

Q1 2013



City of Irwindale Sales Tax Update

Second Quarter Receipts for First Quarter Sales (January - March 2013)

Irwindale In Brief

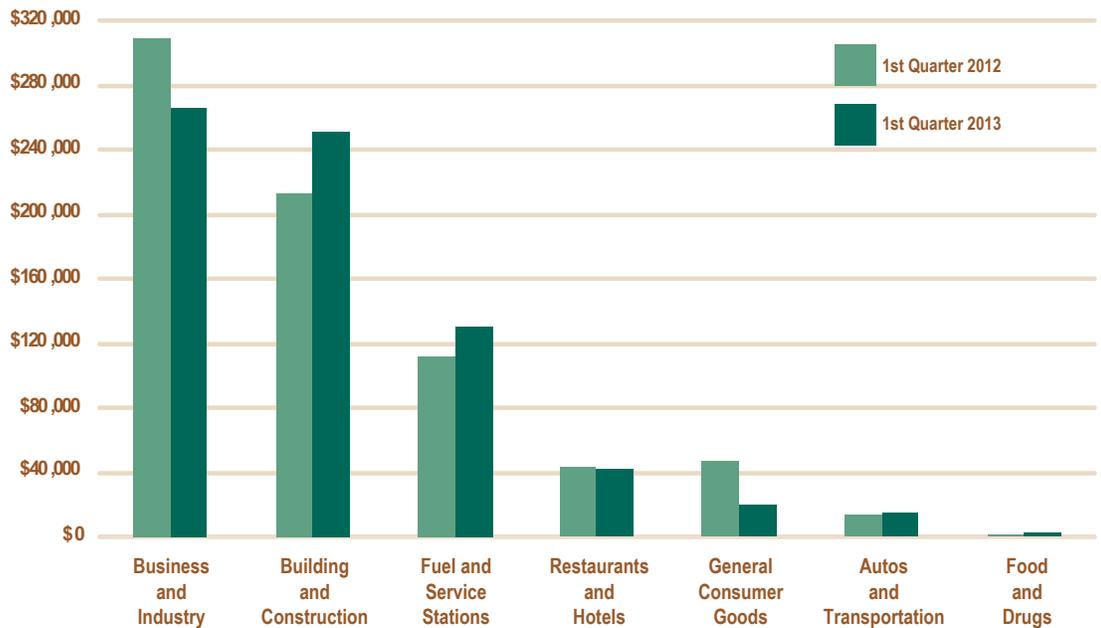
Receipts for Irwindale's January through March sales were 0.9% lower than the same quarter one year ago. Actual sales activity was down 2.1% when reporting aberrations were factored out.

Payment anomalies, including missing allocations, were primarily responsible for the decrease from business and industry. In addition, accounting adjustments exaggerated the overall decrease from general consumer goods. The previous closure of an eatery was a significant factor in the sales decline from the restaurant group.

Receipts from building and construction were lifted, in part, by sales increases and new businesses in the contractor supplies category. Fuel and service stations also added a new business that helped boost receipts. Autos and transportation posted sales increases from multiple categories; however, the gain was inflated by the double-up of previously late payments.

Adjusted for aberrations, taxable sales for all of Los Angeles County increased 4.9% over the comparable time period, while the Southern California region as a whole was up 6.5%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS In Alphabetical Order

ACH Supply	Holiday Rock
Airgas USA	Jacmar Food Service
Arco	L & L Building Materials
Arco AM PM	Matheson Tri Gas
Arco AM PM	National Ready Mixed Concrete
Bartley Optical Sales	Rivergrade Shell Station
Chaparral Concrete	Spancrete of California
Chem Arrow	Spot Not Car Wash & Gas
Decore Ative Specialties	Spragues Rock & Sand
Education Management Systems	Unitek
Food Makers Bakery Equipment	Volvo Road Machinery
Grainger Industrial Supply	Vulcan Materials
Hanson Aggregates West	

REVENUE COMPARISON

Four Quarters – Fiscal Year To Date

	2011-12	2012-13
Point-of-Sale	\$3,162,805	\$3,289,046
County Pool	348,700	388,647
State Pool	959	1,518
Gross Receipts	\$3,512,464	\$3,679,211
Less Triple Flip*	\$(878,116)	\$(919,803)

*Reimbursed from county compensation fund

California Overall

After adjusting for payment aberrations, statewide sales tax receipts for January through March sales were 6.5% higher than the same period in 2012.

