

# Memorandum

**TO:** PUBLIC SAFETY, FINANCE AND  
STRATEGIC SUPPORT COMMITTEE

**FROM:** Jennifer A. Maguire

**SUBJECT:** BI-MONTHLY FINANCIAL REPORT  
FOR JULY/AUGUST 2011

**DATE:** October 12, 2011

Approved

Date

10/12/11

The Bi-Monthly Financial Report for July/August 2011 was jointly prepared by the City Manager's Budget Office and the Finance Department and is presented for the Public Safety, Finance and Strategic Support Committee's review.

## OVERVIEW

Through the first two months of the fiscal year, revenues and expenditures are generally tracking close to the budgeted estimates in all City funds. The Administration will continue to closely monitor economic conditions and the performance in all City funds, bringing forward budget adjustments to the City Council during the year if necessary. Following are key highlights in this report:

- While it is very early in the fiscal year, revenues are generally tracking within estimated levels in the General Fund. Based on actual 2010-2011 performance and updated information, there are a limited number of revenue adjustments recommended in the 2010-2011 Annual Report.
  - An upward adjustment of \$6.2 million to the Sales Tax estimate is recommended to recognize additional revenue generated from the fourth quarter 2010-2011 and higher estimated collections based on the adjusted starting point for 2011-2012.
  - A downward adjustment of \$1.4 million to the Property Tax revenue estimate is recommended to reflect lower anticipated collections in the Secured, SB813, Unsecured, and Homeowners' Exemption Subvention categories based on the latest projections provided by the County of Santa Clara Controller-Treasurer's Office.
  - A net reduction of \$700,000 to the Revenue from the State of California/Motor Vehicle In-Lieu revenue estimate is recommended to reflect a decrease of \$2.8 million accounting for the recent State approved bill (SB 89) which eliminated these payments ongoing beginning in 2011-2012. This reduction is partially offset by a one-time addition of \$2.1 million received by the State in July 2011 recognizing a true-up payment that accounted for underpayments in prior years (2006-2007 through 2009-2010).
  - Reductions are also recommended for the Commercial Solid Waste Franchise Fee (down \$400,000) and the Disposal Facility Tax (down \$200,000) revenue estimates to reflect lower actual collections in 2010-2011 and the downward collection trends in these categories.

**OVERVIEW (CONT'D.)**

- While departments are generally tracking close to budgeted levels, there are a few departments with higher than anticipated personal services expenditures through August. For the Fire Department, an increase of \$760,000 to the personal services budget is recommended as part of the 2010-2011 Annual Report actions to address higher than anticipated overtime expenditures required to maintain staffing levels this summer.
- Development-related revenues in the General Fund as well as the development-related taxes are generally tracking to meet budgeted estimates. Construction and Conveyance Taxes are also tracking close to the budgeted estimate.
- In June 2011, the Governor signed Assembly Bill XI 26, which approves the dissolution of redevelopment agencies throughout the State and Assembly Bill XI 27, which enables cities and counties to retain their redevelopment agencies by paying a specified amount to the State as established by a formula. Both bills have a significant fiscal impact to the Low and Moderate Income Housing Fund, which may result in 20% tax increment revenues being pledged to existing obligations. If the redevelopment agencies do dissolve, the Low and Moderate Income Housing Fund will need to be rebalanced by potentially eliminating positions, shifting program costs to other Housing funds, and reducing non-personal/equipment funding for projects. No adjustments to rebalance the fund are recommended at this time because the California Supreme Court granted a Stay pending the Court's ruling on the dissolution of redevelopment agencies throughout the State.
- The Norman Y. Mineta San José International Airport (SJC) has enplaned and deplaned 1.5 million passengers through the first two months of the fiscal year, an increase of 0.5% from the figures reported through August of the prior year.
- Current economic conditions point to continued weak performance through 2011-2012. On a national level, the rate of economic growth has been trending downwards and, according to the September 2011 UCLA Anderson Forecast, the U.S. economy has stalled. The Administration will closely monitor the performance of the City's economically sensitive revenues to identify any changes in collection trends.
- The Administration will continue to report to the City Council any and all significant developments through this reporting process.

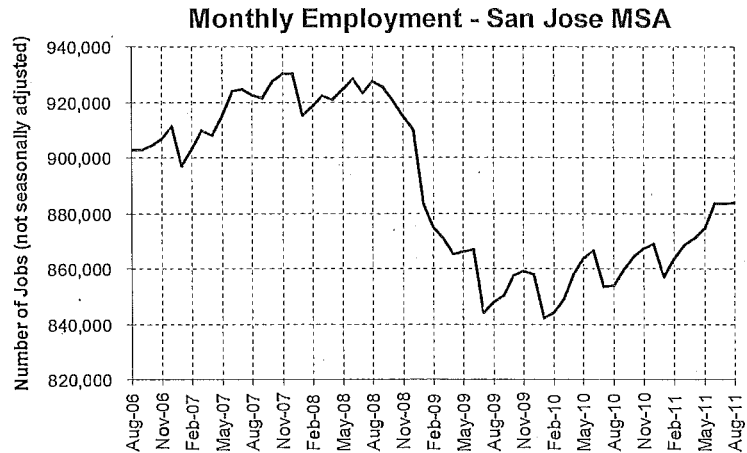
**OVERVIEW (CONT'D.)**

**Economic Environment**

According to the September 2011 UCLA Anderson Forecast, the U.S. economy has stalled. “To be sure, it has not gone backward into recession, but there is certainly no forward momentum and our outlook is far worse than just three months ago. In fact, given the surprisingly weak revised data for the first half of the year, we expect that in the five quarter period ending in the first quarter of 2012, economic growth will average a decidedly weak 0.9%. If there ever were an economy operating at ‘stall speed’, this one is it.”

Consumer confidence also remains weak. The Conference Board Consumer Confidence Index declined sharply in August 2011 and remained essentially unchanged in September 2011. Says Lynn Franco, Director of The Conference Board Consumer Research Center: “The pessimism that shrouded consumers last month as spilled over into September. Consumer expectations, which had plummeted in August, posted a marginal gain. However, consumers expressed greater concern about their expected earnings, a sign that does not bode well for spending. In addition, consumers’ assessment of current conditions declined for the fifth consecutive month, a sign that the economic environment remains weak.”

In this region, the economic indicators show mixed results. The August 2011 employment level in the San Jose Metropolitan Statistical Area (MSA) of 883,900 was 3.5% above the August 2010 level of 853,900. This employment level, however, remains below the recent peak of 930,500 experienced in December 2007.



**Unemployment Rate (Unadjusted)**

	Aug. 2010	Jul. 2011	Aug. 2011
San Jose Metropolitan Statistical Area*	11.2%	10.4%	10.0%
State of California	12.5%	12.4%	11.9%
United States	9.5%	9.3%	9.1%

\* San Benito and Santa Clara Counties  
 Source: California Employment Development Department.

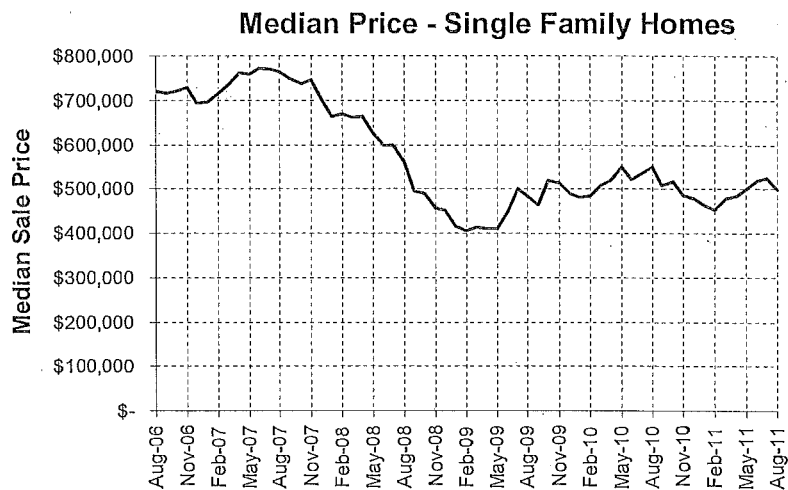
The San José metropolitan area continues to experience double-digit unemployment, though the August 2011 unemployment rate of 10.0% represents a slight decline from the July 2011 rate of 10.4% and is also lower than the 11.2% rate experienced a year ago. In this region, the August 2011 unemployment rate is less than the unadjusted unemployment rate for the State, but remains above the nation, which has a current unadjusted unemployment rate of 9.1%.

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**OVERVIEW (CONT'D.)**

Through August, permit valuation for residential construction activity is below prior year levels; however, permit valuation for commercial and industrial construction activity are tracking above last year. Permits for only 41 dwelling units have been issued through August, which is well below 249 units issued in the first two months of last fiscal year. Commercial activity is higher with valuation for commercial permit activity at \$41.0 million through August, compared to \$36.8 million through the same period last year. Industrial permit activity is up significantly with valuation at \$47.4 million through August, compared to \$8.0 million collected through the same period last year. The increases in commercial and industrial permit activity are primarily due to alterations, as new construction activity remains weak. This permit activity drives the revenue collection in several construction tax categories and is an indicator of future activity for several other categories, such as the storm and sanitary sewer system fees.

Through August, housing activity remains weak. The August 2011 median single-family home price of \$500,000 is down 9.1% from the August 2010 price of \$550,000. This marks the eleventh consecutive month in which the median single-family home price has dropped compared to the same month in the previous year.



Another indication of the slow housing market is the average days-on-market for single-family and multi-family dwellings, which has increased from 65 days in August 2010 to 74 days in August 2011. Further, the average days-on-market for the past 9 months was 88 days, a 37.0% increase compared to the 64 days during the same time period for the prior year. On a positive note, the number of property transfers (sales) for all types of residences totaled 747 in August 2011, representing an increase of approximately 9.7% from the 681 sales that occurred in August 2010.

The slow pace of recovery from the economic recession is expected to dampen growth in the City's economically sensitive revenue categories. Economic conditions will continue to be closely monitored and will be factored into the assessment of the City's performance in 2011-2012 as well as development of the 2013-2017 General Fund Forecast.

**GENERAL FUND**

**REVENUES**

General Fund revenues through August 2011 totaled \$175.0 million. Although this represents an increase of \$51.1 million from the August 2010 level of \$123.9 million, both totals include borrowing proceeds from the Tax and Revenue Anticipation Notes (TRANS) issued for cash flow purposes. Through August 2011, \$100.0 million has been issued compared to the \$40.0 million issued by this time in 2010, representing a difference of \$60.0 million. Factoring out the TRANS issuance, General Fund revenues totaled \$75.0 million through August 2011 and \$83.9 million through August 2010 – a decrease of \$8.9 million (10.6%) from the prior fiscal year.

Several categories are currently tracking below the prior year level, including Telephone Line Tax, Fines, Forfeitures and Penalties, Revenue from Local Agencies, Revenue from the Federal Government, and Transfers and Reimbursements. These lower collections were primarily due to reductions in these budgeted line items. The lower collections in these categories were partially offset by higher collections in a number of categories, including Property Tax, Sales Tax, Transient Occupancy Tax, Franchise Fees, Licenses and Permits, Business Tax, Use of Money and Property, Revenue from the State, Departmental Charges, and Other Revenues. However, for several of these categories, the higher collection level is primarily the result of differences in the timing of payments, true-up adjustments from the prior year, or one-time payments rather than growth attributed to 2011-2012 activity.

While it is early in the fiscal year, General Fund revenues are generally tracking to meet budgeted estimates. Based on current tracking and actual performance in 2010-2011, some revenue adjustments are recommended in the 2010-2011 Annual Report including a \$6.2 million increase in Sales Tax (as discussed later in this report), partially offset by decreases to Property Tax (\$1.4 million), Revenue from the State of California Motor-Vehicle In-Lieu (\$700,000), Franchise Fees (\$400,000), and Business Tax (\$200,000). Collections will continue to be carefully monitored to determine if further adjustments to revenue estimates are necessary. It should be noted that in 2011-2012 there is no Economic Uncertainty Reserve, while in 2010-2011, \$9.0 million was available as a source of funding to offset downward adjustments, if necessary. Included in the 2010-2011 Annual Report is the recommended establishment of the 2012-2013 Future Deficit Reserve in the amount of \$11.6 million.

The following discussion highlights General Fund revenue activities through August.

**KEY GENERAL FUND REVENUES**

Revenue	2011-2012 Estimate	YTD Actual	Prior YTD Collections
<b>Property Tax</b>	<b>\$ 201,454,000</b>	<b>\$ 940,711</b>	<b>\$ 178,893</b>

The Property Tax category consists of Secured Property Tax, Unsecured Property Tax, SB 813 Property Tax (retroactive collections back to the point of sale for reassessments of value due to property resale), and Homeowners Property Tax Relief. Through August, \$941,000 has been

**GENERAL FUND (CONT'D.)**

received, reflecting only 0.5% of the budget for this category. The increase from the prior year was the result of higher Unsecured Property Tax and SB 813 Property Tax collections.

