

Q1 2019



City of Moorpark Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2019)

Moorpark In Brief

Moorpark's receipts from January through March were 0.9% below the first sales period in 2018.

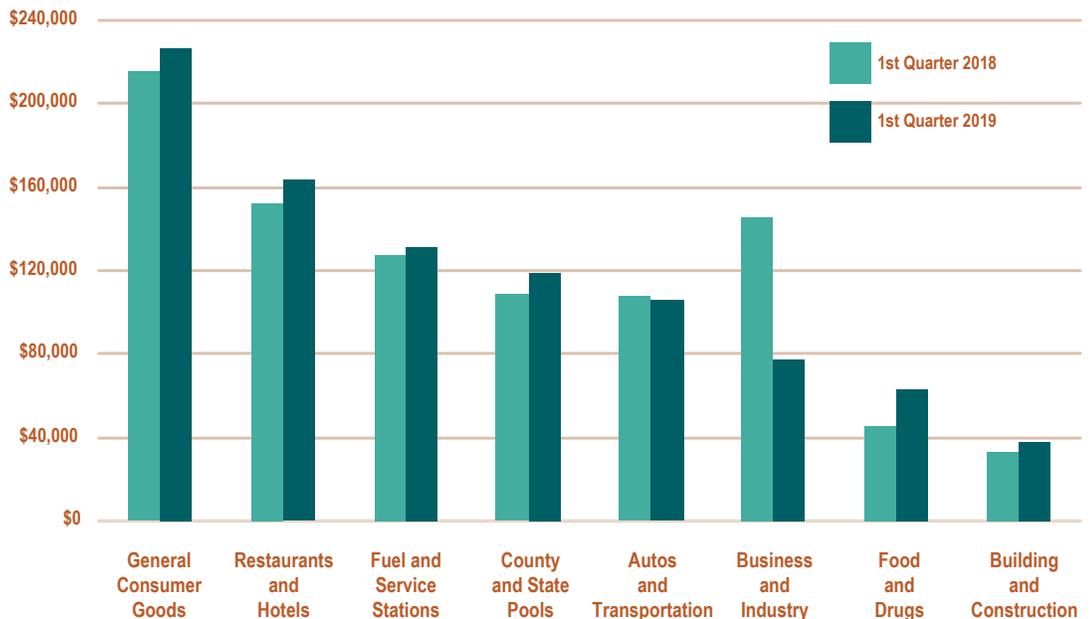
A negative accounting adjustment in the current period pulled business-industry results lower and was largely responsible for the overall decline. Weak sales activity by multiple auto-transportation vendors also contributed to the drop.

In contrast, solid post-holiday returns from multiple categories including electronics merchants and specialty retailers lifted general consumer receipts, while greater variety and new dining concepts improved interest in eating out positively impacting results from restaurants.

Although gas prices were lower than last year, local service stations experienced strong growth and the recent addition of a grocery store boosted revenue from food-drug merchants. Steady increases of items shipped into the region helped bolster allocations from the county-wide use tax pool, also partially offsetting the adjusted decline.

Net of aberrations, taxable sales for all of Ventura County declined 0.5% over the comparable time period; the Southern California region was up 0.9%.

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	QEP Company
Dick's Sporting Goods	Ralphs
In N Out Burger	Shell
Kahoots Pet Store	Simi Valley Harley Davidson
Kohls	Target
McDonalds	TJ Maxx
Michaels Arts & Crafts	Tom Lindstrom RV
Moorpark 76	Tractor Supply
Moorpark Chevron	Vons
Moorpark Petroleum	Warehouse Discount Center
	Wood Ranch

REVENUE COMPARISON

Three Quarters – Fiscal Year To Date (Q3 to Q1)

	2017-18	2018-19
Point-of-Sale	\$2,964,005	\$2,829,546
County Pool	365,739	406,898
State Pool	1,769	1,469
Gross Receipts	\$3,331,512	\$3,237,912
Cty/Cnty Share	(109,940)	(106,851)
Net Receipts	\$3,221,573	\$3,131,061

Statewide Results

Local sales and use tax receipts from January through March sales were 1.0% higher than the first quarter of 2018 after factoring out accounting anomalies and back payments from previous state reporting shortfalls. This was the lowest percentage increase since first quarter, 2010.

The growth came primarily from a solid quarter for purchases related to expanding logistics, medical and technology facilities and modest gains in building-construction supplies and restaurants. Cannabis sales produced a slight uptick in the food-drug group.

Lower fuel prices and declining general consumer good purchases offset the gains. The shift to internet purchases continued with online shopping accounting for 22.3% of the total general consumer goods segment versus 20.2% one year ago. Tax receipts from new car sales exhibited significant reductions although the drop was partially offset by an upswing in used autos and auto leases.

