

CITY OF MOORPARK

SALES TAX UPDATE

1Q 2023 (JANUARY - MARCH)



MOORPARK

TOTAL: \$ 1,150,686

-11.5%

1Q2023



4.0%

COUNTY



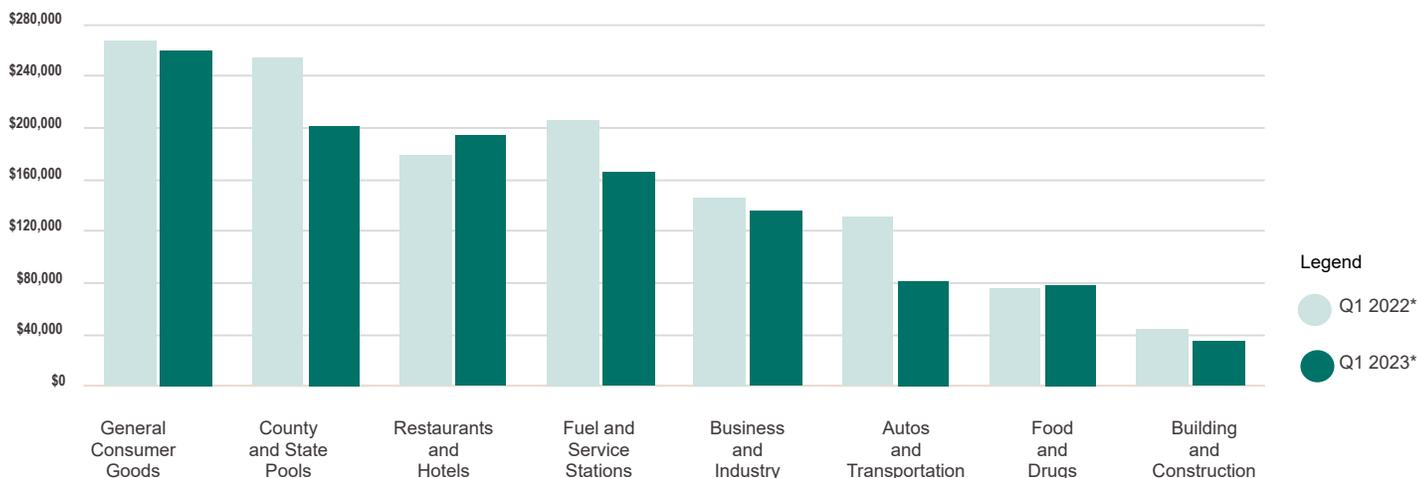
-1.1%

STATE



**Allocation aberrations have been adjusted to reflect sales activity*

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF MOORPARK HIGHLIGHTS

Moorpark's receipts from January through March were 10.6% below the first sales period in 2022. Excluding reporting aberrations, actual sales were down 11.5%.

The city experienced its first decline in ten quarters as sales weakened in multiple sectors. Retail spending is trending lower as consumers pulled back on discretionary purchases. Federal policy maker moves to cool inflation have meant dealing with higher interest rates for mortgages, vehicle purchases and credit card revolving debt.

Lower prices at the pump, coupled with softer demand led to a drop in fuel-service station receipts. Spending on transportation needs cooled as new vehicle purchases have the average price increasing and for those financing, monthly payments have hit record highs. Allocations from the countywide use-tax

pool slumped as online retailers shifted fulfillment of ecommerce orders from out-of-state warehouses to closer, in-state locations.

After record pricing last year for lumber, prices plunged and with weather delays and fewer do-it-yourself projects, building-construction sales couldn't match recent gains.

On the plus side, restaurants posted positive receipts, although the growth has slowed compared to recent quarters. Patrons may be opting for more reasonably priced items or changing the frequency with which they dine out to deal with higher menu prices.

Net of aberrations, taxable sales for all of Ventura County grew 4.0% over the comparable time period; the Southern California region was down 0.9%.



TOP 25 PRODUCERS

- | | |
|-----------------------------|---------------------------|
| Arco | Target |
| 7 Eleven | Testequity |
| 76 | TJ Maxx |
| Campus Plaza Shell | Tom Lindstrom RV |
| Command Performance | Tractor Supply |
| Catering | Vons |
| In N Out Burger | Warehouse Discount Center |
| Kahoots Pet Store | Wood Ranch |
| Kohls | |
| McDonalds | |
| Moorpark 76 | |
| Moorpark Chevron | |
| Pentair Pool Products | |
| Pool & Electrical Products | |
| Ralphs | |
| Serendipity Cafe & Bar | |
| Simi Valley Harley Davidson | |
| Smart & Final | |



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of January through March were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The first quarter of the calendar year experienced heavy rainfall and a slight pullback by consumers during this post-holiday period.