Strong sales for apparel, department stores and big box discounters lifted general consumer goods and accounted for 23% of the statewide increase. Improvements in the housing sector pushed building and construction sales up 8.6%. Continued robust sales of new automobiles led to a 9.3% increase over the comparable quarter. Reduced consumption combined with lower gasoline prices cut fuel and service station returns in the first quarter by 2.7%.

Energy Projects Boost Business and Industry Gains

Taxes from construction of solar, wind, biomass and geothermal power projects accounted for 39% of California’s business-to-business sales this quarter and produced significant windfalls for a handful of local agencies.

This temporary boost in revenues came from the federal government’s goal of doubling the nation’s renewable energy production in three years and from California’s SB 2X which was signed in April of 2011 and calls for 33% of all retail electricity sales to be from renewable energy sources by 2020. Joint federal and state funding efforts to meet these goals have resulted in the initiation of more than a dozen utility-scale solar energy projects and over 130 renewable power plant projects in California.

Intermittent quarterly spikes in sales and use tax receipts from projects under construction or in the pipeline are expected for another two years.

Decline in Fuel Consumption Continues

According to the most recent data from the State Board of Equalization, California’s gasoline usage fell 1.7% while diesel consumption eased 0.4% in the fourth quarter of 2012 from 2011 levels. This continues a decline that began in 2005 and which is almost twice the nationwide drop.

Historically, economic conditions have been the primary driver in fuel usage, however other factors are becoming increasingly prevalent. Nationally, total vehicle miles traveled have dropped eight years in a row as aging drivers travel fewer miles and the millennial generation, focused on social networking technology, is driving less than previous generations. Increased fuel efficiency is also at play with the average new car achieving 16% more miles per gallon than just five years ago and some

commercial trucking fleets shifting to natural gas.

Until recently, price increases have offset consumption declines. The price gains were partly the result of California refineries exporting their finished product to emerging economies with higher demand and also by periodic refinery and transmission interruptions in the state’s limited production infrastructure.

SALES PER ACCOUNT



IRWINDALE TOP 15 BUSINESS TYPES

Business Type	Irwindale		County	HdL State
	Q1 '13	Change	Change	Change
Business Services	20,568	-40.2%	-21.9%	-10.8%
Contractors	231,253	14.0%	-1.8%	6.0%
Drugs/Chemicals	57,979	39.5%	-0.8%	3.5%
Electrical Equipment	13,948	-38.3%	52.0%	4.8%
Food Mfg.	27,208	-69.3%	6.5%	5.8%
Heavy Industrial	51,274	77.9%	5.6%	7.6%
Light Industrial/Printers	26,592	-27.8%	1.5%	6.8%
Lumber/Building Materials	— CONFIDENTIAL —		-1.5%	7.2%
Medical/Biotech	20,593	138.4%	-2.5%	2.6%
Office Equipment	7,852	1.9%	7.5%	14.0%
Office Supplies/Furniture	8,123	-23.1%	2.6%	-0.5%
Repair Shop/Equip. Rentals	10,228	2.3%	22.6%	-0.9%
Restaurants No Alcohol	38,655	4.8%	4.4%	6.0%
Service Stations	129,954	16.0%	-6.0%	-2.2%
Textiles/Furnishings	10,176	56.2%	2.0%	-7.7%
Total All Accounts	\$726,439	-1.8%	5.0%	5.7%
County & State Pool Allocation	85,302	7.6%		
Gross Receipts	\$811,741	-0.9%		

Q2 2013



City of Irwindale Sales Tax Update

Third Quarter Receipts for Second Quarter Sales (April - June 2013)