For 2011-2012, the Adopted Budget estimate for Secured Property Taxes of \$183.6 million allows for a 1.1% increase from the 2010-2011 actual collections. While no actual payments had been received through August for the Secured Property Tax, the County of Santa Clara has provided a preliminary Secured Property Tax estimate of \$183.3 million for 2011-2012 that indicates an increase of 0.9% from the actual 2010-2011 collection level of \$181.7 million. To adjust for the lower anticipated collection level in 2011-2012, a \$327,000 reduction to the Secured Property Tax revenue estimate is recommended as part of the 2010-2011 Annual Report actions, bringing the budget estimate to \$183.3 million. The 2011-2012 collections are based on the value of property assessed on January 1, 2011, with any tax roll corrections. In developing this most recent estimate, the County has made a projection on the value of downward adjustments that will be made during the year, which is higher than in prior years. Because tax roll adjustments are still occurring and will continue to take place until the end of May 2012, the Budget Office will continue to work with the County to monitor actual performance and estimate year-end collections.

In the Unsecured Property Tax category, the largest payment is received in October of each year. The revenue received through August (\$764,000) accounts for the final reconciliation of the 2010-2011 fiscal year. In 2010-2011, this true-up payment for the prior fiscal year totaled \$179,000. Based on preliminary information from the County, collections in this category may fall slightly below the budgeted estimate of \$11.5 million. To adjust for the lower anticipated collection level in 2011-2012, a \$346,000 reduction to the Unsecured Property Tax revenue estimate is recommended as part of the 2010-2011 Annual Report actions, bringing the budget estimate to \$11.1 million. This adjustment will allow for a 1.8% increase in 2011-2012 from actual 2010-2011 receipts of \$10.9 million.

For the SB 813 Property Tax category, collections totaled \$176,000 through August, while no payments had been received last year at this time. Collections in 2010-2011 were significantly impacted by a backlog of refunds related to home sales in prior years. In 2011-2012, it was assumed that collections would return to normal levels. Based on the most recent information from the County, collections are projected to total \$2.3 million in 2011-2012, up from the \$1.1 million in 2010-2011. However, this estimated 2011-2012 collection level is below the \$3.0 million estimated for this category in the 2011-2012 Adopted Budget. Based on the latest projection from the County, a downward adjustment of \$656,000 is recommended as part of the 2010-2011 Annual Report actions.

Based on the latest estimate from the County, the Homeowners Property Tax Relief revenue is projected to total \$1.07 million in 2011-2012, which is slightly below the \$1.1 million currently budgeted for this category. To bring the revenue estimate in line with the current projection from the County, a downward adjustment of \$30,000 is recommended as part of the 2010-2011 Annual Report actions.

**GENERAL FUND (CONT'D.)**

Revenue	2011-2012 Estimate	YTD Actual	Prior YTD Collections
<b>Sales Tax</b>	<b>\$ 140,906,000</b>	<b>(\$ 557,306)</b>	<b>(\$ 2,801,651)</b>

The Sales Tax category includes General Sales Tax and Proposition 172 Sales Tax. General Sales Tax receipts through August still reflected a negative amount of \$557,000 due to the 2010-2011 year-end accrual to account for the last quarter of 2010-2011. The current receipts do not yet reflect actual performance in 2011-2012. Information on the first quarter collections for this fiscal year will not be received until late December.

In 2010-2011, collections of \$133.9 million were 8.6% above the 2009-2010 collection level of \$123.3 million. This increase reflected actual growth in the first three quarters of 11.7% (1<sup>st</sup> quarter), 10.4% (2<sup>nd</sup> quarter) and 3.5% (third quarter) and estimated growth of approximately 1% for the last quarter (as this quarter is being compared to the prior year quarter which experienced growth of 13%) combined with prior year true-up adjustments. Because a three-month lag exists between the period of sales activity and when the City receives its quarterly Sales Tax allocation, the fourth quarter (April through June) was accrued to 2010-2011 based on the 1.0% growth projection. Since the accrual was processed, the City received information on San José's performance in the last quarter of 2010-2011, representing sales activity for April through June 2011. This data, received in September, showed an increase of 11.7% from the same quarter in the prior year. This higher growth rate generated an additional \$2.6 million in revenue that will be reflected in the 2011-2012 sales tax figures. Similar trends were also experienced by Santa Clara County (up 16.1%), and the San Francisco Bay Area (up 10.8%), Northern California (up 11.7%), and the State as a whole (up 10.3%).

The City's Sales Tax consultant, MuniServices Company, recently provided the City with economic performance data, which is considered to be a more accurate measure of the actual sales tax activity in San José for a particular period. This growth analysis measures sales tax receipts, excluding State and county pools and adjusts for anomalies, payments to prior periods, and late payments. On an economic basis, sales tax receipts increased 8.3% in the fourth quarter of 2010-2011 (April through June). This increase was the result of growth in every economic sector except the small Miscellaneous category.

**GENERAL FUND (CONT'D.)**

**Sales Tax Economic Performance  
 April 2011 – June 2011**

<b>Economic Sector</b>	<b>% of Total Revenue</b>	<b>% Change from 4th Quarter 2010-2011 to 4th Quarter 2009-2010</b>
General Retail	27.9%	7.3%
Business to Business	23.8%	8.0%
Transportation	22.7%	13.4%
Food Products	15.6%	4.1%
Construction	9.4%	9.4%
Miscellaneous	0.6%	(11.9%)
<b>Total</b>	<b>100.0%</b>	<b>8.3%</b>

The sales tax growth experienced in the last two quarters of 2010-2011 was higher than assumed in the development of the 2011-2012 Adopted Budget. To reflect this higher starting point and the additional one-time true-up revenue received in 2011-2012, a \$6.2 million increase to the 2011-2012 General Sales Tax revenue estimate is recommended in the 2010-2011 Annual Report. This adjustment brings the General Sales Tax estimate to \$143.0 million and allows for 2% economic growth in 2011-2012 over the actual 2010-2011 collections and accounts for additional one-time funding in 2011-2012 as a result of true-up adjustments from 2010-2011. The City's Sales Tax performance will be closely monitored in 2011-2012 to determine if any additional adjustments are necessary to the budgeted estimate.

Through August, the Proposition 172 Sales Tax receipts of \$394,000 were tracking 1.7% above the 2010-2011 collection level of \$388,000 through the same period. The 2011-2012 budgeted estimate of \$4.1 million requires growth of 1.1% over the prior year collection level.

<b>Revenue</b>	<b>2011-2012 Estimate</b>	<b>YTD Actual</b>	<b>Prior YTD Collections</b>
<b>Transient Occupancy Tax</b>	<b>\$ 7,202,000</b>	<b>\$ 865,833</b>	<b>\$ 531,967</b>

Through August, Transient Occupancy Tax (TOT) collections of \$866,000 were tracking 62.8% above the prior year collection level of \$532,000 for the same period. The primary reason for this positive revenue variance is the difference in prior year accruals between the two years. Factoring out that difference, actual TOT receipts are up approximately 9.0% from the August 2010 level. The 2011-2012 budget assumed an increase of 1.8% from the 2010-2011 estimated level. As a result of higher than anticipated 2010-2011 collections, the 2010-2011 budget now allows for a decline of 0.3%. It is anticipated that TOT receipts will achieve or exceed the budget revenue estimate of \$7.2 million by year-end.



**GENERAL FUND (CONT'D.)**

Through August, the average hotel occupancy rate at the 14 major hotels was 59.4%, a slight improvement from the 58.6% occupancy rate for the same period in 2010-2011. For the same 14 hotels, the average daily room rate through August was \$112.92, up slightly from the \$110.12 room rate for the same period in 2010-2011. The year-to-date average revenue-per-available room (RevPAR) metric of \$67.02 represents an increase of 3.8% from the prior year level.

Revenue	2011-2012 Estimate	YTD Actual	Prior YTD Collections
<b>Utility Tax</b>	<b>\$ 88,035,000</b>	<b>\$ 7,515,767</b>	<b>\$ 7,519,951</b>

Through August, Utility Tax receipts of \$7.5 million were tracking at last year's collection level. However, the 2011-2012 budgeted estimate assumes an increase of 0.2% from the prior year.

In the Electric Utility Tax category, collections of \$3.3 million were tracking 14.7% below the prior year level of \$3.9 million through August. Although the majority of the negative variance reflects the impact of end-of-year accruals, adjusted collections still fell below the prior year level by 5.0%. When the 2011-2012 Adopted Budget was developed, it was assumed that growth of 1.2% would be realized in 2011-2012 over the estimated 2010-2011 collection level. However, as 2010-2011 year end actuals of \$39.1 million exceeded estimated levels of \$38.9 million, growth of only 0.5% from the actuals is needed to meet the budgeted estimate of \$39.3 million. While not reflected in the data through August, actual receipts in September showed improvement and are now tracking close to the budgeted estimate.

In the Gas Utility Tax category, receipts of \$578,000 were tracking 21.6% above the prior year level of \$475,000 through August. Factoring out year-end accruals, the adjusted growth in 2011-2012 is 18.9%. The budgeted estimate of \$8.8 million requires growth of 0.9% from the actual 2010-2011 collection level. The 2011-2012 budgeted estimate assumed that Gas rates will increase in 2011-2012, but that reductions in usage will partially offset the effect of the rate increases. Collections in the next several months will provide a much better indicator of receipts in this category since approximately two-thirds of the revenue in this category is typically collected in the second half of the year.

Collections of \$992,000 in the Water Utility category are tracking 21.3% above the prior year level of \$818,000. Almost all of this growth, however, was the result of year-end accrual differences. Adjusting for accruals, year-to-date collections increased 1.1% above the prior year level. The 2011-2012 estimate of \$9.2 million was based on growth of 5.7% based on projected rate increases of 5.8% in January 2012 with usage levels remaining flat. However, because revenues in 2010-2011 ended the year below the estimated collection level, an increase of 7.1% is now needed to achieve the budgeted estimate. It should be noted that this category is always subject to fluctuations related to the amount of precipitation received, particularly in the spring.

**GENERAL FUND (CONT'D.)**

Collections in the Telephone Utility Tax category of \$2.6 million were tracking 12.6% above the prior year collection level of \$2.3 million. This increase, however, was entirely due to accrual differences between the two fiscal years. Factoring out accrual differences, Telephone Utility Tax collections are tracking at the 2010-2011 levels. The 2011-2012 Adopted Budget estimate of \$30.8 million assumed no increase from the estimated 2010-2011 collections as a result of current collection trends and the drop in Telephone Utility Tax as a result of the migration of voice service from landline to wireless, intense price competition in the wireless arena, and bundling of services with internet access to qualify for a federal exemption from state and local taxation. However, because 2010-2011 actual collections of \$31.5 million exceeded the estimate used to develop the 2011-2012 Adopted Budget, collections in this category can now decrease slightly (2.3%) in 2011-2012 from the actual 2010-2011 collections.

Based on the current collection trends, Utility Tax receipts are tracking close to budgeted estimates. The City Manager's Budget Office and the Finance Department will continue to monitor Utility Tax revenues closely, and bring forward any adjustments if necessary.

Revenue	2011-2012 Estimate	YTD Actual	Prior YTD Collections
<b>Business Taxes</b>	<b>\$ 38,795,000</b>	<b>\$ 5,124,213</b>	<b>\$ 4,946,484</b>

This category consists of the following: Business Tax, Cardroom Tax, Marijuana Business Tax, and Disposal Facility Tax. Through August, overall collections of \$5.1 million are tracking 3.6% above the prior year collection level of \$4.9 million, reflecting higher collections in the Cardroom and Marijuana Business Tax categories, partially offset by lower collections in the Business Tax and Disposal Facility Tax categories.

Cardroom Tax receipts of \$1.3 million through August were 21.5% above the prior year level of \$1.0 million. This increase from the prior year primarily reflects the impact of the Cardroom Tax ballot measure that was approved by the voters in June 2010. The ballot measure increased the Cardroom Tax rate from 13% to 15% and increased the maximum number of card tables from 80 to 98. The new rates went into effect on August 13, 2010, so were not reflected in the collections through August (which reflect July activity) last year. Based on current collection trends and actual 2010-2011 receipts of \$14.8 million, Cardroom Tax revenue is expected to meet or exceed the 2011-2012 budgeted estimate of \$14.4 million.

Marijuana Business Tax receipts of \$332,000 through August 2011 reflected collections for July 2011. When adjusted for accruals, approximately \$349,000 in revenues were earned. Based on current collection trends, Marijuana Business Tax revenue is tracking above the 2011-2012 budgeted estimate of \$2.5 million. However, revenue collections in this category may be impacted by pending federal actions against medical marijuana collectives and the changes to the Medical Marijuana Regulatory Program ordinance approved by the City Council on September 13, 2011.

**GENERAL FUND (CONT'D.)**

Business Tax receipts of \$2.7 million were 9.1% below the prior year level of \$2.9 million. The 2012-2012 Adopted Budget estimate of \$11.0 million represents an increase of 0.5% from actual receipts in 2010-2011. In the development of the 2011-2012 Adopted Budget, it was assumed that receipts would remain flat over the prior year; however, actual receipts in 2010-2011 totaled \$10.9 million. Revenues will continue to be monitored closely though at this time are anticipated to meet the 2011-2012 budgeted estimate by year end.

