

Q1 2016



City of Moorpark Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2016)

Moorpark In Brief

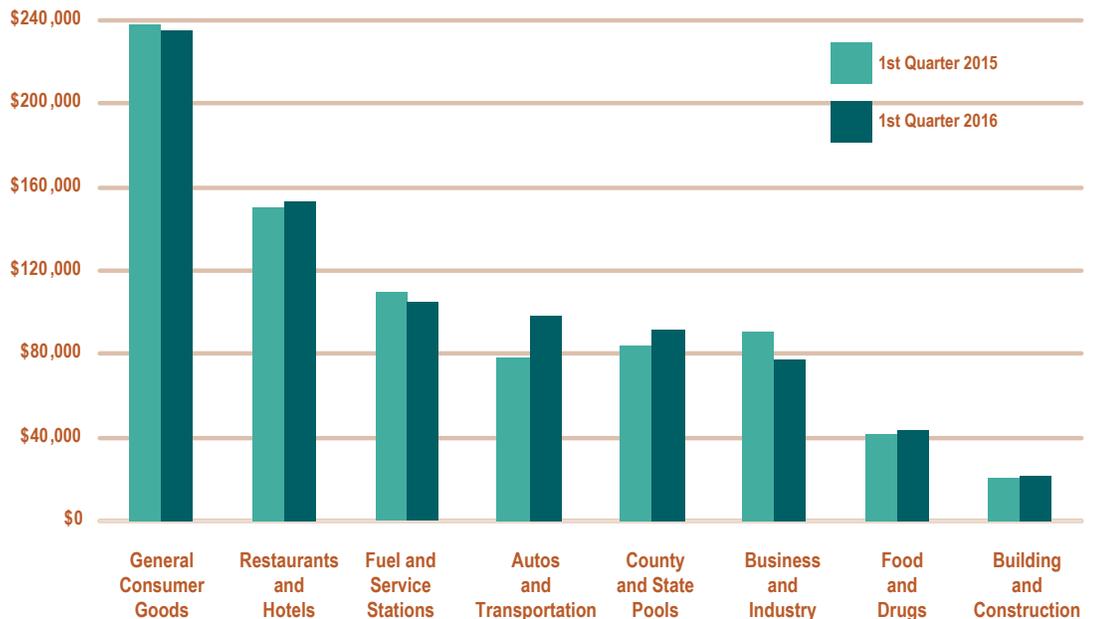
Moorpark's receipts from January through March were 1.2% above the first sales period in 2015.

The City experienced a strong sales quarter from auto-transportation, far exceeding the regional and statewide trends. Casual dining and quick-service restaurant activity continues to improve with greater variety and new options for consumers. Allocations from the countywide use tax pool also increased, mostly attributed to the rise in online purchases, further contributing to the overall growth.

Weak returns from light industrial vendors and multiple general consumer good retailers, including specialty stores, partially offset the gains. For the sixth straight quarter, declining demand for crude oil and a stable supply of retail fuel locally, pushed gas prices lower negatively impacting revenue from service stations.

Net of aberrations, taxable sales for all of Ventura County were flat over the comparable time period; the Southern California region was up 3.1%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

76	Moorpark Chevron
Authentic Watches	Moorpark Petroleum
Barnes & Noble College Bookstores	National Ready Mixed Concrete
Campus Plaza Shell	Pentair Pool Products
Command Performance Catering	Simi Valley Harley Davidson
Dick's Sporting Goods	Target
Fitzpatrick Dental Equipment	Tesoro Refining & Marketing
In N Out Burgers	TJ Maxx
Kahoots Pet Store	Tom Lindstrom RV
Kohls	Vons
McDonalds	Warehouse Discount Center
Michaels	Wood Ranch BBQ Grill
Moorpark 76	

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2014-15	2015-16
Point-of-Sale	\$3,367,379	\$3,502,251
County Pool	381,119	407,892
State Pool	2,236	2,536
Gross Receipts	\$3,750,734	\$3,912,679
Cty/Cnty Share	(123,774)	(129,118)
Net Receipts	\$3,626,960	\$3,783,561
Less Triple Flip*	\$(906,740)	\$(746,559)

*Reimbursed from county compensation fund

California Overall

The local one-cent share of the statewide sales and use tax was 3.1% higher than the year-ago quarter after excluding payment aberrations.

Gains in the countywide use tax pools were the largest contributor to the increase due to the growing impact of online purchases from out-of-state sellers and the corresponding shift of tax revenues from brick and mortar retail stores to fulfillment centers that process orders online. Not surprisingly, areas with concentrations of young, affluent buyers saw the highest online sales growth and the weakest general consumer goods results.

