



Memorandum

TO: PUBLIC SAFETY, FINANCE AND
STRATEGIC SUPPORT COMMITTEE

FROM: Jennifer A. Maguire

SUBJECT: BI-MONTHLY FINANCIAL
REPORT FOR SEPTEMBER/
OCTOBER 2008

DATE: December 8, 2008

Approved *Christine J. Shippey* Date *12/10/08*

The Bi-Monthly Financial Report (MFR) for September/October 2008 was jointly prepared by the City Manager's Budget Office and the Finance Department and is presented for the Committee's review.

OVERVIEW

While the City's overall financial position remains relatively stable through October, the state of the economy is rapidly deteriorating, heightening concerns regarding the impact of the recession on the City's finances. The severe slowdown in the economy has begun to impact revenue collections in several funds. The Administration has taken aggressive steps to ensure that all of the City's funds remain in balance. Administrative controls have been tightened and mid-year spending reduction targets have been issued to all General Fund departments. In addition, budget actions will be brought forward for City Council consideration to revise revenue estimates and make necessary expenditure adjustments to offset the lower revenues as part of the 2008-2009 Mid-Year Budget Review.

Weak economic performance was anticipated in the revenue estimates included in the 2008-2009 Adopted Budget. There was not, however, an expectation that the economy would enter into a severe recession or worsen to the extent now seen as a result of the recent crisis in the financial markets. With the economy now officially in a recession, it is almost certain that many of the economically sensitive revenues, which account for approximately half of the General Fund, will not meet the budgeted estimates. On an overall basis, General Fund revenues are currently expected to fall below projected levels by at least \$5 million. Given the extreme volatility and uncertainty surrounding the current economic environment and the limited data available for some revenue sources, however, it is possible that the General Fund revenue variance could be much larger. For instance, Sales Tax receipts, which are now expected to drop by 5% this year, could experience much more significant declines. It is difficult to project this revenue source given the lack of actual performance data. Information on first quarter Sales Tax receipts will not be received until later this month. Data on the Sales Tax performance during the current quarter which includes the holiday season will not be received until March 2009.

At this point, it is anticipated that the projected revenue shortfall could be offset by reserves that were set aside as part of the 2007-2008 Annual Report process, expenditure savings, and, if absolutely necessary, the use of the Economic Uncertainty Reserve. The Economic Uncertainty

OVERVIEW (CONT'D.)

Reserve was established to address fluctuations in economic performance and serves as a temporary safety valve if revenues fall below projections. This reserve was increased from \$10 million to \$15.3 million to address the slowdown in economy as part of the 2007-2008 Annual Report actions. At that time, the City Council also approved actions that set aside 50% of the 2007-2008 available ending fund balance into a Street Maintenance Reserve. Given the severity of the economic downturn, the Administration may recommend using this reserve to rebalance the 2008-2009 General Fund budget.

The Development Fee programs in the General Fund are expected to require particularly drastic rebalancing actions based on the severe decline in development activity. As discussed in the *Development Services Budget Update* information memorandum sent to the City Council on December 2, 2008, staff plans to bring forward a rebalancing proposal in January 2009. This proposal will identify specific cost savings actions, likely including filled and vacant position eliminations, non-personal/equipment reductions, and the use of the development fee program reserves to offset the lower revenue collections.

In addition to the General Fund, there are a number of capital and special funds that also have been impacted by the economic downturn. Budget adjustments will be brought forward, as necessary, to maintain positive fund balances in these funds. For many of these funds, there is sufficient ending fund balance available to offset any revenue shortfalls in 2008-2009. The use of these fund balances, however, will negatively impact future year projects in the capital funds. In some instances, potentially significant expenditure reductions will be necessary to bring the funds into balance. Following is a preliminary list of the funds that are expected to require budget actions this fiscal year:

Capital Funds

- Building and Structures Tax Fund
- Construction and Conveyance Tax Funds
- Construction Excise Tax Fund
- North San José Traffic Impact Fee Fund
- Residential Construction Tax Fund
- Sanitary Sewer Connection Fund
- Storm Drainage Connection Fund

Special Funds

- Housing Funds
- Transient Occupancy Tax Fund
- Water Utility Fund

As previously reported to City Council, activity at the Airport also continues to be severely impacted by the economic slowdown. Through October, the Airport has enplaned 3.4 million passengers, a decrease of 10.1% from the same period last year. This drop is in line with the Airport's revised projection for the decline in passenger activity this year. To address the lower activity level, budget actions were approved in the 2007-2008 Annual Report to reduce Airport revenues by \$7.1 million. The Administration will continue to closely monitor the fiscal status of the Airport to determine if any additional adjustments are necessary in 2008-2009. In the upcoming years, the Airport expects to face continued fiscal challenges as a result of the severe problems plaguing the entire Airline industry, the current recession, and additional costs scheduled to come on line. These challenges were detailed in the *Update: State of the Airport in*

OVERVIEW (CONT'D.)