The building and construction sector was most impacted by wet weather conditions, especially contractors and paint/glass vendors. Furthermore, when coupled with year-over-year (YOY) lumber price declines, the sector saw a 9.7% statewide drop.

YOY declines in fuel prices at the pump reduced receipts from gas stations and petroleum providers. Even with OPEC’s recent production cuts, the global cost of crude oil has remained steady setting up for moderate gas prices for travelers and commuters in the coming summer months. Retailers also selling fuel experienced a similar impact and when combined with weak results from department stores, overall general consumer goods’ returns slightly declined.

After multiple years of high demand for vehicles (especially high-end luxury and electronic/hybrid brands), along with inflation driving car prices higher, customers demand has softened with revenue slumping 1.3%. The return of available inventory later this calendar year may sustain downward pressure on activity, potentially giving buyers more leverage to negotiate lower prices.

Use taxes remitted via the countywide pools decreased 1.1%, marking the second consecutive quarter of decline. Cooling consumer confidence, expansion

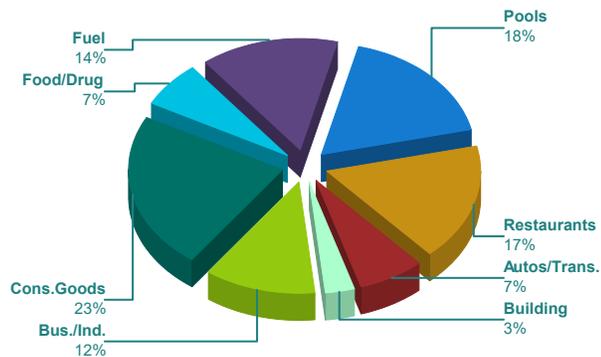
of more in-state fulfillment centers and retailers using existing locations to deliver goods tied to online orders continue to shift taxes away from the pools. While the offsetting effect was these revenues being allocated directly to jurisdictions where the goods were sourced, only a limited number of agencies benefited.

Spending at local restaurants and hotels continues to be robust. Patrons were unaffected by increased menu prices and wait times and maintained their willingness to dine out. In addition, investments in warehouse/farm/construction equipment was steady.

For the remainder of 2023 sales taxes may

decrease modestly, then begin a nominal recovery in early 2024. Volatile economic indicators such as the Federal Funds rate, unemployment levels, and discretionary spending will influence outcomes. While it appears the Federal Reserve’s actions to fight inflation is taking effect, any lasting downward pressure on consumer pricing could also hinder short term growth.

REVENUE BY BUSINESS GROUP Moorpark This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Moorpark Business Type	Q1 '23	Change	County Change	HdL State Change
Service Stations	165,591	-19.7% ↓	-12.0% ↓	-9.8% ↓
Quick-Service Restaurants	75,909	6.0% ↑	3.3% ↑	5.1% ↑
Casual Dining	73,703	17.9% ↑	6.3% ↑	9.7% ↑
Grocery Stores	46,550	9.6% ↑	5.9% ↑	5.4% ↑
Fast-Casual Restaurants	23,986	5.7% ↑	4.4% ↑	6.4% ↑
Specialty Stores	21,920	14.7% ↑	4.5% ↑	3.8% ↑
Plumbing/Electrical Supplies	16,329	-17.5% ↓	-9.0% ↓	-4.3% ↓
Drug Stores	14,277	0.8% ↑	1.5% ↑	-2.0% ↓
Home Furnishings	14,052	0.5% ↑	-6.8% ↓	-10.4% ↓
Building Materials	13,811	-27.6% ↓	-8.3% ↓	-9.8% ↓

*Allocation aberrations have been adjusted to reflect sales activity

CITY OF MOORPARK

SALES TAX UPDATE

2Q 2023 (APRIL - JUNE)