Solid results from auto sales and leases, transportation rentals, contractor supplies and restaurants also contributed to the overall increase.

The 5.6% gain in the business-industry sector was bolstered by onetime receipts for equipment purchases related to alternative energy projects.

Most general consumer goods categories were flat or down, except for specialty stores, electronics-appliance stores and home furnishings, consistent with the trend of consumers buying more from online retailers.

Gains from most other segments were relatively modest, while lower prices at the pump caused an 11.4% decline in fuel tax revenues, extending the decline to a sixth consecutive quarter.

Robust Growth in Online Sales

National surveys reveal that consumers buy online to avoid crowds, save time and find better bargains. Online shopping also benefits buyers in rural areas with fewer shopping options.

Total online spending comprised 12.8% of all general consumer goods purchases in 2015, up from 3.4% in 2000.

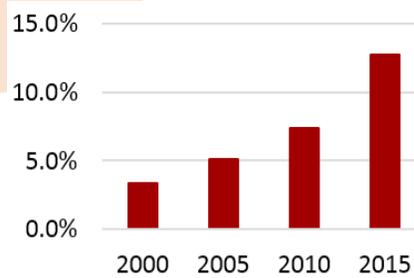
According to Forrester Research, Amazon accounted for 60% of total online sales growth in 2015.

Though the online share of overall sales

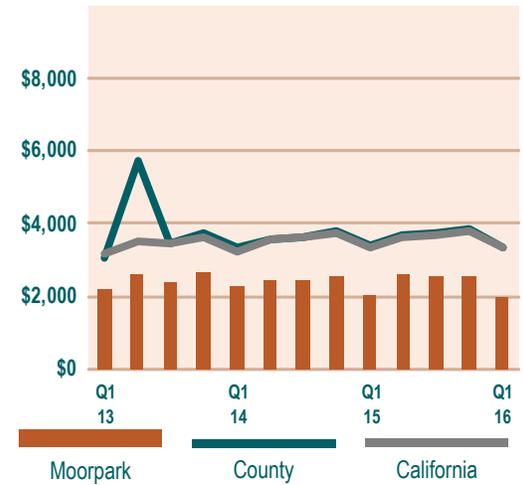
remains relatively modest, the year-over-year growth rate indicates a major shift in retailing is well underway. In response, more and more traditional brick and mortar retailers are opening online sales channels in recognition of this growing trend largely powered by younger buyers.

Department store chains have been particularly hard hit as Amazon has expanded its offerings to include apparel and fashion merchandise. Media reports indicate Macy's recently suffered its worse quarterly sales since the recession, while Nordstrom, J.C. Penney and Kohl's all reported lower sales. Each of these chains has established a solid web presence in a fight to retain market share.

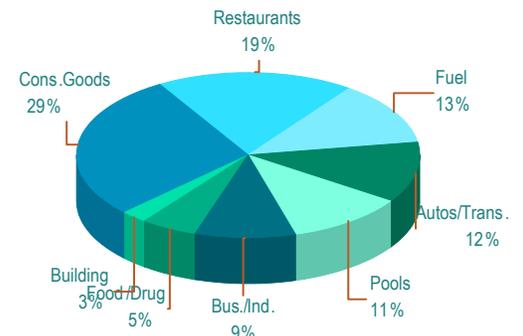
**Online General Consumer Goods
YOY Percentage Growth**



SALES PER CAPITA



**REVENUE BY BUSINESS GROUP
Moorpark This Quarter**



MOORPARK TOP 15 BUSINESS TYPES

Business Type	Moorpark		County	HdL State
	Q1 '16	Change	Change	Change
Boats/Motorcycles	— CONFIDENTIAL —	—	13.9%	4.5%
Casual Dining	55,174	2.1%	3.9%	5.7%
Department Stores	— CONFIDENTIAL —	—	-3.4%	-4.7%
Discount Dept Stores	— CONFIDENTIAL —	—	0.6%	-0.3%
Drug Stores	14,856	6.6%	1.6%	0.0%
Electrical Equipment	19,203	22.4%	-8.3%	6.7%
Electronics/Appliance Stores	— CONFIDENTIAL —	—	7.6%	2.8%
Family Apparel	— CONFIDENTIAL —	—	1.9%	-0.7%
Grocery Stores Liquor	20,073	5.3%	1.1%	1.6%
Leisure/Entertainment	— CONFIDENTIAL —	—	2.4%	3.8%
Light Industrial/Printers	18,633	-26.5%	-10.4%	-1.7%
Quick-Service Restaurants	65,350	4.2%	4.7%	6.4%
Service Stations	104,496	-4.4%	-9.1%	-9.3%
Specialty Stores	20,587	-12.9%	9.1%	3.5%
Trailers/RVs	— CONFIDENTIAL —	—	20.6%	6.1%
Total All Accounts	733,209	0.4%	-0.4%	1.8%
County & State Pool Allocation	91,325	8.2%	7.3%	14.1%
Gross Receipts	824,535	1.2%	0.4%	3.2%
City/County Share	(27,210)	-1.2%		
Net Receipts	797,325	1.2%		

