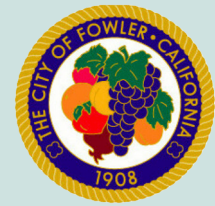


CITY OF FOWLER

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



FOWLER

TOTAL: \$ 477,322

31.2%
1Q2022



10.0%
COUNTY

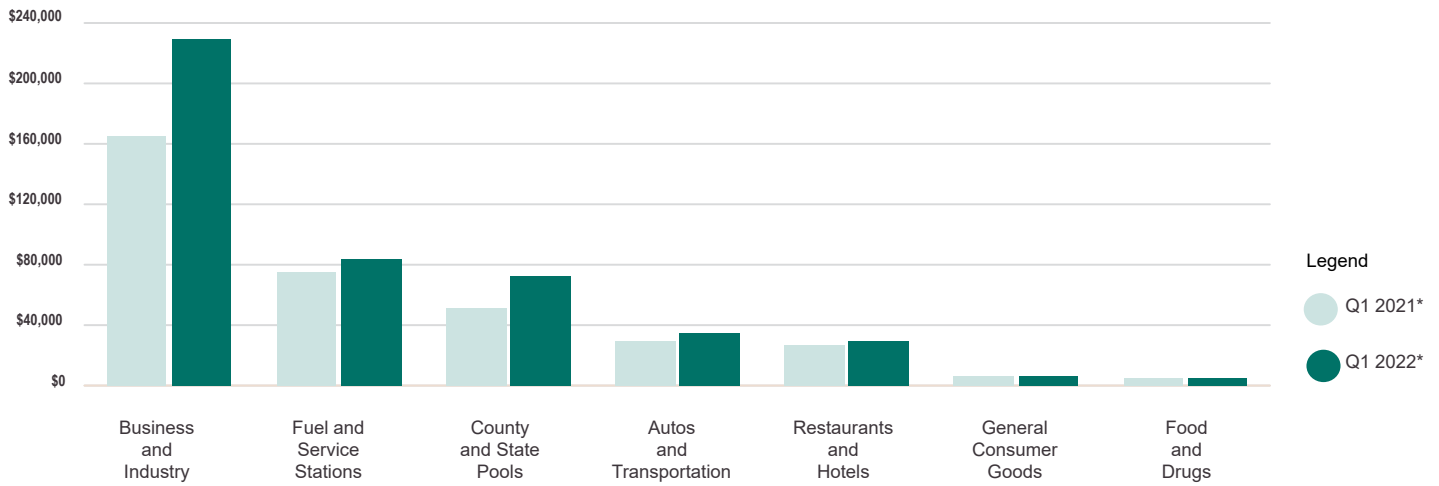


17.1%
STATE



**Allocation aberrations have been adjusted to reflect sales activity*

SALES TAX BY MAJOR BUSINESS GROUP



Measure N

TOTAL: \$454,980

↑ 23.8%



CITY OF FOWLER HIGHLIGHTS

Fowler's receipts from January through March were 40.4% above the first sales period in 2021. Excluding reporting aberrations, actual sales were up 31.2%.

Confidentiality rules limit what can be shared.

Business-industry had strong spikes in several categories driving gains this quarter. Consumer spending remains at an all-time high despite rising gas prices and higher menu prices which boosted receipts for both groups; casual dining grew 44% and service stations were up 11%. The positive results in the auto-transportation group were furthered by a new outlet.

Overall results were inflated by an erroneous allocation.

The strong showing in point of sale resulted in an increased portion of the pool for this quarter; the pool itself had steady growth in auto sales and business to business, both of these factors led to the City's allocation growing 38.7%.

Voter approved Measure N growth was the results of several onetime allocations in building-construction and business-industry.

Net of aberrations, taxable sales for all of Fresno County grew 10.0% over the comparable time period; the San Joaquin Valley was up 11.0%.



TOP 25 PRODUCERS

- | | |
|------------------------------------|-------------------------------|
| 76 | McDonald's |
| Amerigas Propane | Mid Valley Packaging & Supply |
| Arco AM PM | Packline Technologies |
| Big Tex Trailers | Pape Machinery |
| Borga Steel Buildings & Components | PBM Supply & Manufacturing |
| Carls Jr | R & R Truck & Trailer Repair |
| Denny's | Shell |
| Diesel Specialties | Shop N Go |
| Dollar General | Sierra Auto Center |
| Family Motors | Taco Bell |
| Freedom Forever Procurement | Textrail Trailer Parts |
| JB Hunt Transport | |
| Johnny Quik | |
| Kabab City | |



STATEWIDE RESULTS

California’s local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning

to normal and headwinds from inflation and higher cost goods haven’t yet slowed consumer demand. The stellar returns were largely driven by discount department stores, especially those selling gas.

These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