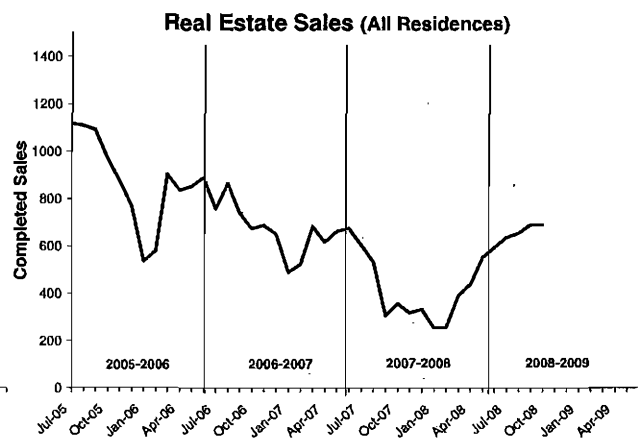
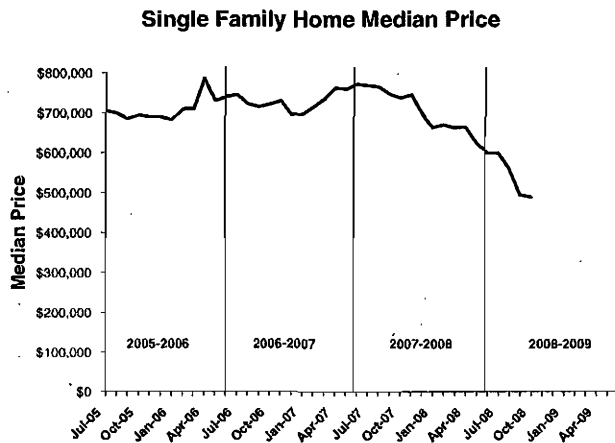
the *Current Economy* information memorandum that was distributed to the City Council on October 24, 2008.

As noted above, the Administration has instituted actions to aggressively control costs. The hiring freeze and review process, which has been in place since November 2001, has been tightened to generate savings and to provide potential placement opportunities for employees in positions that are eliminated. Departments have also been asked to submit Cost/Position Management Plans to reduce current year expenditures in the General Fund and in any other fund that is experiencing financial difficulty. Recommendations to implement these plans will be brought forward for City Council consideration as part of the 2008-2009 Mid-Year Budget Review.

Economic Environment

When the 2008-2009 Adopted Budget was prepared, it was assumed that very modest economic growth would be experienced during the fiscal year. The impacts of the slowing housing market, the sub-prime mortgage problems, and the rising cost of fuel were expected to continue to hamper growth in this region, along with the State and the nation. What was not foreseen, however, was that these problems would worsen so quickly, plunging the economy into a severe recession. Many forecasters are now warning that this downturn is likely to set a new postwar record for length and is likely to be more painful than any recession since 1980-81.

San Jose Mercury News
ECONOMIC CRISIS
Yes, it's a recession
Board finally confirms what many have suspected for months Markets, already down for the day, plunge even deeper on news
Manufacturing Index Hits 26-Year Low
U.S. Auto Sales Plummet
Reports Paint Bleak Picture – Jobs, Spending, Factory Orders, Home Sales Down
533,333 Jobs Lost Last Month



Through the first four months of the fiscal year, the economic indicators are alarming. For example, the median home price for single family homes within the City dropped 34% from \$737,000 in October 2007 to \$490,000 in October 2008. The October 2008 figure represents the lowest median home price within the City since spring 2004. With the home prices dropping

OVERVIEW (CONT'D.)**Economic Environment (Cont'd.)**

significantly, there has been an increase in the number of transfers. In October, the 690 property transfers for all types of residences were up 92% from 360 properties transferred in October 2007. The October 2008 activity level was on par with the October 2006 transfers of 676 properties but was still well below the 973 properties transferred in October 2005.