Q2 2016



City of Moorpark Sales Tax Update

Third Quarter Receipts for Second Quarter Sales (April - June 2016)

Moorpark In Brief

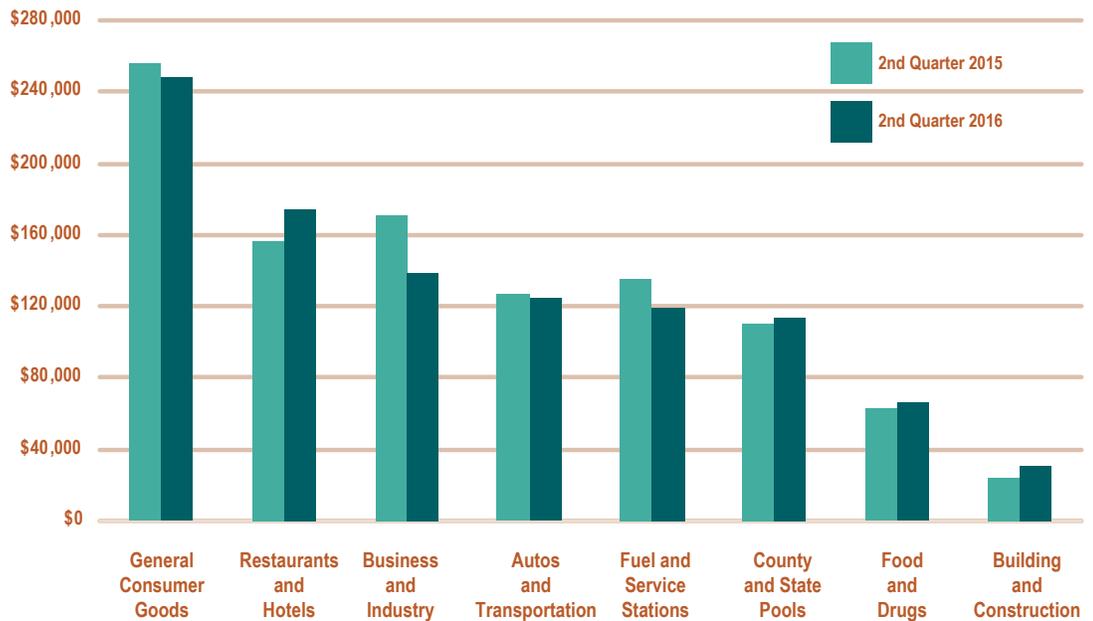
Moorpark's receipts from April through June were 2.7% below the second sales period in 2015. Excluding reporting aberrations, actual sales were down 3.9%.

The slump in business to business sales activity was the largest contributor to the decline in gross receipts overall. Lower fuel prices depressed service station returns while general retail dipped compared to a year ago.

Once non-recurring adjustments were removed, revenues in the autos and transportation group increased 4.5%. The double-digit gain in restaurants and hotels was overstated by multiple payment deviations. Nonetheless, the rise in casual dining and fast-casual restaurants surpassed regional trends.

Net of aberrations, taxable sales for all of Ventura County declined 1.0% over the comparable time period; the Southern California region was up 1.6%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

76	National Ready Mixed Concrete
Campus Plaza Shell	Pentair Pool Products
Command Performance Catering	Ralphs
Dick's Sporting Goods	Simi Valley Harley Davidson
In N Out	Target
Kahoots Pet Store	Tesoro Refining & Marketing
Kohls	Testequity
McDonalds	TJ Maxx
Michaels	Tom Lindstrom RV
Moorpark 76	Vons
Moorpark Chevron	Warehouse Discount Center
Moorpark Country Club	Wood Ranch BBQ
Moorpark Petroleum	

REVENUE COMPARISON

One Quarter - Fiscal Year To Date

	2015-16	2016-17
Point-of-Sale	\$932,431	\$901,898
County Pool	109,680	112,767
State Pool	776	309
Gross Receipts	\$1,042,888	\$1,014,974
Cty/Cnty Share	(34,415)	(33,494)
Net Receipts	\$1,008,472	\$981,480
Less Triple Flip*	\$(252,118)	\$0

*Reimbursed from county compensation fund

California Overall

Statewide local sales and use tax receipts were up 1.9% over last year's spring quarter after adjusting for payment aberrations.

