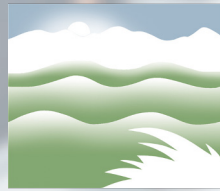


Q2 2020



City of San Jacinto Sales Tax *Update*

Third Quarter Receipts for Second Quarter Sales (April - June 2020)

San Jacinto In Brief

San Jacinto's receipts from April through June were 11.3% below the second sales period in 2019. Excluding reporting aberrations, actual sales were down 5.4%.

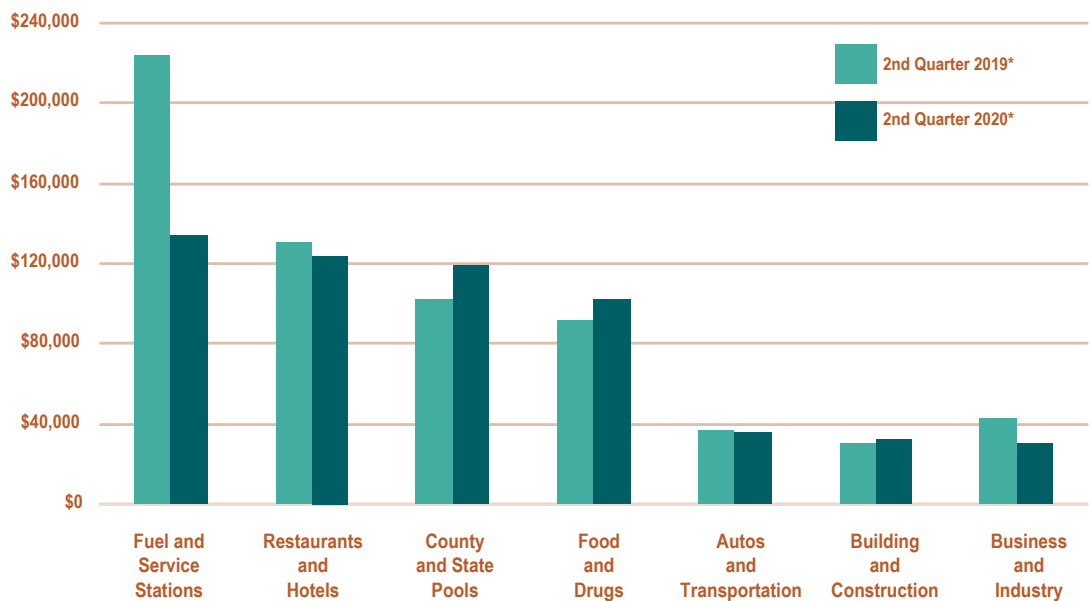
COVID-19 pushed down most major industry groups. Reduced demand and consumption of fuel translated into much lower service station receipts. The City also realized less revenue from government/social organizations.

Statewide, the restaurants and hotel sector took the biggest hit, and the City realized significantly less activity in casual dining.

Positive results from businesses in the general consumer goods and food and drug industries as well as significant ongoing results from the state and county pools helped to offset the overall quarterly loss.

Net of aberrations, taxable sales for all of Riverside County declined 7.1% over the comparable time period; the Southern California region was down 18.0%.

SALES TAX BY MAJOR BUSINESS GROUP



*Allocation aberrations have been adjusted to reflect sales activity

TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

7 Eleven	Jack in the Box
Arco AM PM	Little Caesar's
AutoZone	McDonalds
Cardenas	Mobil Shop N Go
Chevron	O'Reilly Auto Parts
Circle K	Quality Turf
Crop Production Services	Rite Aid
Del Taco	San Jacinto Fastrip
Dollar General	San Jacinto Shell
Farmer Boys	Stater Bros
Hemet Valley Pipe & Supply	Walgreens
Interstate Steel Structures	Walmart Supercenter
	Wendy's

REVENUE COMPARISON

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

	2018-19	2019-20
Point-of-Sale	\$3,076,957	\$2,844,260
County Pool	472,618	439,783
State Pool	1,547	1,437
Gross Receipts	\$3,551,123	\$3,285,479

Statewide Results

Local sales and use tax receipts from April through June sales were 16.3% lower than the same quarter of 2019 after factoring for accounting anomalies and back payments from previous quarters.

This was the largest quarter to quarter decline since 2009. The drops were deepest in the San Francisco Bay Area, Central Coast and Southern California where declines in revenues from fuel, automobiles, general consumer goods and restaurants/hotels were the most severe.

However, despite a 14.9% unemployment rate that eclipsed the previous high of 12.3% during the great recession of 2010 and temporary business closures, the drop in sales was less than previously projected by most analysts including HdL.