Irwindale In Brief

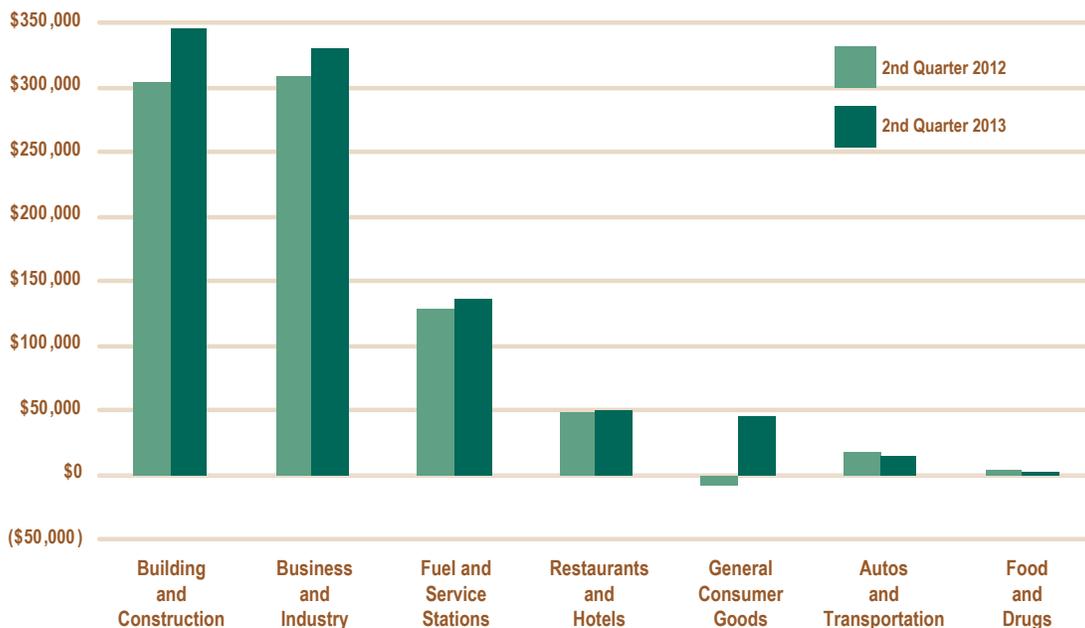
Receipts from Irwindale's April through June sales were 9.2% higher than the same quarter one year ago but reporting aberrations skewed the data. With anomalies removed, actual sales were up 3.5%.

Payment deviations temporarily exaggerated general consumer goods and several business to business sector results. Despite a business closure, the building and construction group experienced a positive quarter due to strong contractor supply sales. A new station opening boosted receipts for the fuel and service stations group further contributing to the overall quarterly increase.

The gains were partially offset by a business closure that negatively impacted autos and transportation group returns. A lower allocation from the countywide use tax pool was also a factor.

Adjusted for aberrations, taxable sales for all of Los Angeles County increased 3.7% over the comparable time period, while the Southern California region as a whole was up 5.2%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

ACH Supply	L & L Building Materials
Airgas USA	National Ready Mixed Concrete
Arco	Pall Corporation
Arco AM PM	Renaissance Pleasure Faire
Arco AM PM	Rivergrade Shell Station
Bartley Optical Sales	Spot Not Car Wash & Gas
Chaparral Concrete	Spragues Rock & Sand
Charles P Crowley	United Rock Products
Chem Arrow	Unitek
Decore Ative Specialties	Vulcan Materials
Education Management Systems	Western Emulsions
Food Makers Bakery Equipment	
Holliday Rock	
Jacmar Food Service	

REVENUE COMPARISON

One Quarter – Fiscal Year To Date

	2012-13	2013-14
Point-of-Sale	\$838,380	\$926,290
County Pool	98,741	96,859
State Pool	840	637
Gross Receipts	\$937,962	\$1,023,786
Less Triple Flip*	\$(234,491)	\$(255,946)

*Reimbursed from county compensation fund

State Overall

Adjusted for accounting anomalies, receipts from local governments' one cent sales and use tax were up 5.4% over the second quarter of 2012.