The largest gains were for building supplies, restaurants, utility/energy projects and countywide use tax pool allocations. Tax revenues from general consumer goods and business investment categories rose slightly while auto sales leveled off.

Interest In Tax Reform Grows

With modest growth in sales and use taxes, agencies are increasingly reliant on local transaction tax initiatives to cover growing infrastructure and employee retirement costs. As of October 1, there are 210 active add-on tax districts with dozens more proposed for the upcoming November and April ballots.

The Bradley-Burns 1% local sales tax structure has not kept pace with social and economic changes occurring since the tax was first implemented in 1933. Technology and globalization are reducing the cost of goods while spending is shifting away from taxable merchandise to non-taxed experiences, social networking and services. Growing outlays for housing and health care are also cutting family resources available for discretionary spending. Tax-exempt digital downloads and a growing list of legislative exemptions have compounded the problem.

California has the nation's highest sales tax rate, reaching 10% in some jurisdictions. This rate, however, is applied to the smallest basket of taxable goods. A basic principle of sound tax policy is to have the lowest rate applied to the broadest possible basket of goods. California's opposite approach leads to revenue volatility and causes the state and local governments to be more vulnerable to economic downturns.

The State Controller, several legislators and some newspaper editorials have suggested a fresh look at the state's tax structure and a few ideas for reform have been proposed, including:

Expand the Base / Lower the Rate:

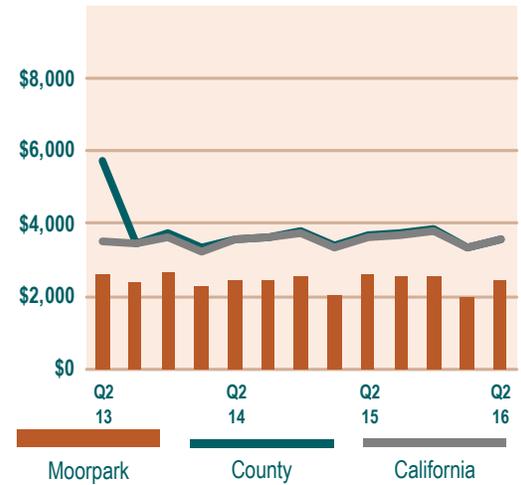
Eliminate much of the \$11.5 billion in exemptions adopted since the tax was first implemented and expand the base to include the digital goods and services commonly taxed in other states. This would allow a lower, less regressive tax that is more competitive nationally and would expand local options for economic development.

Allocate to Place of Consumption:

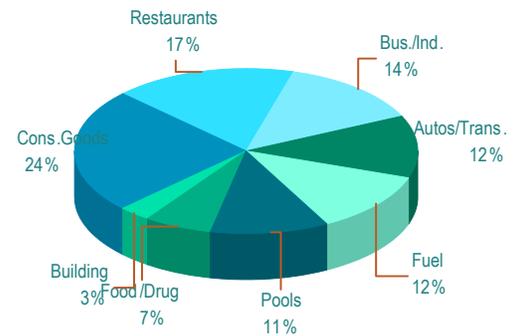
Converting to destination sourcing, already in use in the state's transactions and use tax districts, would maintain the allocation of local sales tax to the jurisdiction where stores, restaurants and other carryout businesses are located, but return the tax for online and catalog sales to the jurisdiction of the buyer that paid the tax. One outcome of this proposal would be the redirection of tax revenues to local agencies that are currently being shared with business owners and corporations as an inducement to move order desks to their jurisdictions.

