

Q4 2009



Temple City Sales Tax Update

First Quarter Receipts for Fourth Quarter Sales (Oct-Dec 2009)

Temple City In Brief

The allocation from Temple City's October through December sales tax was 6.6% less than the same quarter one year ago.

Decreased sales from specialty stores, office supplies/furniture, drug stores, restaurants with liquor and some categories of Autos & Transportation were partially responsible for the decrease. A recent close-out reduced revenues from grocery stores with liquor. A delayed allocation temporarily reduced receipts from restaurants with no alcohol.

The losses were offset by increased sales from auto supply stores and some categories of General Consumer Goods. Receipts from restaurants with beer and wine were exaggerated by onetime accounting adjustments.

The comparisons of service stations and variety stores were skewed by onetime reporting aberrations.

Adjusted for reporting aberrations, taxable sales for Los Angeles County decreased 8.0% over the comparable time period while Southern California as a whole was down 6.8%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS In Alphabetical Order

99 Cents Only	Peters Mobile Service
Applebees	Ralphs
AT&T Mobility	Rite Aid
Chevron	Seafood Village
CVS Pharmacy	Star Maintenance Supply
Hat	Super Pets
Hometown Buffet	Temple City Powersports
In N Out Burgers	Temple City Shell
K Mart	TJ Maxx
M&Y International	Valu Mart
McDonalds	Zen Buffet
Modern Lighting	
Office Depot	
Pep Boys	

REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2008-09	2009-10
Point-of-Sale	\$1,177,444	\$1,048,973
County Pool	129,424	109,429
State Pool	499	1,012
Gross Receipts	\$1,307,367	\$1,159,414
Less Triple Flip*	\$(326,842)	\$(289,854)

*Reimbursed from county compensation fund

California Overall

Local allocations for sales occurring October through December were 6.7% lower than last year's holiday quarter after adjusting for accounting aberrations.

All regions experienced declines. The largest reductions were in building and construction materials and business equipment and supplies. Shoppers generally favored discount stores and value-oriented apparel to traditional department stores and specialty shops. However, a few high end chains also posted gains. A rise in new car sales was offset by declining revenues from auto leases and continuing drops in sales of RVs, boats and motorcycles. The quarter's largest statewide increases were from value oriented family apparel and from rising service station prices.

Short Term Recovery Projected

Most economists and trade analysts are cautiously optimistic that there will be recovery over the next two or three quarters. Stabilization of home prices and the recovering stock market have made the still employed more confident about making purchases that were avoided during the bottom of the recession. Lower prices have also stretched the discretionary income available to make those purchases.

They see banks beginning to lend again while the restocking of depleted inventories is stimulating industrial production. Other factors adding to the optimism are increased demands for American exports, renewed spending on technology and software and a recent uptick in California's entertainment industry.

The Budget Conundrum

There is general agreement that the current recovery is fragile and that California will trail the nation. However, there is sharp disagreement on its durability. Most analysts believe that as long as the current demand for exports continues, the other previously cited factors will sustain a slow recovery.

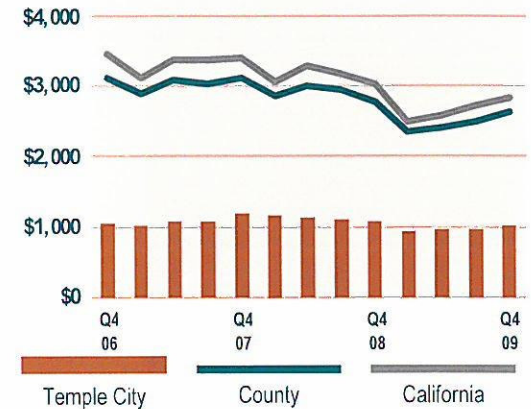
Others argue that a second dip in the recession is likely. They maintain that the current recovery is a "bubble" created by unsustainable tax cuts, federal stimulus spending, low interest loans and modification programs that mask and only delay inevitable foreclosures. Further, the pending resetting of large numbers of adjustable rate home mortgages and need to refinance \$500 billion in commercial loans is being ignored. Until we suffer the consequences from those losses they say, the end of federal bailouts will simply send us back into a recession. Both sides express concerns about the sufficiency of future job opportunities.

Recovery and Sales Tax

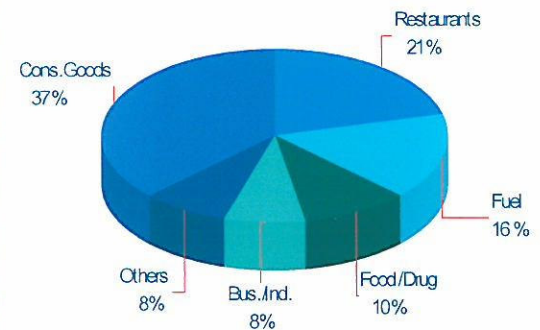
It will be slow, spotty and uncertain. Gains from value priced consumer goods, technology, medical focused industries and higher fuel prices are expected. The increase from incentive driven car sales should continue for another quarter or two.

The outlook for a recovery from building and construction materials remains pessimistic while restaurants and other categories are expected to be flat or decline further.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP
Temple City This Quarter



TEMPLE CITY TOP 15 BUSINESS TYPES

Business Type	Temple City		County	HdL State
	Q4 '09	Change	Change	Change
Service Stations	\$58,092	-3.7%	7.9%	7.0%
Restaurants No Alcohol	57,993	-13.2%	-3.6%	-2.3%
Discount Dept Stores	— CONFIDENTIAL —		2.6%	1.8%
Family Apparel	29,904	9.0%	7.3%	9.4%
Specialty Stores	20,918	-5.7%	-9.3%	-6.0%
Grocery Stores Liquor	17,062	-14.9%	10.4%	2.1%
Office Supplies/Furniture	11,637	-9.1%	-17.8%	-7.9%
Drug Stores	11,168	-2.2%	1.2%	-1.0%
Restaurants Beer And Wine	11,039	146.5%	-11.2%	-10.9%
Electronics/Appliance Stores	10,872	30.0%	-5.3%	-2.6%
Automotive Supply Stores	9,301	3.5%	-0.8%	-1.6%
Restaurants Liquor	8,229	-12.1%	-2.1%	0.3%
Boats/Motorcycles	— CONFIDENTIAL —		-22.4%	-21.6%
Variety Stores	6,727	31.6%	7.3%	8.9%
Home Furnishings	6,529	3.1%	-9.2%	-7.2%
Total All Accounts	\$362,230	-5.5%	-5.3%	-5.9%
County & State Pool Allocation	34,569	-17.5%		
Gross Receipts	\$396,799	-6.6%		