It is expected that the housing market will continue to experience weak performance through the fiscal year and will directly impact Construction and Conveyance Tax receipts and the SB 813 Property Tax receipts. Collections in these areas have already declined in the past two years and are expected and budgeted to fall further in 2008-2009. Through October, Construction and Conveyance Tax receipts are down 29% from last year. The significant slowdown in this area along with the overall slowdown in the economy is also expected to negatively impact Sales Tax collections. The only questions are how severe the drop will be and over what period of time.

Job growth in the area has also come to a halt and the unemployment rate continues to move upwards. Employment figures for September 2008 (918,500) and October 2008 (921,200) were both below the June 2008 figure of 923,400. The September and October figures were virtually at the same level as the prior year, with growth of only 800 jobs when comparing October 2008 to October 2007.

Unemployment Rate (Unadjusted)

	Oct. 2007	Sept. 2008	Oct. 2008
San José Metropolitan Statistical Area	4.9%	6.5%	6.9%
State of California	5.4%	7.5%	8.0%
United States	4.4%	6.0%	6.1%

Source: California Employment Development Department

The unemployment rate in the San Jose metropolitan area continues to increase with a rate of 6.9% in October 2008. This figure is up significantly from 4.9% a year ago. When comparing the October 2008 unemployment rate in this region

with the State and the nation, this area fares better than the State that has an unadjusted unemployment rate of 8.0%, but is slightly worse than the nation, which currently has an unadjusted unemployment rate of 6.1%.

On a national level, consumer confidence did improve slightly in November from an all time low for this measure recorded in October 2008. The overall outlook, however, remains very negative. "Consumers remain extremely pessimistic and the possibility that economic growth will improve in the first half of 2009 remains highly unlikely," says Lynn Franco, director of The Conference Board Consumer Research Center.

Looking forward, it is very difficult to predict the potential impacts from the economic bailout packages, the extraordinary efforts being undertaken by the federal government and the Federal Reserve to stabilize the economy, and the new Administration that will take office next month. In this environment, economic conditions will need to be closely monitored and factored into the

OVERVIEW (CONT'D.)**Economic Environment (Cont'd.)**

assessment of the City's performance in 2008-2009 as well as development of the final 2010-2014 General Fund Forecast. In November 2008, a preliminary forecast was released that projected a General Fund Deficit of almost \$60 million in 2009-2010. This forecast was based on very limited data and will be refined as additional information becomes available. A review of the events which have taken place since that Forecast was prepared indicates the shortfall projected for 2009-2010 will likely worsen. A final 2010-2014 Five-Year General Fund Forecast is scheduled to be released in February 2009.

GENERAL FUND**REVENUES**

General Fund revenues through October 2008 totaled \$184.3 million. This was a decrease of \$2.7 million (1.4%) from the October 2007 level of \$187.0 million. The categories that are tracking below the prior year include Sales Tax, Use of Money and Property, Revenue from the State of California, and Transfer and Reimbursements. Other categories, however, are tracking above last year, including Revenue from Local Agencies and Other Revenue. In some instances, the variances from the prior year are due to differences in the timing of payments. In some categories, the current economic environment has clearly begun to negatively impact collections. For instance, Motor Vehicle In-Lieu payments are falling rapidly and Business Tax collections are down approximately 10%.

While revenue performance through October is generally within expected levels, it is almost certain that the economically sensitive revenue collections will drop below budgeted estimates as the year proceeds. The Budget Office will, of course, continue to refine its revenue estimates as additional information becomes available and bring forward mitigation actions for City Council consideration. The following discussion highlights General Fund revenue activities through October.

KEY GENERAL FUND REVENUES

<u>Revenue</u>	<u>2008-2009 Estimate</u>	<u>YTD Actual</u>	<u>Prior YTD Collections</u>
Property Tax	\$ 208,267,000	\$ 11,316,319	\$ 11,264,463

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.

No Secured Property Tax payments had been received through October. Based on the most current tax roll information provided by the County of Santa Clara, however, Secured Property Tax receipts are expected to end the year at \$191.2 million, which is slightly below the Adopted Budget estimate of \$192.1 million. The 2008-2009 collections are based on the value of

GENERAL FUND (CONT'D.)