MOORPARK

TOTAL: \$ 1,245,384

-13.4%

2Q2023



2.8%

COUNTY



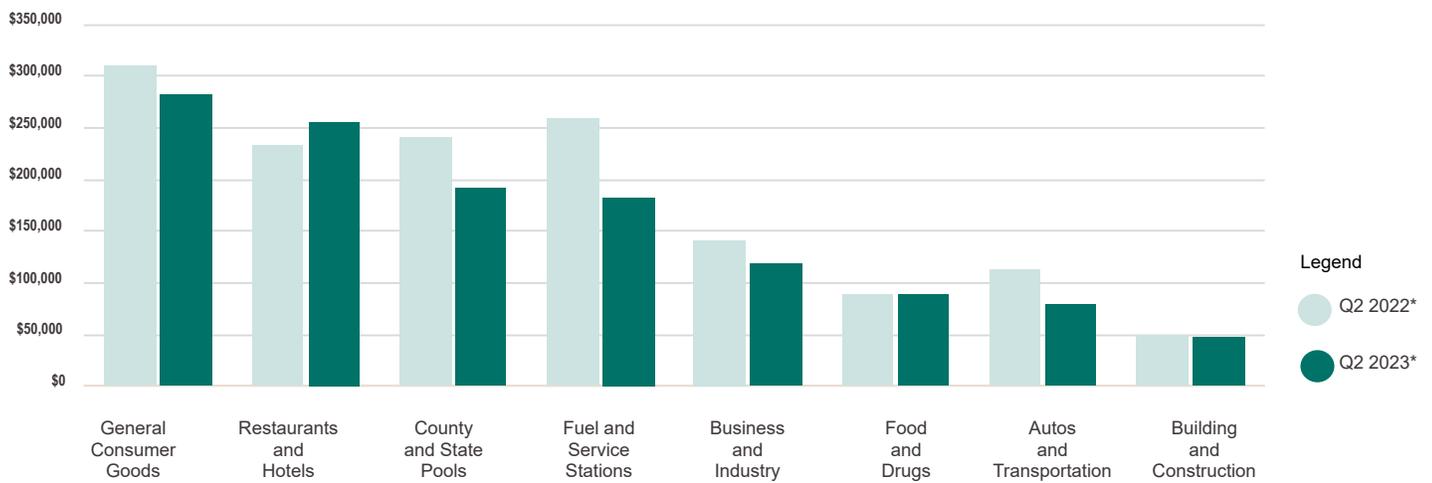
-3.0%

STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF MOORPARK HIGHLIGHTS

Moorpark's receipts from April through June were 12.8% below the second sales period in 2022. Excluding reporting aberrations, actual sales were down 13.4%.

The City experienced the largest decrease in fuel and service stations. This group realized record prices, including regular pump, diesel, jet fuel, and oil barrels. As a result, the associated sales tax in this quarter dropped significantly.

Results from general consumer goods, including home furnishings, were sluggish in the second quarter and down statewide from the same period in 2022. For Moorpark, this marks the second consecutive quarter the industry has receded coming off ten quarters of expansion. Brick and mortar stores have been flattening out and dropping since peaking in the fourth quarter of 2022

and are now expected to remain with slow growth through FY 2028-2029.

The state and county pool allocations also dropped. Out of state inventories needed for ecommerce sales followed recent trends; fewer products were shipped into the State. While overall online sales rose, more in-state fulfillment centers opened and generated returns at large warehouses and existing retail outlets. Results from autos-transportation, home furnishings, medical/biotech, and building materials were also down.

A boost came from specialty stores and casual dining, which combined to help offset the overall quarterly loss.

Net of aberrations, taxable sales for all of Ventura County grew 2.8% over the comparable time period; the Southern California region was down 3.0%.



TOP 25 PRODUCERS

- | | |
|------------------------------|---------------------------|
| 7 Eleven | Smart & Final |
| 76 | Target |
| Aqua Flo Supply | Testequity |
| Arco | TJ Maxx |
| Campus Plaza Shell | Tom Lindstrom RV |
| Command Performance Catering | Vons |
| In N Out Burger | Warehouse Discount Center |
| Kahoots Pet Store | Wood Ranch |
| Kohls | |
| McDonalds | |
| Moorpark 76 | |
| Moorpark Chevron | |
| Pentair Pool Products | |
| Pool & Electrical Products | |
| Pool Supply 4 Less | |
| Ralphs | |
| Simi Valley Harley Davidson | |



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of April through June were 2.8% lower than the same quarter one year ago after adjusting for accounting anomalies. The second quarter of the calendar year was impacted by continued wet weather and a difficult comparison with the prior year, which experienced dramatic growth.