Regional changes ranged from a decline of 2.1% to gains as high as 4.4%. However, the differences were primarily attributable to onetime projects or capital purchases and not reflective of overall economic trends.

Slower Growth Ahead?

July marks ten years of continuous economic growth which is the longest period of U.S. economic expansion on record. However, analysts from a variety of economic segments are reporting signs that we may be leveling off.

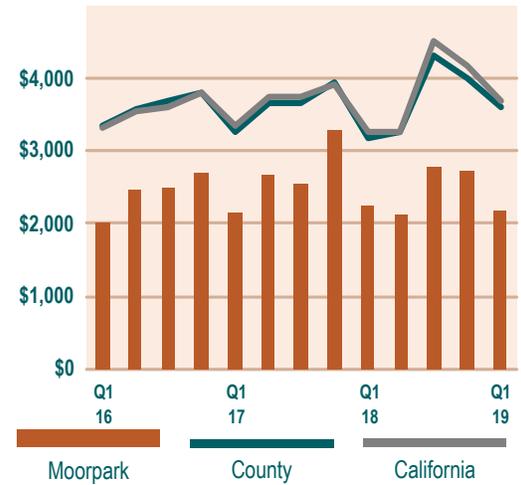
This quarter marked the eighth consecutive comparative period decline in California new car registrations with analysts noting that higher prices and a growing supply of vehicles coming off lease are making used cars more attractive. They also note that on-demand services such as Uber and Lyft are making it easier for debt-burdened millennials to avoid buying cars altogether.

Rising restaurant menu prices, renewed competition from grocer prepared meals, and cutbacks in foreign tourism appear to be reducing restaurant patronage which in recent years was one of the state's fastest growth segments. There will be an uptick in the second quarter's fuel-related tax receipts because of that period's refinery shutdowns; lower crude oil costs are expected to produce subsequent declines.

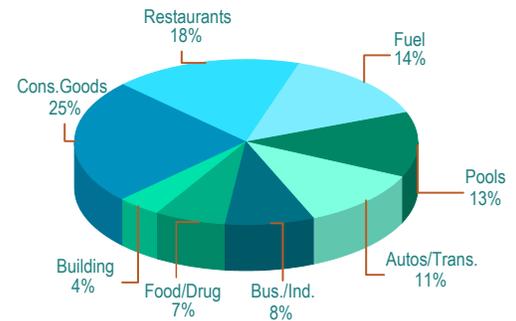
Uncertainty over U.S. tariff and trade policies plus labor shortages are delaying some investment and business expansion decisions while reduced home sales and two quarters of declining construction permit values suggest a potential future leveling in that sector. Investment in technological advances should continue and remain strong.

Economic shifts are not the only factor leveling sales tax revenues. With an economy based on intellectual technology rather than goods and consumer priorities shifting to non-taxable services and experiences, sales tax no longer reflects 21st century spending. Each year therefore, the portion of the economy that is taxed, shrinks.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP
Moorpark This Quarter



MOORPARK TOP 15 BUSINESS TYPES

Business Type	Moorpark		County	HdL State
	Q1 '19	Change	Change	Change
Boats/Motorcycles	— CONFIDENTIAL —	—	-6.6%	0.4%
Casual Dining	66,808	18.3%	14.3%	13.3%
Contractors	— CONFIDENTIAL —	—	6.0%	4.7%
Discount Dept Stores	— CONFIDENTIAL —	—	-1.6%	2.9%
Electronics/Appliance Stores	— CONFIDENTIAL —	—	-1.8%	-3.2%
Family Apparel	— CONFIDENTIAL —	—	6.9%	7.1%
Fast-Casual Restaurants	19,094	11.5%	11.5%	8.7%
Garden/Agricultural Supplies	— CONFIDENTIAL —	—	-17.4%	3.7%
Grocery Stores	35,862	45.1%	36.0%	25.7%
Leisure/Entertainment	18,208	14.8%	-3.5%	18.1%
Quick-Service Restaurants	58,585	-5.9%	13.5%	10.1%
Service Stations	131,700	3.0%	11.4%	15.8%
Specialty Stores	23,589	114.8%	20.4%	23.4%
Sporting Goods/Bike Stores	14,917	-1.9%	-9.0%	2.7%
Trailers/RVs	— CONFIDENTIAL —	—	-17.4%	-0.8%
Total All Accounts	807,944	-2.2%	13.4%	13.5%
County & State Pool Allocation	119,164	9.4%	26.8%	23.8%
Gross Receipts	927,108	-0.9%	14.9%	14.9%
City/County Share	(30,595)	0.9%		
Net Receipts	896,513	-0.9%		

Q2 2019



City of Moorpark Sales Tax *Update*

Third Quarter Receipts for Second Quarter Sales (April - June 2019)

Moorpark In Brief

Moorpark's receipts from April through June were 41.9% above the second sales period in 2018. However, this comparison is inflated due to CDTFA's transition to a new reporting system in the prior year which temporarily delayed distributions to the City. Excluding reporting aberrations, actual sales were up 6.1%.

