businesses generate 53% of Turlock's Sales and Use Tax Revenue.

| | | |
|--------------------------|--------------------------|--------------------------|
| ARCO AM/PM MINI MARTS | JOE M.GOMES AND SONS | SHELL SERVICE STATIONS |
| AT & T MOBILITY | KOHL'S | SMITH CHEVROLET |
| BONANDER BUICK GMC | LOWE'S HOME CENTERS | TARGET STORES |
| CHEVRON SERVICE STATIONS | MCDONALD'S | TJ MAXX |
| COSTCO WHOLESALE | N & S TURLOCK | TURLOCK CHRYS DODGE JEEP |
| DUST BOWL BREWING | NELSON-JAMESON | VALERO SERVICE STATIONS |
| GARTON FORD TRACTOR | ROSS STORES | WAL MART STORES |
| HOME DEPOT | SAFEWAY SERVICE STATIONS | |
| IND. ELECTRIC SUPPLY | SAVE MART SUPERMARKETS | |

Annualized Change in Sales Tax Cash Receipts



Sales Tax Revenue on a Cash Basis

| | 2019Q2 | 2018Q2 | % Change |
|------------------------|------------------|------------------|---------------|
| General Retail | 1,165,373 | 874,164 | 33.3% |
| Food Products | 649,670 | 522,719 | 24.3% |
| Transportation | 824,438 | 557,656 | 47.8% |
| Construction | 242,883 | 322,836 | -24.8% |
| Business To Business | 575,740 | 373,051 | 54.3% |
| Miscellaneous | 30,941 | 20,479 | 51.1% |
| Gross 1% | 3,489,046 | 2,670,906 | 30.6% |
| County Pool | 481,872 | 401,602 | 20.0% |
| State Pool | 1,489 | 1,006 | 48.0% |
| County Sharing | (198,620) | (153,676) | -29.2% |
| Administration | (38,465) | (34,284) | -12.2% |
| Subtotal | 246,276 | 214,648 | -14.7% |
| Total Sales Tax | 3,735,322 | 2,885,554 | 29.4% |

Sales Tax Cash Basis Performance Stanislaus County

| | % Change |
|----------------|----------|
| Ceres | 42.3% |
| Modesto | 15.1% |
| Newman | 36.5% |
| Oakdale | 32.3% |
| Patterson | 26.1% |
| Riverbank | 40.8% |
| Turlock | 29.4% |
| Waterford | 59.0% |
| Hughson | -4.5% |
| Unincorporated | 39.0% |
| Countywide | 27.6% |