The fuel-service stations sector contributed the most to this decline as year-over-year (YOY) falling fuel prices at the pump reduced receipts from gas stations and petroleum providers. Russia’s invasion of Ukraine and other world events during this period last year, pushed the global cost of crude oil to record highs. This dynamic also carried into general consumer goods as retailers selling fuel experienced a similar drop. Recently, OPEC and Russia have maintained production cuts having upward pressure on pricing again leading to future comparative growth.

Sustained wet conditions further delayed projects, especially those from the prior quarter, hindering building-construction returns. YOY lumber price declines added to the pull back from building materials providers. Higher interest rates represent a significant headwind for the industry with potential impacts of limited commercial development activity, slowing public infrastructure projects and homeowners left unable to access equity for renovations.

Despite a significant increase in new car registrations, revenue from autos-transportation fell by 1.4%. The improved activity can largely be attributed to rental car agencies restocking their fleets. However, these are wholesale transactions with sales tax charged upon rental of these vehicles. Weak demand for recreational vehicles, boats and motorcycles coupled

with elevated overall financing costs remain challenges going forward.

Use taxes remitted via the countywide pools decreased 0.75%, marking the third consecutive quarter of decline. While overall online sales continue to rise, pool collections dropped with the offsetting effect of more in-state fulfillment generated at large warehouses and through existing retail outlets allocated directly to local agencies.

Restaurant sales were a bright spot as the summer season began. Although menu prices have flattened after a year of sharp gains, patrons are making more restaurant trips and are favoring spending their disposable income on experiences. Better sales by office

material suppliers and enhanced investments of warehouse-farm-construction equipment contributed to improved returns for the business-industry category.

Sales tax for the remainder of 2023 appears likely to follow the recent trend of moderate declines before leveling off in early 2024. Cooling consumer confidence and greater pressure on household budgets may lead to a lackluster upcoming holiday shopping period. Furthermore, the possibility of a longer and more pronounced slowdown in economic activity exists as the Federal Reserve considers additional interest rate increases to combat high prices that are already stretching consumer wallets.

REVENUE BY BUSINESS GROUP
Moorpark This Fiscal Year*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Moorpark Business Type	Q2 '23*	Change	County Change	HdL State Change
Service Stations	181.5	-30.2% ↓	-19.2% ↓	-19.9% ↓
Casual Dining	84.1	14.2% ↑	3.2% ↑	4.5% ↑
Quick-Service Restaurants	80.3	0.3% ↑	0.8% ↑	3.2% ↑
Grocery Stores	53.9	2.7% ↑	3.0% ↑	2.9% ↑
Specialty Stores	30.1	30.3% ↑	-0.2% ↓	-1.3% ↓
Plumbing/Electrical Supplies	27.1	6.1% ↑	-5.2% ↓	-4.6% ↓
Fast-Casual Restaurants	25.1	6.5% ↑	1.2% ↑	4.0% ↑
Building Materials	15.0	-16.3% ↓	-4.2% ↓	-7.8% ↓
Drug Stores	14.8	-2.8% ↓	-4.1% ↓	-5.9% ↓
Convenience Stores/Liquor	13.2	-9.6% ↓	0.4% ↑	-5.1% ↓

*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars

CITY OF MOORPARK

SALES TAX UPDATE

3Q 2023 (JULY - SEPTEMBER)



