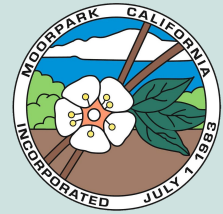


CITY OF MOORPARK

SALES TAX UPDATE

3Q 2023 (JULY - SEPTEMBER)



MOORPARK

TOTAL: \$ 1,213,674

-9.4%

3Q2023



4.8%

COUNTY



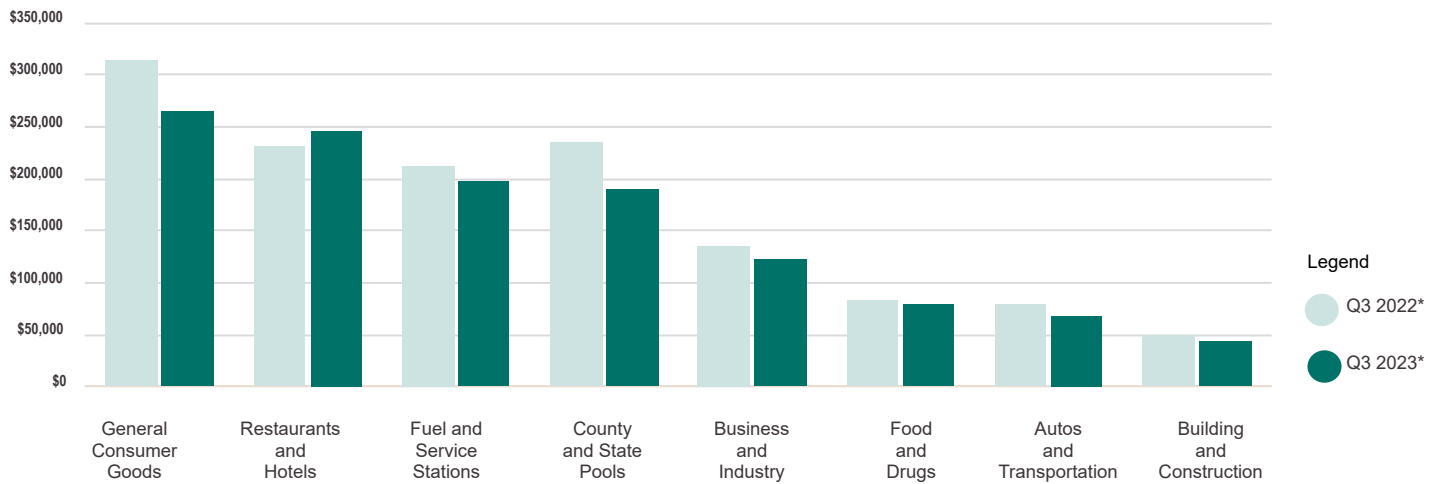
-1.6%

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 | Target |
| 76 | Testequity |
| Aqua Flo Supply | TJ Maxx |
| Arco | Tom Lindstrom RV |
| Campus Plaza Shell | Tractor Supply |
| 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 | |
| Ralphs | |
| Simi Valley Harley Davidson | |
| Smart & Final | |



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.

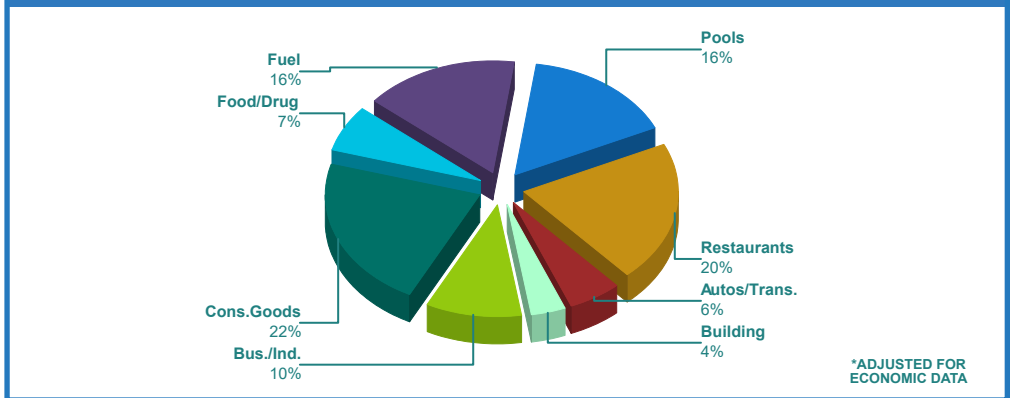
Despite continued increases of new car registrations, revenue from the auto-transportation sector slipped 2.6%. The improved activity remains mostly attributed to rental car agencies restocking their fleets. Like other segments, elevated financing costs are expected to impede future retail volume.

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