Tax reform will not be easy. However, failing to reach agreement on a simpler, less regressive tax structure that adapts this century's economy could make California a long-term "loser" in competing with states with lower overall tax rates.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP
Moorpark This Quarter



MOORPARK TOP 15 BUSINESS TYPES

Business Type	Moorpark		County	HdL State
	Q2 '16	Change	Change	Change
Boats/Motorcycles	— CONFIDENTIAL —	—	6.6%	6.3%
Casual Dining	59,589	7.3%	0.0%	4.2%
Contractors	— CONFIDENTIAL —	—	6.9%	6.4%
Department Stores	— CONFIDENTIAL —	—	-1.7%	-4.3%
Discount Dept Stores	— CONFIDENTIAL —	—	0.2%	0.7%
Electrical Equipment	— CONFIDENTIAL —	—	13.1%	23.4%
Electronics/Appliance Stores	— CONFIDENTIAL —	—	7.6%	22.4%
Family Apparel	— CONFIDENTIAL —	—	6.4%	4.4%
Grocery Stores Liquor	40,620	6.1%	-2.3%	1.2%
Leisure/Entertainment	— CONFIDENTIAL —	—	13.8%	5.2%
Light Industrial/Printers	37,921	1.2%	-23.3%	0.5%
Quick-Service Restaurants	64,411	-2.1%	5.9%	6.7%
Service Stations	119,130	-12.3%	-18.7%	-19.2%
Specialty Stores	22,520	-14.1%	0.5%	2.6%
Trailers/RVs	— CONFIDENTIAL —	—	1.0%	13.6%
Total All Accounts	901,898	-3.3%	-2.3%	-0.6%
County & State Pool Allocation	113,076	2.4%	3.4%	15.2%
Gross Receipts	1,014,974	-2.7%	-1.7%	1.4%
City/County Share	(33,494)	2.7%		
Net Receipts	981,480	-2.7%		

Q3 2016



City of Moorpark Sales Tax *Update*

Fourth Quarter Receipts for Third Quarter Sales (July - September 2016)

Moorpark In Brief

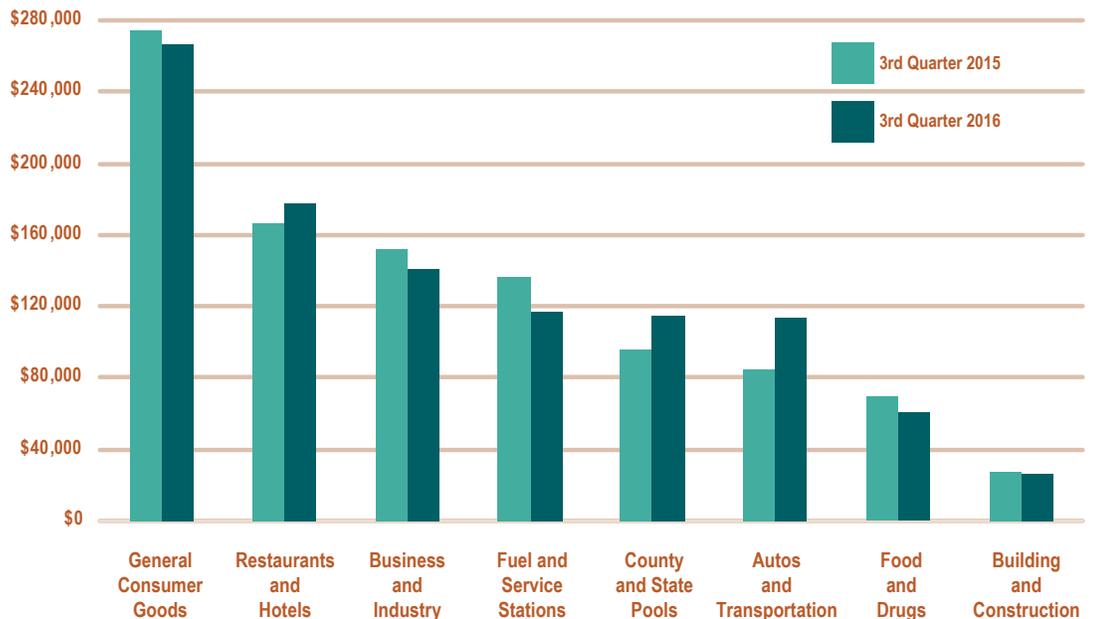
Moorpark's receipts from July through September were 1.1% above the third sales period in 2015. Actual sales activity was up 0.7% when reporting aberrations were factored out.

The City experienced a strong sales quarter for autos and transportation sector. The City's allocation from the county use tax pool also contributed to overall increase.

The gains were offset by lower fuel prices at the pump that reduced receipts from service stations and a decline in sales from general consumer goods.