Disposal Facility Tax revenue of \$875,000 through August is tracking 11.4% below the prior year level of \$987,000. The 2011-2012 Adopted Budget estimate of \$10.9 million allows for a decline of only 1.6% in this category. In the development of the 2011-2012 Adopted Budget, it was assumed that collections would drop 3.1% from the 2010-2011 estimated collection level of \$11.3 million. However, actual receipts in 2010-2011 totaled \$11.1 million. To adjust for the lower starting point in 2011-2012 and to account for the continued downward collection trend in this category, the 2010-2011 Annual Report includes a recommendation to reduce this revenue estimate by \$200,000, allowing for a 3.4% drop from actual 2010-2011 collections.

Revenue	2011-2012 Estimate	YTD Actual	Prior YTD Collections
<b>Licenses and Permits</b>	<b>34,567,094</b>	<b>\$ 8,518,795</b>	<b>\$ 7,512,048</b>

This category includes Building Permits, Fire Permits, and Other Licenses and Permits. Through August, Licenses and Permits revenue of \$8.5 million tracked 13.4% above the prior year level of \$7.5 million. The 2011-2012 budget estimate, however, allows for a decline of 10.8% from the 2010-2011 collection level. Development-related activity experienced very strong growth in 2010-2011 due primarily to a surge in collections in December 2010 resulting primarily from two new housing developments in North San Jose. Because this unusually high collection level is not expected to continue in 2011-2012, the revenue estimates for the development-related revenues in Building and Fire allow for a decline from the 2010-2011 collection levels.

Following is a discussion of the major components of this category.

Building Permit revenues of \$3.3 million through August is tracking 6.1% below the 2010-2011 collection level of \$3.6 million for the same period, but above the budgeted estimate. The 2011-2012 budgeted revenue estimate allows for a drop of 26.1% in this category. Revenues in building plan check, electrical permit, and permit processing categories are tracking above estimated levels. Strong revenue receipts are being driven by an increase in commercial and industrial permits, offset by slow residential activity. It is anticipated that Building Permit revenues will achieve, and may exceed, the budget estimate.

**GENERAL FUND (CONT'D.)**

Through August, Fire Permit collections of \$2.5 million were tracking above estimated levels and 70.9% above the prior year receipts of \$1.5 million. The non-development related revenues of \$1.7 million were tracking well above the prior year level of \$891,000 due to the timing difference in billing for non-renewable permits. Non-development revenues are currently expected to meet the budgeted estimate of \$3.86 million by year-end. The development-related revenues of \$775,000 are tracking 35.3% above the prior year level, with increases in the non-renewable permits and plan check categories. While it is early in the fiscal year, development-related revenues are currently expected to meet the budgeted estimate of \$3.96 million. The Budget Office and Fire Department will continue to monitor both development and non-development revenues closely.

The Other Licenses and Permits collections of \$2.7 million are tracking 7.4% above the 2010-2011 collection level of \$2.5 million and are tracking within estimated levels. Growth of 23.5% is needed in 2011-2012 to meet the budgeted estimate, with almost 70.0% of this growth related to the new Medical Marijuana fees. These fees, however, have not yet been collected in 2011-2012.

Revenue	2011-2012 Estimate	YTD Actual	Prior YTD Collections
<b>Departmental Charges</b>	<b>\$ 29,576,872</b>	<b>\$ 6,863,447</b>	<b>\$ 6,111,274</b>

Through August, Departmental Charges revenues of \$6.8 million were tracking 12.3% above the 2010-2011 collection level of \$6.1 million. The 2011-2012 Adopted Budget estimate, however, allows for a decline of 8.0% from the prior year actual receipts. The increase from the prior year reflects growth in several departmental charges categories, including Public Works, Transportation, Parks, Recreation, and Neighborhood Services, and Miscellaneous Departmental Charges, partially offset by lower collection in the Police Departmental Charges category. If current collection trends continue, overall Departmental Charges revenues should meet the budgeted estimate by year-end. Police Departmental Charges, however, may fall below the budgeted estimate of \$1.8 million due primarily to lower than estimated vehicle impound release fees.

Development-related revenues are currently tracking ahead of the prior year collection levels and are expected to meet the budgeted estimates. Through August, Planning Fee revenue of \$421,000 is 20.0% above the prior year collection level of \$351,000. The \$2.5 million adopted Planning Fee revenue estimate; however, allows for a drop of 6.8% from the prior year actuals. Overall revenue collections are tracking within estimated levels and it is anticipated that Planning Fee revenues will achieve or exceed the budget estimate.

Public Works revenues through August of \$993,000 are well above the prior year level of \$608,000. Revenues in most residential categories are tracking above estimated levels due to several single family and multi-family residential projects that were received in the first two months of 2011-2012. Non-residential revenues are performing below anticipated levels. At this

**GENERAL FUND (CONT'D.)**

time, collections are projected to meet the budgeted revenue estimate of \$4.8 million in the Development Fee Program. Due to the volatile nature of these revenues, the City Manager's Budget Office and Public Works Department will continue to monitor both development and utility revenues closely.

**EXPENDITURES**

Through August, General Fund expenditures (without encumbrances) of \$123.1 million were 12.0% below the prior year level of \$139.9 million. This decrease from the prior year is primarily due to lower departmental expenditures (personal services and non-personal/equipment down \$8.9 million), lower City-Wide Expenses (down \$4.3 million), and lower transfers to other funds (down \$4.0 million). Encumbrances of \$38.4 million were 2.0% below the prior year level of \$39.2 million. Expenditures and encumbrances (\$161.5 million) through August constitute 15.6% of the total 2011-2012 revised budgeted uses of funds (\$1.033 billion, including reserves; \$973.5 million, or 16.6%, excluding reserves). Overall, collections are tracking within estimated levels through August.

Through August, a few departments are experiencing higher than anticipated personal services expenditures, including the Office of Economic Development, the City Attorney's Office, and the Fire Department. In the 2010-2011 Annual Report, an upward adjustment of \$760,000 to the Fire Department personal services appropriation is recommended to address higher than anticipated overtime use to limit fire company brown-outs to only two companies. As the year progresses, expenditures will continue to be monitored closely to ensure they remain within budgeted levels however funding may need to be distributed by year end.

**KEY GENERAL FUND EXPENDITURES**

Department	2011-2012 Budget	YTD Actual	Prior YTD Actual
<b>Police</b>	<b>\$300,134,229</b>	<b>\$42,808,341</b>	<b>\$ 45,382,528</b>

On an overall basis, Police Department expenditures are tracking slightly below estimated levels. Personal Services expenditures of \$37.2 million tracked under anticipated levels (13.7% compared to the par of 13.8%). Overtime expenditures of \$1.1 million through August tracked below anticipated levels with 11.6% expended. The Department manages overtime usage through various reporting requirements and pre-approval processes in order to readily identify mandatory versus discretionary usage. The process has improved overtime tracking and helped reduce overall use of overtime. In addition to monitoring overall overtime usage, the Department limits how much overtime can be earned for pay versus compensatory time. The compensatory time balance at the end of August 2011 was 173,268 hours for sworn personnel. This represents a decrease of 17,596 hours (-9.2%) from the June 2011 balance of 190,864 as well as a 30,446 hour decrease (-14.9%) compared to the August 2010 balance of 203,714. The

**GENERAL FUND (CONT'D.)**

Budget Office and Police Department will continue to closely monitor Personal Services to ensure expenditures are within appropriated levels by year-end.

A total of \$5.6 million (23.5%) of the Department's Non-Personal/Equipment budget was expended or encumbered through August. Excluding the remaining balances for centrally-determined details, including electricity, gas, and vehicle operation and replacement, the Department has approximately \$7.1 million, or 72.9% of the non-centrally-determined appropriation available for the remainder of the fiscal year. The Budget Office and the Department will monitor expenditures closely to ensure expenditures are within appropriated levels by year-end.

Department	2011-2012 Budget	YTD Actual	Prior YTD Actual
<b>Fire</b>	<b>\$158,838,536</b>	<b>\$ 22,665,774</b>	<b>\$ 24,195,715</b>

Overall, expenditures for the Fire Department were tracking within budgeted estimates through August, with 14.3% expended. Personal Services expenditures through August appear to be tracking within budgeted levels with \$20.8 million expended (13.7% compared to the par of 13.8%); however, this was due to lower than budgeted retirement expenditures. These retirement savings are not anticipated to remain as the retirement budget is expected to be fully expended by year-end. The Fire Department's Non-Personal/Equipment budget of \$7.5 million was 25.7% expended or encumbered through August, but is expected to end the year within the budgeted allocation.

Although expenditure levels are tracking within par primarily due to the artificial savings generated by lower than expected retirement contributions and the timing of SAFER-funded academies, overtime expenditures of \$1.1 million are tracking above estimated levels (25.7% compared to the par of 13.8%) through August. The higher overtime expenditure were due primarily to higher than anticipated absence rates than those used to develop the Flexible Brown-out Plan that was approved as part of the 2011-2012 Adopted Operating Budget. The Flexible Brown-Out Plan was designed to have no more than two companies out of service at a time. Included in the 2010-2011 Annual Report is a recommended increase in overtime funding of \$760,000 in order to ensure the Department stays within its Personal Services appropriation by year-end while maintaining acceptable service response times. This additional funding would address overtime expenditures through August which were higher than anticipated as a result of higher than anticipated absence rates and vacancies at the Fire Engineer rank. The Fire Department will continue to implement overtime control measures and continue to monitor on a daily basis minimum staffing. The Budget Office along with the Fire Department will continue to monitor activity to ensure the department remains within its Personal Services appropriation. Overtime costs related to minimum staffing are expected to decline in mid-September with vacancies in the Fire Engineer rank filled and with 22 rehired Firefighters filling duty positions.

**GENERAL FUND (CONT'D.)**

Through August, the Fire Department was staffed with 161 filled Firefighter Paramedic positions (148 front-line Firefighter paramedics, 5 Supervisors, and 8 support) compared to the 139 front-line Firefighter Paramedics that are necessary to fully staff all apparatus. The Department projects it will have no issues maintaining the target staffing level of 139 front-line Firefighter Paramedics.

As part of the City Council's approval of Department absence and vacancy rates (March 2010), it should be noted that the number of sworn administrative staff in the Department through August was 34, which is over the authorized number of 32. This was due to staff being reallocated from the line for training provided through the SAFER grant.

Department	2011-2012 Budget	YTD Actual	Prior YTD Actual
<b>City Attorney's Office</b>	<b>\$11,024,847</b>	<b>\$ 1,767,253</b>	<b>\$ 1,971,970</b>

Overall, expenditures for the City Attorney's Office were tracking higher than budgeted estimates through August, with 16.0% expended. Personal Services expenditures through August tracked to exceed budgeted levels with \$1.5 million (15.0%) of the \$10.1 million 2011-2012 Budget expended. The Attorney's Office Non-Personal/Equipment budget of \$922,000 was 27.8% expended or encumbered through August but is expected to end the year within the budgeted allocation.

Personal services expenditures are tracking higher than the current estimate with the overage due to lower than anticipated savings generated from a budget balancing strategy included as part of the 2011-2012 Adopted Budget. Personal services savings of \$260,000 were assumed in the 2011-2012 Adopted Budget from anticipated vacancies due to retirements and the implementation of voluntary furlough/reduced work week schedules. To date, only three employees have signed up for the voluntary furlough or reduced work week programs generating minimal savings by year end. In addition, current vacancies thus far have been insufficient to meet a budgeted vacancy factor and to cover unbudgeted vacation sellback expenses; however, it is expected that there will be additional vacancies this year. The City Attorney's Office is committed to ensuring that actual expenditures remain within budgeted levels by year end, and to achieve this, the Office will manage its vacancies as well as closely control non-personal/equipment expenditures. Any necessary net-zero budget adjustments between the City Attorney Offices' appropriations to ensure expenditures stay within budgeted approved allocations will be brought forward as part of the 2011-2012 Mid-Year Budget Review.

**GENERAL FUND (CONT'D.)**

**CONTINGENCY RESERVE**

The General Fund Contingency Reserve remains at \$29.3 million through August, with no revisions through the first two months of the fiscal year.

**OTHER FUNDS**

**Airport Funds**

On a fiscal year-to-date basis, the Norman Y. Mineta San José International Airport (SJC) has enplaned and deplaned 1.5 million passengers, an increase of 0.5% from the figures reported through August of the prior year. Year-over-year passenger activity is expected to grow 2% in 2011-2012.

Fiscal year-to-date mail, freight and cargo totaled 15.2 million pounds, which represents a 6.1% increase from 2010-2011. Traffic Operations (landings and takeoffs) exceeded the prior year by .5%, Landed Weights by 2.6%, and Taxicab operations by 11.2%. Passenger Facility Charge (PFC) revenues were 1.4% less than the prior year.

<b>SJC Passengers</b>	<b>Aug. 2011</b>	<b>Aug. 2010</b>	<b>% Change</b>
Enplaned YTD	763,743	760,857	0.38%
Deplaned YTD	774,080	769,227	0.63%
<b>YTD Passengers</b>	<b>1,537,823</b>	<b>1,530,084</b>	<b>0.51%</b>
Monthly Enplanements	381,772	373,341	2.26%
Monthly Deplanements	389,364	382,184	1.88%
	<b>771,136</b>	<b>755,525</b>	<b>2.07%</b>

While year-to-date Airport revenues primarily reflect just one month of receipts, it is currently projected that revenues will meet projections by year-end.