More than half of the increase was driven by a strong quarter for auto sales plus new revenues flowing to the countywide use tax allocation pools largely as result of the previous passage of AB 155's expanded definition of nexus for out-of-state companies required to collect California sales and use taxes.

Receipts from the building and construction categories exhibited significant gains reflecting the beginning of a recovery in new housing construction and considerable remodeling activity. Restaurant sales were also strong but limited to low priced quick service chains and higher priced fine dining restaurants with full liquor licenses.

Gains from general consumer goods were modest overall and tended to be retailer and community specific. Tax revenues from fuel were down from last year's comparable quarter while receipts from business and industrial purchases were flat with the few increases in that group primarily tied to agriculture and food processing.

The Remaining Fiscal Year

The general consensus is that the state's economy will continue to recover in 2013-14 but sales tax growth may be more modest in the second half of the fiscal year than the first half.

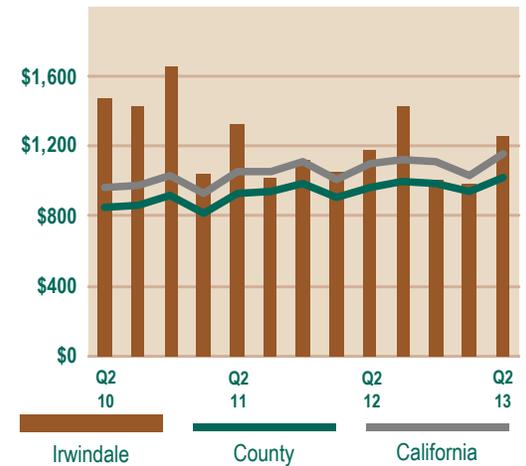
Auto sales which have been up by double digits from years of pent-up demand are expected to plateau in another quarter or two with the pace of growth returning to more normal levels. With consumers taking on more debt to purchase new cars and homes, discretion-

ary spending on other items is expected to slow. Low inflation, price competition and a job recovery tilted toward low paying or part-time work will also keep the cost of taxable goods in check.

The six year boom in the state's technology sector appears to be slowing with companies shifting from buying their own hardware and software to renting computer power through cloud based services. Gas prices will continue to be impacted by refinery shutdowns, Middle East crises and oil speculators. However with today's new cars almost 20% more fuel efficient than those sold only six years ago, further tax gains from this segment are not anticipated.

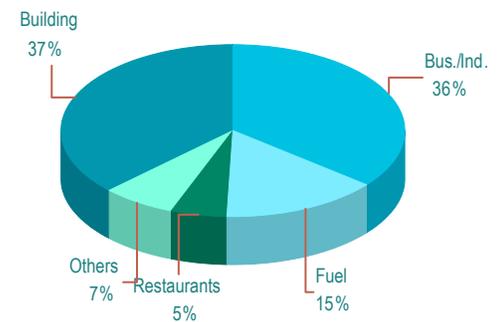
Continued recovery in construction activity is expected to generate a major share of sales tax growth in the second half of the fiscal year. With rising home and stock market values benefiting higher income families, luxury goods in all categories are also projected to show solid gains.