Net of aberrations, taxable sales for all of Ventura County were flat over the comparable time period; the Southern California region was up 1.5%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

76	Pentair Pool Products
Campus Plaza Shell	Ralphs
Command Performance Catering	Simi Valley Harley Davidson
Cornerstone Photography	Socore Energy
Dick's Sporting Goods	Target
In N Out Burgers	Tesoro Refining & Marketing
Kahoots Pet Store	Testequity
Kohls	TJ Maxx
McDonalds	Tom Lindstrom RV
Moorpark 76	Vons
Moorpark Chevron	Warehouse Discount Center
Moorpark Petroleum	Wood Ranch BBQ
National Ready Mixed Concrete	

REVENUE COMPARISON

Two Quarters – Fiscal Year To Date

	2015-16	2016-17
Point-of-Sale	\$1,844,602	\$1,805,236
County Pool	205,094	227,602
State Pool	944	618
Gross Receipts	\$2,050,641	\$2,033,456
Cty/Cnty Share	(67,671)	(67,104)
Net Receipts	\$1,982,969	\$1,966,352
Less Triple Flip*	\$(495,742)	\$0

*Reimbursed from county compensation fund

Statewide Results

Statewide local sales and use taxes from transactions occurring July through September were up 1.9% over the same third sales quarter of 2015 after factoring for accounting anomalies.

The countywide use tax allocation pools contributed the largest portion of the increase reflecting the acceleration in online shopping where most orders are shipped from out-of-state. Automotive group receipts rose 5.4% over the year-ago period although more than half of the increase was from a specific electric car manufacturer. Higher returns from restaurants and sales of building/construction materials also contributed to the statewide gain.

The gains were significantly offset by a 14.6% drop in receipts from fuel and service stations and a generally flat quarter for other economic segments. General consumer goods grew less than 1%. Value priced clothing, pet shops, cosmetics and dollar stores were among the few bright spots.

Business and industrial tax revenue was down 1.9%. Relatively healthy sales of agricultural and medical/biotech supplies could not overcome the decline in new alternative energy projects and a flat quarter for most other categories.

The Year Ahead

The consensus from dozens of industry analysts, economic think tanks and trade associations is for a leveling off in the rate of sales tax growth that the state has enjoyed for the last six years.

Manufacturer incentives are expected to produce lower gains from new vehicle purchases through the end of 2016 and it is believed that dealers are now borrowing from 2017 sales. Vehicle sales are expected to drop in 2017-18 but the trend toward higher priced vehicles loaded with options could maintain tax revenues close to current levels.

Consumer preferences toward spending more on services rather than goods, digital downloading of previously taxable products and rising health care and housing costs will be a drag on sales of consumer

goods.

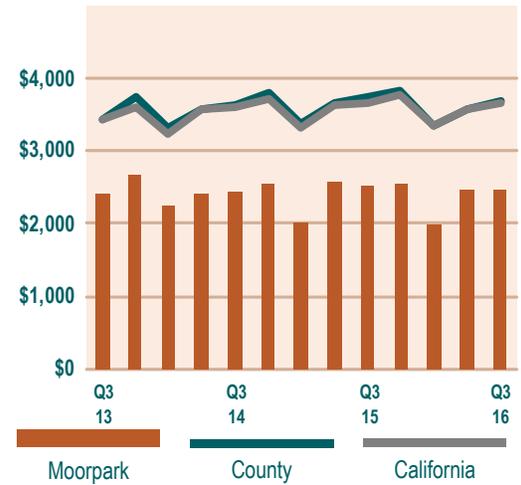
Receipts from fuel and service stations may be one of the largest gainers in 2017-18. New Middle East agreements on production caps are raising crude oil prices while California's limited refinery capacity and the trend toward less fuel-efficient SUV's and trucks have analysts believing that prices have finally leveled out and will rise through the year.

Continuing gains from restaurants are also expected although at lower than previous rates because of reduced grocery prices and the cost of eating at home. The growing strength of the dollar and recent criticisms of trade agreements and immigrants could reduce international tourism.

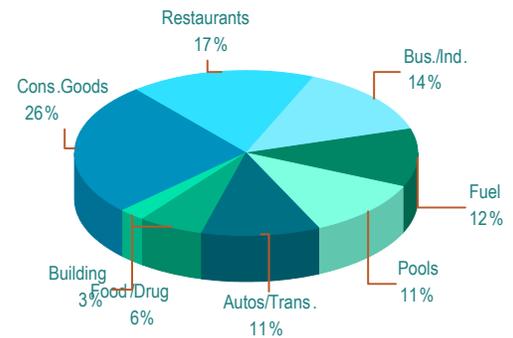
It usually takes up to two years for new stimulus programs to be reflected in sales tax receipts. As many of the coming administration's proposals related to trade, immigration, health services and the environment present potential issues for a significant number of California industries, delays in major construction projects and business/industrial investments are expected until these are sorted out.

