Q3 2010

Nevada City Sales Tax *Update*

Fourth Quarter Receipts for Third Quarter Sales (Jul-Sep 2010)

Nevada City In Brief

Receipts for sales occurring in the July to September quarter were 29.2% greater than the same period last year but aberrations skewed results. With anomalies removed, actual sales rose 20.4%.

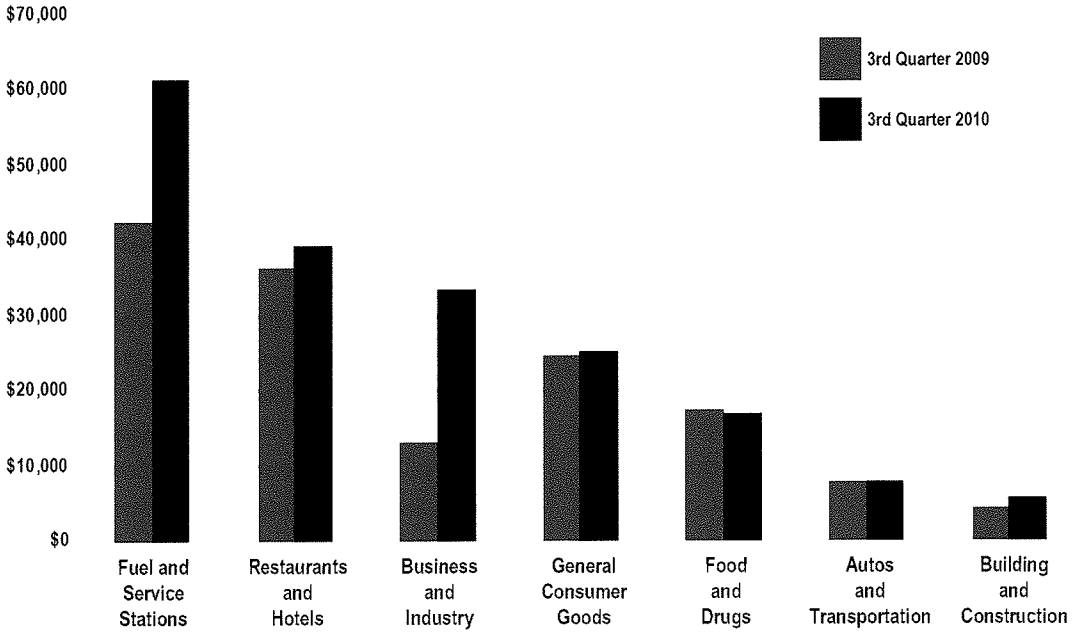
Higher prices and an increase in commercial sales activity boosted returns in fuel-related sectors. The gain in the Business & Industry group was inflated by onetime payment adjustments including a retroactive adjustment in government/social organizations. Multiple temporary deviations accounted for the rise in restaurants. Novelty stores and apparel showed gains.

A change in reporting overstated higher returns in building-related groups while an increase in the countywide use tax allocation pool contributed to overall gross receipts.

The city's voter-approved half cent transaction tax generated an additional $224,659. This was an increase of 5.2% over the prior year.

Adjusted for reporting aberrations, taxable sales for all of Nevada County, including its cities, gained 5.4% over the comparable time period while the Far North region as a whole was up 5.0%.

Sales Tax by Major Business Group



Top 25 Producers

In Alphabetical Order

- Bonanza Market
- Cirinos
- County Cafe
- D & D Supply
- Earth Song Market & Cafe
- Express Mart
- Friar Tucks Restaurant
- Fur Traders
- Heausers Plaza Tire
- Hospice Gift & Thrift
- Ikes Quarter Cafe
- JH Petroleum
- Leftys Grill
- Nevada County Supt of Schools
- New Moon Cafe
- Northridge of Nevada City
- Port of Subs Express Market
- Riebes Auto Parts
- Robinson Enterprises
- Sierra Metal Fabricators
- Sopaworn Savedra
- SPD Market
- Superior Propane
- Thomson Broadcast Media Solution
- Tour of Nevada City Bicycle Shop

