

Q1 2014



City of Moorpark Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2014)

Moorpark In Brief

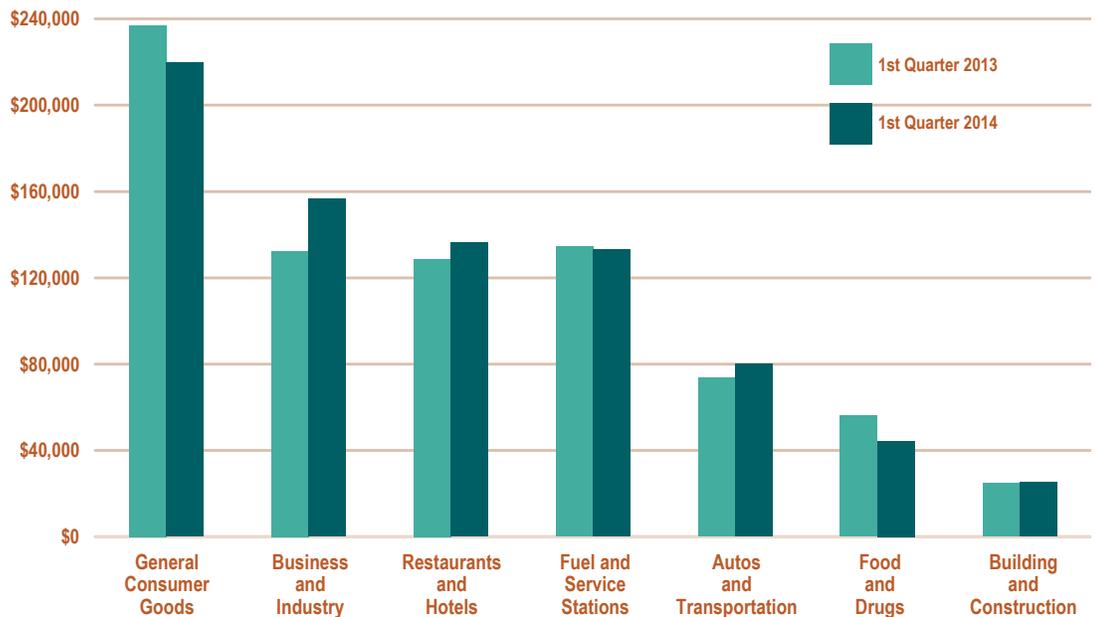
Receipts for Moorpark's January through March sales were 0.3% higher than the same quarter one year ago. Actual sales activity was up 1.4% when reporting aberrations were factored out.

The city experienced a strong sales quarter for business and industry, while retroactive adjustments further boosted group results. Higher sales and a reporting error contributed to the increase in restaurants and hotels. Gains in autos and transportation were on par with the statewide trend.

An accounting adjustment that inflated year-ago returns exaggerated the drop in general consumer goods. Weaker sales across several categories contributed to the decline. A temporary payment deviation inflated the loss in food and drugs, while lower fuel prices led to the decrease from service stations.

Adjusted for aberrations, taxable sales for all of Ventura County increased 3.0% over the comparable time period, while the Southern California region as a whole was up 3.7%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Command Performance Catering	Moorpark Petroleum
Dick's Sporting Goods	National Ready Mixed Concrete
In N Out Burgers	Pentair Pool Products
Integrated Control Systems	Simi Valley Harley Davidson
Kahoots Feed & Supply	Target
Kohls	Tesoro Refining & Marketing
McDonalds	Testequity
Michaels Arts & Crafts	TJ Maxx
Moorpark 76	Tom Lindstrom RV
Moorpark Auto Spa & Lube	USA Gasoline
Moorpark Chevron	Vons
Moorpark College Bookstore	Warehouse Discount Center
	Wood Ranch BBQ Grill

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2012-13	2013-14
Point-of-Sale	\$3,336,605	\$3,505,594
County Pool	373,950	344,696
State Pool	1,731	2,308
Gross Receipts	\$3,712,286	\$3,852,598
Cty/Cnty Share	(122,505)	(127,136)
Net Receipts	\$3,589,780	\$3,725,462
Less Triple Flip*	\$(897,445)	\$(931,365)

*Reimbursed from county compensation fund

Statewide Results

Net of payment aberrations, first quarter retail sales were 3.8% higher than the same period one year earlier.

Sales of new automobiles were up 9.4%, stimulated by pent up demand, consumer interest in new feature-rich models and easy financing options. The building and construction sector reported solid gains in a number of categories, notably contractors, sellers of lumber/building materials and suppliers of plumbing/electrical equipment. Restaurant and hotel receipts increased by 6.4%, out-pacing all other industry groups except autos and transportation.