HdL's current forecast is for a statewide increase of 2.5% in 2016-17 and 3.4% in 2017-18 compared to a year earlier.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP
Moorpark This Quarter



MOORPARK TOP 15 BUSINESS TYPES

Business Type	Moorpark		County	HdL State
	Q3 '16	Change	Change	Change
Boats/Motorcycles	— CONFIDENTIAL —	—	5.0%	3.7%
Casual Dining	61,663	11.7%	3.1%	4.4%
Department Stores	— CONFIDENTIAL —	—	-2.2%	-2.3%
Discount Dept Stores	— CONFIDENTIAL —	—	-0.9%	-0.4%
Electrical Equipment	— CONFIDENTIAL —	—	0.5%	13.0%
Electronics/Appliance Stores	— CONFIDENTIAL —	—	-7.6%	-1.5%
Family Apparel	— CONFIDENTIAL —	—	10.2%	5.9%
Grocery Stores	37,226	-17.5%	-0.7%	-2.1%
Leisure/Entertainment	— CONFIDENTIAL —	—	15.8%	1.5%
Light Industrial/Printers	32,709	-10.6%	15.6%	-1.3%
Quick-Service Restaurants	66,352	-0.9%	4.4%	8.9%
Service Stations	117,273	-14.5%	-16.4%	-13.8%
Specialty Stores	22,370	-9.9%	-0.5%	2.1%
Sporting Goods/Bike Stores	23,222	43.0%	0.7%	-0.6%
Trailers/RVs	— CONFIDENTIAL —	—	22.4%	11.8%
Total All Accounts	903,338	-1.0%	-1.0%	0.9%
County & State Pool Allocation	115,143	20.5%	20.5%	11.5%
Gross Receipts	1,018,482	1.1%	1.1%	2.2%
City/County Share	(33,610)	-1.1%		
Net Receipts	984,872	1.1%		

Q4 2016



City of Moorpark Sales Tax *Update*

First Quarter Receipts for Fourth Quarter Sales (October - December 2016)

Moorpark In Brief

Moorpark's receipts from October through December were 6.9% above the fourth sales period in 2015. Excluding reporting aberrations, actual sales were up 3.1%.

The temporary spike in the light industrial/printers category overstated results in business and industry. A new enterprise was a major factor in the actual 7.5% gain in business to business sales activity.

Positive results in the food and drug group was due to a double payment in drug stores. A recent opening in home furnishings was the lion's share of the rise in holiday season general retail.

Onetime events boosted restaurants and hotels while the City's share of the countywide use tax allocation pool boasted a double digit gain.

Net of aberrations, taxable sales for all of Ventura County declined 1.4% over the comparable time period; the Southern California region was up 1.4%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

76	Moorpark Chevron
Authentic Watches	Moorpark Petroleum
Automated Applications	National Ready Mixed Concrete
Campus Plaza Shell	Ralphs
Command Performance Catering	Simi Valley Harley Davidson
CTS Electronics Manufacturing Solutions	Target
Dick's Sporting Goods	Tesoro Refining & Marketing
In N Out Burgers	Testequity
Kohls	TJ Maxx
McDonalds	Tom Lindstrom RV
Michaels	Vons
Moorpark 76	Warehouse Discount Center
	Wood Ranch BBQ

REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2015-16	2016-17
Point-of-Sale	\$2,769,042	\$2,787,332
County Pool	316,099	354,097
State Pool	3,004	1,611
Gross Receipts	\$3,088,145	\$3,143,041
Cty/Cnty Share	(101,909)	(103,720)
Net Receipts	\$2,986,236	\$3,039,320
Less Triple Flip*	\$(746,559)	\$0

*Reimbursed from county compensation fund

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NOTES

Statewide Results

Statewide sales tax receipts for the fourth quarter rose 1.5% over 2015, when excluding reporting aberrations.

The largest gain was in the county-wide use tax allocation pools due to the acceleration in online shopping where many of the orders are placed to, or shipped from, out-of-state fulfillment centers. Restaurant and auto sales closed the calendar year with strong results while receipts from general consumer goods were flat. Off-price apparel and dollar store gains offset declines in traditional department stores and warehouse retailers.

Business and industry receipts were down due to cutbacks in major energy projects; however, huge gains in warehouse fulfillment centers that fill in-state shipments from online orders somewhat negated the decline.

On an annual basis, the statewide gain ended 2.1% higher than calendar year 2015.

The Shrinking, Disappearing Retail Store

Agencies dependent on traditional brick-and-mortar retail stores for a major portion of their sales tax will be facing new challenges in the coming year as merchants retrench and downsize to cope with a rapidly changing environment.