Revenue Comparison

Two Quarters – Fiscal Year To Date

	2009-10	2010-11
Point-of-Sale	$301,671	$354,368
County Pool	53,481	65,344
State Pool	317	273
Gross Receipts	**$355,469**	**$419,985**
Less Triple Flip*	$(88,867)	$(104,996)
Gross Trans. Tax	$261,868	$269,327

**Reimbursed from county compensation fund*

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NOTES

Statewide Overview

California's allocation of local Bradley-Burns revenues for sales occurring July through September were 4.7% higher than the third quarter of 2009 after accounting anomalies were factored out. Higher fuel prices and usage, business investment in new equipment and technology, and solid gains in some categories of consumer goods and restaurants all contributed to the increase. Receipts from food, drugs, and construction materials were slightly lower than last year's comparison quarter as was the allocation from autos which spiked during the "cash for clunkers" program of a year ago.

The Silicon Valley continues to lead the recovery with gains 2½ times higher than for California as a whole. Coastal region sales are generally outperforming the inland areas.

The Sales Tax Picture at Mid-Year

The first two quarters of 2010-11 produced statewide receipts that are 4.2% higher than the first two quarters of 2009-10 after accounting aberrations are excluded. However, the year-to-date total is still 17.2% lower than the totals for the first two quarters of pre-recession 2006-07.

Generally, prognostications for the remaining fiscal year are more upbeat than those of a few months ago and the fears of a double-dip recession have diminished. Stocks are at a two year high, preliminary data on fourth quarter business and consumer spending is better than anticipated and the recent tax-cuts and extension of unemployment benefits is hoped to boost the nation's economy by $850 billion.

In California, the growth in sales tax will be geographically uneven and tempered by high unemployment, mortgage foreclosures and fallout from the state's budget deficit.

Various segments of the sales tax base are projected as follows:

Autos/Transportation- Industry sales reports were inflated by non-taxable fleet purchases earlier in the year but pent-up demand and easing credit are now producing solid consumer demand and new optimism. Positive gains are expected over the next few quarters but not at pre-recession growth rates.

Building/Construction- Unsold inventories, new tax exemptions for energy projects and modest public spending translate into flat or minimal tax growth for another year or more.

Business/Industry- Leaner and flush with cash, businesses are investing heavily in new technology, software and equipment. Sales tax gains will be agency and industry specific and primarily from suppliers of technology and companies serving the health, mining, petroleum and food industries.

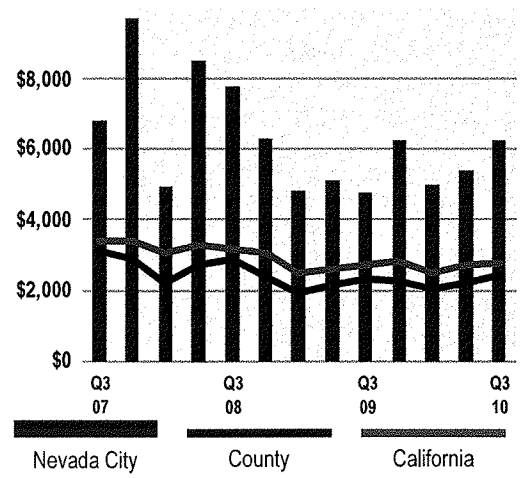
Food/Drugs– some price increases but competition will keep tax revenues from this segment generally flat.

Fuel/Service Stations – Speculation on crude oil futures is resulting in price increases that are expected to continue to soar through spring.

Consumer Goods– Stock market gains are reviving luxury buyers while "frugality fatigue" is setting in for the rest of us. Holiday spending was stronger than expected for apparel, sporting goods, small electronics, and home furnishings. Analysts are skeptical about sustainability but generally project statewide growth of 3.0% to 3 ½%.