Through August, both the Airport Customer Facility and Transportation Fee Fund and Operation and Maintenance Fund expenditures tracked below budgeted levels. Personal Service expenditures were 12.5% of budget compared to the benchmark of 13.8% while Non-personal/Equipment expenditures were 4.7% of budget compared to the benchmark of 9.9%. The administration will continue to closely monitor and report activity, revenue and expenditure status.



## OTHER FUNDS (CONT'D.)

### Construction and Conveyance Tax Funds

Construction and Conveyance (C&C) Tax revenues are experiencing slight declines from levels collected in 2010-2011. Collections through August 2011 totaled \$1.9 million (9.0% of the 2011-2012 estimate of \$21.0 million), which represents a decline of 13.6% from the \$2.2 million collected last year through August 2010. However, the City has also received September Conveyance Tax receipts totaling \$2.0 million, which represents an 11.1% increase from the \$1.8 million received in September 2010. The Adopted C&C Tax estimate allowed for a 1.8% drop from the 2010-2011 collection level. Receipts through August represented a significantly larger drop than budgeted, however, due to the strong September performance, this revenue stream is now tracking on par with the anticipated levels. Due to the volatile nature of this tax, receipts will be closely monitored and if necessary, adjustments will be recommended later in the year.

Nearly 99% of the total Construction and Conveyance Taxes are comprised of conveyance receipts, a tax based on the value of property transfers, which are the main driver in this revenue category. Consistent with the declining C&C Tax revenues, as discussed in the Economic Environment section in this document, housing statistics through August continue to struggle when compared to the prior year.

### Other Construction-Related Revenues

Through August, permit valuation for residential construction activity is below prior year levels; however, permit valuation for commercial and industrial construction activity are above prior year levels. Residential permit activity has declined, with the total construction of 41 units through August, which is well below the number of units constructed through the same period last year (249 units). Commercial activity is higher with valuation for commercial permit activity at \$41.0 million through August, compared to \$36.8 million through the same period last year. Industrial permit activity is up significantly with valuation at \$47.4 million through August, compared to \$8.0 million collected last year. The increases in commercial and industrial permit activity are primarily due to alterations, as new construction activity remains weak. These permit activities drive the revenue collection in several categories, including the Construction Excise Tax and the Building and Structure Construction Tax, and are an indicator of future activity for several other categories, such as storm and sanitary sewer system fees.

- *Building and Structure Construction Tax* – Receipts through August totaled \$1.0 million, which is 16.8% of the 2011-2012 revenue estimate of \$6.0 million. This collection level is up slightly from prior year collections (\$988,000) through August and is currently tracking to meet the budgeted estimate.
- *Construction Excise Tax* – Receipts of \$1.41 million decreased by 0.8% from the \$1.42 million collected during the same period last year. This collection level is 17.6% of the 2011-2012 revenue estimate of \$8.0 million and is currently tracking to meet the budgeted estimate.

**OTHER FUNDS (CONT'D.)**

**Convention and Cultural Affairs Fund**

The Convention and Cultural Affairs Fund accounts for Team San José's (TSJ) operation of the City's Convention and Cultural Facilities. Through August, revenues and associated non-personal/equipment expenses are tracking higher than budget.

Revenues through August are tracking above anticipated levels. While operating revenues of \$442,000 have been recognized, additional operating revenues of \$1.0 million have been reported by TSJ, but not yet recognized in the fund. With a budgeted year-end revenue estimate of \$12.1 million, year-to-date collections are higher than the TSJ forecasted level of \$1.2 million. According to TSJ, additional revenue streams, to be realized later in the fiscal year, have been identified which could push actual collections higher than the budgeted level by as much as \$2.2 million.

Expenditures in the Non-Personal/Equipment appropriation of \$2.6 million are higher than the forecasted level of \$2.1 million. The higher expenditure level is primarily associated with higher activity levels, with a smaller portion attributable to one-time costs and repair and maintenance costs which will be shifted to the Emergency Repairs appropriation. Expenditures in this appropriation will be carefully monitored, and an increase may be recommended later in the year should the higher than anticipated activity levels continue. Any increase to the appropriation is anticipated to be offset by an increase to the revenue estimate. Personal Services expenditures are tracking close to estimated levels through August.

The Ending Fund Balance in this fund is necessary to sustain operations through the expansion and renovation to the Convention Center which is anticipated to have a negative impact to revenue collections during the construction period, as well as offset any prolonged periods of reduced activity. The 2011-2012 Adopted Budget assumed an Ending Fund Balance \$2.5 million. As a result of greater than anticipated 2010-2011 revenue collections and expenditure savings, and after accounting for recommended rebudgets and strategic resource allocations recommended in the 2010-2011 Annual Report, the 2011-2012 Ending Fund Balance available in this fund will increase to approximately \$3.7 million.

**Low and Moderate Income Housing Fund**

The Low and Moderate Income Housing Fund accounts primarily for San Jose Redevelopment Agency Tax increment funds received and loan repayments to provide affordable housing rehabilitation and new housing programs. In June 2011, as part of the approval of the State budget, the Governor signed Assembly Bill XI 26, which approves the dissolution of redevelopment agencies throughout the State and Assembly Bill XI 27, which enables cities and counties to retain their redevelopment agencies by paying a specified amount to the State as established by a formula. Both bills have a significant fiscal impact to the Low and Moderate Income Housing Fund, which may result in 20% tax increment revenues being pledged to

**OTHER FUNDS (CONT'D.)**

existing obligations. If the redevelopment agencies do dissolve, the Low and Moderate Income Housing Fund will need to be rebalanced by potentially eliminating positions, shifting program costs to other Housing funds, and reducing non-personal/equipment funding for projects. No adjustments to rebalance the fund are recommended at this time because the California Supreme Court granted a Stay pending the Court's ruling on the dissolution of redevelopment agencies throughout the State. In compliance with the Stay, the Housing Department has suspended all new activities. The Court is expected to make a decision on the dissolution of redevelopment agencies by January 15, 2012. However, in an effort to generate savings as a result of the possible dissolution of redevelopment agencies throughout the State, a recommendation to reduce the Multi-Family Loans and Grants appropriation by \$1.8 million and shift the project costs to the Home Investment Partnership Program Fund is included in the 2010-2011 Annual Report.

Through August, a minimal amount of revenue has been received due to the timing of the receipt of 20% tax increment revenues, which occurs twice a year (in December and April) after the County collects property taxes. Expenditures in this fund are tracking within budgeted levels. As the outcome of the dissolution of redevelopment agencies is known, staff will bring forward for Council approval any necessary adjustments. Staff will continue to closely monitor this fund.

**Transient Occupancy Tax Fund**

Through August 2011, receipts recorded in the Transient Occupancy Tax (TOT) Fund of \$1.3 million are 51% above the prior year collection level for the same period. The primary reason for this positive revenue variance is the difference in prior year accruals between the two years. Factoring out that difference, actual TOT receipts are up approximately 9% from the August 2010 level. The 2011-2012 budget assumed an increase of 1.8% from the 2010-2011 estimated level, however the budget now allows for a decline of 0.9% based on higher than anticipated 2010-2011 collections. It is anticipated that TOT receipts will achieve or exceed the budgeted revenue estimate of \$10.8 million by year-end.

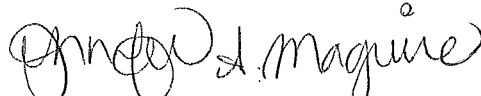
The 2011-2012 allocations to the three recipient organizations (Convention and Cultural Affairs Fund, Convention and Visitors Bureau, Cultural Grants/Programs and Services) are anticipated to be fully expended by the end of the year. It should be noted that increases to the three recipient organizations are recommended in the 2010-2011 Annual Report, scheduled for City Council consideration on October 18, 2011, based on the higher than anticipated 2010-2011 collections.

Through August, the average hotel occupancy rate at the 14 major hotels was 59.4%, a slight improvement from the 58.6% occupancy rate for the same period in 2010-2011. For the same 14 hotels, the average daily room rate through August was \$112.92, up slightly from the \$110.12 room rate for the same period in 2010-2011. The year-to-date average revenue-per-available room (RevPAR) metric of \$67.02 represents an increase of 3.8% from the prior year level.

**CONCLUSION**

Through August, the City's funds are generally performing within budgeted expectations. The 2011-2012 Adopted Budget was built on the assumption that slow economic growth would continue in 2011-2012. The actual performance of the economically sensitive revenues will be closely monitored during the year to determine if the slowing pace of the recovery has impacted these collections.

As reported in the 2010-2011 Annual Report, there are a number of adjustments to the 2011-2012 General Fund revenue estimates based on actual 2010-2011 performance and updated information. These include adjustments to the Sales Tax, Property Tax, Commercial Solid Waste Franchise Fees, and Disposal Facility Tax categories, as well as adjustments to reflect various grants and reimbursements. Any additional adjustments in the General Fund as well as other City funds resulting from actual 2011-2012 performance will be brought forward during the year, with the majority of these adjustments presented as part of the 2011-2012 Mid-Year Budget Review or the 2011-2012 year-end clean-up memorandum. As always, staff will continue to report to the City Council any and all significant developments through this reporting process.

  
JENNIFER A. MAGUIRE  
Budget Director



**FINANCE DEPARTMENT**  
Monthly Financial Report

Financial Results for the 2 Months Ended August 31, 2011  
Fiscal Year 2011-12  
*(UNAUDITED)*

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**Finance Department, City of San José**  
**Monthly Financial Report**  
**Financial Results for the 2 Months Ended August 31, 2011**  
**Fiscal Year 2011-12**  
*(UNAUDITED)*

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**Finance Department, City of San José**  
**Monthly Financial Report**  
**Financial Results for the 2 Months Ended August 31, 2011**  
**Fiscal Year 2011-12**  
*(UNAUDITED)*

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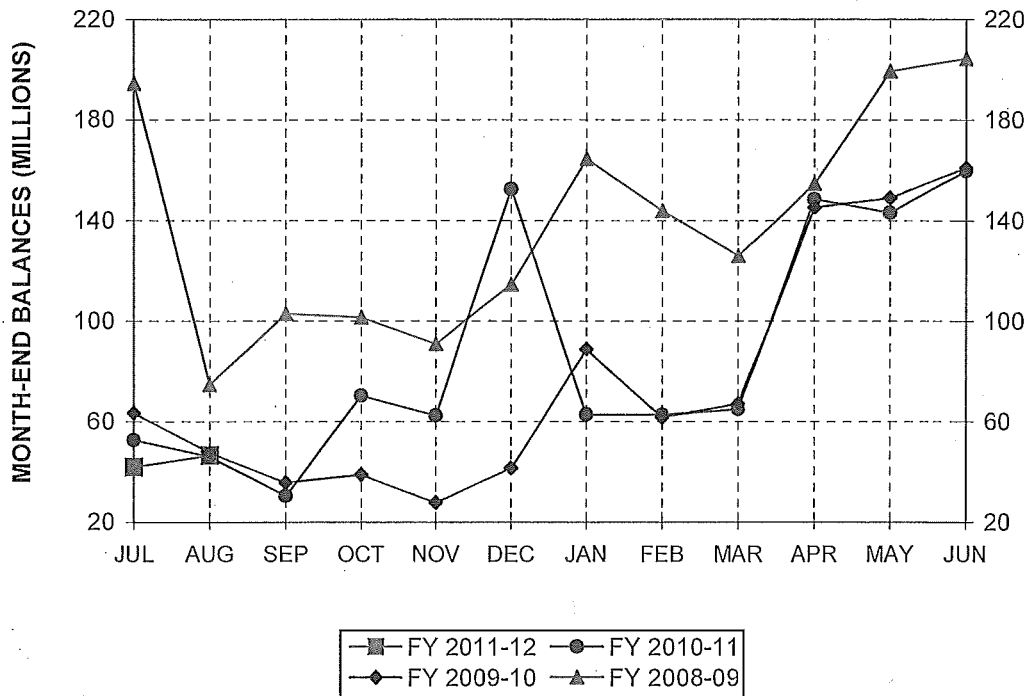
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Submitted by:



JULIA H. COOPER  
Acting Director, Finance Department

## GENERAL FUND Comparison of Cash Balances



### GENERAL FUND MONTHLY CASH BALANCES

MONTH	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09
JULY (1)	\$ 41,946,493	\$ 52,614,304	\$ 63,344,537	\$ 194,527,843
AUGUST (1)	46,502,235	45,992,983	47,689,216	74,677,718
SEPTEMBER		30,525,385	35,662,298	102,811,355
OCTOBER		70,246,706	38,946,966	101,433,688
NOVEMBER		62,333,059	27,736,074	90,892,525
DECEMBER (2)		152,493,162	41,491,217	114,535,815
JANUARY (3)		62,749,463	88,749,418	164,539,700
FEBRUARY		62,572,017	61,606,869	143,802,507
MARCH		64,768,564	66,979,823	125,900,953
APRIL		148,465,097	145,213,763	154,701,704
MAY		143,186,930	149,064,276	199,321,150
JUNE		159,719,466	161,013,785	204,474,123

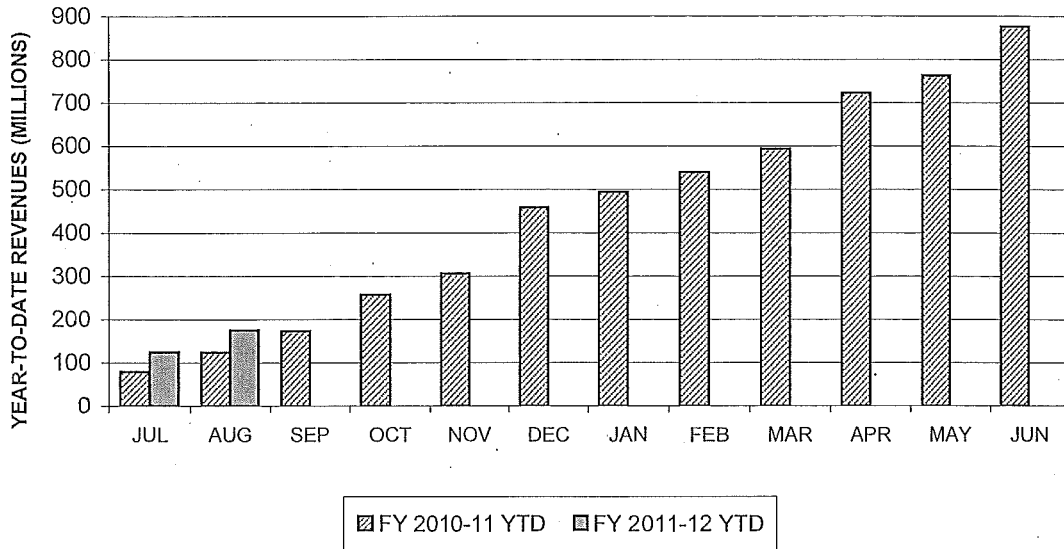
Note: (1) The General Fund cash balance decrease in July 2011 (also in August 2008, July 2009 and July 2010) was mainly due to the Council's direction to annually pre-fund the employer share of retirement contributions in a lump-sum to achieve budgetary savings to the City.