MOORPARK

TOTAL: \$ 1,213,674

-9.4%

3Q2023



4.8%

COUNTY



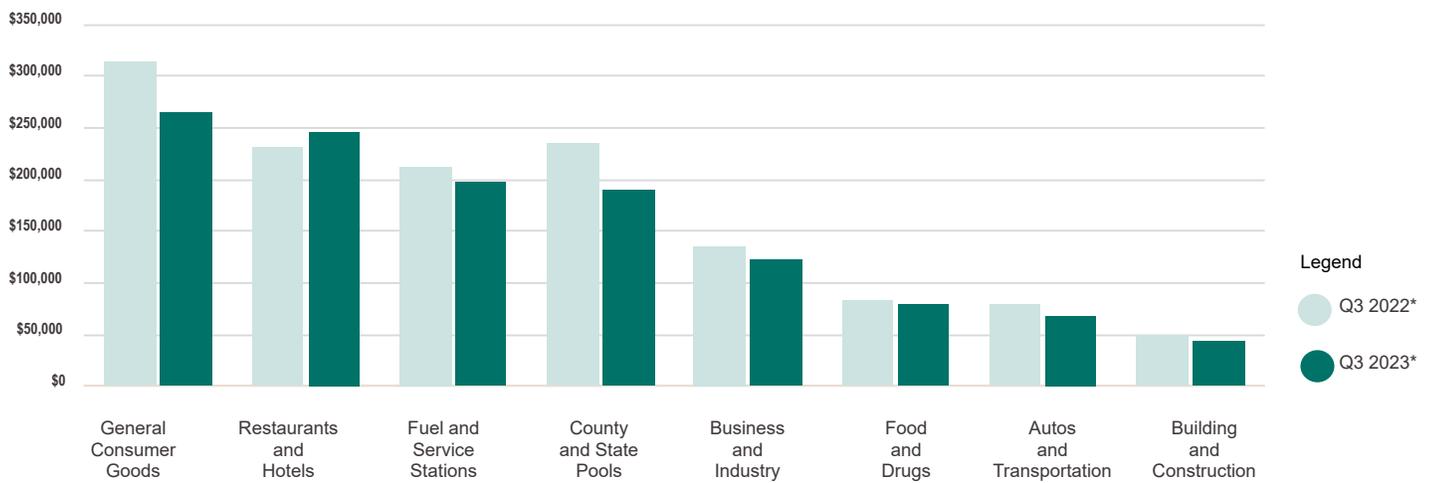
-1.6%

STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF MOORPARK HIGHLIGHTS

Moorpark's receipts from July through September were 9.4% below the third sales period in 2022. Excluding reporting aberrations, actual sales were down 9.4%.

Current economic conditions of high inflation & interest rates, and an overall decrease in consumer confidence have resulted in City tax revenue slowdowns. Both building & construction, and business & industry were impacted by the slowing of the economy as both consumers and business owners pulled back on spending.

Dining establishments remained strong as patrons ventured out to restaurants and entertainment establishments for more experiences. There is a point of price elasticity where consumers will begin to pull back as prices continue to rise, but that has not yet happened.

General consumers goods continued to be negatively impacted by higher prices and consumers taking a cautious approach to buying as the stability of the economy is still an issue. Results were down (15.3%) for the quarter. Fuel & service stations, though down again for the quarter, bounced back from the comparisons in 2Q23 against the historic high pricing in 2022. Pricing is expected to remain lower than in 2022 as oil prices have been dropping in recent weeks.

The City's share of the countywide use tax pool decreased (19.2%) when compared to the same period in the prior year due to the lower quarterly performance.

Net of aberrations, taxable sales for all of Ventura County grew 4.8% over the comparable time period; the Southern California region was down 1.4%.



TOP 25 PRODUCERS

- 7 Eleven
- 76
- Aqua Flo Supply
- Arco
- Campus Plaza Shell
- Command Performance Catering
- In N Out Burger
- Kahoots Pet Store
- Kohls
- McDonalds
- Moorpark 76
- Moorpark Chevron
- Pentair Pool Products
- Pool & Electrical Products
- Ralphs
- Simi Valley Harley Davidson
- Smart & Final
- Target
- Testequity
- TJ Maxx
- Tom Lindstrom RV
- Tractor Supply
- Vons
- Warehouse Discount Center
- Wood Ranch



STATEWIDE RESULTS

California's local one cent sales and use tax receipts for sales during the months of July through September were 1.6% lower than the same quarter one year ago after adjusting for accounting anomalies. The third quarter of the calendar year continued with a challenging comparison to prior year growth and stagnating consumer demand in the face of higher prices of goods.

Fuel and service stations contributed the greatest overall decline as lower fuel prices at the pump reduced receipts from gas stations and petroleum providers. While global crude oil prices have stabilized, they remained 15% lower year-over-year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop. Despite OPEC and Russia production cuts having upward pressure on pricing, global demand during the winter months has softened.

Along with merchants selling gas, many other general consumer categories were also down from the 2022 quarter, confirming consumers pulling back on purchases. Home furnishings and electronic-appliances were a couple of the largest sectors with the biggest reductions. As inflation and higher prices were the main story a year ago, currently it appears to be a balancing act between wants and needs, leaving meek expectations for the upcoming holiday shopping season.