SALES PER ACCOUNT



REVENUE BY BUSINESS GROUP

Irwindale This Quarter



IRWINDALE TOP 15 BUSINESS TYPES

Business Type	Irwindale		County	HdL State
	Q2 '13	Change	Change	Change
Art/Gift/Novelty Stores	12,484	10.3%	1.0%	1.9%
Business Services	19,129	-37.8%	-26.0%	-2.2%
Contractors	324,499	12.3%	9.6%	5.6%
Drugs/Chemicals	60,287	30.3%	-5.1%	8.7%
Electrical Equipment	11,686	-41.4%	40.6%	10.6%
Food Service Equip./Supplies	28,258	-60.7%	2.3%	8.3%
Garden/Agricultural Supplies	10,203	30.1%	5.2%	14.7%
Heavy Industrial	42,508	19.2%	3.8%	6.5%
Light Industrial/Printers	39,269	1.7%	2.8%	9.7%
Medical/Biotech	80,643	na	317.7%	216.7%
Office Equipment	9,743	-20.8%	-9.8%	16.7%
Repair Shop/Equip. Rentals	10,309	-49.8%	-0.5%	8.8%
Restaurants No Alcohol	43,401	9.1%	5.7%	5.9%
Service Stations	135,210	5.6%	-5.8%	-5.7%
Specialty Stores	11,808	1.9%	3.3%	5.1%
Total All Accounts	\$926,290	10.5%	6.4%	7.0%
County & State Pool Allocation	97,496	-2.1%		
Gross Receipts	\$1,023,786	9.2%		

Q3 2013



City of Irwindale Sales Tax Update

Fourth Quarter Receipts for Third Quarter Sales (July - September 2013)

Irwindale In Brief

Receipts for Irwindale's July through September sales were 19.1% lower than the same quarter one year ago. Actual sales activity was down 17.5% when reporting aberrations were factored out.

Onetime payments that temporarily inflated last year's allocation from food service equipment/supplies were primarily responsible for the current decrease. Accounting adjustments that overstated year-ago returns exaggerated the drop in drugs/chemicals.

The city's allocation from the county use tax pool depressed overall results.

The losses were partially offset by a strong sales quarter for contractors, heavy industrial and medical/biotech.

Adjusted for aberrations, taxable sales for all of Los Angeles County increased 4.5% over the comparable time period, while the Southern California region as a whole was up 5.3%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

ACH Supply	Holiday Rock
Airgas USA	Jacmar Food Service
Arco	McDonalds
Arco AM PM	National Ready
Arco AM PM	Mixed Concrete
Bartley Optical Sales	Rivergrade Shell Station
Chaparral Concrete	Russell Sigler
Charles P Crowley	Spot Not Car Wash & Gas
Chem Arrow	Spragues Rock & Sand
Decore Ative Specialties	United Rock Products
Food Makers Bakery Equipment	Unitex
Grainger	Vulcan Materials
Hanson Aggregates West	Western Emulsions

REVENUE COMPARISON

Two Quarters – Fiscal Year To Date

	2012-13	2013-14
Point-of-Sale	\$1,851,478	\$1,737,091
County Pool	209,372	194,131
State Pool	476	944
Gross Receipts	\$2,061,325	\$1,932,166
Less Triple Flip*	\$(515,331)	\$(483,041)

*Reimbursed from county compensation fund

Statewide Results

The local share of sales and use tax revenues from the summer sales quarter was temporarily reduced by a state computer glitch that failed to fully fund receipts from sellers of building and construction supplies. Actual sales activity was up 5.8% over last year's comparable quarter after adjusting for this and other aberrations. Overall performance was generally similar throughout most regions of the state.

New and used auto sales and leases again grew at double digit rates and were the primary contributor to the quarter's statewide growth. With on-line sales remaining strong and more businesses reporting due to the state's new out-of-state reporting requirements, countywide pool allocations became the second largest portion of this quarter's overall increase. Recovering building and construction activity was also significant with a 9.7% gain after adjusting for the delayed allocations.

Gains in most other segments were relatively modest while receipts from fuel and service stations declined for the third consecutive quarter.

Local Sales Tax Measures

Ten of twelve proposals for sales tax add-ons were approved in November as voters continued to support funding local services where they have more input and control.

New taxes were approved in Antioch, Corte Madera, Huron, Larkspur, San Anselmo and Scotts Valley. Existing add-ons were either increased or extended in El Monte, Rohnert Park, San Rafael and Stockton.

This brings the total number of city transactions and use tax districts to 135 and countywide districts to 44. Additional measures are expected to appear on local ballots in 2014.