Note: (2) The General Fund cash balance increase in December 2010 was mainly due to the timing of the receipt of \$88.5 million in Property Tax revenue and \$16.7 million in Sales Tax revenue. In addition, these revenues were posted in January in the prior three fiscal years.

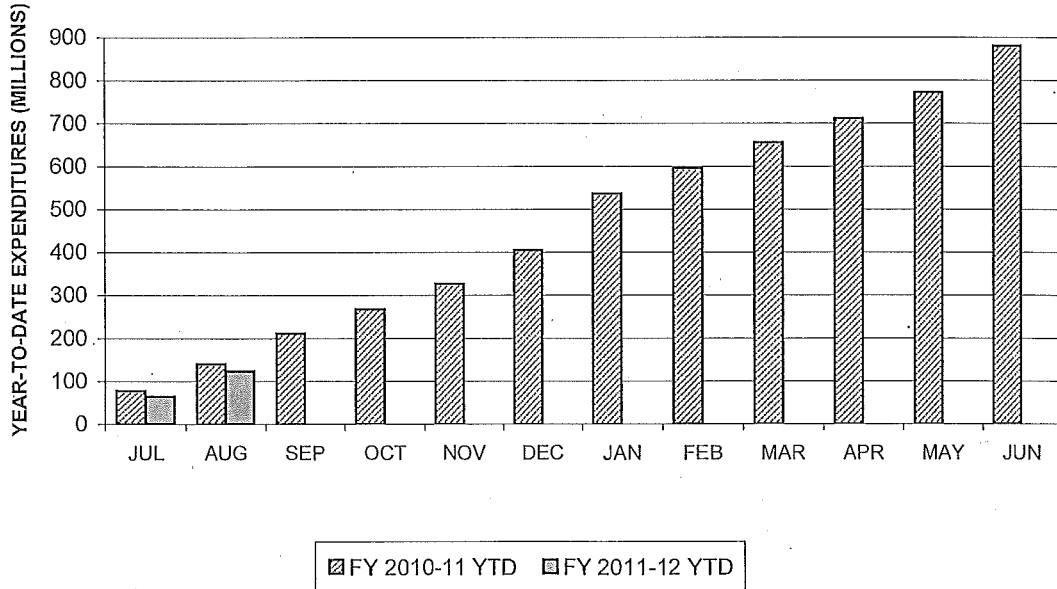
Note: (3) The General Fund cash balance decrease in January 2011 was mainly due to the repayment of the Tax and Revenue Anticipation Notes (TRANS) in the amount of \$75 million.



**GENERAL FUND  
Comparison of YTD Revenues  
Actual**



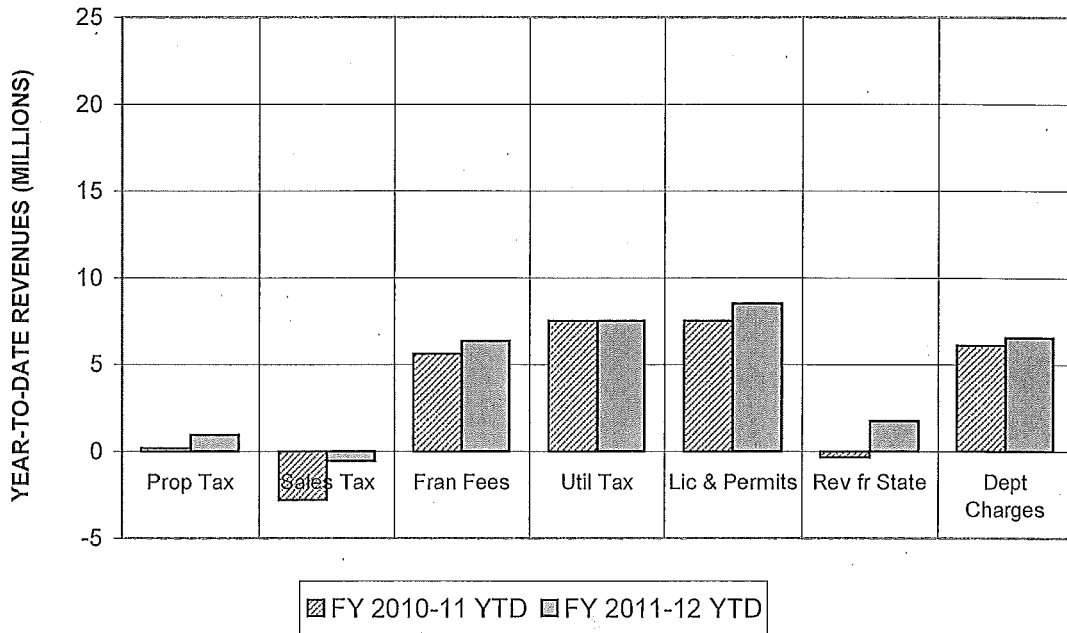
**GENERAL FUND  
Comparison of YTD Expenditures  
Actual**



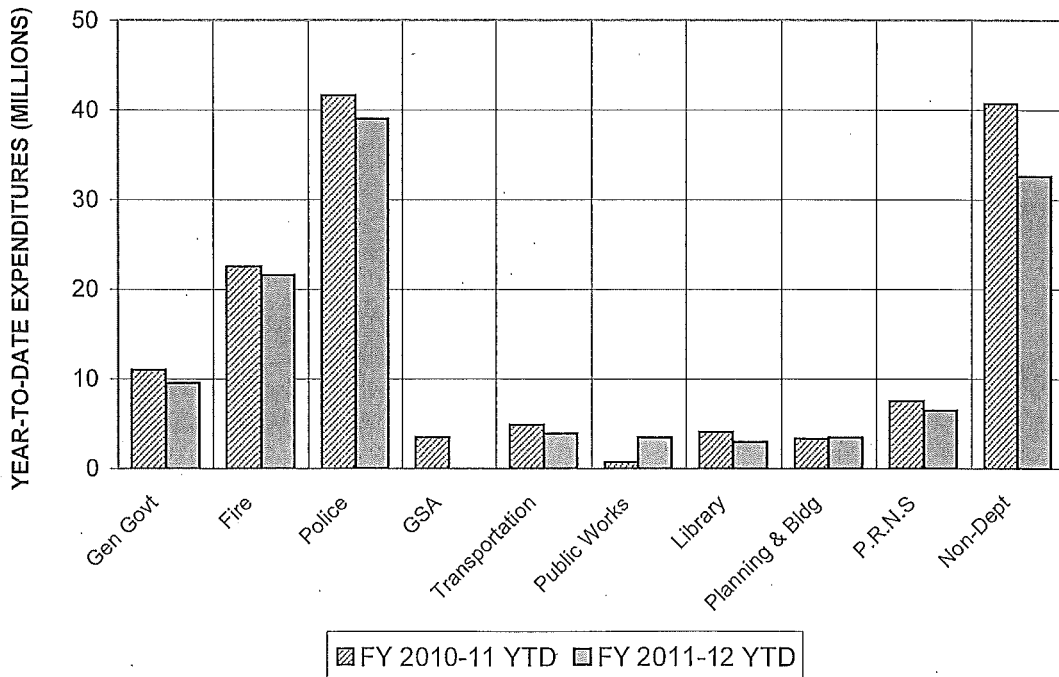
General Fund Revenue includes issuance of Tax and Revenue Anticipation Notes (TRANS) in fiscal year 2010-11 in the amount of \$75 million (\$40 million in July 2010 and \$35 million in October 2010) and \$100 million in July 2011 for cash flow borrowing.

General Fund Expenditures includes repayment of TRANS in the amount of \$75 million in January 2011.

**GENERAL FUND MAJOR REVENUES**  
**Comparison of YTD Actual vs. Prior YTD Actual**  
**For the 2 Months Ended August 31, 2011**



**GENERAL FUND MAJOR EXPENDITURES**  
**Comparison of YTD Actual vs. Prior YTD Actual**  
**For the 2 Months Ended August 31, 2011**



CITY OF SAN JOSE  
**GENERAL FUND SOURCE AND USE OF FUNDS**  
**FUND BALANCE, REVENUE, TRANSFERS & REIMBURSEMENTS**  
**FOR THE 2 MONTHS ENDED AUGUST 31, 2011**  
*(UNAUDITED)*  
*(\$000's)*

	ADOPTED FY 2011-12 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2011-12 BUDGET	CUR YTD ACTUAL	CUR YTD ACTUAL % OF BUDGET	PRIOR YTD ACTUAL	PRIOR YTD % OF PRIOR YEAR-END ACTUAL	PRIOR YEAR-END BUDGETARY BASIS ACTUAL	CUR YTD LESS PRIOR YTD ACTUAL	% CHANGE CUR YTD ACTUAL LESS PRIOR YTD ACTUAL
<b>Fund Balance</b>											
Prior Year Encumbrances	-	-	20,639	20,639	20,639	100.00%	20,635	131.29%	15,717	4	0.02%
Liquidation of c/o Encumbrance	-	-	-	-	-	-	-	-	4,918	-	-
Available Balance	121,061	-	-	121,061	121,061	100.00%	134,807	95.28%	141,484	(13,746)	-10.20%
<b>Total Fund Balance</b>	121,061	-	20,639	141,700	141,700	100.00%	155,442	95.88%	162,119	(13,742)	-8.84%
<b>General Revenues</b>											
Property Tax	201,454	-	-	201,454	941	0.47%	179	0.09%	194,814	762	425.70%
Sales Tax (Note 1)	140,906	-	-	140,906	(557)	-0.40%	(2,801)	-2.03%	137,970	2,244	80.11%
Telephone Line Tax	20,525	-	-	20,525	1,731	8.43%	1,779	8.62%	20,643	(48)	-2.70%
Transient Occupancy Tax	7,202	-	-	7,202	866	12.02%	532	7.37%	7,222	34	62.78%
Franchise Fees	43,025	-	-	43,025	6,346	14.75%	5,616	13.61%	41,273	730	13.00%
Utility Tax	88,035	-	-	88,035	7,516	8.54%	7,520	8.56%	87,885	(4)	-0.05%
Business Taxes	38,795	-	-	38,795	5,124	13.21%	4,946	13.03%	37,959	178	3.60%
Licenses and Permits	34,567	-	-	34,567	8,519	24.64%	7,513	19.40%	38,735	1,006	13.39%
Fines, Forfeits and Penalties	17,471	-	-	17,471	2,031	11.62%	2,345	13.08%	17,926	(314)	-1.339%
Use of Money and Property	2,413	50	-	2,463	343	13.93%	88	2.42%	3,635	255	289.77%
Revenue from Local Agencies	19,331	65	-	19,396	275	1.42%	1,809	4.10%	44,075	(1,534)	-84.80%
Revenue from State of Cal.	14,465	-	-	14,465	1,740	12.03%	(343)	-1.91%	17,926	2,083	607.29%
Revenue from Federal Government	21,208	1,892	-	23,100	(888)	-3.84%	(820)	-8.79%	9,332	(69)	-8.29%
Departmental Charges (Note 2)	29,577	-	-	29,577	6,863	23.20%	6,111	19.01%	32,150	752	12.31%
Other Revenues (Note 3)	14,919	-	-	139,919	105,273	75.24%	45,350	48.99%	92,566	59,923	132.13%
<b>Total General Revenues</b>	693,893	127,007	-	820,900	146,123	17.80%	79,824	10.18%	784,111	66,299	83.06%
<b>Transfers &amp; Reimbursements</b>											
Overhead Reimbursements	37,752	-	-	37,752	20,128	53.32%	21,817	63.27%	34,480	(1,689)	-7.74%
Transfers from Other Funds	16,745	-	-	16,745	8,771	52.38%	22,973	55.42%	41,451	(14,202)	-61.82%
Reimbursements for Services	16,372	-	-	16,372	-	0.00%	(755)	-4.68%	16,125	755	100.00%
<b>Total Transfers &amp; Reimburse</b>	70,869	-	-	70,869	28,899	40.78%	44,035	47.84%	92,056	(15,136)	-34.37%
<b>Total Sources</b>	885,823	127,007	20,639	1,033,469	316,722	30.65%	279,301	26.90%	1,038,286	37,421	13.40%

Note 1 - State Budget Balancing actions resulted in the "Triple Flip", which suspended a portion of local governments' Sales and Use Tax and Motor Vehicle License Fee revenues and replaced them with local property tax revenues. The 2011-2012 impact through August 2011 is approximately \$2.2 million.  
 Note 2 - See Supplemental Schedule on Page 7.  
 Note 3 - Includes issuance of Tax and Revenue Anticipation Notes (TRANs) in the amount of \$75 million in July 2010 and \$35 million in October 2010 and \$100 million in July 2011 for cash flow borrowing.