Even following a long, wet first half of 2023, spending at building and construction suppliers moderately slowed. The current high interest rate environment did not help the summer period and still represents the largest potential headwind for the industry with depressed commercial development, slowing public infrastructure projects and new housing starts waiting for more profitable financial conditions.

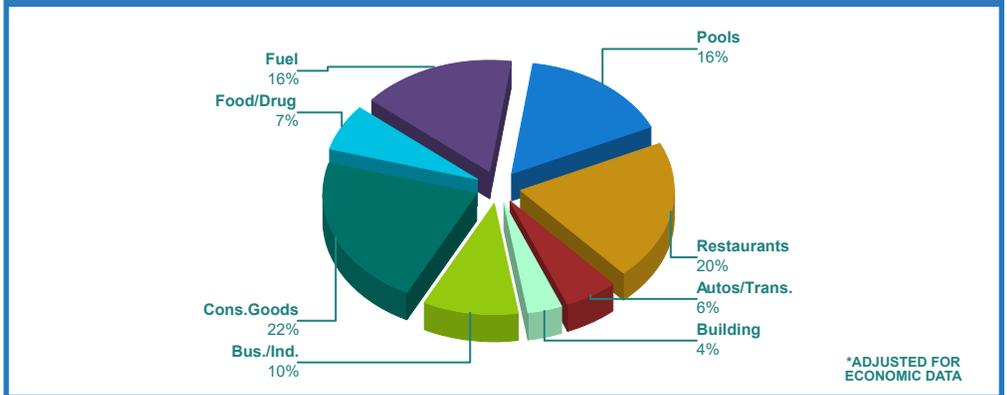
Despite continued increases of new car registrations, revenue from the autos-transportation sector slipped 2.6%. The improved activity remains mostly attributed to rental car agencies restocking their fleets. Like other segments, elevated financing costs are expected to impede future retail volume.

Use taxes remitted via the countywide pools dipped 3.0%, marking the fourth consecutive quarter of decline. While overall online sales volume is steady, pool collections dropped with the offsetting effect of more taxes allocated directly to local agencies via in-state fulfillment generated at large warehouses and through existing retail outlets.

Restaurants remained an economic bright spot through summer exhibiting a 2.6% gain. As tourism, holiday and business travel are all expected to have recovered in 2024, the industry is bracing for implementation of AB 1228 - new CA law setting minimum wages for 'fast food restaurants'.

With one more quarterly result to go in 2023, the recent trend of a moderate decline appears likely before a recovery in 2024. Initial reports from the holiday shopping season reflect a 3% bump in retail sales compared to 2022. Lingering consumer confidence may have also received welcome news as the Federal Reserve considers softening rates by mid-2024.

REVENUE BY BUSINESS GROUP Moorpark This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Moorpark Business Type	Q3 '23*	Change	County Change	HdL State Change
Service Stations	197.8	-7.0% ↓	-6.3% ↓	-7.4% ↓
Casual Dining	82.2	9.8% ↑	2.9% ↑	2.8% ↑
Quick-Service Restaurants	80.7	4.9% ↑	1.0% ↑	2.7% ↑
Grocery Stores	47.3	2.1% ↑	3.9% ↑	2.3% ↑
Plumbing/Electrical Supplies	26.4	-10.6% ↓	-10.1% ↓	-3.8% ↓
Fast-Casual Restaurants	24.7	9.5% ↑	1.4% ↑	3.3% ↑
Specialty Stores	22.2	-4.2% ↓	0.0% ↑	-2.0% ↓
Auto Repair Shops	14.6	8.8% ↑	1.0% ↑	-1.0% ↓
Drug Stores	14.5	-1.7% ↓	-4.5% ↓	-6.0% ↓
Home Furnishings	13.2	-9.8% ↓	-8.6% ↓	-12.1% ↓

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars

CITY OF MOORPARK

SALES TAX UPDATE

4Q 2023 (OCTOBER - DECEMBER)