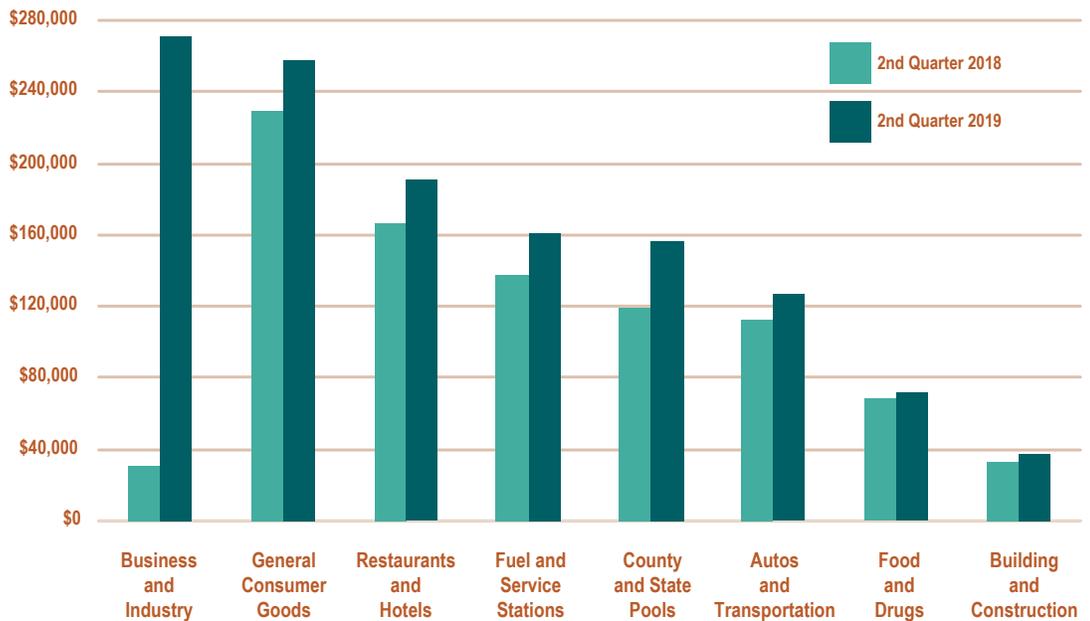
Adjusted for anomalies, the City's allocation from the countywide use tax pool increased 41.2% and represented the largest gain in actual sales during the quarter. The automotive sector posted a strong 8.7% increase in actual sales, while service station results were up 6.5%, besting regional and statewide trends.

Mixed results among the various retail categories netted a 2.3% gain in general consumer goods actual sales. Restaurant sales were 2.3% higher as casual dining and leisure-entertainment venues posted solid gains. A new grocery store helped lift food and drugs 6.6%.

The gains were partially offset by a misallocated payment that depressed building and construction and lower business-industrial sales.

Net of aberrations, taxable receipts for all of Ventura County grew 2.2% over the comparable time period; the Southern California region was up 2.7%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

76	Pentair Pool Products
Barnes & Noble College Bookstores	QEP Company
Campus Plaza Shell	Ralphs
Command Performance Catering	Shell
Dick's Sporting Goods	Simi Valley Harley Davidson
In N Out Burger	Target
Kahoots Pet Store	Testequity
Kohls	TJ Maxx
McDonalds	Tom Lindstrom RV
Moorpark 76	Tractor Supply
Moorpark Chevron	Vons
Moorpark Petroleum	Warehouse Discount Center
	Wood Ranch

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date (Q3 to Q2)

	2017-18	2018-19
Point-of-Sale	\$3,744,046	\$3,948,429
County Pool	484,265	563,286
State Pool	2,063	1,947
Gross Receipts	\$4,230,374	\$4,513,662
Cty/Cnty Share	(139,602)	(148,951)
Net Receipts	\$4,090,772	\$4,364,711

California Overall

The local one percent share of California’s sales and use tax from April through June sales was 20.4% higher than the same quarter of 2018. However, the actual gain came to 2.9% after factoring for online filing issues and accounting anomalies. Fiscal year 2018-19 ended with an increase of 3.6% over the previous year after similarly adjusting for reporting aberrations.

The quarter exhibited continuation of a recent softening for most taxable categories. Rising used car sales and rentals helped offset what was otherwise, a generally flat quarter for the auto-transportation group. An acceleration in online shopping boosted receipts from county wide pools while gains for brick and mortar stores were limited to value priced apparel, discount department stores and jewelry.