The high second quarter unemployment rates primarily affected lower wage service sectors which generate a smaller share of sales tax revenues. Internet connected knowledge workers continued to work but locked at home, found that they had extra cash to spend because of reduced commute and work-related expenses and few entertainment or travel options. Additionally, though much of the quarter's government relief payments were spent largely on rents, utilities and necessities, the money was not distributed proportionally to income losses thereby adding temporary discretionary income gains for some recipients.

Low interest rates and longer term lending practices allowed the extra money to be spent on previously delayed purchases such as autos and home improvements. New car registrations dropped 48.9% in the second quarter, but sales tax receipts dropped only 15.8% as buyers who did purchase, opted for more expensive SUV's, trucks and luxury vehicles. As cabin fever set in, sales of RV's, boats and Motorcycles also began to rise.

With restaurants and many brick and mortar stores closed or restricted to limited occupancy, buyers shifted to online shopping with tax revenues from in-state fulfillment centers rising 142.7% over the

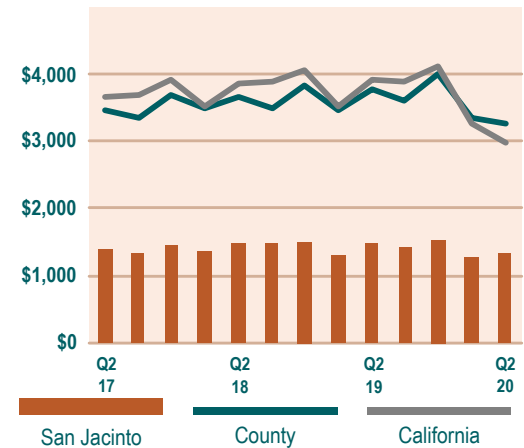
second quarter of 2019 and county pools where tax receipts from out-of-state goods are allocated, rising 28.9%. Online sales accounted for 52.0% of this quarter's tax revenues from the general consumer goods group.

Working at home eventually morphed into working on home thereby boosting related improvement purchases. Grocers, cannabis, liquor and sporting goods further helped offset losses in other segments.

Strong demand for warehouse and shipping technology, equipment and supplies to accommodate the increase in online shopping as well as home offices and virtual classrooms helped offset declines in the business/industrial group. Unanticipated gains in agriculture related purchases and transit spending further added to the offset.

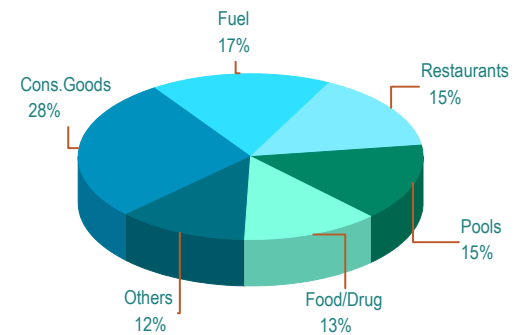
Pandemic uncertainties, fires, childcare issues and bankruptcies are expected to result in uneven gains through 2020-21 with each jurisdiction's experience differing according to the scope and character of their individual tax bases. Overall recovery and improvement in statewide receipts is not expected to begin until 2021-22.

SALES PER CAPITA*



*Allocation aberrations have been adjusted to reflect sales activity

REVENUE BY BUSINESS GROUP San Jacinto This Quarter*



*Allocation aberrations have been adjusted to reflect sales activity

SAN JACINTO TOP 15 BUSINESS TYPES**

Business Type	San Jacinto		County	HdL State
	Q2 '20	Change	Change	Change
Auto Repair Shops	11,641	-14.7%	-22.1%	-28.2%
Automotive Supply Stores	18,787	12.8%	5.8%	-4.7%
Casual Dining	17,170	-31.9%	-50.7%	-53.2%
Cigarette/Cigar Stores	9,704	23.3%	3.9%	-13.4%
Contractors	18,823	23.7%	-3.1%	-12.1%
Convenience Stores/Liquor	14,460	-13.0%	5.8%	8.4%
Discount Dept Stores	—	CONFIDENTIAL	0.4%	-6.3%
Drug Stores	25,814	15.7%	3.4%	0.1%
Fast-Casual Restaurants	—	CONFIDENTIAL	-17.9%	-30.2%
Garden/Agricultural Supplies	—	CONFIDENTIAL	-0.3%	3.5%
Grocery Stores	—	CONFIDENTIAL	6.1%	7.8%
Plumbing/Electrical Supplies	9,198	-7.4%	-7.0%	-15.8%
Quick-Service Restaurants	95,005	3.1%	-8.7%	-22.0%
Service Stations	134,309	-39.9%	-40.6%	-45.2%
Variety Stores	8,509	25.8%	4.4%	2.5%
Total All Accounts	679,501	-8.4%	-13.2%	-24.0%
County & State Pool Allocation	118,596	16.3%	37.7%	28.9%
Gross Receipts	798,097	-5.4%	-7.1%	-16.3%

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