KEY GENERAL FUND REVENUES (CONT'D.)

Property Tax (Cont'd.)

property assessed on January 1, 2008, with any tax roll corrections. Tax roll adjustments are still occurring and will continue to take place until the end of May 2009. The Budget Office will continue to work with the County to assess what implications any fluctuation in revenues due to this factor might have for the prospects of growth in the overall Secured Property Tax category. It is anticipated that a mid-year budget action will be recommended to adjust the Secured Property Tax revenue estimate downwards by approximately \$875,000.

In the Unsecured Property Tax category, collections through October totaled \$10.4 million, which was slightly above the prior year collection level of \$10.3 million. Payments through October typically account for approximately 90% of the total receipts in this category. Based on actual collections and information from the County, collections in this category are expected to meet the budgeted estimate of \$11.1 million by year-end.

For the SB 813 Property Tax category, collections totaled \$920,000 through October, which was slightly below the prior year collection level of \$957,000. It is anticipated that collections will decline further in this category. A substantial drop-off in SB 813 Property Tax receipts was anticipated when the 2008-2009 Adopted Budget was developed based on the assumption that real estate sales would continue to decline through this fiscal year. Receipts can fall by approximately 50% from the \$7.9 million collected in 2007-2008 and still meet the 2008-2009 budget estimate of \$3.9 million in this category.

It is anticipated that the Homeowners Property Tax Relief will come in at the budgeted level of \$1.1 million.

<u>Revenue</u>	<u>2008-2009 Estimate</u>	<u>YTD Actual</u>	<u>Prior YTD Collections</u>
Sales Tax	\$ 152,536,000	\$ 15,904,575	\$ 18,004,616

The Sales Tax category includes General Sales Tax and Proposition 172 Sales Tax. General Sales Tax receipts through October of \$14.8 million represented two State formula advance payments totaling \$15.1 million and a negative adjustment of \$245,000 to account for the actual receipts in the last quarter of 2007-2008, which were slightly below the amount accrued for that quarter. General Sales Tax receipts are tracking below the \$16.9 million received through the same period last year because the State advance payments are lower this year by \$1.2 million and due to the difference in the carryover from the year-end accrual adjustment. Information on the first quarter collections for this fiscal year will not be received until late December.

As discussed in the last MFR, Sales Tax receipts were slightly higher than anticipated in 2007-2008. As a result, Sales Tax receipts can actually decrease by 1% in 2008-2009 and meet the

December 8, 2008

Subject: Bi-Monthly Financial Report for September/October 2008

Page 7

GENERAL FUND (CONT'D.)**KEY GENERAL FUND REVENUES (CONT'D.)****Sales Tax (Cont'd.)**

budget estimate. Given the current economic environment, collections may well fall below this level. If receipts decline by 5%, for example, a \$6 million downward revision to the revenue estimate would be necessary.

The Proposition 172 Sales Tax receipts of \$1.1 million are tracking at the prior year collection level. However, growth of 4.7% is needed to meet the 2008-2009 budgeted estimate of \$4.5 million. If current collection trends continue, a downward adjustment to this revenue category will be brought forward later in the year.

<u>Revenue</u>	<u>2008-2009 Estimate</u>	<u>YTD Actual</u>	<u>Prior YTD Collections</u>
Transient Occupancy Tax	\$ 9,972,000	\$ 2,722,370	\$ 2,659,336

Through October, Transient Occupancy Tax (TOT) collections of \$2.72 million were tracking 2.4% above the prior year collection level of \$2.66 million for the same period. Growth of 4.3% is needed, however, to meet the 2008-2009 budget estimate of \$10.0 million. It should be noted that the growth experienced from last year was the result of additional revenue from compliance efforts. Factoring out the compliance revenue, TOT receipts are actually slightly below the prior year.

In recent months, the occupancy and room rates at the 14 major hotels have been declining, with the largest declines experienced in October 2008. The occupancy rate was 58.82% in October 2008, which was below both the September 2008 rate of 60.5% and October 2007 rate of 66.27%. The average room rate has also dropped from \$143.98 in October 2007 to \$133.83 in October 2008. Given the timing of payments, the declines in occupancy and room rates experienced in October will be reflected in payments received in November.

