

General Overview

California sales tax receipts increased by 1.2% over the same quarter from last year, with Northern California reporting a 3.8% increase compared to -0.8% for Southern California. Receipts for the City of Turlock changed by 3.1% over the same periods. Much of the increase was in Restaurants, Light Industry, Apparel Stores and Truck Sales. The percent increase would have been higher had it not been for continued declines in Service Stations and Energy Sales, mostly due to lower fuel prices. The New Auto Sales, Heavy Industry and Food Processing Equipment economic segments also experienced significant declines.

U.S. Retail Sales increased 1.6% from \$ 1.184 trillion in 2016Q1 to \$ 1.202 trillion in 2016Q2. In the prior quarter, U.S. Retail Sales had decreased by 0.3% from \$ 1.187 trillion in 2015Q4. (YCharts)

U.S. Retail Sales are expected to grow by 4% during the upcoming Holiday Shopping Season, an increase from the 2.5% growth in holiday shopping from last year. A similar 4% growth is expected during the holidays in 2017. (Kiplinger)

During the month of June the California Unemployment Rate increased by 0.2% to 5.4%, which was the first increase since September of 2010. This was the result of California's labor force growing by 1% in June, while employment increased by just 0.4%. (CA DoF, CA EDD)

Quarterly Business Activity Performance Analysis

2016Q2 Taxable Sales	\$ 304.1 million
2015Q2 Taxable Sales	\$ 303.7 million
Percent Change	0.1%

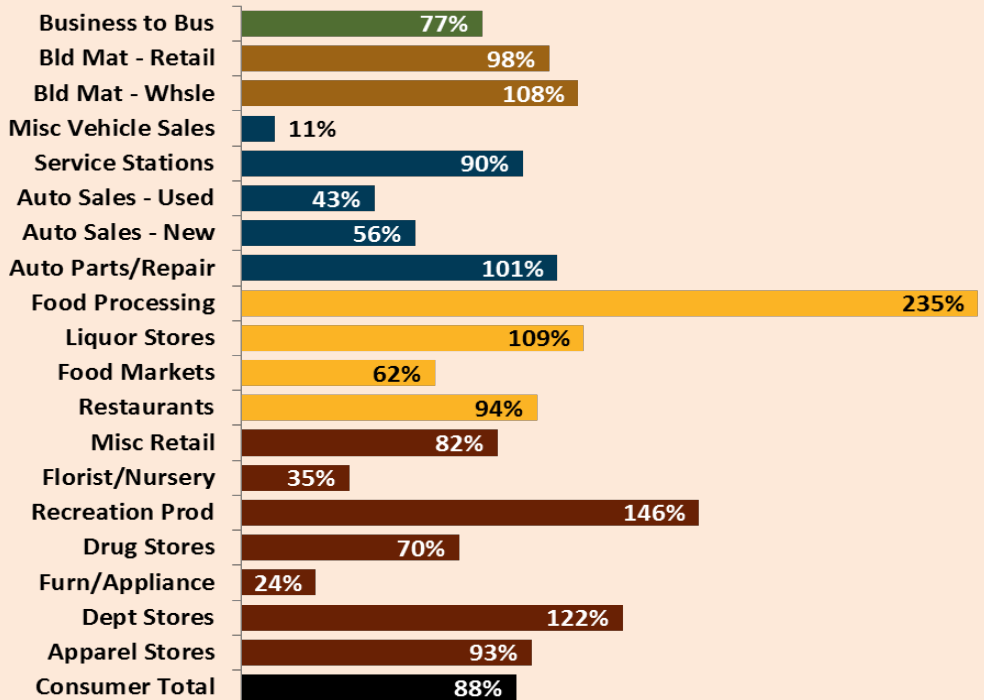


City of Turlock

2016Q2 Sales Tax Update

Turlock: 2nd Quarter 2016 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.