Proceeds from general consumer goods were flat primarily due to the ongoing shift from brick-and-mortar stores to online retailers, many of which allocate the local sales tax to the countywide allocation pools. Gains from most other segments were relatively modest, while tax revenues from fuel sales experienced a fifth consecutive quarterly drop.

Sales Tax and the Drought

All of California is currently under either severe or exceptional levels of drought and is experiencing the driest 30 month period in the state's recorded history.

A recent study by UC Davis projects that the socioeconomic impacts of the current drought will be 50% more severe than in 2009 with 410,000 acres of row and feed crops taken out of production in order to preserve diminishing water supplies for longer term orchard and vineyard investments and the thinning of cattle and dairy herds in anticipation of green pasture shortages. A loss of 14,500 jobs is estimated as are higher food prices and increased energy costs to replace the loss of inexpensive hydro power.

Even so, most analysts predict that the near term impact on the overall statewide economy and 2014-15 sales tax receipts should be minor though some localized pockets may be vulnerable where dependency on agricultural and water-related tourism expenditures is exceptionally high.

The analysts point out that less than 3% of the state's economy comes from agriculture and that in many areas surface water supplies are being replaced with increased pumping of groundwater. They further estimate that the impact of job losses will be offset by employment growth in other segments of the economy. They also note that government drought aid, crop insurance, unemployment benefits and public assistance programs will temporarily avert some potential economic and revenue impacts.

The longer term concern is that the drought could persist for another two or three years. Groundwater

supplies are being pumped out at a faster rate than can be naturally recharged and a UC Berkeley analysis suggests that the relatively wet 20th century was an anomaly. If that is true and the state reverts to a suspected drier norm, the impact on the economy, environment, fire safety and food and energy costs will become more severe and far reaching.

SALES PER CAPITA



MOORPARK TOP 15 BUSINESS TYPES

Business Type	Moorpark		County	HdL State
	Q1 '14	Change	Change	Change
Boats/Motorcycles	— CONFIDENTIAL —		18.6%	9.1%
Business Services	19,315	101.0%	0.9%	-6.3%
Casual Dining	47,995	1.3%	12.3%	7.1%
Contractors	— CONFIDENTIAL —		4.1%	14.8%
Department Stores	— CONFIDENTIAL —		2.6%	-5.2%
Discount Dept Stores	— CONFIDENTIAL —		-6.8%	-2.6%
Electrical Equipment	— CONFIDENTIAL —		-27.8%	4.2%
Electronics/Appliance Stores	42,413	4.7%	-1.6%	2.4%
Family Apparel	— CONFIDENTIAL —		-6.4%	-3.2%
Grocery Stores Liquor	24,500	-27.5%	-12.3%	-14.7%
Light Industrial/Printers	33,181	-13.3%	3.5%	-1.4%
Quick-Service Restaurants	69,787	11.3%	6.4%	4.8%
Service Stations	133,052	-1.0%	-1.2%	-1.0%
Specialty Stores	15,693	-32.3%	0.7%	2.5%
Trailers/RVs	— CONFIDENTIAL —		26.8%	13.6%
Total All Accounts	\$795,537	1.1%	8.8%	3.2%
County & State Pool Allocation	\$89,321	-6.7%	0.4%	7.7%
Gross Receipts	\$884,858	0.3%	7.9%	3.7%
City/County Share	(29,200)	-0.3%		
Net Receipts	\$855,657	0.3%		

Q2 2014



City of Moorpark Sales Tax *Update*

Third Quarter Receipts for Second Quarter Sales (April - June 2014)