While TOT receipts are currently tracking only slightly below expected levels, it is anticipated that this category will fall further below the budgeted estimate by year end as a result of the current economic downturn. Receipts will be closely monitored and any necessary budget adjustments will be brought forward for City Council consideration.

<u>Revenue</u>	<u>2008-2009 Estimate</u>	<u>YTD Actual</u>	<u>Prior YTD Collections</u>
Utility Tax	\$ 83,690,000	\$ 23,233,917	\$ 22,918,068

Utility Tax collections of \$23.2 million were up 1.4% from last year's collection level of \$22.9 million and are on track to slightly exceed the budgeted estimate by \$1 - \$2 million.

GENERAL FUND (CONT'D.)

KEY GENERAL FUND REVENUES (CONT'D.)

Utility Tax (Cont'd.)

In the Electric Utility Tax category, collections of \$11.2 million were tracking close to the prior year level of \$11.3 million. Growth of 4.3% is needed, however, to meet the Electric Utility budget estimate of \$38.8 million. At this point, collections are still projected to end the year at the budgeted estimate as a result of a 6% average rate increase instituted by Pacific Gas and Electric Company effective October 2008.

In the Gas Utility Tax category, receipts of \$2.3 million were 22.4% above the prior year of \$1.9 million, primarily reflecting the changes in the price of gas. This trend, however, is not expected to continue. Based on commercial and residential forecasts provided by Pacific Gas and Electric Company, average gas costs are expected to drop in almost all remaining months of the fiscal year. The 2008-2009 Adopted Budget estimate of \$10.7 million actually allows for a drop of 5.1% from the prior year collection level. Since the majority of revenue is received in the winter months, collections during that period will provide a much better indicator of year-end receipts in the Gas Utility Tax category.

Collections of \$2.81 million in the Water Utility category are tracking slightly above the prior year level of \$2.76 million. However, the current year collection level is understated due to the timing of payments. After adjusting for this timing difference, Water Utility collections are exceeding current year estimates primarily due to an accrual adjustment at the end of 2007-2008.

Collections in the Telephone Utility Tax category of \$7.0 million are tracking at the prior year collection level. Based on the 2007-2008 actual receipts of \$26.1 million and the current collection trends, receipts are on track to meet or slightly exceed the budgeted estimate of \$25.7 million by year-end. This collection level may be impacted by the November 2008 ballot measure approved by the voters that is scheduled to take effect in April 2009. This measure lowered the tax rate by 10% and modernized the tax base. Any adjustment to this revenue estimate will be brought forward later in the fiscal year based on actual performance.

<u>Revenue</u>	<u>2008-2009 Estimate</u>	<u>YTD Actual</u>	<u>Prior YTD Collections</u>
Licenses and Permits	\$ 78,940,120	\$ 22,545,366	\$ 23,686,723

Through October, Licenses and Permits revenue of \$22.5 million tracked 4.8% below the prior year level of \$23.7 million. To meet the budgeted estimate, however, overall growth from the prior year of 6.6% is needed. Based on current collection trends, Licenses and Permits revenue is expected to end the year well below the budgeted estimate due to lower Building Permit, Fire Permit and Business Tax revenue. As discussed earlier, budget adjustments will be presented for City Council consideration in January to bring these revenue estimates into alignment with current projections. Following is a discussion of the major components of this category.

GENERAL FUND (CONT'D.)

KEY GENERAL FUND REVENUES (CONT'D.)

Licenses and Permits (Cont'd.)

Cardroom Business Tax collections of \$3.3 million were slightly above the prior year level of \$3.0 million and are tracking to exceed the budget estimate of \$12.0 million by \$800,000 to \$1.0 million. In the Business Tax category, however, revenues of \$5.5 million through October were tracking approximately 10% below the prior year level of \$6.2 million. The Finance Department projects that Business Tax collections will end the year approximately \$1.0 - \$1.5 million below the budgeted estimate. The current economic slowdown has impacted the number of businesses as well as staffing levels, which directly impact Business Tax receipts. Disposal Facility Tax revenue of \$3.2 million through October is tracking slightly below the prior year level of \$3.6 million. The Environmental Services Department projects that revenues may fall below the budgeted estimate by year-end.