Restaurant patronage appears to be leveling with a shift toward lower cost dining options that produced relatively modest gains for the group when compared to previous quarters. New cannabis operations resulted in a small rise in food and drug receipts.

A 2.5% gain in business-industrial sales and use tax revenues came primarily from online fulfillment centers, logistics and utility company purchases and ongoing investment in automation and information technology. A similar rise in receipts from the building-construction group was due to a variety of infrastructure and onetime special projects that offset declines in material purchases for new home construction.

Marketplace Facilitator Act

Effective Oct. 1, 2019, companies such as Amazon, eBay and Google who provide sales tax related services to other retailers are required to assume the obligation for collecting and remitting their client’s sales and use tax. The definition of sales-related services includes payment processing, inventory and shipping of merchandise, order taking, providing customer service, or assisting with re-

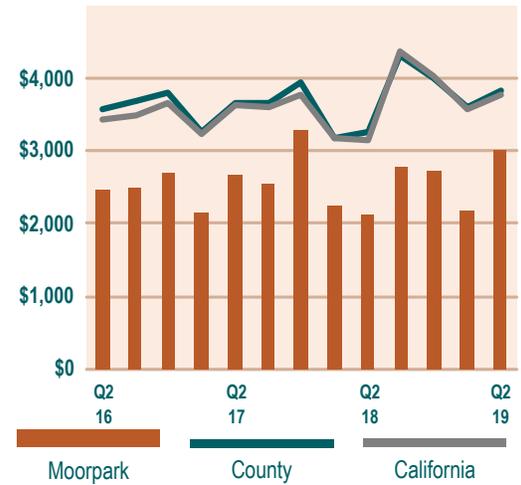
turns and exchanges.

The Marketplace provision was part of AB 147 which was adopted to implement California’s approach to the U.S. Supreme Court decision in South Dakota v. Wayfair Inc.

AB 147 requires out-of-state retailers with annual combined sales of \$500,000 or more to now collect and remit this state’s sales and use tax from its customers. Applying the \$500,000 threshold to the sum total of all the third-party transactions that facilitators process for their clients, is hoped to produce moderate gains in previously uncollected revenues for the state, cities, counties and local transaction tax districts.

Facilitator tax remittances from merchandise inventoried in California will be allocated to specific jurisdictions while receipts from deliveries outside of the state will be distributed via the pools. Some facilitators have begun to collect and remit taxes ahead of this deadline. This is evidenced by new pool allocations and increases in direct allocations to certain jurisdictions.

SALES PER CAPITA

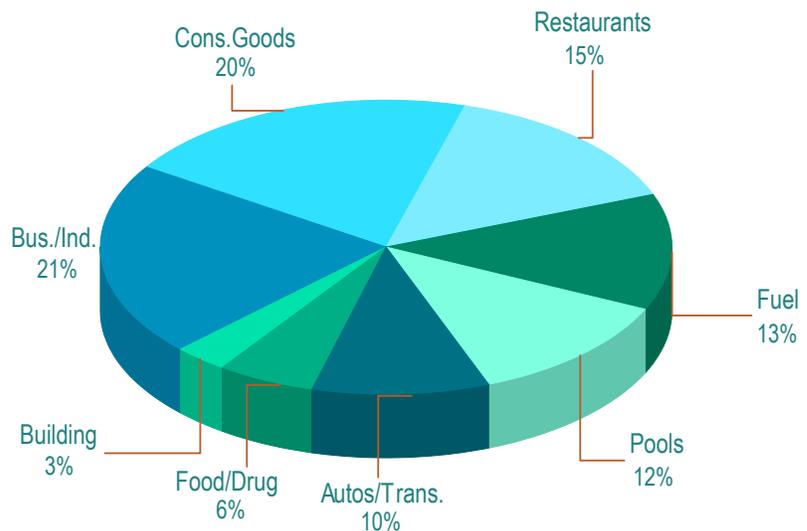


**COUNTY OVERALL
2Q YOY RECEIPTS % CHANGE**

Major Industry Groups	Cash	Adjusted*
Autos and Transportation	-6.5%	-3.0%
Building and Construction	43.3%	6.5%
Business and Industry	42.1%	-2.2%
Food and Drugs	5.4%	4.2%
Fuel and Service Stations	55.5%	2.3%
General Consumer Goods	9.4%	-1.9%
Restaurants and Hotels	20.9%	5.9%
County and State Pools	7.4%	14.7%
Total	15.5%	2.2%

*Accounting anomalies factored out

**REVENUE BY BUSINESS GROUP
Moorpark This Quarter**



Q3 2019



City of Moorpark Sales Tax *Update*

Fourth Quarter Receipts for Third Quarter Sales (July - September 2019)

Moorpark In Brief

Moorpark's receipts from July through September were 7.2% below the third sales period in 2018. However, this comparison is skewed due to the CDTFA's transition to a new reporting system in the prior year when additional payments were received by the City. Excluding reporting aberrations, actual sales were down 2.0%.