Generational preferences for experiences over merchandise, plus the growing costs of health care, education and housing, are reducing discretionary spending for taxable goods while time-challenged consumers are opting for the convenience of online shopping.

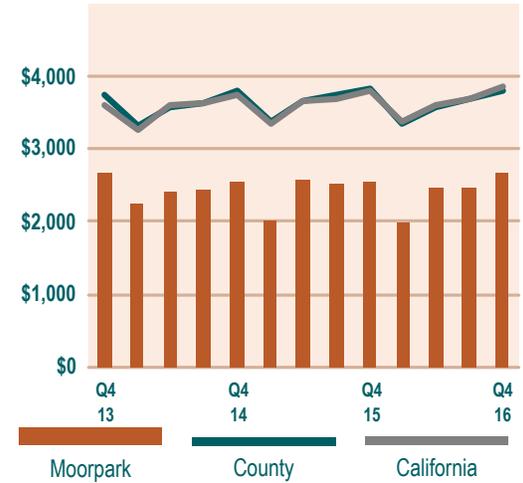
Online sales accounted for 13.0% of all general consumer goods purchased in 2016 with a 9.2% gain over calendar year 2015, while the growth in tax receipts from brick-and-mortar stores only grew 0.6%. The trend has been accelerated by the growing popularity of smart phones which Amazon estimates were used by nearly 70% of its shoppers during the most recent holiday quarter.

Retailers are responding by increasing their investment in mobile shopping platforms and delivery systems while pulling back investment on brick-and-mortar stores. Substantial closures are planned for 2017 while experiments with smaller stores, pick-up locations for online purchases, temporary “pop-up” shops and subleasing in-store space to others are on the rise.

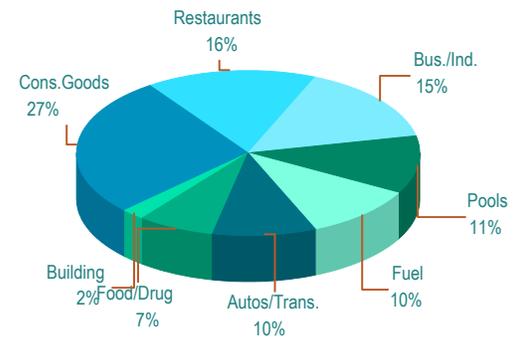
Mall operators are turning to grocers, fitness centers, medical services and residential components to fill vacant space and attract traffic. Smaller centers and downtown areas are responding by enhancing the shopping experience with more dining and entertainment options while local governments seek voter approval for higher levies to offset shrinking tax bases.

Stores are not in danger of disappearing. The ability to see, touch and feel, along with the overall shopping experience, will always be important. But evolving trends are requiring more focused economic strategies with better data and closer collaborations. The ultimate solution may be tax rates levied against today’s economy rather than the one that existed when sales tax was first imposed in 1933.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP
Moorpark This Quarter



MOORPARK TOP 15 BUSINESS TYPES

Business Type	Moorpark		County	HdL State
	Q4 '16	Change	Change	Change
Boats/Motorcycles	— CONFIDENTIAL —	—	-3.0%	3.7%
Casual Dining	67,440	13.4%	2.5%	2.6%
Department Stores	— CONFIDENTIAL —	—	-8.8%	-5.6%
Discount Dept Stores	— CONFIDENTIAL —	—	-1.5%	-0.6%
Drug Stores	18,149	17.1%	11.0%	10.2%
Electrical Equipment	— CONFIDENTIAL —	—	-15.4%	7.1%
Electronics/Appliance Stores	— CONFIDENTIAL —	—	-6.1%	-1.3%
Family Apparel	— CONFIDENTIAL —	—	10.7%	4.7%
Grocery Stores	52,473	14.5%	1.8%	3.9%
Leisure/Entertainment	— CONFIDENTIAL —	—	14.3%	9.6%
Light Industrial/Printers	48,865	158.8%	-1.9%	-0.6%
Quick-Service Restaurants	63,289	0.2%	4.7%	5.6%
Service Stations	116,127	3.0%	-1.0%	-1.0%
Specialty Stores	21,603	-13.6%	1.5%	3.7%
Trailers/RVs	— CONFIDENTIAL —	—	-2.6%	11.0%
Total All Accounts	982,096	6.2%	-0.6%	2.4%
County & State Pool Allocation	127,489	12.8%	5.5%	6.9%
Gross Receipts	1,109,585	6.9%	0.1%	3.0%
City/County Share	(36,616)	-6.9%		
Net Receipts	1,072,969	6.9%		