Moorpark In Brief

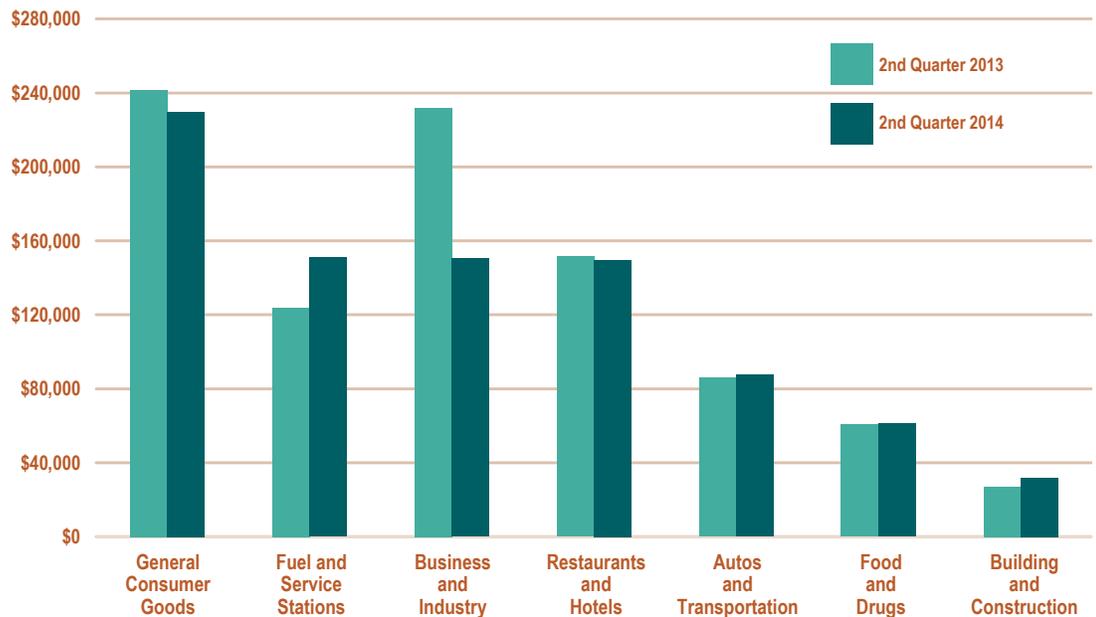
Receipts for Moorpark's April through June sales were 2.5% lower than the same quarter one year ago. Actual sales activity was up 1.8% when reporting aberrations were factored out.

Onetime accounting adjustments that inflated year-ago receipts exaggerated the drops in some categories of the business and industry sector. The city experienced a decline in sales from electronics/appliance stores.

The losses were offset by a partial payment in the comparison period that inflated results from service stations and a recent addition that helped boost revenues from business services.

Adjusted for aberrations, taxable sales for all of Ventura County increased 4.2% over the comparable time period, while the Southern California region as a whole was up 4.8%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Campus Plaza Shell	Moorpark Petroleum
Command Performance Catering	National Ready Mixed Concrete
Dick's Sporting Goods	Pentair Pool Products
In N Out Burgers	Ralphs
Integrated Control Systems	Simi Valley Harley Davidson
J W Mills Management	Target
Kahoots Feed & Supply	Tesoro Refining & Marketing
Kohls	Testequity
McDonalds	TJ Maxx
Moorpark 76	Tom Lindstrom RV
Moorpark Auto Spa & Lube	Vons
Moorpark Chevron	Warehouse Discount Center
	Wood Ranch BBQ Grill

REVENUE COMPARISON

One Quarter - Fiscal Year To Date

	2013-14	2014-15
Point-of-Sale	\$922,451	\$861,539
County Pool	58,411	94,869
State Pool	610	650
Gross Receipts	\$981,472	\$957,058
Cty/Cnty Share	(32,389)	(31,583)
Net Receipts	\$949,084	\$925,475
Less Triple Flip*	\$(237,271)	\$(231,369)

*Reimbursed from county compensation fund

California as a Whole

Excluding onetime payment aberrations the local one cent share of statewide sales and use tax was 5.2% higher than the second quarter of 2013.

Gains in the countywide use tax allocation pools were the largest contributor to the overall increase reflecting the growing influence of online purchases from out of state companies without nexus or a specific “point of sale” in California. The trend was also reflected by a growing shift of tax revenues from brick and mortar stores to in-state fulfillment centers that process on-line orders.

Auto sales and leases, contractor supplies and restaurants also posted major gains. These were partially offset by a decline in alternative energy projects that had previously added significant use tax revenues to the business and industry group.

The consensus among analysts is that the current pattern of increases will continue through the remainder of the fiscal year.

Triple Flip - The End is in Sight

California’s 2014/15 budget provides for retiring the \$15 billion fiscal recovery bonds authorized in 2004 to finance that year’s state budget deficit.

To guarantee the bonds, the state re-directed 1/4 of local government’s one cent sales tax and backfilled it with property tax revenues taken from the Educational Revenue Augmentation funds (ERAF) established for schools. The school ERAF funds were in turn replaced with state general revenues. This reshuffling became known as the “triple flip” and has caused cash flow and budget projection problems for local governments since.

The current plan is to discontinue the deductions at the end of calendar year 2015 and reimburse local governments with their final clean-up payments in January 2016.