Tax Rebates

Effective January 1, AB 562 (Williams) requires public notice and hearings on economic subsidies exceeding \$100,000. Identification of beneficiaries of the subsidy, the amounts, the beginning and ending dates and promised tax and job benefits are required as are periodic up-dates.

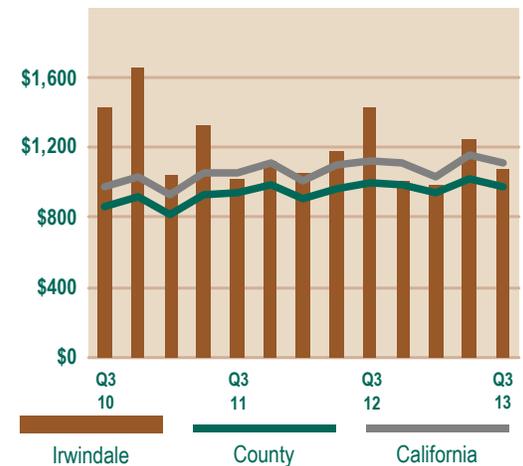
As on-line sales divert a greater portion of tax revenues from business and consumer purchases to centralized fulfillment centers, rebates of up to 85% are being bid in exchange for being the "point of sale" for the remainder. This bill encourages deeper evaluation of agreements that are collectively transferring an alarming share of statewide local sales tax to corporate bottom lines while cutting revenues for public services.

Holiday Sales Tax Shifts

Local tax receipts from fourth quarter sales will not be seen until March but may differ from previous years. Some forecasters predicted that on-line shopping would account for

up to 40% of holiday sales which would transfer that portion of the tax from stores to central fulfillment centers or county allocation pools. Final tax results from holiday spending will be pushed into June based on a National Retail Federation survey that showed 80% of shoppers gave at least one gift card. Tax is not charged until a gift card is redeemed.

SALES PER ACCOUNT



IRWINDALE TOP 15 BUSINESS TYPES

Business Type	Irwindale		County	HdL State
	Q3 '13	Change	Change	Change
Contractors	340,651	21.6%	7.3%	11.2%
Drugs/Chemicals	57,375	-54.3%	-4.9%	-0.4%
Electrical Equipment	19,652	-4.4%	47.2%	-3.2%
Fast-Casual Restaurants	9,547	5.0%	-0.9%	3.2%
Food Service Equip./Supplies	24,666	-88.7%	-12.0%	5.9%
Garden/Agricultural Supplies	8,125	24.5%	6.3%	8.5%
Heavy Industrial	39,137	29.5%	13.2%	10.7%
Light Industrial/Printers	21,239	-4.7%	0.9%	4.0%
Lumber/Building Materials	— CONFIDENTIAL —		-18.1%	-15.8%
Medical/Biotech	24,268	366.0%	0.8%	-1.1%
Office Supplies/Furniture	7,986	10.6%	-6.2%	2.6%
Quick-Service Restaurants	28,215	1.1%	3.9%	4.1%
Repair Shop/Equip. Rentals	11,024	8.9%	6.3%	10.8%
Service Stations	133,399	-0.9%	-1.2%	-1.5%
Specialty Stores	8,373	-46.0%	6.1%	7.7%
Total All Accounts	\$810,801	-20.0%	1.4%	2.5%
County & State Pool Allocation	\$97,579	-11.5%	12.1%	12.5%
Gross Receipts	\$908,380	-19.1%	2.4%	3.5%

Q4 2013



City of Irwindale Sales Tax Update

First Quarter Receipts for Fourth Quarter Sales (October - December 2013)

Irwindale In Brief

Receipts for Irwindale's October through December sales were 41.1% higher than the same quarter one year ago but reporting aberrations skewed the data. With anomalies removed, actual sales were up 7.5%.

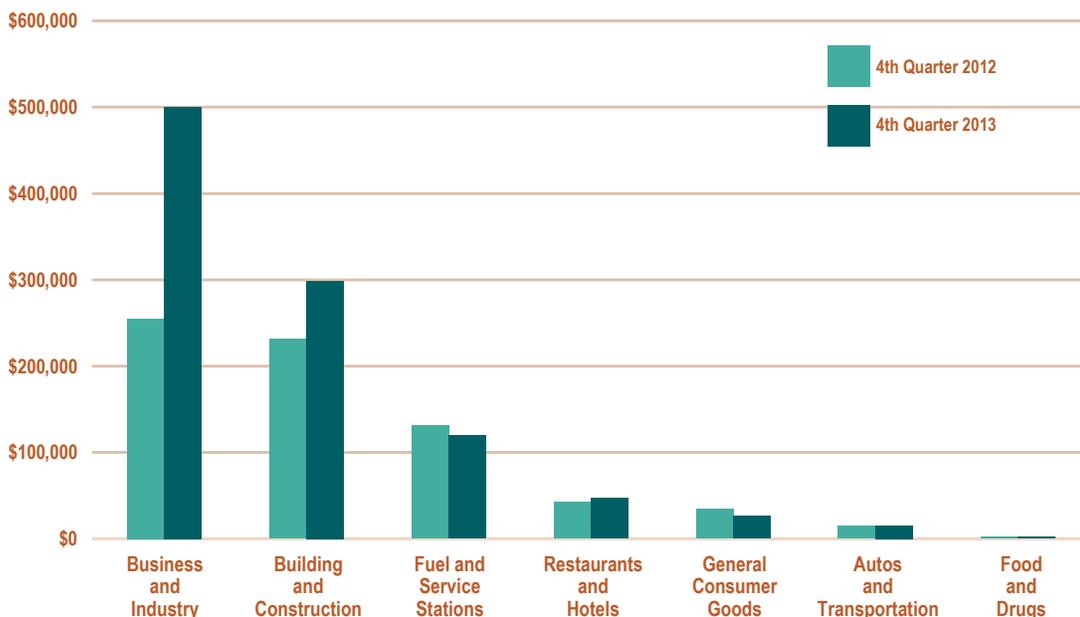
The correction and receipt of previous payment misallocations temporarily exaggerated business and industry results and were primarily responsible for the current quarter overall increase.

A strong sales quarter from contractor supplies and restaurants along with a larger allocation from the countywide use tax pool further contributed to the increase.

The gains were partially offset by lower service station fuel consumption while general consumer goods experienced mixed results with a slight net loss in receipts.

Adjusted for aberrations, taxable sales for all of Los Angeles County increased 1.7% over the comparable time period, while the Southern California region as a whole was up 2.7%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Airgas USA	Holliday Rock
Arco	Jacmar Food Service
Arco AM PM	Miller Brewing
Arco AM PM	Miura
Bartley Optical Sales	National Ready Mixed Concrete
Blue Ridge Home Fashions	Rivergrade Shell Station
Chaparral Concrete	Spot Not Car Wash & Gas
Chem Arrow	Spragues Rock & Sand
Decore Active Specialties	United Rock Products
Education Management Systems	Unitek
Food Makers Bakery Equipment	Vulcan Materials
Grainger	Western Emulsions
Hanson Aggregates West	

REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2012-13	2013-14
Point-of-Sale	\$2,562,607	\$2,745,543
County Pool	303,870	322,442
State Pool	993	1,643
Gross Receipts	\$2,867,470	\$3,069,629
Less Triple Flip*	\$(716,867)	\$(767,407)

*Reimbursed from county compensation fund

Statewide Results

Excluding accounting anomalies, the local share of sales and use tax receipts from California's 2013 holiday spending rose 3.4% over the fourth quarter of 2012.

Auto sales and leases and all categories of building and construction materials were substantially up over the previous year while tourism and convenience-driven consumer demand continued to produce healthy gains in restaurant related revenues.

Sales of luxury goods and portable electronics did particularly well while cut backs in food stamp programs and unemployment benefits reduced spending at discount department stores and many value oriented retailers. Generally, the gains in sales from online purchases were higher than for brick and mortar stores.

Rising fuel efficiency resulted in lower receipts from service stations and petroleum supply companies while a slowing pace in solar and alternate energy development reduced use tax receipts from the business/industrial segment.