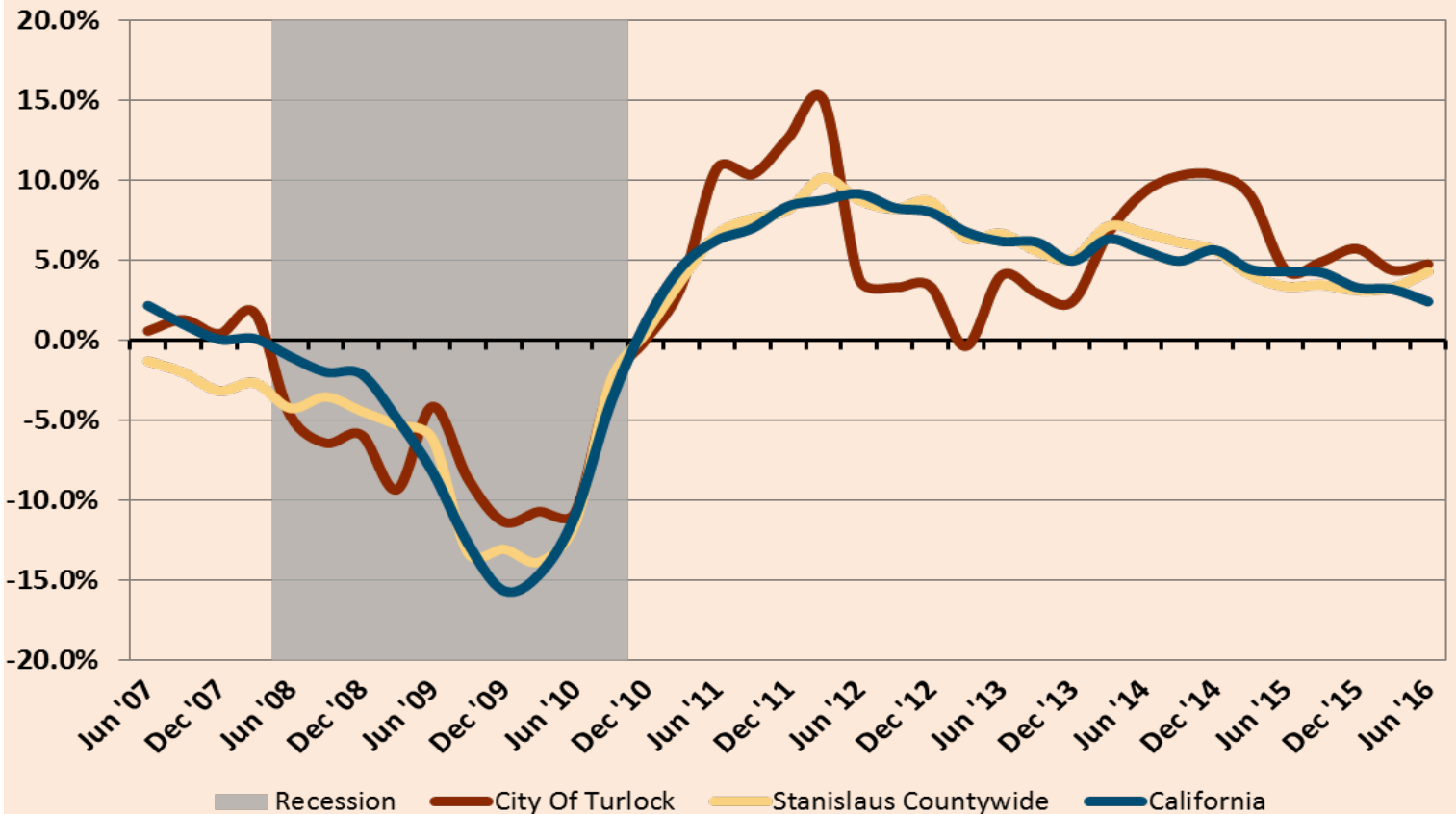


Top 25 Sales & Use Tax Generators

The list is alphabetical and is based on Sales from Jul 2015 through Jun 2016. These twenty five businesses generate 49% of Turlock's Sales and Use Tax Revenue.

ARCO AM/PM *	INDEPENDENT ELEC. SPLY.	ROSS STORES
AT & T MOBILITY	JKB ENERGY *	SAFEWAY
BONANDER GMC	JOE GOMES & SONS	SAVE MART
COSTCO	KOHL'S	SMITH CHEVROLET
DIAMOND TRUCK SALES *	LOWE'S	TARGET
DICK'S SPORTING GOODS *	MCDONALD'S	TJ MAXX
GARTON FORD TRACTOR	N & S TRACTOR	TURLOCK CHRYS. DODGE JEEP
HOLT OF CALIFORNIA *	NELSON-JAMESON	WAL MART
HOME DEPOT		

Annualized Change in Sales Tax Cash Receipts



Sales Tax Revenue on a Cash Basis

	2016Q2	2015Q2	% Change
General Retail	951,459	918,863	3.5%
Food Products	646,017	642,980	0.5%
Transportation	675,460	704,241	-4.1%
Construction	488,087	478,264	2.1%
Business To Business	347,705	320,613	8.5%
Miscellaneous	17,874	19,409	-7.9%
Gross 1%	3,126,603	3,084,369	1.4%
County Pool	454,432	380,507	19.4%
State Pool	1,092	2,581	-57.7%
County Sharing	(179,106)	(173,373)	-3.3%
Administration	(41,117)	(33,086)	-24.3%
Subtotal	235,301	176,629	-33.2%
Total Sales Tax	3,361,904	3,260,998	3.1%

Sales Tax Cash Basis Performance Stanislaus County

	% Change
Ceres	11.0%
Modesto	3.7%
Newman	5.5%
Oakdale	5.7%
Patterson	34.1%
Riverbank	13.8%
Turlock	3.1%
Waterford	14.7%
Hughson	5.2%
Unincorporated	10.3%
Countywide	7.6%