MOORPARK

TOTAL: \$ 1,255,563

-6.7%

4Q2023



-0.2%

COUNTY



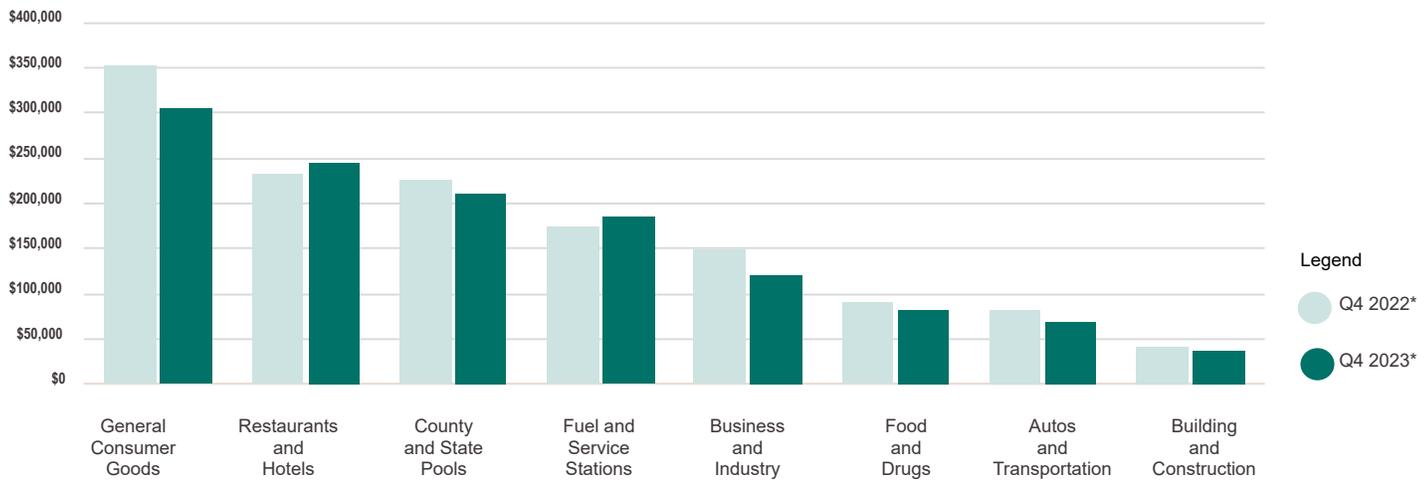
-2.5%

STATE



*Allocation aberrations have been adjusted to reflect sales activity

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF MOORPARK HIGHLIGHTS

Moorpark's receipts from October through December were 10.5% below the fourth sales period in 2022. Excluding reporting aberrations, actual sales were down 6.7%.

Consumer prices are still rising at a rate higher than the Fed's inflation target and nearly half of consumers consider inflation a major concern. While various economic reports indicate solid job growth and unemployment remains low, consumers pulled back on discretionary purchases with shrinking savings and tight credit conditions.

As shoppers face higher APRs with their credit cards, they pulled back on discretionary purchases for lower general consumer goods receipts. Consumers spending focused on more practical items and sales slipped in multiple segments including specialty stores.

In the current economy, fewer home sales often means less improvement projects and the slowdown continued in the building category with building materials down. Spending on automotive needs stalled with consumers focused on other priorities.

Revenues shrank in food-drugs as grocery sales diminished with cost-conscious consumers shifting to store brands over more costly name brands.

Even with menu prices continuing to climb, local restaurants posted improved receipts aided by some new outlets. Service stations delivered gains as pricing at the pump fluctuated during the quarter. Both groups outperformed regional/state returns.

Net of aberrations, taxable sales for all of Ventura County were flat from the comparable time period; the Southern California region was down 2.0%.



TOP 25 PRODUCERS

- | | |
|------------------------------|---------------------------|
| 7 Eleven | Target |
| 76 | Testequity |
| Arco | TJ Maxx |
| Authentic Watches | Tom Lindstrom RV |
| Campus Plaza Shell | Tractor Supply |
| Command Performance Catering | Vons |
| In N Out Burger | Warehouse Discount Center |
| Kohls | Wood Ranch |
| McDonald's | |
| Michaels Arts & Crafts | |
| Moorpark 76 | |
| Moorpark Chevron | |
| Pentair Pool Products | |
| Peter Lars | |
| Pool & Electrical Products | |
| Ralphs | |
| Simi Valley Harley Davidson | |



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of October through December were 2.5% lower than the same quarter one year ago after adjusting for accounting anomalies. The fourth quarter is notably the highest sales tax generating quarter of the year and exhibited diminished year-over-year returns as consumers balanced higher prices and financing costs with essential household needs.

Higher interest rates impacted the auto-transportation sector, especially luxury vehicles, as the group dropped 6.2%. Inventories for many dealers returned, creating downward pressure on prices, further constraining receipts. Lenders have tightened credit standards, making loan financing challenging. Improved leasing activity was the lone bright spot. With slow movement expected by the Federal Treasury setting interest rate policy, future revenue growth may stagnate.