Through October Fire Permit collections of \$3.2 million were approximately 8% below estimated levels and 4.3% below last year due to lower development-related receipts. Development-related collections of \$1.6 million were tracking 14.3% below the estimate of \$1.9 million and 7.9% below the prior year level of \$1.7 million primarily due to lower than anticipated plan check fees. With development activity falling below expectations and signs of further declines in the upcoming months, the Fire Department projects that it will likely end the year below budgeted revenue levels by \$800,000. In an effort to reduce costs based on the lower revenue and activity levels, the Fire Department is holding some development positions vacant (6 of 27 positions). In addition, there is a \$4.3 million Fire Fee Program Reserve that is available to offset any shortfall in this fee program. Staff will closely monitor performance in this fee program and bring forward balancing actions, as necessary.

Building Permit revenues of \$6.6 million were tracking well below budgeted levels and the 2007-2008 collection level of \$7.0 million. Because collections in 2007-2008 ended the year significantly below anticipated levels, growth of 21% is needed in 2008-2009 to meet the budget estimate. Building permit valuation is at a 25-year low, and building inspections have dropped from a typical daily count of 1,000 to a low of 200 to 400 per day. Revenues in all categories except Non-New Residential Building Plan Check were performing well below anticipated levels through October. At the current pace of development, revenue in this program could fall below the budgeted estimate by as much as \$4.5 million. Staff will continue to control expenditures to minimize the gap between revenue and expenditures in this fee program. All requests to fill vacancies continue to be closely reviewed as well as discretionary non-personal/equipment expenditures. An information memo was distributed on December 2, 2008 to provide a status report on the development fee programs and to inform the City Council of the Administration's plan to bring forward a rebalancing plan in January 2009. This plan will include a combination of expenditure reductions and the use of the Building Fee Program Reserve, which currently stands at \$3.8 million. It is anticipated that eliminating vacant and some filled positions in this fee program will also be necessary in order to bridge the gap between revenues and expenditures.

December 8, 2008

Subject: Bi-Monthly Financial Report for September/October 2008

Page 10

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

<u>Revenue</u>	<u>2008-2009 Estimate</u>	<u>YTD Actual</u>	<u>Prior YTD Collections</u>
Use of Money and Property	\$ 11,721,500	\$ 3,032,714	\$ 5,061,483

Use of Money and Property revenue collections of \$3.0 million through October were approximately 40% below the prior year level of \$5.1 million. The 2008-2009 revenue estimate allows for a drop of approximately 35%. The lower collection level in 2008-2009 is the result of lower cash balances in the General Fund as well as a lower interest yield. The pre-payment of the City's contribution to its two retirement plans in August 2008 will also reduce the interest earnings received during the year. This reduction, however, will be more than offset by expenditure savings associated with lower retirement contributions. As part of the 2007-2008 Annual Report actions, a \$1.5 million reduction to the General Fund revenue estimate for this category was approved to reflect the lower interest earnings expected as a result of the retirement contributions pre-payment.

The interest yield is also expected to be lower this fiscal year. Current economic conditions have reduced potential investment yields for the type of securities predominately included within the City's portfolio (US Government Agencies) as other market participants seek to invest in the safety of US Government issues to minimize their financial exposure. As the demand for these investments rises, yields on these conservative investments decline. The Finance Department has reduced its interest earnings rate projections for 2008-2009 from 3.41% to 3.22%. Based on lower interest earnings and cash balances, collections in this category are currently projected to fall below the revised budget estimate. It is likely that a Mid-Year Budget Review action will be brought forward to adjust this revenue estimate.

<u>Revenue</u>	<u>2008-2009 Estimate</u>	<u>YTD Actual</u>	<u>Prior YTD Collections</u>
Revenue from Local Agencies	\$ 47,895,053	\$ 20,042,080	\$ 15,308,776

This category includes reimbursement from the Redevelopment Agency for City services, grants from various agencies, reimbursement for fire suppression services in unincorporated County pockets, and reimbursement for emergency medical services. Revenues through October of \$20.0 million were well above the prior year level of \$15.3 million due to differences in the timing of payments. This fiscal year, the City has received \$4.2 million from the Redevelopment Agency to reimburse the City for eligible capital expenditures, which had not yet been booked last fiscal year. Revenues in this category are currently expected to end the year close to the adopted estimate.

