

CITY OF BRAWLEY

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



BRAWLEY

TOTAL: \$ 774,111

8.3%
1Q2022



19.5%
COUNTY

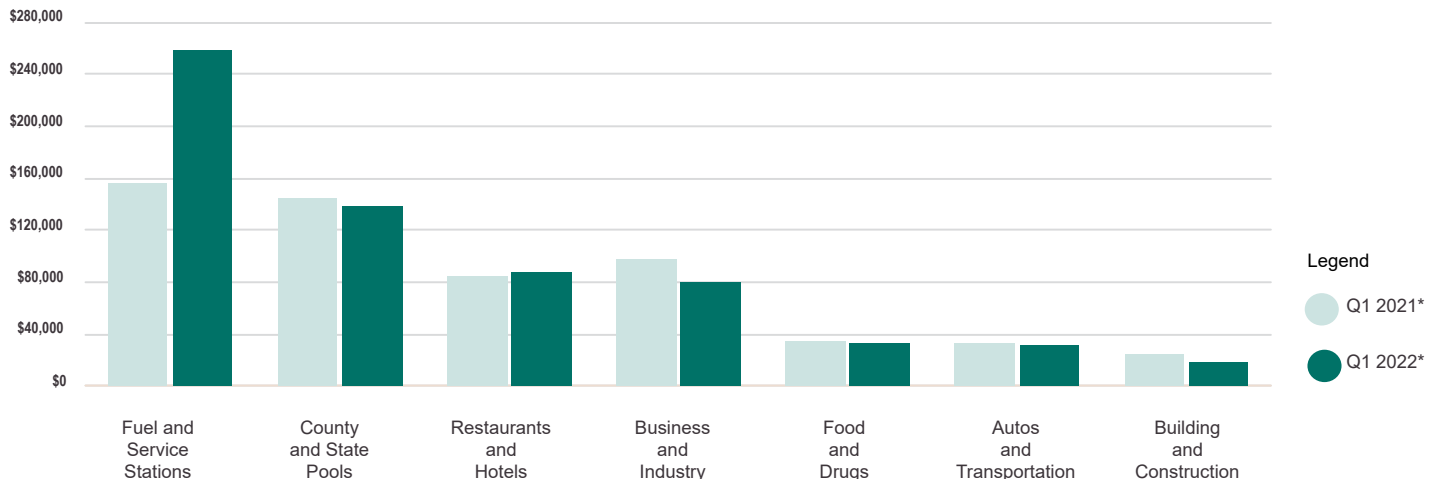


17.1%
STATE



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

SALES TAX BY MAJOR BUSINESS GROUP



CITY OF BRAWLEY HIGHLIGHTS

Brawley's gross receipts from January through March were 14% above the first sales period in 2021. Adjustments for delayed payments, audit and other reporting modifications resulted in actual sales that were up about 8%. Place of sale collections soared almost 11% compared to a year ago. While some sales tax groups surged, several others experienced declines during the reporting period.

With the global cost of crude oil causing higher local gas prices, along with more commuters on the road, revenue from fuel-service stations skyrocketed over 64%. As the largest sales tax group for the City, this performance boosted overall results. Restaurants experienced another positive sales period as patrons seemed unfazed by more expensive menus and enjoyed the experience of

dining out – which may have contributed to a small decline in food-drug receipts.

While proceeds were strong, general consumer goods spending dipped compared to the highs of a year ago. Several factors contributed to the 18.5% drop in business-industry, including receipts in the prior year that skew down the current results.

A softening of e-commerce and third party vehicle sales, combined with larger sales tax growth in other Imperial County agencies caused the City to receive a smaller allocation from the countywide pool this quarter; however, the pools remain a solid source of local revenue.

Net of adjustments, taxable sales for all of Imperial County grew 19.5% and the Southern California region was up 19.2%.



TOP 25 PRODUCERS

- | | |
|-----------------------|------------------------|
| Arco AM PM | Pacific Ag Rentals |
| AutoZone | Pilot Travel Center |
| Brawley Ace Hardware | Prime Fuel & Mini Mart |
| Brawley Fuel & Food | Rite Aid |
| Brawley Liquor | Vons |
| Brawley Tractor Parts | Walmart Supercenter |
| Carl's Jr | |
| Circle K Shell | |
| Dollar Tree | |
| Dominos Pizza | |
| Fillco | |
| Jack in the Box | |
| Johnnys Burritos | |
| Jordan Implement | |
| Lidco Imperial Valley | |
| McDonalds | |
| McNeece Bros Oil | |
| Ojeda Industries | |
| O'Reilly Auto Parts | |



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.

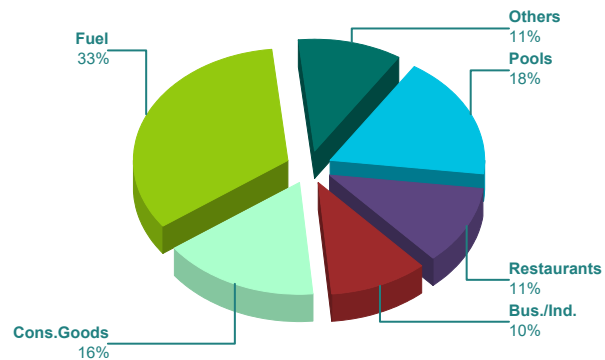
Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over

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.

REVENUE BY BUSINESS GROUP

Brawley This Quarter*



*ADJUSTED FOR ECONOMIC DATA

TOP NON-CONFIDENTIAL BUSINESS TYPES

Brawley Business Type	Q1 '22	Change	County Change	HdL State Change
Service Stations	162,606	28.5% ↑	23.3% ↑	43.3% ↑
Quick-Service Restaurants	74,614	3.1% ↑	7.7% ↑	7.8% ↑
Warehse/Farm/Const. Equip.	44,997	-30.1% ↓	12.8% ↑	15.6% ↑
Automotive Supply Stores	25,869	-0.1% ↓	4.9% ↑	4.6% ↑
Casual Dining	12,674	11.8% ↑	64.4% ↑	55.7% ↑
Convenience Stores/Liquor	10,207	-4.0% ↓	25.4% ↑	1.8% ↑
Auto Repair Shops	5,849	-19.9% ↓	na	22.0% ↑
Heavy Industrial	4,984	-6.0% ↓	-43.5% ↓	17.4% ↑
Electronics/Appliance Stores	4,810	-40.5% ↓	3.5% ↑	12.5% ↑
Light Industrial/Printers	3,580	28.7% ↑	24.6% ↑	15.0% ↑

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