



BIG BEAR LAKE SALES TAX

Second Quarter Receipts for First Quarter Sales (Jan. - Mar. 2004)

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In Brief

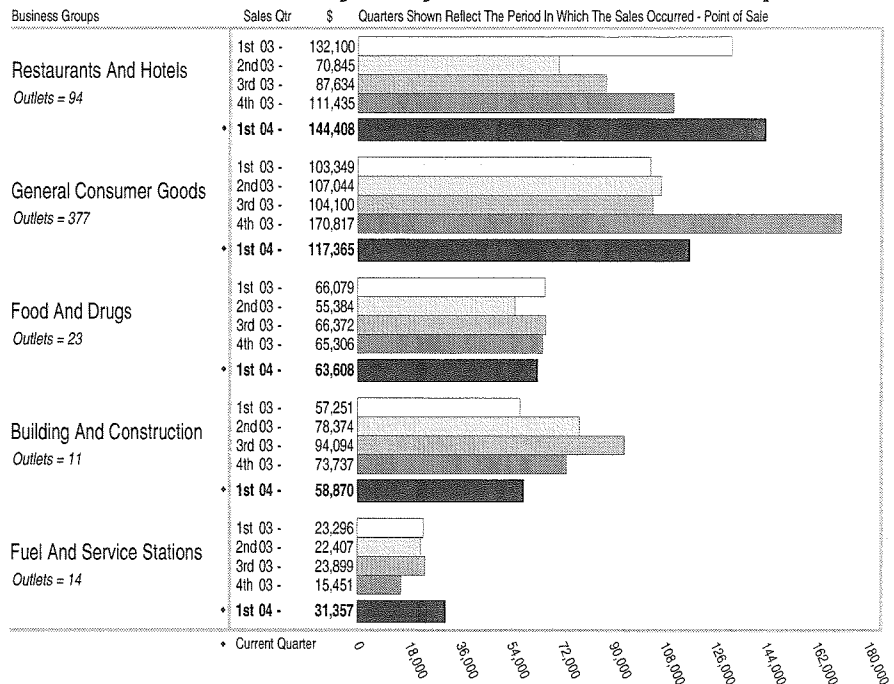
January -March sales receipts grew 14.3% but accounting aberrations skewed results. Adjusting for anomalies sales gained 4.5% over the same period last year.

Strong sales in restaurant and service stations sectors as well as several areas of General Consumer Goods retail, and Autos & Transportation groups contributed most of the gain. Receipt of use tax payments boosted results in the Business & Industry group. Results from service stations and General Consumer Goods were exaggerated by receipts from prior quarter sales.

The impact of the grocery clerks strike hurt the Food & Drugs group. A 4.7% dip in the city's share of the countywide use tax allocation pool negatively impacted totals.

During the same period the Southern California region grew 11%.

Sales Tax By Major Business Group



STATEWIDE SALES GROW

California's cities and counties received \$1,168,266,437 in one percent sales and use tax revenues during the second quarter of 2004 which represented an increase of 10.2% over the same quarter one year ago.

The allocation which is based on the previous quarter's sales, was heavily inflated by one-time accounting adjustments and reporting aberrations. Even so, actual sales and use tax activity exhibited a solid 6% gain when these are factored out.

The data continued to show strong growth in the suburban communities surrounding Sacramento, Southern California's Inland Empire and much of the San Joaquin Valley. It further suggested that the North Bay area may have finally bottomed out with mild recoveries in some categories of general consumer goods, lumber/building materials, and autos.

The Auto/transportation group exceeded expectations with sales in Southern California especially strong. Building and Construction Materials also exhibited exceptional growth in almost all parts of the state.

Business-to-business sales increased 5.3% over last year's comparable quarter with the largest gains occurring from relocations or expansions in the Inland Empire, Sacramento Foothills and portions of the San Joaquin Valley. Some high tech industries in the Bay area exhibited signs of a modest recovery although much of that gain was due to tax assessments on equipment related to the consolidation or sale of a business rather than the product.