December 8, 2008

Subject: Bi-Monthly Financial Report for September/October 2008

Page 11

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

<u>Revenue</u>	<u>2008-2009 Estimate</u>	<u>YTD Actual</u>	<u>Prior YTD Collections</u>
Revenue from the State	\$ 10,825,527	\$ 5,813,349	\$ 7,777,357

This Revenue from the State category includes Airplane and Motor Vehicle In-lieu payments as well as various State reimbursements and grants. Through October, Airplane In-Lieu fees of \$4.4 million have already exceeded the budgeted estimate of \$2.8 million but are slightly below the prior year collection level of \$4.8 million. Receipts in this category are expected to end the year \$1.8 million above the budgeted estimate. This higher collection level is expected to be offset by lower Motor Vehicle In-Lieu payments. Currently, Motor Vehicle In-Lieu payments are projected to end the year below the budgeted estimate by approximately \$1.6 million. This shortfall may increase if the most recent collection trends continue. In October, for example, Motor Vehicle In-Lieu payments totaled only \$80,000, a drop of 65% from the prior year. In November, the City received no payment from the State since the Motor Vehicle In-Lieu payments were not sufficient to cover the base administrative fees that are paid before the City receives any of these funds.

<u>Revenue</u>	<u>2008-2009 Estimate</u>	<u>YTD Actual</u>	<u>Prior YTD Collections</u>
Departmental Charges	\$ 30,905,714	\$ 10,566,365	\$ 10,747,817

Overall, the Departmental Charges category performed slightly below budgeted estimates through October. Following is a discussion of the major development-related fee areas in this category.

Planning Permit revenue of \$1.7 million was 34% below the prior year collection level of \$2.6 million. However, growth of 1.7% is needed to meet the 2008-2009 revenue estimate of \$6.7 million. Similar to the Building Fee Program, the revenues in almost all revenue categories are well below anticipated levels. If current trends continue, collections in this category may fall short of the adopted estimate by as much as \$2 million. An information memo was distributed on December 2, 2008 to notify the City Council that the Administration will be bringing forward a rebalancing plan in January 2009. This plan will include a combination of expenditure reductions and the use of the Planning Fee Program Reserve, which currently stands at \$1.4 million.

Public Works revenues through October of \$2.3 million were 10.3% above the prior year level of \$2.1 million and are currently tracking close to estimated levels. To meet the 2008-2009 budget estimate, growth of 4.3% over the prior year is necessary. The stronger year-to-date performance in this development-related fee category is primarily the result of collections from

GENERAL FUND (CONT'D.)

KEY GENERAL FUND REVENUES (CONT'D.)

Departmental Charges (Cont'd.)

two larger development projects: Hitachi and Pepperlane. Given the current slowdown in development activity, performance in this category will be closely monitored to determine whether adjustments to revenues and expenditures will be necessary before year-end.

Collections in the majority of other fee areas, including Police, Transportation, and Parks, Recreation and Neighborhood Services, are on target to meet or exceed the budgeted estimates by year-end. In the Miscellaneous Departmental Charges category, the new Business Tax Administration Fee is expected to fall below the budget estimate of \$1.4 million by as much as \$400,000 based on the latest estimates provided by the Finance Department. The number of business accounts for which the fee applies is significantly lower than originally anticipated when the fee was calculated. The Finance Department has done extensive work on validating the Business Tax accounts, which has resulted in the drop off of accounts that are no longer active.

<u>Revenue</u>	<u>2008-2009 Estimate</u>	<u>YTD Actual</u>	<u>Prior YTD Collections</u>
Transfers and Reimbursements	\$ 105,588,565	\$ 45,191,828	\$ 47,920,497

This category includes overhead reimbursements from operating and capital funds, transfers, and other reimbursements. Transfers and Reimbursement collections of \$45.2 million through October were slightly below the prior year level of \$47.9 million. This lower collection level was primarily the result of timing differences in the reimbursement from the Airport for Police and Fire support services.

Overall, collections in the Transfers and Reimbursements category are expected to exceed budgeted estimates by year-end by over \$2 million due to higher than projected overhead payments from the Airport Operations and Maintenance Fund as well as higher capital overhead reimbursements. The overhead rate for this Airport fund was finalized after the adoption of the budget and will result in a higher reimbursement of approximately \$2 million. In addition, capital overhead reimbursements, which are based on actual capital expenditures, are tracking above budgeted estimates.