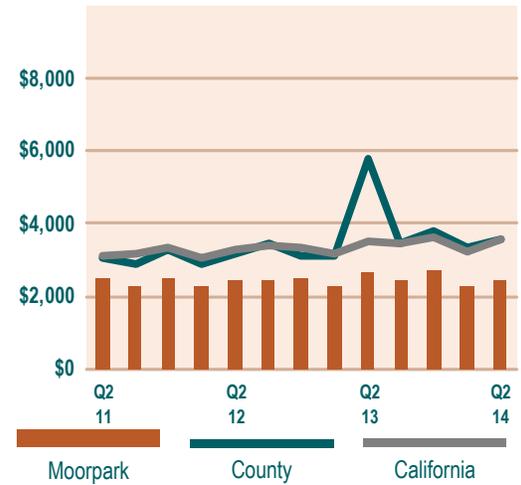
Proposition 1A, approved by the voters in 2004, prohibits the state from further extending the debt or from making additional reductions or changes to local government revenues without voter approval.

Allocation Formulas Corrected

In addition to local sales tax and transactions tax overrides, counties and cities share in the half-cent public safety tax approved by the voters in 1993 to cushion the state’s use of property tax revenues to finance Proposition 198’s minimum educational funding requirements (ERAF). Counties also receive 1.5635 cents of state sales tax to reimburse for health, welfare and corrections functions shifted to them from the state in 1991 and 2011.

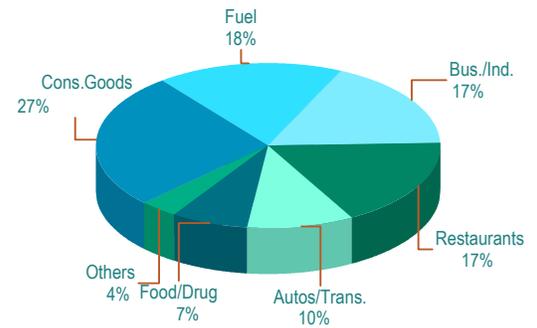
Inconsistencies in the public safety remittances brought to the state’s attention by HdL revealed that allocation formulas did not reflect recent legislative changes. As a result, counties will receive onetime backfill payments totalling \$116 million in 2014/2015.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP

Moorpark This Quarter



MOORPARK TOP 15 BUSINESS TYPES

Business Type	Moorpark		County	HdL State
	Q2 '14	Change	Change	Change
Boats/Motorcycles	— CONFIDENTIAL —		0.2%	10.4%
Business Services	26,427	99.2%	-5.8%	9.8%
Casual Dining	49,958	-2.1%	1.0%	3.7%
Contractors	— CONFIDENTIAL —		13.7%	14.4%
Department Stores	— CONFIDENTIAL —		-2.3%	2.0%
Discount Dept Stores	— CONFIDENTIAL —		4.3%	2.9%
Drug Stores	16,611	16.5%	10.1%	10.0%
Electrical Equipment	— CONFIDENTIAL —		-16.6%	5.4%
Electronics/Appliance Stores	38,410	-24.2%	-6.7%	-1.0%
Family Apparel	— CONFIDENTIAL —		9.9%	9.6%
Grocery Stores Liquor	35,650	-4.7%	7.0%	5.7%
Light Industrial/Printers	36,168	-17.8%	-20.7%	3.6%
Quick-Service Restaurants	78,357	2.7%	4.1%	6.7%
Service Stations	151,003	21.9%	8.4%	6.7%
Trailers/RVs	— CONFIDENTIAL —		-15.2%	9.9%
Total All Accounts	\$861,539	-6.6%	-37.4%	2.8%
County & State Pool Allocation	\$95,519	61.8%	8.5%	12.7%
Gross Receipts	\$957,058	-2.5%	-34.6%	3.9%
City/County Share	(31,583)	2.5%		
Net Receipts	\$925,475	-2.5%		

Q3 2014



City of Moorpark Sales Tax *Update*

Fourth Quarter Receipts for Third Quarter Sales (July - September 2014)

Moorpark In Brief

Receipts for Moorpark's July through September sales were 3.7% higher than the same quarter one year ago. Actual sales activity was up 2.3% when reporting aberrations were factored out.