General Consumer Goods were unusually strong with the largest increases in those areas with greatest population growth. Returning tourism

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Top 25 Producers Listed Alphabetically

Big Bear Motorcycle
Blauer Ski Rentals
Burton's Ready Mix
Butchers Block & Bldg. Materials
Carl's Jr.
Carriage House Auto Sales
G & M Oil
Geiger Supply
Haus & Home Furnishings
International House of Pancakes
KMart
Moon Ridge Station
Mountain Ridge Homes
Riffenburgh Lumber
Rite Aid
SavOn
7 Eleven
Sizzler
Snow Machines
Snow Summit
Sonora Cantina & Old Country Inn
Stater Bros.
Stillwells at Northwoods Resort
Ultramar
Vons

Top 20 Business Categories

Business Type	Outlets	1st Qtr '04	1st Qtr '03	Percent Change	Percent of Total		
					City	County	State
Restaurants Liquor	16	67,101	62,319	7.7%	14.6%	1.7%	2.8%
Lumber/Building Materials	Confidential Information					6.7%	4.9%
Fast Food	41	39,205	39,252	-0.1%	8.5%	5.2%	4.6%
Restaurants Beer And Wine	25	35,468	27,932	27.0%	7.7%	1.7%	2.5%
Grocery Stores Liquor	6	34,500	35,845	-3.8%	7.5%	2.5%	2.6%
Discount Dept Stores	6	33,881	32,035	5.8%	7.4%	7.6%	5.7%
Service Stations	7	27,415	19,986	37.2%	6.0%	9.3%	8.1%
Sporting Goods/Bike Stores	21	19,754	17,462	13.1%	4.3%	0.7%	0.8%
Auto Repair Shops	7	14,951	2,035	634.7%	3.2%	1.2%	1.1%
Home Furnishings	38	13,337	11,603	15.0%	2.9%	1.9%	2.4%
Grocery Stores Beer/Wine	6	13,336	11,589	15.1%	2.9%	1.6%	1.3%
Drug Stores	4	12,518	15,444	-18.9%	2.7%	0.8%	1.3%
Light Industrial/Printers	11	11,395	1,389	720.3%	2.5%	5.2%	3.7%
Specialty Stores	136	9,725	5,082	91.3%	2.1%	2.4%	3.2%
Art/Gift/Novelty Stores	39	9,612	8,909	7.9%	2.1%	0.2%	0.4%
Family Apparel	10	8,136	7,638	6.5%	1.8%	1.8%	2.0%
Personal Service-No Liquor	15	6,366	4,707	35.2%	1.4%	0.2%	0.6%
Plumbing/Electrical Supplies	Confidential Information					0.4%	0.9%
Contractors	6	5,322	9,849	-46.0%	1.2%	5.8%	3.1%
New Motor Vehicle Dealers	Confidential Information					12.4%	13.2%
Retail Stores	442	413,884	368,487	12.3%	89.9%	76.6%	76.5%
Non-Store/Part Time Retailers	81	3,142	3,251	-3.4%	0.7%	0.3%	0.6%
Business, Service & Repairs	72	26,798	11,935	124.5%	5.8%	5.4%	7.7%
All Other Outlets (Industrial)	30	16,734	11,265	48.5%	3.6%	17.7%	15.2%
Total All Accounts	625	460,558	394,939	16.6%			
County & State Pool Allocation		45,721	48,178	-5.1%			
Gross Receipts		506,279	443,117	14.3%			

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also sparked a significant recovery in consumer goods as well as Restaurants/Hotels for San Francisco.

Statewide, the only major group to decrease from one year ago was Food & Drugs which was impacted by the Southern California grocer's strike.

Economists are uncertain as to whether this quarter signals a trend. Although most predict a strong recovery in 2005 and 2006, sources such as the UCLA Anderson Forecast project, believe that gains in 2004 will be relatively modest. They point to state budget cutbacks, rising interest rates and fuel prices, and a sluggish manufacturing sector as reasons to be conservative on projections for the remainder of 2004. However to date, other factors including rising incomes, better job balance, increased foreign trade and a comeback in biotech and research have helped maintain a relatively strong sales tax base.

Adjusted statewide changes from the previous January through March period were:

Autos & Transportation	6.0%
Building & Construction	12.5%
Business & Industry	5.3%
Food & Drugs	(1.3%)
Fuel & Service Stations	3.3%
General Consumer Goods	7.8%
Restaurants	3.7%
Total	6.0%

Fiscal Year To Date Revenue Comparison

	2002-03	2003-04
Point-of-Sale	1,574,617	1,689,860
County Pool	177,403	168,169
State Pool	3,490	3,345
Gross Receipts	1,755,509	1,861,374