Fuel and service stations contributed a similar downturn, as lower fuel prices reduced receipts from gas stations and petroleum providers. While this has been the trend throughout 2023, recently global crude oil prices have been on the rise and should see growth in the coming year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop.

During this holiday shopping period, general consumer goods experienced lackluster sales as results pulled back 3.4%. Most sectors saw reductions with home furnishings, women’s apparel, shoe and electronic-appliance stores being the most significant. Returns also marked the fourth consecutive quarter showing comparable declines. Similar to the anticipated trend of new vehicles, consumer spending may be sluggish in the near term.

Even though revenue from most major

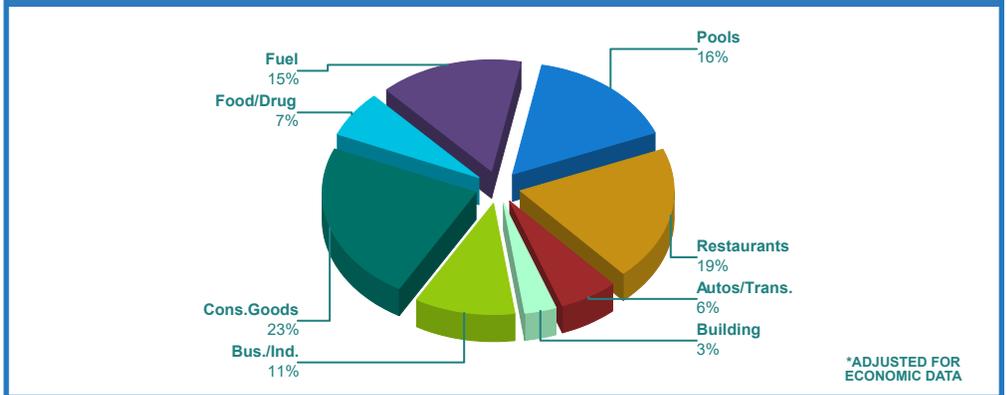
sectors slowed, restaurant sales remained steady with a modest gain of 1.0%. Results from casual dining establishments grew during the early winter period as patrons enjoyed indoor dining. However, following the greater trend of consumers looking for value, fine dining eateries experienced lower receipts. The industry is still bracing for implementation of AB 1228, a new law increasing minimum wages for ‘fast food restaurants’, on April 1, 2024.

Use taxes remitted via the countywide pools grew 1.0%, marking the first positive rebound after four consecutive quarters of decline. While overall online sales volume is steady, pool collections contracted with more taxes allocated directly to local agencies via in-state fulfillment and through

existing retail outlets.

Statewide, calendar year 2023 ended with a 2.3% decline from 2022. Elevated inflation and interest rates led to higher cost of goods resulting in consumers not spending as much as they had prior. Following multiple years of post-pandemic tax growth assisted by federal tax policy and temporary workplace accommodations, consumers reassessed their economic conditions and limited purchases. As the Federal Reserve considers delaying softening rates, consumer spending could likely stagnate delaying a return to the normal historical growth trend in 2024.

REVENUE BY BUSINESS GROUP Moorpark This Calendar Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Moorpark Business Type	Q4 '23*	Change	County Change	HdL State Change
Service Stations	185.1	6.7% ↑	-0.3% ↓	-4.9% ↓
Casual Dining	81.7	3.8% ↑	2.0% ↑	1.8% ↑
Quick-Service Restaurants	81.5	2.1% ↑	0.4% ↑	0.4% ↑
Grocery Stores	48.3	-10.3% ↓	-6.0% ↓	-4.6% ↓
Fast-Casual Restaurants	25.3	2.1% ↑	-3.1% ↓	1.6% ↑
Garden/Agricultural Supplies	23.3	-0.7% ↓	-5.0% ↓	-4.0% ↓
Plumbing/Electrical Supplies	19.4	-14.7% ↓	-0.7% ↓	-4.2% ↓
Specialty Stores	16.5	-26.3% ↓	-0.8% ↓	-2.2% ↓
Drug Stores	16.5	-5.5% ↓	-3.9% ↓	-6.3% ↓
Auto Repair Shops	13.8	8.1% ↑	-7.3% ↓	-3.0% ↓

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars