

Q4
2009



City of Whittier Sales Tax Update

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

Whittier In Brief

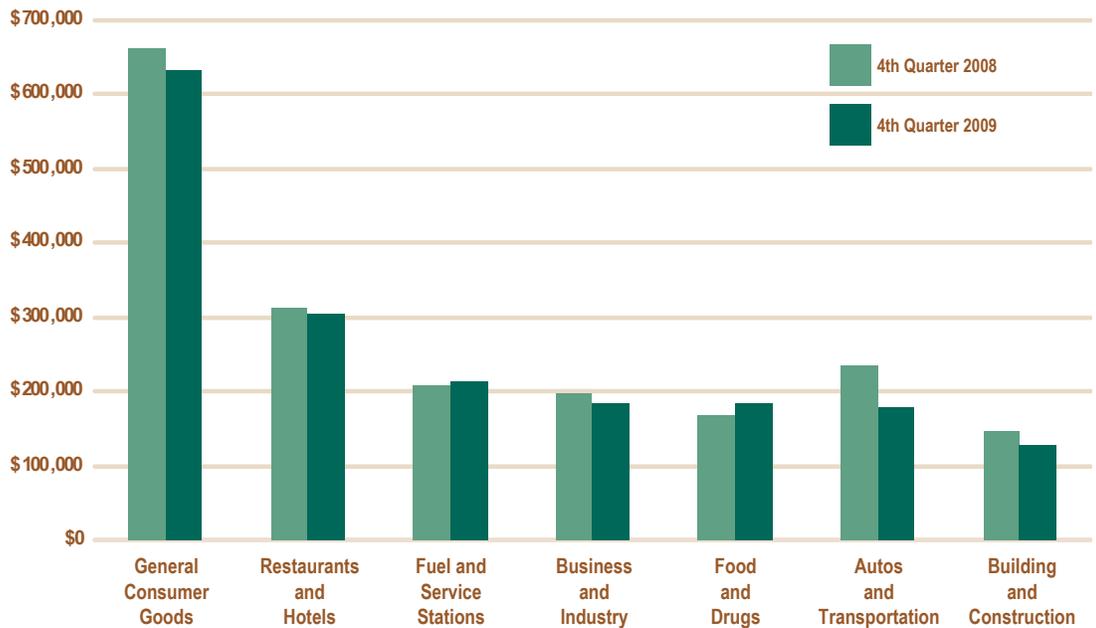
Whittier's allocation of tax revenues from its October through December sales was 6.7% lower than last year's holiday quarter.

Previous closeouts in the new motor vehicle and department store categories plus continuing declines in receipts from building materials were primarily responsible for the decrease. A drop in the countywide use tax allocation pool was also a factor.

The losses were partially offset by the recent addition of a new chain store under family apparel and a solid quarter for technology related equipment in the business group.

Adjusted for accounting aberrations, sales and use tax receipts for all of Los Angeles County declined 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

AM PM Mini Mart	Home Depot
Arco Mini Mart	JC Penney
Associated Reproduction Service	Kohls
Burlington Coat Factory	Ralphs
Chevron	Ralphs
Community Honda	Ross & DDs Discounts
CVS Pharmacy	Sears
Eastman Kodak	Target
Friendly Hills Chevron	TJ Maxx
Gastribution	Toyota of Whittier
Harris Buick Pontiac GMC	Valero
	Vallejo AM PM
	Vons
	Whittier Arco AM PM

REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2008-09	2009-10
Point-of-Sale	\$6,079,446	\$5,428,738
County Pool	666,886	566,809
State Pool	2,426	5,239
Gross Receipts	\$6,748,758	\$6,000,786
Less Triple Flip*	\$(1,687,190)	\$(1,500,196)

*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.

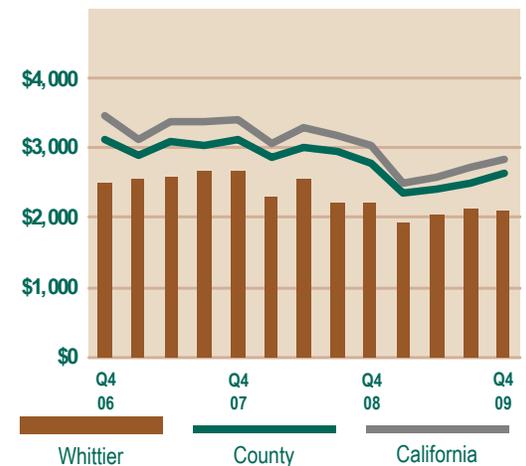
Others argue that a second dip in the recession is likely. They maintain that the current recovery is a "bubble" created by unsustainable tax cuts, federal stimulus spending, low interest loans and modification programs that mask and only delay inevitable foreclosures. Further, the pending resetting 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.

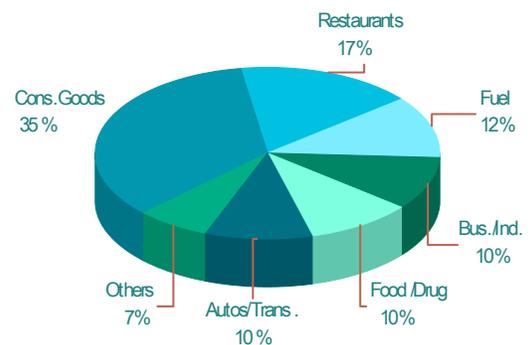
The outlook for a recovery from building and construction materials remains pessimistic while restaurants and other categories are expected to be flat or decline further.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP

Whittier This Quarter



WHITTIER TOP 15 BUSINESS TYPES

Business Type	Whittier		County	HdL State
	Q4 '09*	Change	Change	Change
Service Stations	\$213.3	3.0%	7.8%	7.1%
Restaurants No Alcohol	162.7	0.8%	-3.6%	-2.3%
Discount Dept Stores	— CONFIDENTIAL —		2.6%	1.8%
Family Apparel	128.8	49.4%	7.3%	9.4%
Department Stores	100.7	-37.7%	-16.0%	-20.9%
Grocery Stores Liquor	99.3	18.8%	10.3%	2.1%
New Motor Vehicle Dealers	95.2	-27.7%	-2.9%	1.0%
Lumber/Building Materials	92.9	-12.8%	1.3%	-0.5%
Specialty Stores	78.9	-3.6%	-9.3%	-6.0%
Restaurants Liquor	69.7	-8.3%	-2.1%	0.3%
Restaurants Beer And Wine	59.3	-1.8%	-11.1%	-10.8%
Motion Pictures/Equipment	— CONFIDENTIAL —		-34.4%	-21.5%
Drug Stores	48.4	-2.5%	1.2%	-1.0%
Auto Repair Shops	38.6	21.9%	-5.5%	-4.0%
Electronics/Appliance Stores	33.9	2.3%	-5.3%	-2.5%
Total All Accounts	\$1,826.2	-5.5%	-5.3%	-5.9%
County & State Pool Allocation	174.3	-17.6%		
Gross Receipts	\$2,000.5	-6.7%		<i>*In thousands</i>