**CITY OF SAN JOSE  
GENERAL FUND SOURCE AND USE OF FUNDS  
EXPENDITURES  
FOR THE 2 MONTHS ENDED AUGUST 31, 2011  
(UNAUDITED)  
(\$000's)**

	ADOPTED FY 2011-12 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2011-12 BUDGET	YEAR-TO-DATE ACTUAL	ENCUMBR OF BUDGET	CUR YTD ACTUAL %	PRIOR YTD ACTUAL(1)	PRIOR YTD % OF PRIOR YEAR-END ACTUAL	PRIOR YEAR-END BUDGETARY BASIS ACTUAL	CUR YTD LESS PRIOR YTD ACTUAL(1)	% CHANGE CUR YTD ACTUAL LESS PRIOR YTD ACTUAL
<b>General Government</b>												
Mayor and Council	10,319	-	43	10,362	1,145	44	11.05%	1,004	13.28%	7,559	141	14.04%
City Attorney	10,790	-	235	11,025	1,540	227	13.97%	1,558	13.65%	11,413	(18)	-1.16%
City Auditor	2,001	-	7	2,008	253	6	12.60%	262	14.76%	1,775	(9)	-3.44%
City Clerk (2)	2,343	-	69	2,412	224	72	9.29%	1,161	29.92%	3,880	(937)	-80.71%
City Manager	10,113	-	502	10,615	1,321	754	12.44%	1,429	13.89%	10,291	(108)	-7.56%
Finance	12,181	-	298	12,474	1,507	491	12.08%	1,514	13.81%	10,965	(7)	-0.46%
Information Technology	13,974	-	611	14,585	1,727	1,277	11.84%	1,074	16.05%	14,155	(545)	-23.99%
Human Resources	6,024	-	117	6,141	746	300	12.15%	1,074	15.52%	6,918	(328)	-30.54%
Redevelopment Agency	-	-	-	-	(8)	-	100.00%	226	17.60%	1,284	(234)	-103.54%
Independent Police Auditor	963	-	3	966	122	3	12.63%	115	13.97%	823	7	6.09%
Office of Economic Development	5,359	-	168	5,522	955	1,297	17.29%	400	14.18%	2,821	555	138.75%
<b>Total General Government</b>	<b>74,067</b>	<b>-</b>	<b>2,043</b>	<b>76,110</b>	<b>9,532</b>	<b>4,471</b>	<b>12.52%</b>	<b>11,015</b>	<b>15.32%</b>	<b>71,884</b>	<b>(1,483)</b>	<b>-13.46%</b>
<b>Public Safety</b>												
Fire	158,624	-	215	158,839	21,583	1,083	13.59%	22,537	14.75%	152,743	(954)	-4.23%
Police	298,396	-	1,798	300,134	39,010	3,798	13.00%	41,603	14.42%	288,599	(2,593)	-6.23%
<b>Total Public Safety</b>	<b>456,960</b>	<b>-</b>	<b>2,013</b>	<b>458,973</b>	<b>60,593</b>	<b>4,881</b>	<b>13.20%</b>	<b>64,140</b>	<b>14.53%</b>	<b>441,342</b>	<b>(3,547)</b>	<b>-5.53%</b>
<b>Capital Maintenance</b>												
Transportation	24,562	-	834	25,396	3,880	1,795	15.28%	4,871	17.36%	28,057	(991)	-20.34%
Public Works	26,447	-	343	26,790	3,477	1,609	12.98%	4,176	14.06%	29,705	(999)	-16.74%
<b>Total Capital Maintenance</b>	<b>51,009</b>	<b>-</b>	<b>1,177</b>	<b>52,186</b>	<b>7,357</b>	<b>3,404</b>	<b>14.10%</b>	<b>9,047</b>	<b>15.66%</b>	<b>57,762</b>	<b>(1,990)</b>	<b>-18.68%</b>

(1) Does not include encumbrance balance.  
(2) Mainly due to \$1.93 million in Elections expenditures for the cost of the June 8, 2010 election.

**CITY OF SAN JOSE  
GENERAL FUND SOURCE AND USE OF FUNDS  
EXPENDITURES  
FOR THE 2 MONTHS ENDED AUGUST 31, 2011  
(UNAUDITED)  
(\$000's)**

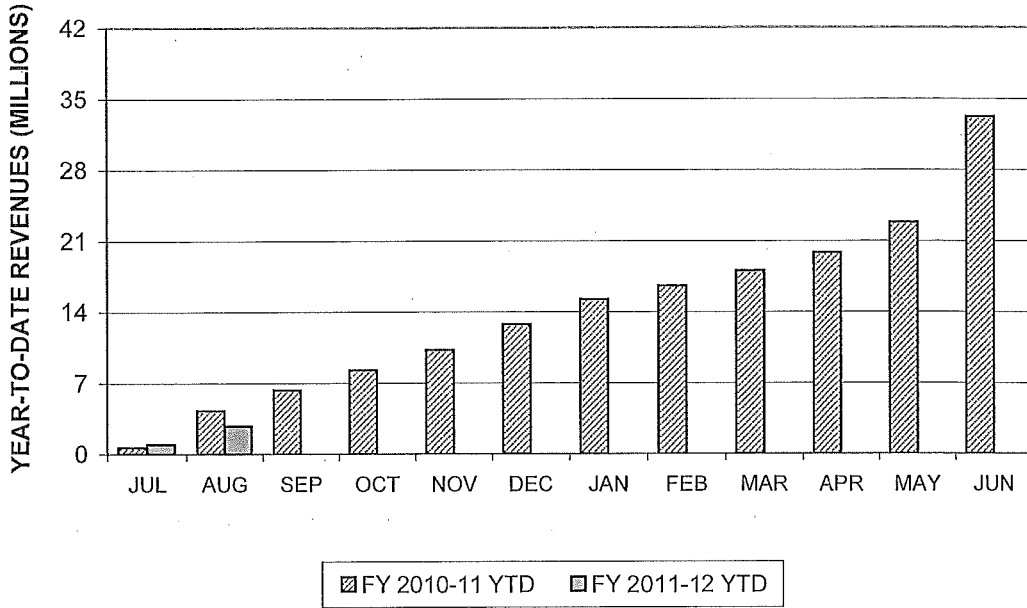
	ADOPTED FY 2011-12 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBER	REVISED FY 2011-12 BUDGET	YEAR-TO-DATE		CUR YTD ACTUAL %	PRIOR YTD ACTUAL(1)	PRIOR YTD % OF PRIOR YEAR-END ACTUAL	PRIOR YEAR-END BUDGETARY BASIS ACTUAL	CUR YTD LESS PRIOR YTD ACTUAL(1)	% CHANGE CUR YTD ACTUAL LESS PRIOR YTD ACTUAL
					ACTUAL	ENCUMBER						
<b>Community Service</b>												
Library	22,642	-	165	22,807	2,951	281	12.94%	4,088	16.44%	24,868	(1,137)	-27.81%
Planning, Bldg & Code Ent.	27,322	-	219	27,541	3,456	248	12.55%	3,333	13.90%	23,985	123	3.69%
Park, Rec & Neigh Svcs	45,560	-	759	46,319	6,465	4,053	13.96%	7,489	13.53%	55,354	(1,024)	-13.67%
Environmental Services	562	-	50	612	216	100	35.29%	56	10.98%	510	160	285.71%
Total Community Services	96,086	-	1,193	97,279	13,088	4,682	13.45%	14,966	14.29%	104,717	(1,878)	-12.55%
Total Dept. Expenditures	\$ 678,122	-	6,426	684,548	90,570	17,438	13.23%	99,168	14.68%	675,705	(8,598)	-8.67%
<b>Non-Dept Expenditures</b>												
City-wide Expenditures:												
Econ & Neighborhood Develop.	22,343	-	1,704	24,047	1,341	4,271	5.58%	1,992	8.50%	23,448	(651)	-32.68%
Environmental & Utility Services	10,337	330	-	10,667	654	2,161	6.13%	376	9.25%	4,067	278	73.94%
Public Safety	22,873	1,627	1,236	25,736	2,290	1,767	8.90%	3,052	14.60%	20,902	(762)	-24.97%
Recreation & Cultural Services	6,847	-	856	7,703	362	830	4.70%	2,054	14.39%	14,272	(1,692)	-82.38%
Transportation Services	4,824	-	653	5,477	306	1,136	5.59%	339	7.89%	4,295	(33)	-9.73%
Strategic Support	45,717	125,050	5,661	176,428	1,919	6,772	1.09%	3,338	3.21%	104,129	(1,419)	-42.51%
Total City-wide Expenditures	112,941	127,007	10,110	250,058	6,872	16,937	2.75%	11,151	6.52%	171,113	(4,279)	-38.37%
Capital Contributions	9,695	-	4,103	13,798	641	4,061	4.65%	547	11.56%	4,733	94	17.18%
Transfers to Other Funds	25,094	9	-	25,103	25,095	-	99.97%	28,989	101.59%	28,534	(3,994)	-13.43%
Total Non-Dept Expenditures	147,730	127,016	14,213	288,959	32,608	20,998	11.28%	40,687	19.91%	204,380	(8,079)	-19.86%
<b>Reserves</b>												
Contingency/Reserves	29,309	-	-	29,309	-	-	0.00%	-	0.00%	-	-	0.00%
Emarked Reserves	30,662	(9)	-	30,653	-	-	0.00%	-	0.00%	-	-	0.00%
Total Reserves	59,971	(9)	-	59,962	-	-	0.00%	-	0.00%	-	-	0.00%
Total Uses	\$ 885,823	127,007	20,639	1,033,469	123,178	38,436	11.92%	139,855	15.89%	880,085	(16,677)	-11.92%

(1) Does not include encumbrance balance.

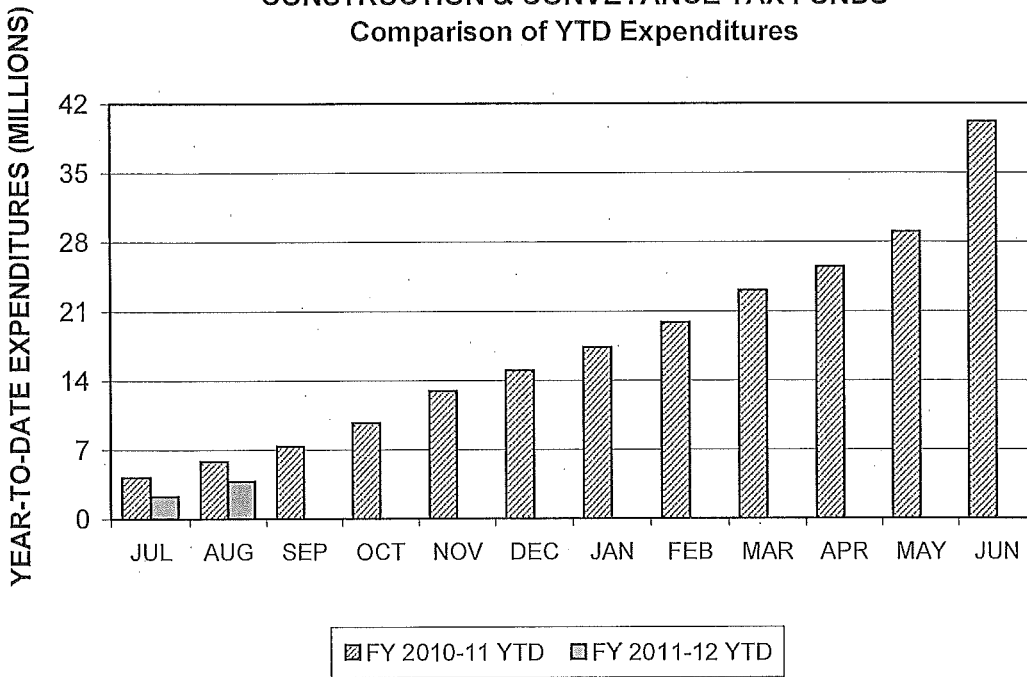
CITY OF SAN JOSE  
 GENERAL FUND SOURCE AND USE OF FUNDS  
 FOR THE 2 MONTHS ENDED AUGUST 31, 2011  
 SUPPLEMENTAL SCHEDULE - DEPARTMENTAL REVENUES  
 (UNAUDITED)  
 (\$000's)

	ADOPTED	YTD	C/O	REVISED	CUR	CUR YTD	PRIOR	PRIOR YTD %	PRIOR YEAR-END	CUR YTD LESS	% CHANGE
	FY 2011-12 BUDGET	BUDGET AMENDMENTS	ENCUMBER	FY 2011-12 BUDGET	YTD ACTUAL	ACTUAL % OF BUDGET	YTD ACTUAL	OF PRIOR YEAR-END ACTUAL	BUDGETARY BASIS ACTUAL	PRIOR YTD ACTUAL	CUR YTD LESS PRIOR YTD ACTUAL
Police	1,785	-	-	1,785	244	13.67%	373	21.38%	1,745	(129)	-34.58%
Public Works	4,805	-	-	4,805	993	20.67%	608	10.68%	5,692	385	63.32%
Transportation	849	-	-	849	216	25.44%	52	4.74%	1,096	164	315.38%
Library	1,411	-	-	1,411	(6)	-0.43%	(3)	-0.22%	1,395	(3)	-100.00%
Planning, Bldg & Code Enf	2,469	-	-	2,469	421	17.05%	351	13.25%	2,649	70	19.94%
Parks Rec & Neigh Svcs	12,951	-	-	12,951	4,197	32.41%	4,100	29.90%	13,712	97	2.37%
Miscellaneous Dept Charges	5,307	-	-	5,307	798	15.04%	630	10.75%	5,861	168	26.67%
<b>Total Departmental Revenues \$</b>	<b>29,577</b>	<b>-</b>	<b>-</b>	<b>29,577</b>	<b>6,863</b>	<b>23.20%</b>	<b>6,111</b>	<b>19.01%</b>	<b>32,150</b>	<b>752</b>	<b>12.31%</b>

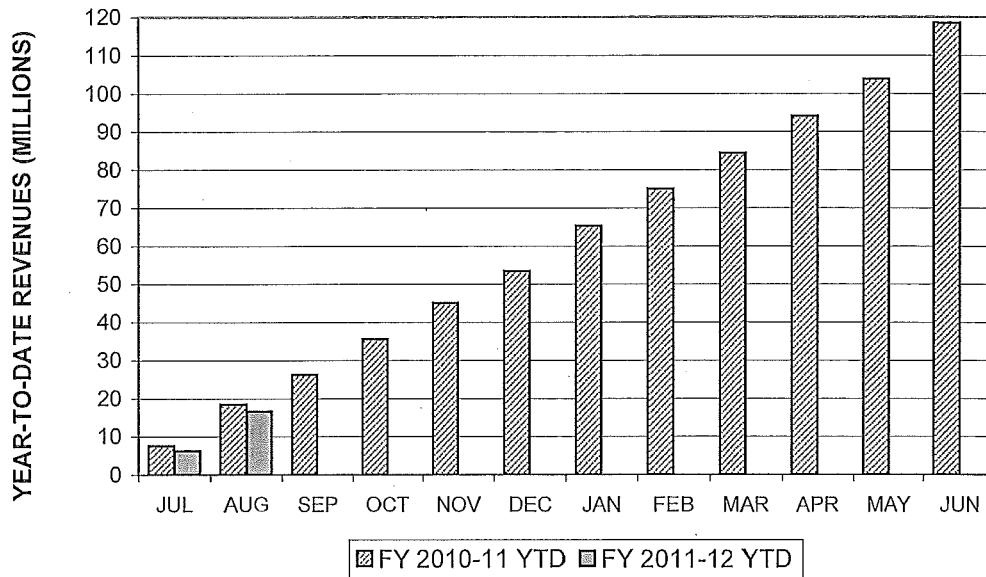
**CONSTRUCTION & CONVEYANCE TAX FUNDS**  
**Comparison of YTD Revenues**



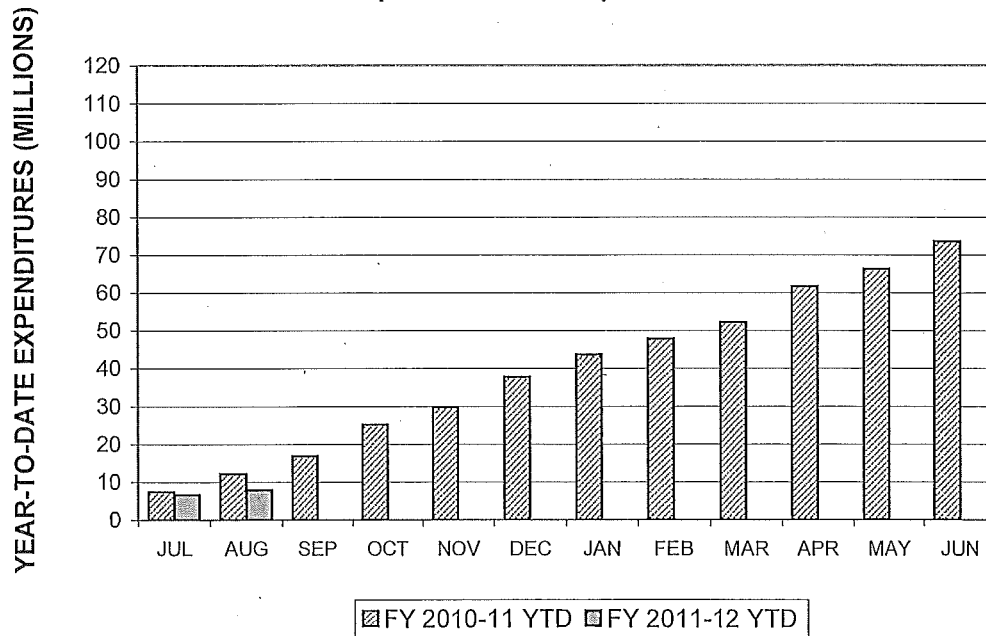
**CONSTRUCTION & CONVEYANCE TAX FUNDS**  
**Comparison of YTD Expenditures**



**AIRPORT REVENUE FUND 521  
Comparison of YTD Revenues**



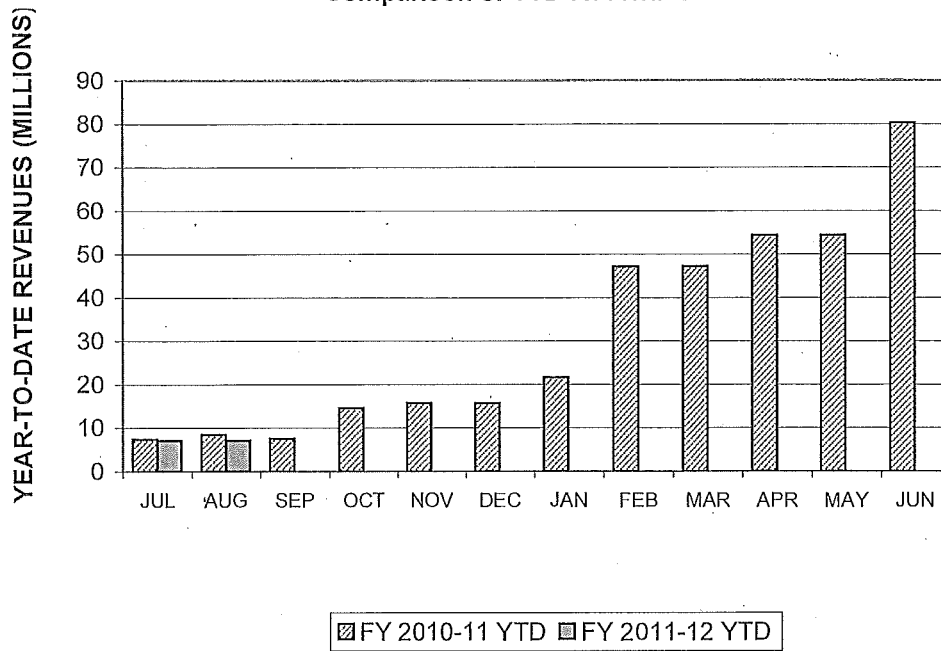
**AIRPORT MAINTENANCE & OPERATING FUND 523  
Comparison of YTD Expenditures**



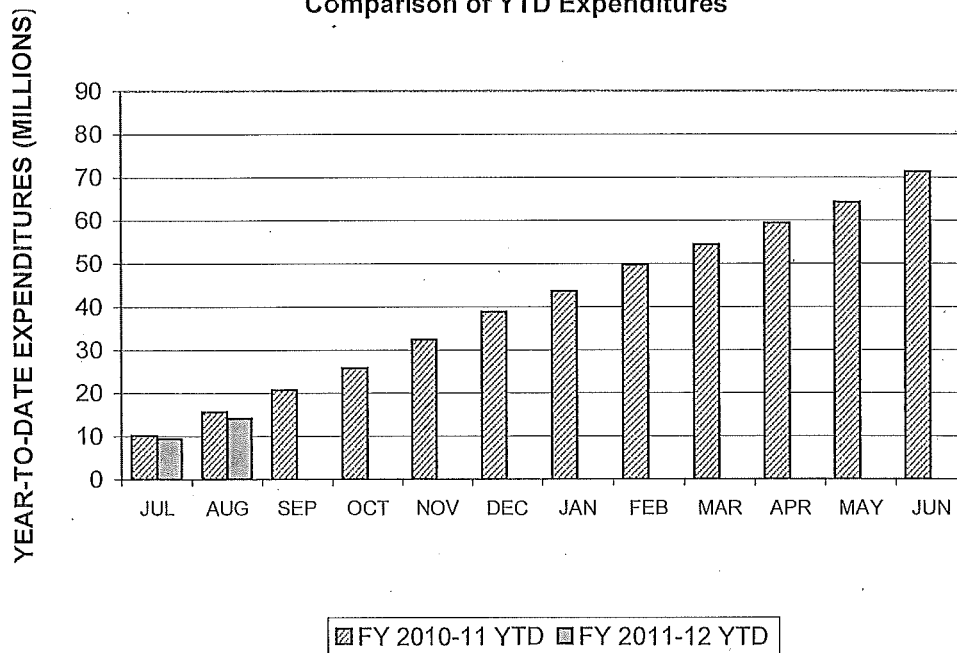
Note: The graphs above include the airport revenue fund (521) and operating fund (523) only.



**WPCP OPERATING FUND 513  
Comparison of YTD Revenues**

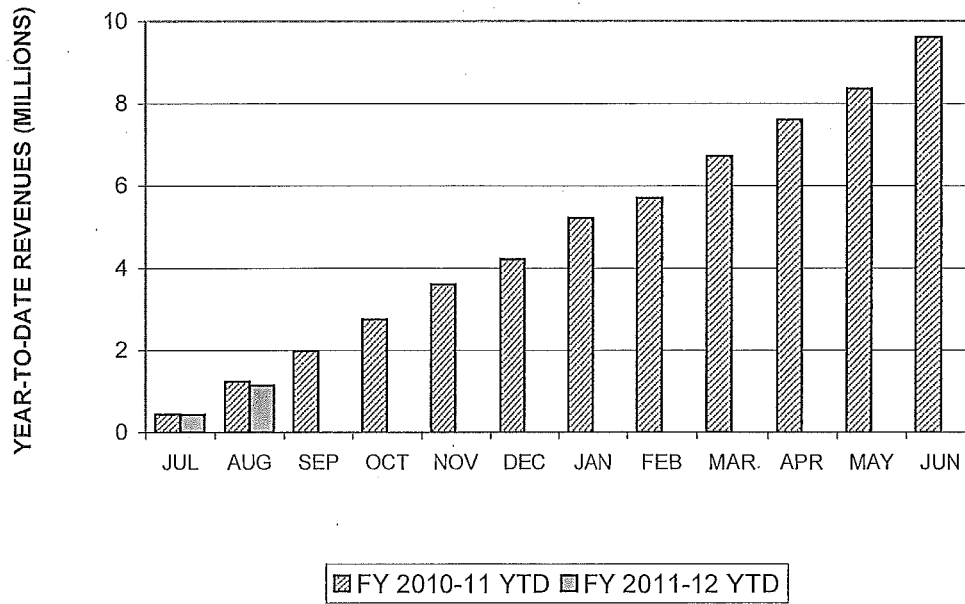


**WPCP OPERATING FUND 513  
Comparison of YTD Expenditures**

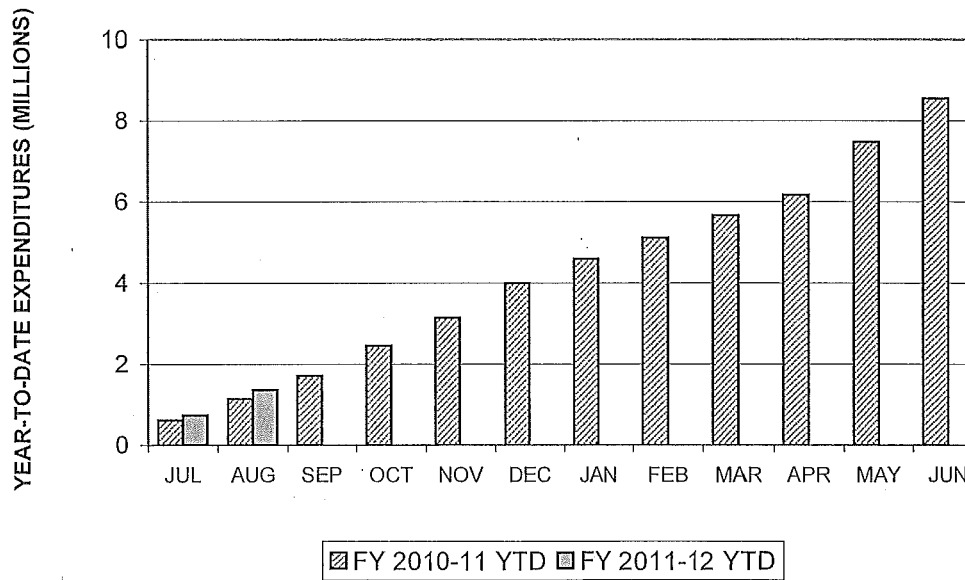


Note: Graphs above are only for WPCP operating fund (513).

**PARKING OPERATING FUND 533  
Comparison of YTD Revenues**



**PARKING OPERATING FUND 533  
Comparison of YTD Expenditures**



**CITY OF SAN JOSE  
SPECIAL FUNDS  
SOURCE AND USE OF FUNDS  
FOR THE 2 MONTHS ENDED AUGUST 31, 2011  
(UNAUDITED)  
(\$000's)**

	ADOPTED FY 2011-12 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2011-12 BUDGET	YEAR-TO-DATE		PRIOR Y-T-D
					ACTUAL	ENCUMBR	ACTUAL
<b>Construction/Conveyance Tax</b>							
Prior Year Encumbrance	\$ -	-	7,967	7,967	7,967	N/A	8,824
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	50,734	-	-	50,734	50,734	N/A	62,292
Revenues	29,022	-	-	29,022	2,760	N/A	4,260
<b>Total Sources</b>	<b>79,756</b>	<b>-</b>	<b>7,967</b>	<b>87,723</b>	<b>61,461</b>	<b>N/A</b>	<b>75,376</b>
<b>Total Uses</b>	<b>79,756</b>	<b>-</b>	<b>7,967</b>	<b>87,723</b>	<b>3,789</b>	<b>9,852</b>	<b>5,797</b>
<b>Airport</b>							
Prior Year Encumbrance	\$ -	-	13,253	13,253	13,253	N/A	95,602
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	448,217	-	-	448,217	448,217	N/A	403,901
Revenues	346,149	-	-	346,149	33,020	N/A	48,725
<b>Total Sources</b>	<b>794,366</b>	<b>-</b>	<b>13,253</b>	<b>807,619</b>	<b>494,490</b>	<b>N/A</b>	<b>548,228</b>
<b>Total Uses</b>	<b>794,366</b>	<b>-</b>	<b>13,253</b>	<b>807,619</b>	<b>28,023</b>	<b>62,861</b>	<b>47,774</b>
<b>(Note 1)</b>							
<b>Waste Water Treatment</b>							
Prior Year Encumbrance	-	-	45,271	45,271	45,271	N/A	49,542
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	217,419	-	-	217,419	217,419	N/A	193,589
Revenues	283,802	-	-	283,802	135,112	N/A	131,272
<b>Total Sources</b>	<b>501,221</b>	<b>-</b>	<b>45,271</b>	<b>546,492</b>	<b>397,802</b>	<b>N/A</b>	<b>374,403</b>
<b>Total Uses</b>	<b>501,221</b>	<b>-</b>	<b>45,271</b>	<b>546,492</b>	<b>27,551</b>	<b>60,703</b>	<b>35,100</b>
<b>(Note 2)</b>							
<b>Parking</b>							
Prior Year Encumbrance	-	-	1,005	1,005	1,005	N/A	912
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	8,021	-	-	8,021	8,021	N/A	11,391
Revenues	10,493	-	-	10,493	1,136	N/A	1,231
<b>Total Sources</b>	<b>18,514</b>	<b>-</b>	<b>1,005</b>	<b>19,519</b>	<b>10,162</b>	<b>N/A</b>	<b>13,534</b>
<b>Total Uses</b>	<b>\$ 18,514</b>	<b>-</b>	<b>1,005</b>	<b>19,519</b>	<b>1,357</b>	<b>1,945</b>	<b>1,134</b>

Note 1 - All Airport Funds, including operating, revenue, capital and debt service.

Note 2 - All Waste Water Funds, including operating, revenue, capital and debt service.

(1) Does not include encumbrance balance.

**CITY OF SAN JOSE  
SPECIAL FUNDS  
SOURCE AND USE OF FUNDS  
FOR THE 2 MONTHS ENDED AUGUST 31, 2011  
(UNAUDITED)  
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2011-12	BUDGET		FY 2011-12	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
<b>Municipal Water</b>							
Prior Year Encumbrance	-	-	1,705	1,705	1,705	N/A	1,010
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	12,831	-	-	12,831	12,831	N/A	11,265
Revenues	30,814	-	-	30,814	7,539	N/A	5,723
<b>Total Sources</b>	<b>43,645</b>	<b>-</b>	<b>1,705</b>	<b>45,350</b>	<b>22,075</b>	<b>N/A</b>	<b>17,998</b>
<b>Total Uses</b>	<b>43,645</b>	<b>-</b>	<b>1,705</b>	<b>45,350</b>	<b>5,831</b>	<b>2,669</b>	<b>2,975</b>
<b>Gas Tax</b>							
Prior Year Encumbrance	-	-	-	-	-	N/A	-
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	-	-	-	-	-	N/A	-
Revenues	15,667	-	-	15,667	1,331	N/A	(755)
<b>Total Sources</b>	<b>15,667</b>	<b>-</b>	<b>-</b>	<b>15,667</b>	<b>1,331</b>	<b>N/A</b>	<b>(755)</b>
<b>Total Uses</b>	<b>15,667</b>	<b>-</b>	<b>-</b>	<b>15,667</b>	<b>-</b>	<b>0</b>	<b>(755)</b>
<b>Building and Structures</b>							
Prior Year Encumbrance	-	-	3,777	3,777	3,777	N/A	5,436
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	11,195	-	-	11,195	11,195	N/A	6,615
Revenues	18,349	-	-	18,349	(265)	N/A	1,261
<b>Total Sources</b>	<b>29,544</b>	<b>-</b>	<b>3,777</b>	<b>33,321</b>	<b>14,707</b>	<b>N/A</b>	<b>13,312</b>
<b>Total Uses</b>	<b>29,544</b>	<b>-</b>	<b>3,777</b>	<b>33,321</b>	<b>1,392</b>	<b>4,849</b>	<b>1,826</b>
<b>Residential Construction</b>							
Prior Year Encumbrance	-	-	-	-	-	N/A	-
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	1,121	-	-	1,121	1,121	N/A	311
Revenues	42	-	-	42	5	N/A	17
<b>Total Sources</b>	<b>1,163</b>	<b>-</b>	<b>-</b>	<b>1,163</b>	<b>1,126</b>	<b>N/A</b>	<b>328</b>
<b>Total Uses</b>	<b>\$ 1,163</b>	<b>-</b>	<b>-</b>	<b>1,163</b>	<b>7</b>	<b>0</b>	<b>10</b>

**CITY OF SAN JOSE**  
**SPECIAL FUNDS**  
**SOURCE AND USE OF FUNDS**  
**FOR THE 2 MONTHS ENDED AUGUST 31, 2011**  
*(UNAUDITED)*  
*(\$000's)*

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2011-12	BUDGET		FY 2011-12	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
<b>Transient Occupancy Tax</b>							
Prior Year Encumbrance	\$ -	-	176	176	176	N/A	197
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	3,375	-	-	3,375	3,375	N/A	2,737
Revenues	10,807	-	-	10,807	1,300	N/A	863
<b>Total Sources</b>	<b>14,182</b>	<b>-</b>	<b>176</b>	<b>14,358</b>	<b>4,851</b>	<b>N/A</b>	<b>3,797</b>
<b>Total Uses</b>	<b>14,182</b>	<b>-</b>	<b>176</b>	<b>14,358</b>	<b>1,306</b>	<b>1,068</b>	<b>846</b>
<b>Conventions, Arts &amp; Entertainment</b>							
Prior Year Encumbrance	-	-	495	495	495	N/A	510
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	5,792	-	-	5,792	5,792	N/A	6,130
Revenues	17,294	-	-	17,294	442	N/A	51
<b>Total Sources</b>	<b>23,086</b>	<b>-</b>	<b>495</b>	<b>23,581</b>	<b>6,729</b>	<b>N/A</b>	<b>6,691</b>
<b>Total Uses</b>	<b>23,086</b>	<b>-</b>	<b>495</b>	<b>23,581</b>	<b>4,675</b>	<b>522</b>	<b>2,558</b>
<b>Golf</b>							
Prior Year Encumbrance	-	-	7	7	7	N/A	7
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	354	-	-	354	354	N/A	817
Revenues	2,237	-	-	2,237	1,629	N/A	1,076
<b>Total Sources</b>	<b>2,591</b>	<b>-</b>	<b>7</b>	<b>2,598</b>	<b>1,990</b>	<b>N/A</b>	<b>1,900</b>
<b>Total Uses</b>	<b>2,591</b>	<b>-</b>	<b>7</b>	<b>2,598</b>	<b>1,372</b>	<b>7</b>	<b>1,334</b>
<b>Other Funds</b>							
Prior Year Encumbrance	-	-	47,177	47,177	47,177	N/A	61,287
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	171,970	1,276	-	173,246	173,246	N/A	187,195
Revenues	440,579	2,782	-	443,361	76,360	N/A	78,437
<b>Total Sources</b>	<b>612,549</b>	<b>4,058</b>	<b>47,177</b>	<b>663,784</b>	<b>296,783</b>	<b>N/A</b>	<b>326,919</b>
<b>Total Uses</b>	<b>\$ 612,549</b>	<b>4,058</b>	<b>47,177</b>	<b>663,784</b>	<b>51,061</b>	<b>112,795</b>	<b>72,944</b>

**CITY OF SAN JOSE  
CAPITAL PROJECT FUNDS  
SOURCE AND USE OF FUNDS  
FOR THE 2 MONTHS ENDED AUGUST 31, 2011  
(UNAUDITED)  
(\$000's)**

	ADOPTED FY 2010-11 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2010-11 BUDGET	YEAR-TO-DATE		PRIOR Y-T-D ACTUAL
					ACTUAL	ENCUMBR	
<b>Construction Excise</b>							
Prior Year Encumbrance	\$ -	-	8,259	8,259	8,259	N/A	7,383
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	19,959	-	-	19,959	19,959	N/A	10,949
Revenues	26,276	-	-	26,276	3,518	N/A	1,859
<b>Total Sources</b>	<b>46,235</b>	<b>-</b>	<b>8,259</b>	<b>54,494</b>	<b>31,736</b>	<b>N/A</b>	<b>20,191</b>
<b>Total Uses</b>	<b>46,235</b>	<b>-</b>	<b>8,259</b>	<b>54,494</b>	<b>7,035</b>	<b>7,946</b>	<b>9,117</b>
<b>Redevelopment Projects</b>							
Prior Year Encumbrance	-	-	214	214	214	N/A	2,836
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	466	-	-	466	466	N/A	2,348
Revenues	3	-	-	3	-	N/A	261
<b>Total Sources</b>	<b>469</b>	<b>-</b>	<b>214</b>	<b>683</b>	<b>680</b>	<b>N/A</b>	<b>5,445</b>
<b>Total Uses</b>	<b>469</b>	<b>-</b>	<b>214</b>	<b>683</b>	<b>(103)</b>	<b>356</b>	<b>1,231</b>
<b>Other</b>							
Prior Year Encumbrance	-	-	5,612	5,612	5,612	N/A	22,258
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	58,017	-	-	58,017	58,017	N/A	65,312
Revenues	12,843	-	-	12,843	1,777	N/A	1,791
<b>Total Sources</b>	<b>70,860</b>	<b>-</b>	<b>5,612</b>	<b>76,472</b>	<b>65,406</b>	<b>N/A</b>	<b>89,361</b>
<b>Total Uses</b>	<b>\$ 70,860</b>	<b>-</b>	<b>5,612</b>	<b>76,472</b>	<b>1,697</b>	<b>5,567</b>	<b>3,310</b>

**CITY OF SAN JOSE**  
**OTHER FUND TYPES**  
**SOURCE AND USE OF FUNDS**  
**FOR THE 2 MONTHS ENDED AUGUST 31, 2011**  
*(UNAUDITED)*  
*(\$000's)*

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2010-11	BUDGET		FY 2010-11	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
<b>Trust and Agency</b>							
Prior Year Encumbrance	\$ -	-	1	1	1	N/A	18
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	2,316	-	-	2,316	2,316	N/A	2,257
Revenues	77	35	-	112	94	N/A	74
<b>Total Sources</b>	<u>2,393</u>	<u>35</u>	<u>1</u>	<u>2,429</u>	<u>2,411</u>	<u>N/A</u>	<u>2,349</u>
<b>Total Uses</b>	<u>\$ 2,393</u>	<u>35</u>	<u>1</u>	<u>2,429</u>	<u>15</u>	<u>21</u>	<u>58</u>