General retail outperformed regional trends with an adjusted gain of 4.2%. While several sectors were up including specialty stores and family apparel, others slipped compared to a year ago.

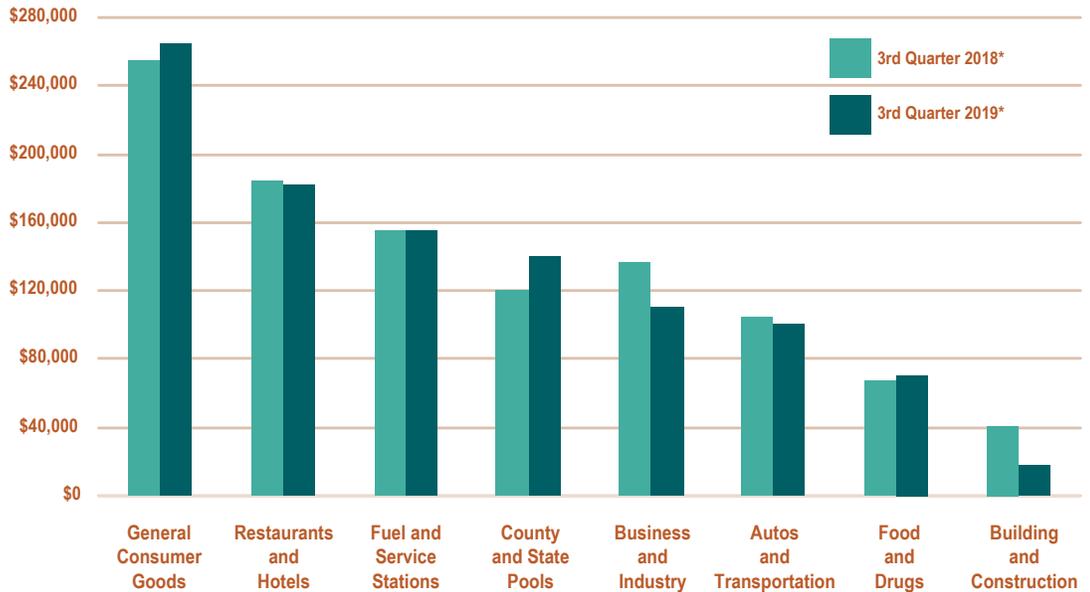
The increase in the City's share of the countywide use tax allocation pool partially offset losses in other major industry groups.

Conversely, business to business performance slumped, however, quarter to quarter fluctuations are not unusual. Temporary reporting errors accounted for the drop of 56.8% in building and construction.

Restaurants and entertainment-based activity underperformed with a 1% decline on an actual basis.

Net of aberrations, taxable sales for all of Ventura County grew 1.7% over the comparable time period; the Southern California region was up 2.8%.

SALES TAX BY MAJOR BUSINESS GROUP



*Allocation aberrations have been adjusted to reflect sales activity

TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

76	Pentair Pool Products
Campus Plaza Shell	Ralphs
Command Performance Catering	Shell
Cornerstone Photography	Simi Valley Harley Davidson
Dick's Sporting Goods	Smart & Final
In N Out Burger	Target
Kahoots Pet Store	Testequity
Kohls	TJ Maxx
McDonalds	Tom Lindstrom RV
Moorpark 76	Tractor Supply
Moorpark Chevron	Vons
Moorpark Petroleum	Warehouse Discount Center
	Wood Ranch

REVENUE COMPARISON

One Quarter - Fiscal Year To Date (Q3)

	2018-19	2019-20
Point-of-Sale	\$1,020,797	\$929,189
County Pool	139,477	147,541
State Pool	524	369
Gross Receipts	\$1,160,799	\$1,077,098
Cty/Cnty Share	(38,306)	(35,544)
Net Receipts	\$1,122,492	\$1,041,554

Statewide Results

The local one-cent share of statewide sales and use tax from sales occurring July through September was 2.2% higher than the summer quarter of 2018 after adjusting for accounting anomalies.

The bulk of the increase came from the countywide use tax allocation pools and is due to the acceleration in online shopping where a large volume of the orders are shipped from out-of-state.

Online shopping also produced gains in the business-industrial group with in-state industrial zoned logistics centers filling orders previously taken by brick and mortar retailers. Purchases to support healthcare, food processing, logistics/warehouse operations and information/data technology also helped offset declines in other business-related categories.