Spending patterns were fairly consistent throughout most regions.

E-Commerce Spending Up

Tax receipts from holiday spending on general consumer goods at brick and mortar stores grew by 2.3% over last year's comparable quarter while local tax revenues from online purchases increased 16% and accounted for 10.3% of total general consumer goods sales and use tax receipts.

The rise in online retail shopping accelerates trends that began 20 years ago by sellers of materials and equipment to business and industrial users. Suppliers were able to take advantage of business preferences for the ease

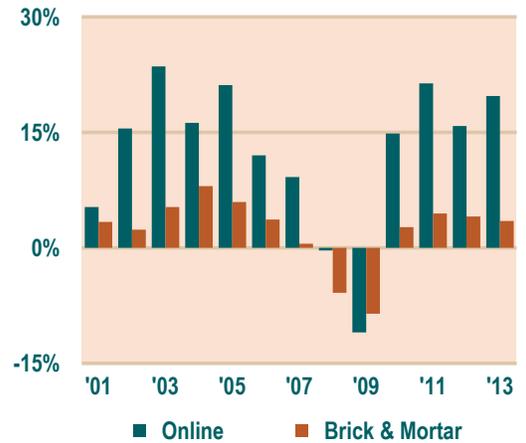
of online ordering by consolidating sales offices and inventories into just a few locations.

However, it was not until social networking and growth in the use of mobile devices that the general public became fully comfortable with online purchasing. Retail analysts expect the trend to expand and every major retailer is testing new concepts to reduce store size and overhead costs by driving more of their sales to centralized web-based order desks.

New technology, recent court decisions and legislative exemptions are constantly reducing what is taxable and has substantially altered the base on which the tax was created in 1933. The concentration of business supplies and now consumer goods into fewer and larger "points of sale" has accelerated competition for what is becoming a diminishing resource. Local governments are now bidding rebates up to 85% of the local tax collected in exchange for location of order desks.

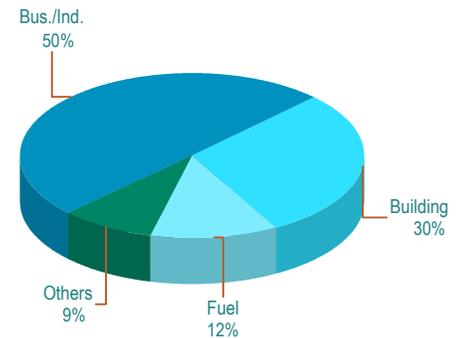
ONLINE VS. BRICK & MORTAR

Year-Over-Year Percent Growth



REVENUE BY BUSINESS GROUP

Irwindale This Quarter



IRWINDALE TOP 15 BUSINESS TYPES

*In thousands	Irwindale	County	HdL State
Business Type	Q4 '13*	Change	Change
Business Services	76.7	234.2%	18.1%
Contractors	285.3	33.0%	9.8%
Drugs/Chemicals	57.5	-20.3%	9.4%
Electrical Equipment	17.1	24.3%	42.4%
Fast-Casual Restaurants	8.8	6.3%	13.5%
Food Service Equip./Supplies	49.4	-21.0%	-4.2%
Heavy Industrial	38.4	229.1%	8.6%
Light Industrial/Printers	14.3	-43.1%	2.2%
Medical/Biotech	202.0	na	15.5%
Office Supplies/Furniture	8.8	-12.1%	9.8%
Quick-Service Restaurants	30.9	12.3%	6.5%
Repair Shop/Equip. Rentals	11.1	16.6%	11.9%
Service Stations	120.0	-8.2%	-4.9%
Sporting Goods/Bike Stores	9.1	-27.6%	19.8%
Textiles/Furnishings	11.7	49.0%	6.9%
Total All Accounts	\$1,008.5	41.8%	8.0%
County & State Pool Allocation	\$129.0	35.8%	3.4%
Gross Receipts	\$1,137.5	41.1%	7.4%