Restaurants/Hotels– Tourism and business travel is on the increase but price competition is expected to keep gains in sales tax revenue relatively modest.

Sales Per Capita



Nevada City Top 15 Business Types

Business Type	Nevada City Q3 '10	Nevada City Change	County Change	HdL State Change
Petroleum Prod/Equipment	— CONFIDENTIAL —		-6.0%	12.0%
Electrical Equipment	— CONFIDENTIAL —		159.7%	11.8%
Restaurants Beer And Wine	21,052	-8.3%	-0.7%	-0.7%
Service Stations	18,133	20.1%	13.7%	12.2%
Grocery Stores Liquor	16,362	-1.1%	-2.9%	1.2%
Restaurants Liquor	11,008	8.6%	-1.2%	5.2%
Specialty Stores	6,753	4.9%	-3.0%	-2.5%
Restaurants No Alcohol	6,341	170.7%	22.5%	5.1%
Auto Repair Shops	5,721	2.9%	29.1%	3.4%
Contractors	4,171	39.0%	9.8%	-2.3%
Women's Apparel	4,156	25.0%	4.3%	2.8%
Government/Social Org.	3,667	167.4%	-64.4%	-10.4%
Second-Hand Stores	2,900	182.5%	3.1%	6.4%
Sporting Goods/Bike Stores	2,647	1.0%	12.9%	-0.1%
Art/Gift/Novelty Stores	2,443	12.1%	-9.2%	3.6%
Total All Accounts	**$189,695**	**30.1%**	**5.6%**	**2.7%**
County & State Pool Allocation	**34,964**	**24.6%**		
Gross Receipts	**$224,659**	**29.2%**		

RECEIVED
MAR 07 2011
City of Nevada City

California Region
3055 Comcast Place
Livermore, CA 94551-9559

February 22, 2011

Mr. Gene Albaugh
City of Nevada City
317 Broad Street
Nevada City, CA. 95959

Dear Mr. Gene Albaugh:

In an effort to ensure that your office is aware of the programming services in your community we are sending you this letter. Effective April 4, 2011 CBS College Sports will become CBS SPORTS NETWORK.

This is merely a name change—CBS SPORTS NETWORK will continue to focus on college sports, with the rebranding allowing for the Network's future expansion of content. As part of the rebrand, CBS SPORTS NETWORK will more closely align and expand CBS's portfolio of sports assets including CBS Sports, Showtime Sports, CBSSports.com and MaxPreps.com. CBS SPORTS NETWORK will continue to provide comprehensive college sports coverage, including hundreds of live games annually, as well as in-depth studio and original programming.

CBS College Sports Network currently covers over 15 men's and women's college sports, while providing compelling coverage of over 250 live events each season, in addition to a variety of live studio shows and award-winning original programming. For more information, go to www.cbscollegesports.com.

CBS Sports, a year-round leader in television sports, broadcasts a portfolio of events on the CBS Television Network, including the NFL's American Football Conference; THE NFL TODAY; college basketball, including the NCAA Division I Men's Basketball Championship; golf, including The Masters® and PGA Championship; college football, including the SEC ON CBS; the U.S. Open Tennis Championships; CBS SPORTS SPECTACULAR, including track & field, auto racing and gymnastics. In addition, the division directs CBS Sports Network, a 24-hour national cable network; produces INSIDE THE NFL for SHOWTIME; and partners with CBSSports.com in creating a recognized leader among sports Internet destinations.

Customers will not see any changes to their existing channel line-up or price plans as a result of this rebranding/name change.

As always, if you should have any questions or concerns, please feel free to contact me at (925) 424-0207 (Mitzi_Givens-Russell@cable.comcast.com) or Lee-Ann Peling at (925) 424-0168 (LeeAnn_Peling@cable.comcast.com).

Sincerely,

Mitzi Givens-Russell
Franchise Operations Manager
Comcast California