With the exception of some discount and value-oriented retail, most categories of general consumer goods were down. New cannabis related start-ups offset declines in the food and drug group while a softening in building-construction receipts was consistent with recent declines in the volume and value of new building permit issuances.

Overall growth in restaurant receipts continued to soften with a shift toward lower cost dining establishments and takeout meal options. Reports of labor shortages and the impact of homelessness on customer traffic in metropolitan areas were reportedly factors in the decline in tax revenues from higher price, fine dining establishments.

Despite a slight uptick in used auto and auto lease receipts, the auto related group was significantly down due to a drop in new car and RV sales. Previously propped up by a 23% subprime rated customer base and six- and seven-year financing, loan delinquencies have recently surged back to levels last seen in 2009.

Additional Tax Districts Approved

Voters approved eight of the nine sales

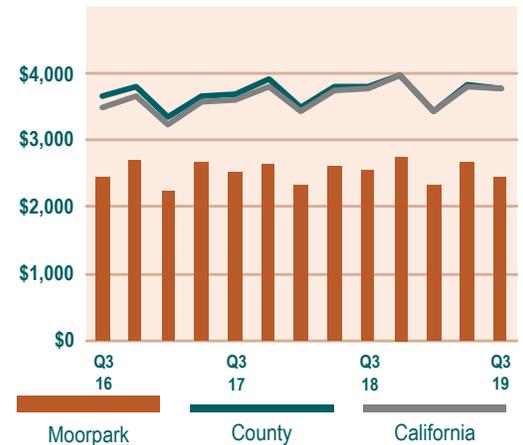
tax measures on the November 2019 ballot adding six new districts and extending two others.

This brings the total number of local transactions and use tax districts (TUT's) to 325 with 62 that are levied countywide and 263 imposed by individual cities. The number of local districts have close to tripled over the last decade as agencies deal with rising costs and service needs. TUT's have been a favorable option as visitors contribute to the tax and a collection system is already in place that minimizes administrative and monitoring costs.

California's basic rule is that the rate for all local TUT's combined, shall not exceed 2.0% or a total of 9.25% including the state levy. However, the state legislature has authorized higher caps in some jurisdictions with the highest voter-approved, combined state/local rate now at 10.5%.

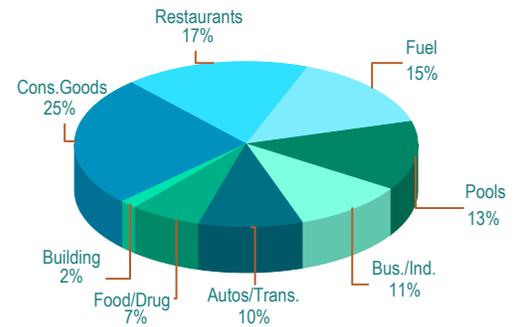
Thirty-five or more additional local TUT measures are currently being considered for the March 2020 ballot.

SALES PER CAPITA*



*Allocation aberrations have been adjusted to reflect sales activity

**REVENUE BY BUSINESS GROUP
Moorpark This Quarter***



*Allocation aberrations have been adjusted to reflect sales activity

MOORPARK TOP 15 BUSINESS TYPES**

Business Type	Moorpark		County	HdL State
	Q3 '19	Change	Change	Change
Boats/Motorcycles	— CONFIDENTIAL —		6.1%	1.7%
Casual Dining	62,163	-1.4%	1.8%	2.3%
Department Stores	— CONFIDENTIAL —		-11.4%	-9.5%
Discount Dept Stores	— CONFIDENTIAL —		0.6%	2.8%
Electrical Equipment	— CONFIDENTIAL —		-41.7%	1.5%
Electronics/Appliance Stores	— CONFIDENTIAL —		-3.3%	-3.1%
Family Apparel	— CONFIDENTIAL —		-4.2%	1.5%
Fast-Casual Restaurants	17,958	-0.9%	6.1%	5.1%
Grocery Stores	40,577	3.0%	1.2%	1.7%
Leisure/Entertainment	35,523	-3.9%	-4.9%	7.5%
Light Industrial/Printers	28,391	-2.4%	9.8%	2.4%
Quick-Service Restaurants	65,977	0.5%	1.8%	2.6%
Service Stations	155,636	-0.1%	-0.9%	-1.5%
Specialty Stores	25,500	3.9%	0.0%	0.3%
Trailers/RVs	— CONFIDENTIAL —		5.0%	-3.7%
Total All Accounts	901,743	-4.4%	-0.3%	0.2%
County & State Pool Allocation	140,152	16.9%	16.3%	14.9%
Gross Receipts	1,041,895	-2.0%	1.7%	2.3%

** Accounting aberrations such as late payments, fund transfers, and audit adjustments have been adjusted to reflect the quarter in which the sales occurred.

Q4 2019



City of Moorpark Sales Tax *Update*

First Quarter Receipts for Fourth Quarter Sales (October - December 2019)

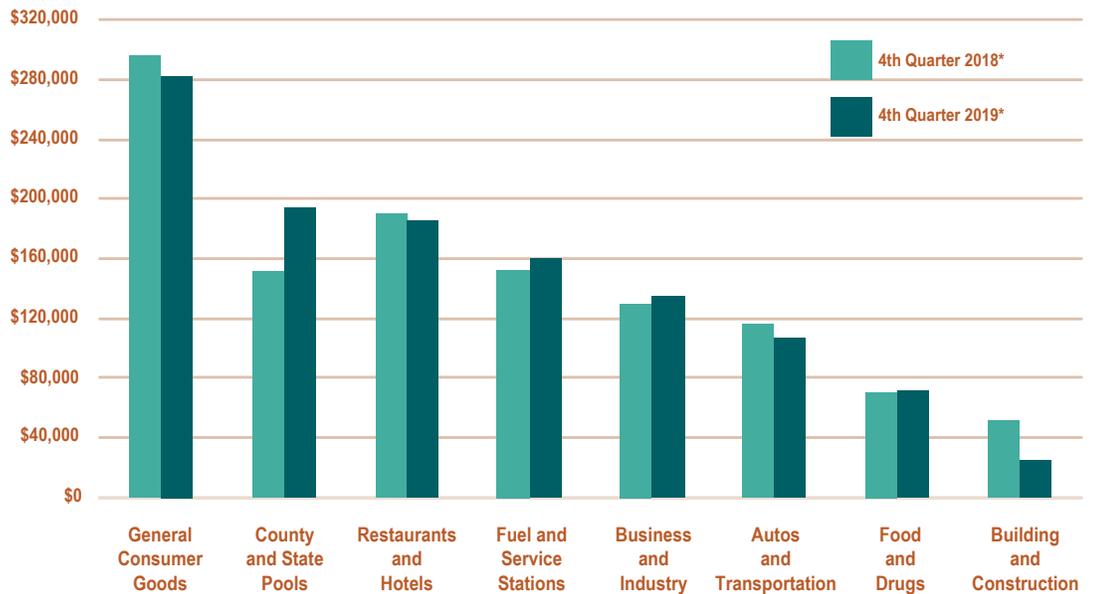
Moorpark In Brief

Moorpark's allocation of sales and use tax from its October through December sales was 2.7% higher than the holiday quarter of 2018. Revenues were flat after accounting anomalies are factored out.

The loss of a major tax generator in the building-construction group and generally soft holiday spending at brick and mortar stores and restaurants reduced point-of-sale receipts by 4.2%. The loss was offset by a rise in Moorpark's 2.8% share of the countywide use tax allocation pool which resulted from accelerated online shopping for merchandise shipped from out-of-state and a previous Supreme Court decision that allows requiring out-of-state retailers to collect and remit California sales and use tax.

Adjusted for aberrations, sales and use tax receipts for all of Ventura County grew 5.0% over the comparable time period while the Southern California region as a whole, was up 4.4%.

SALES TAX BY MAJOR BUSINESS GROUP



*Allocation aberrations have been adjusted to reflect sales activity

TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

76	Pentair Pool Products
Authentic Watches	QEP Company
Campus Plaza Shell	Ralphs
Command Performance Catering	Shell
Dick's Sporting Goods	Simi Valley Harley Davidson
In N Out Burger	Target
Kohls	Testequity
McDonalds	TJ Maxx
Michaels Arts & Crafts	Tom Lindstrom RV
Moorpark 76	Tractor Supply
Moorpark Chevron	Vons
Moorpark Petroleum	Warehouse Discount Center
	Wood Ranch

REVENUE COMPARISON

Two Quarters – Fiscal Year To Date (Q3 to Q4)

	2018-19	2019-20
Point-of-Sale	\$2,021,602	\$1,918,012
County Pool	288,190	339,356
State Pool	1,013	861
Gross Receipts	\$2,310,804	\$2,258,229
Cty/Cnty Share	(76,257)	(74,522)
Net Receipts	\$2,234,548	\$2,183,708

California Overall

Statewide sales and use tax receipts from 2019's fourth quarter were 4.2% higher than last year's holiday quarter after factoring for accounting anomalies.

The increase came from the acceleration in online shopping which generated huge gains in the countywide use tax pools for merchandise shipped from out-of-state and from California based fulfillment warehouses in those cases where the warehouse is also point-of-sale. This segment was further boosted by the first full quarter of California's implementation of the Wayfair vs South Dakota ruling that requires out-of-state retailers to collect and remit sales tax on merchandise sold to California customers. The ruling has led to an increase in sales tax receipts of roughly \$2.95 per capita while also producing double digit gains for in-state online fulfillment centers.

In contrast, soft sales and closeouts resulted in a decline in almost every category of brick-and-mortar spending during the holiday season while new cannabis retailers helped boost what would have been a soft quarter for the food-drug group. Most other sales categories including new cars and business-industrial purchases were also down. Restaurant group gains were modest compared to previous quarters.

Overall, the rise in county pool receipts offset what would have been otherwise, a flat or depressed quarter for most jurisdictions.

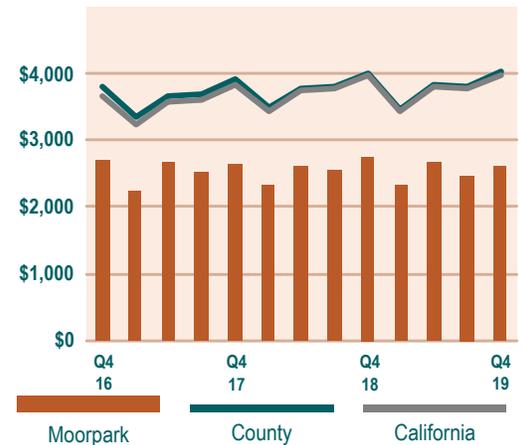
Covid-19

The coronavirus impact will first be seen in next quarter's data reflecting January through March sales. Based on recovery rates being reported in some Asian countries, the virus's disruption of supply chains will be deepest in the first and second quarter and largely resolved by mid-summer. However, recovery from social distancing and home confinements could take longer

with the deepest tax declines expected in the restaurant/hospitality, travel/transportation and brick-and-mortar retail segments. Layoffs and furloughs are also expected to reduce purchases of new cars and other high cost durable goods. The losses from the state's high-tech innovation industries may be more modest while the food-drug and online retail groups could exhibit increases.

Assuming that the virus is largest contained by the end of September, HdL's economic scenario projects that tax declines will bottom out in the first quarter of 2021 but with only moderate gains for several quarters after. Data from previous downturns suggests that the return to previous spending is not immediate and often evolves. Businesses emerge with ways to operate with fewer employees and more moderate capital investment. Consumers take time to fully get back to previous levels of leisure travel, dining and spending and may permanently transfer to newly discovered services, activities and/or online retail options.

SALES PER CAPITA*



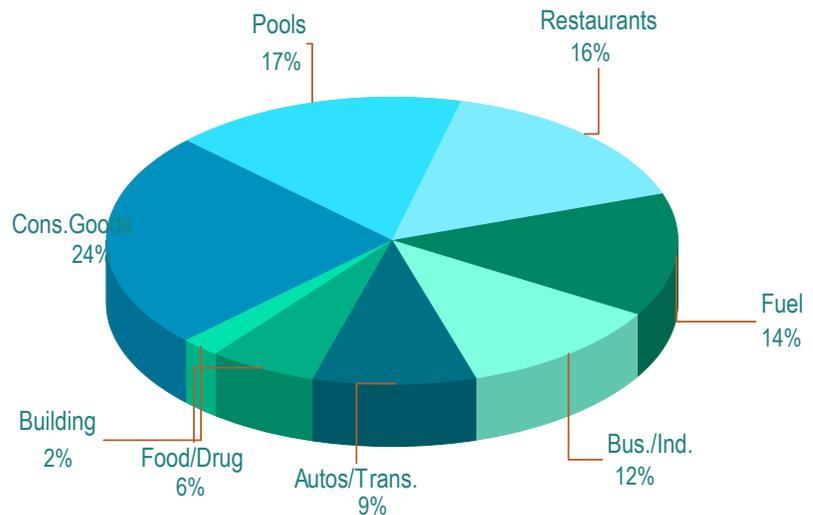
*Allocation aberrations have been adjusted to reflect sales activity

**COUNTY OVERALL
4Q YOY RECEIPTS % CHANGE**

Major Industry Groups	Cash	Adjusted*
Autos and Transportation	10.4%	4.3%
Building and Construction	-9.2%	-2.4%
Business and Industry	5.5%	-3.5%
Food and Drugs	5.5%	4.7%
Fuel and Service Stations	-1.3%	0.2%
General Consumer Goods	0.1%	-1.3%
Restaurants and Hotels	7.0%	4.9%
County and State Pools	34.5%	33.8%
Total	7.2%	5.0%

*Accounting anomalies factored out

**REVENUE BY BUSINESS GROUP
Moorpark This Quarter***



*Allocation aberrations have been adjusted to reflect sales activity