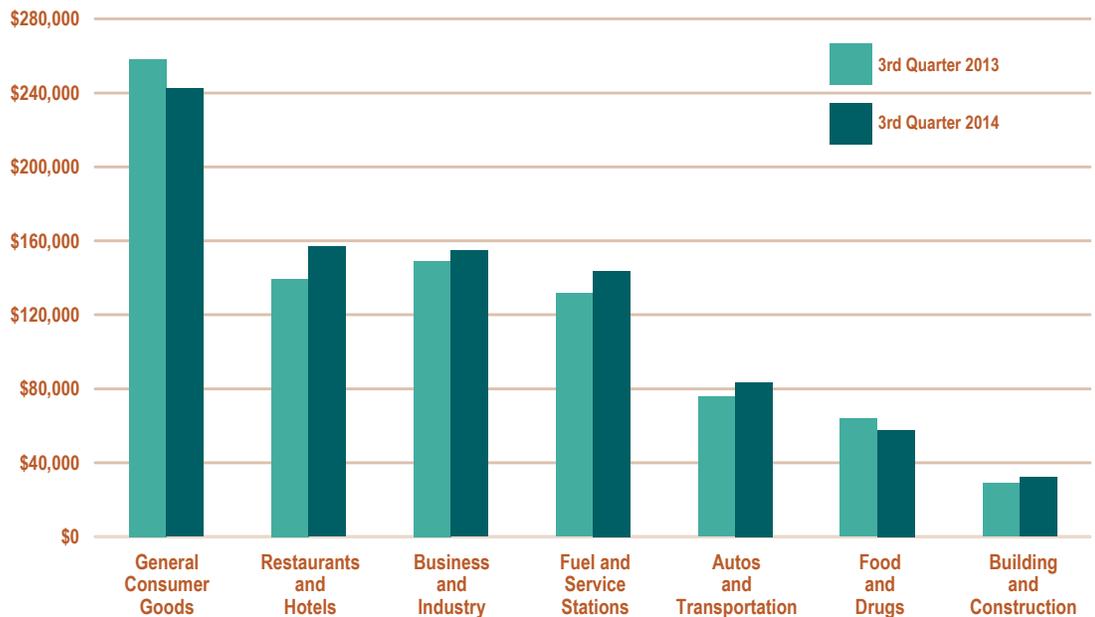
Payment anomalies that temporarily inflated returns from quick service eateries coupled with continued consumer interest in dining out boosted receipts from restaurants. Improved sales at service stations lifted the fuel group.

Multiple categories of business and industry experienced growth including office and electrical supplies and business services, while improved results from autos and transportation outpaced regional and statewide trends.

The gains were partially offset by sluggish returns from general consumer goods retailers and the recent closeout of a grocery store with liquor.

Adjusted for aberrations, taxable sales for all of Ventura County increased 5.0% over the comparable time period, while the Southern California region as a whole was up 5.1%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

76	Moorpark Petroleum
Campus Plaza Shell	National Ready Mixed Concrete
Command Performance Catering	Ralphs
Cornerstone Photography	Simi Valley Harley Davidson
Dick's Sporting Goods	Smart & Final
Do It Center	Target
Integrated Control Systems	Tesoro Refining & Marketing
Kahoots Feed & Supply	Testequity
Kohls	TJ Maxx
McDonalds	Tom Lindstrom RV
Moorpark 76	Vons
Moorpark Chevron	Warehouse Discount Center
	Wood Ranch BBQ Grill

REVENUE COMPARISON

Two Quarters – Fiscal Year To Date

	2013-14	2014-15
Point-of-Sale	\$1,769,476	\$1,732,483
County Pool	147,706	194,446
State Pool	927	1,243
Gross Receipts	\$1,918,109	\$1,928,172
Cty/Cnty Share	(63,298)	(63,630)
Net Receipts	\$1,854,811	\$1,864,542
Less Triple Flip*	\$(463,703)	\$(466,136)

*Reimbursed from county compensation fund

California Overall

With payment aberrations removed, local sales tax revenues rose 5.5% over the comparable quarter of July through September 2013.

The largest gains were from the countywide use tax pools which have been boosted by the rising shift to online shopping and involve a larger portion of goods shipped from out-of-state. Rising sales from auto dealers and restaurants, high tech Silicon Valley business activities, and Southern California construction also contributed.

Among general consumer goods, discount department stores, value priced apparel, home goods, pet and personal care products outperformed other categories.

The Impact of Falling Gas Prices on Sales Tax

Fuel prices plunged to a 5 year low in December with predictions that expanded North American oil production, gains in fuel efficiency and a sluggish international economy will sustain lower gas prices through much of 2015.

Not all of the estimated \$50 to \$75 per month family savings will be spent on taxable goods. Part will be absorbed by rising costs of food and other non-taxable necessities and by the ongoing shift in buying habits from purchases of taxable goods to non-taxable services, cellphone fees and internet access.

Among the various economic segments that make up each agency's sales tax base, grocers, drug stores and restaurants should benefit most. Extra disposable income translates into more travel, dining out and impulse purchases of taxable items while shopping for food and necessities.

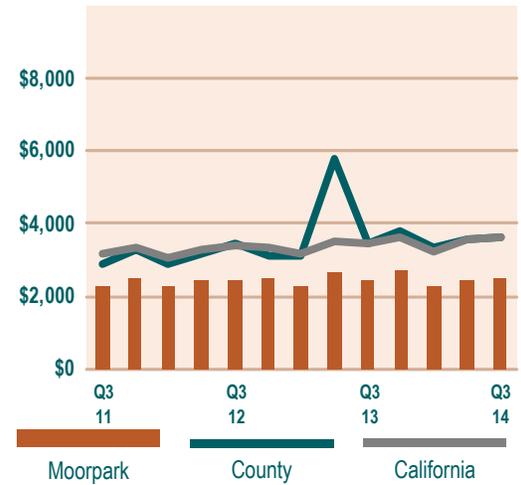
Despite intensive price competition, tax gains from general con-

sumer goods can also be expected although accelerating online shopping will shift much of the growth to the countywide allocation pools rather than brick and mortar stores.

Agencies with auto dealerships are also benefiting as lower fuel prices and increased fuel efficiency have buyers choosing more costly SUVs and accessories. Gains in home improvement purchases are anticipated although the tax will be distributed via countywide pools if the sale includes onsite installation.

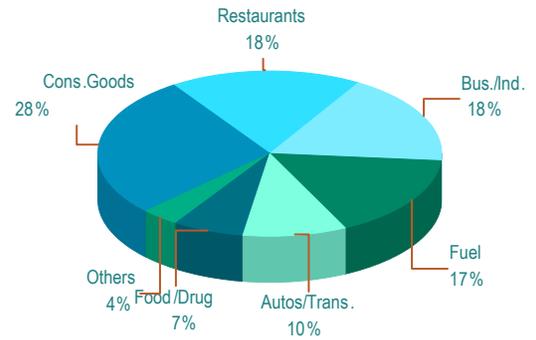
The major losing tax segment will be in fuel/service stations. The losses will be partially offset by increased travel/fuel consumption and by added costs associated with new green emission requirements that went into effect January 1. Even so, substantial declines from service stations, truck stops, bulk and jet fuel operators and petroleum industry suppliers should be anticipated. In the business/industry segment, tax from capital investment in new alternative energy and oil production projects is likely to slow.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP

Moorpark This Quarter



MOORPARK TOP 15 BUSINESS TYPES

Business Type	Moorpark		County	HdL State
	Q3 '14	Change	Change	Change
Boats/Motorcycles	— CONFIDENTIAL —		9.5%	9.5%
Business Services	18,570	81.8%	47.0%	-12.3%
Casual Dining	51,282	9.2%	4.0%	5.8%
Contractors	— CONFIDENTIAL —		16.3%	14.2%
Department Stores	— CONFIDENTIAL —		-3.4%	0.8%
Discount Dept Stores	— CONFIDENTIAL —		1.2%	2.5%
Electrical Equipment	— CONFIDENTIAL —		-23.8%	7.8%
Electronics/Appliance Stores	46,455	-11.8%	-1.7%	3.0%
Family Apparel	— CONFIDENTIAL —		7.7%	5.9%
Grocery Stores Liquor	35,000	-14.8%	1.3%	8.4%
Light Industrial/Printers	21,027	-47.8%	3.8%	6.4%
Quick-Service Restaurants	86,380	20.7%	13.1%	8.5%
Service Stations	143,788	9.3%	4.6%	1.2%
Specialty Stores	14,294	-10.5%	1.6%	6.2%
Trailers/RVs	— CONFIDENTIAL —		9.1%	8.9%
Total All Accounts	\$870,944	2.8%	6.0%	5.5%
County & State Pool Allocation	\$100,170	11.8%	15.3%	10.2%
Gross Receipts	\$971,114	3.7%	6.9%	6.1%
City/County Share	(32,047)	-3.7%		
Net Receipts	\$939,067	3.7%		

Q4 2014



City of Moorpark Sales Tax *Update*

First Quarter Receipts for Fourth Quarter Sales (October - December 2014)

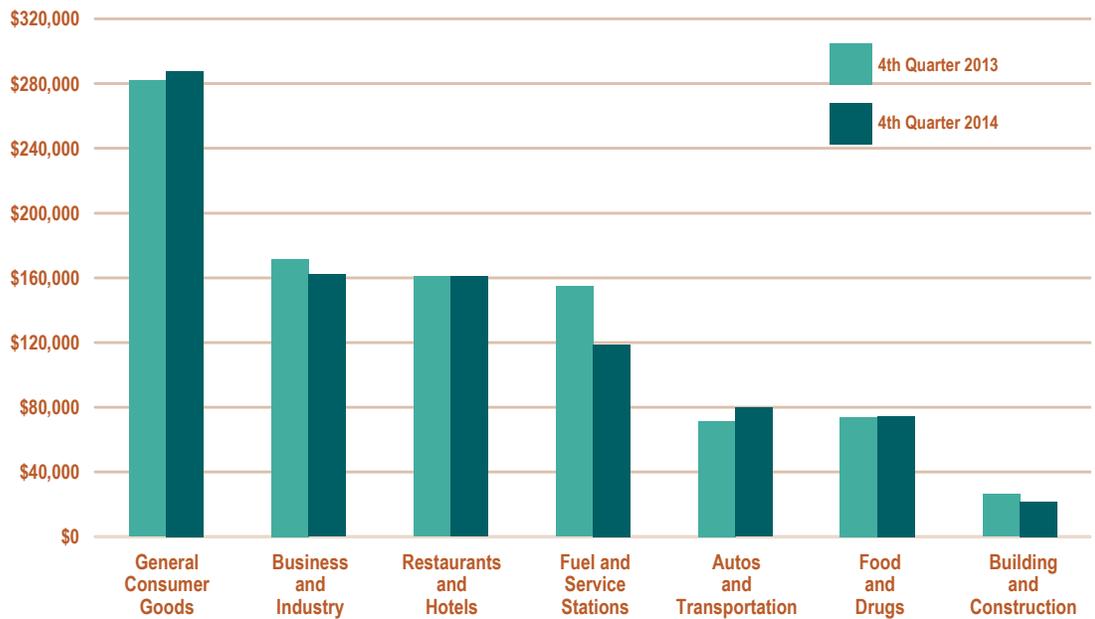
Moorpark In Brief

Moorpark's allocation of sales and use tax revenues from its October through December sales was 4.0% lower than the same quarter one year ago. Actual sales activity was essentially flat after factoring for accounting anomalies that deflated the comparisons of service stations and quick service restaurants.

A solid quarter for consumer electronics and appliances, RVs and business services were offset by declining fuel prices and a generally soft quarter for other categories of general consumer goods and industrial purchases.

Adjusted for aberrations, sales and use tax receipts for all of Ventura County increased 2.8% over the comparable time period while Southern California as a whole was up 4.3%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

76	Moorpark Chevron
Campus Plaza Shell	Moorpark Petroleum
Command Performance Catering	National Ready Mixed Concrete
Cornerstone Photography	Ralphs
Dick's Sporting Goods	Simi Valley Harley Davidson
Fitzpatrick Dental Equipment	Target
Integrated Control Systems	Tesoro Refining & Marketing
Kahoots Feed & Supply	Testequity
Kohls	TJ Maxx
McDonalds	Tom Lindstrom RV
Michaels Arts & Crafts	Vons
Moorpark 76	Warehouse Discount Center
	Wood Ranch BBQ Grill

REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2013-14	2014-15
Point-of-Sale	\$2,710,057	\$2,637,283
County Pool	256,111	296,702
State Pool	1,573	2,221
Gross Receipts	\$2,967,740	\$2,936,206
Cty/Cnty Share	(97,935)	(96,895)
Net Receipts	\$2,869,805	\$2,839,311
Less Triple Flip*	\$(717,451)	\$(709,828)

*Reimbursed from county compensation fund

Holiday Quarter Up

Adjusted for accounting aberrations, California's local sales and use tax revenues for the fourth quarter (October – December) of 2014 were 3.6% higher than last year's holiday quarter.

The gain was primarily due to continued strong demand for new cars and trucks, increased restaurant patronage and a rise in the countywide "use tax" allocation pools resulting from a shift to online shopping where much of the merchandise is shipped from out of state. General consumer goods sales allocated via the pools rose 22% during this holiday quarter versus an increase in tax receipts from brick and mortar stores of only 2.8%.

Robust sales for building and construction materials added to the overall increase which was largely offset by significant declines in revenues from petroleum related industries and service stations.

Gasoline Supply and Demand

Statewide, fourth quarter's tax receipts from fuel and service stations dropped 10.4% from the previous year. Prices rebounded in the first quarter of 2015 due to refinery shutdowns and labor strife but remained well below the prior year due to a worldwide supply glut and weak demand.

Spending cuts by oil producers and a sharp decline in the number of rigs drilling for crude in the U.S. could reduce output and place upward pressure on prices in the second half of 2015. However, improved fuel efficiency and demographic changes continue to reduce demand for gasoline, with consumption at the lowest it has been in 30 years.

From 2008 through 2014 Californians purchased just over 10 million new vehicles, with mileage ratings almost 22% higher than those they replaced. Also, usage has further declined as baby boomers age into retirement and millennials increasingly favor public transportation and car services that make owning a vehicle less necessary.

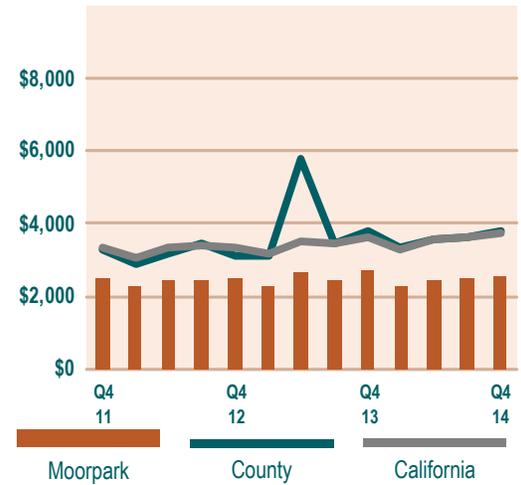
Triple Flip Unwind

In March 2004, California voters approved Proposition 57, the California Economic Recovery Bond Act that authorized the issuance of \$15 billion in "Economic Recovery Bonds" to close the state's operating budget deficit.

The Bradley-Burns local sales tax rate was decreased from 1 percent to 0.75 percent and the diverted 0.25 percent rate was pledged to repay the bonds. The state then directed that counties reimburse local governments for the 0.25 percent loss with property tax from the Educational Revenue Augmentation Fund (ERAF) set up for schools and then reimburse schools for the ERAF loss from the State General Fund. The funding scheme became known as the "Triple Flip."

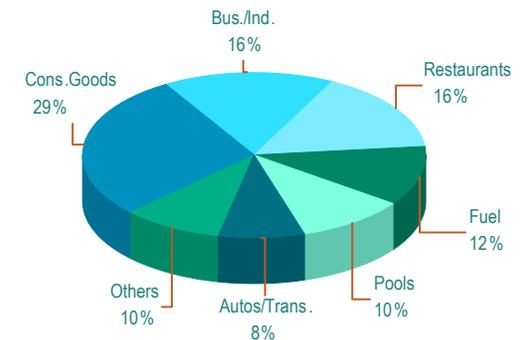
The governor's FY 2014-15 state budget currently provides for retiring the bonds as early as July 2015. If carried out as planned, local agencies would receive their final "true-ups" of triple flip reimbursements in the first half of 2016 and the full one cent Bradley-Burns tax reinstated in their second quarter 2016 receipts.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP

Moorpark This Quarter



MOORPARK TOP 15 BUSINESS TYPES

Business Type	Moorpark		County	HdL State
	Q4 '14	Change	Change	Change
Boats/Motorcycles	— CONFIDENTIAL —		26.0%	12.7%
Business Services	22,194	63.2%	-10.2%	-4.3%
Casual Dining	51,088	6.8%	8.0%	5.7%
Contractors	— CONFIDENTIAL —		6.8%	9.1%
Department Stores	— CONFIDENTIAL —		-1.3%	1.2%
Discount Dept Stores	— CONFIDENTIAL —		-0.9%	0.8%
Electrical Equipment	— CONFIDENTIAL —		-2.7%	24.3%
Electronics/Appliance Stores	54,419	14.3%	-0.6%	3.2%
Family Apparel	— CONFIDENTIAL —		0.1%	5.0%
Grocery Stores Liquor	49,751	2.9%	8.6%	3.6%
Light Industrial/Printers	30,904	-26.1%	-1.9%	-1.1%
Quick-Service Restaurants	87,546	-7.4%	1.5%	7.5%
Service Stations	118,691	-23.2%	-16.4%	-10.5%
Specialty Stores	18,966	2.9%	4.5%	6.0%
Trailers/RVs	— CONFIDENTIAL —		-13.8%	1.6%
Total All Accounts	\$904,800	-3.8%	2.1%	3.8%
County & State Pool Allocation	\$103,234	-5.3%	0.4%	4.7%
Gross Receipts	\$1,008,034	-4.0%	1.9%	3.9%
City/County Share	(33,265)	4.0%		
Net Receipts	\$974,769	-4.0%		