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

Through October, General Fund expenditures of \$280.9 million were slightly above the prior year level of \$279.3 million. Encumbrances of \$58.1 million were also above the prior year level of \$50.9 million.

Expenditures and encumbrances (\$339 million) through October constitute 35.0% of the total 2008-2009 revised budgeted uses of funds (\$967.5 million, excluding reserves). On an overall basis, cumulative departmental and non-departmental expenditures are tracking within budgeted levels. Expenditures are, however, tracking higher than expected in the Fire Department.

As has been the case in past years, General Fund expenditure savings are anticipated and included in the ending fund balance calculation used to develop the budget for the following year. To generate additional savings for use in budget balancing efforts, departments are submitting Cost/Position Management Plans to reduce current year expenditures. The recommended implementation of these plans will be presented in the Mid-Year Budget Review report.

Following is a discussion of the expenditure performance for the Police and Fire Departments, the City's largest General Fund departments.

KEY GENERAL FUND EXPENDITURES

<u>Department</u>	2008-2009 <u>Budget</u>	YTD <u>Actual</u>	Prior YTD <u>Actual</u>
Police	\$ 285,771,787	\$ 81,868,490	\$ 84,320,552

On an overall basis, Police Department expenditures are tracking close to estimated levels. Personal Services expenditures of \$77.3 million tracked slightly below anticipated levels (29.7% compared to the par of 30.3%). Overtime expenditures of \$3.3 million through October tracked above anticipated levels with 40.5% expended. This was due in part to higher overtime for an increased number of homicide investigations as well as special summer events that occurred downtown. In addition, the automated payouts for compensatory time over Fair Labor Standards Act (FLSA) levels (240 hours for non-sworn and 480 for sworn personnel) that were implemented by the City at the beginning of 2008-2009 increased Department overtime expenditures by approximately \$414,000 through October. The Department also anticipates receiving federal funding to offset the costs of "Orange Alert" overtime staffing at the airport. At this time, the Department estimates that it will end the year within its Personal Services appropriation. The Budget Office and Police Department will continue to closely monitor Personal Services to ensure expenditures are within appropriated levels by year-end.

GENERAL FUND (CONT'D.)

KEY GENERAL FUND EXPENDITURES (CONT'D.)

Police Department (Cont'd.)

The Department's Sworn Recruitment and Training Program aims to fill vacant positions with street-ready officers within an average of 90 days. A total of \$6.4 million was budgeted in the 2008-2009 Adopted Budget to fund the Sworn Recruitment and Training Program. This included \$600,000 that was rebudgeted from 2007-2008 to support this program. The Department has 1,392 authorized sworn staff and graduated 37 Police recruits from the January 2008 Academy, with the officers street-ready in October 2008. In this fiscal year, the Department hired 28 Police recruits for the July 2008 Recruit Academy. Due to attrition, 22 officers from the July 2008 Recruit Academy are expected to be street-ready in April 2009. In addition, the Police Department has been approved to hire 50 recruits for the January 2009 Recruit Academy that would be street-ready by October 2009.

The compensatory time balance at the end of October 2008 was 258,116 hours for sworn personnel. This represents an increase of 6,449 hours (2.6%) from the September 2008 balance of 251,667, and an 11,918 hour increase (4.8%) compared to the October 2007 balance of 246,198. The increase in sworn compensatory time balances continues due to a number of factors including responses to specific types of crimes such as homicides which require immediate and intensive investigations, and the need to backfill for street-ready vacancies. A \$1.0 million buy down of compensatory time was approved in the 2007-2008 Annual Report, through a rebudget of Personal Services savings, to further assist the Department in maintaining MOA compliance and reducing the compensatory time balance liability to the City. This funding will be used for a one-time buy-down of 100% of sworn personnel in the Bureau of Investigations (BOI) and 30% of sworn personnel in BFO over 240 hours, which total approximately 21,400 hours. The buy-down payments are scheduled for December 2008. The Police Department will continue to monitor the balance and, to the extent possible, implement measures to curb the level of compensatory time accrued.

A total of \$9.1 million (35.2%) of the Department's Non-Personal/Equipment budget was expended or encumbered through October. The Budget Office and the Department will monitor expenditures closely to ensure expenditures are within appropriated levels by year-end.

<u>Department</u>	<u>2008-2009 Budget</u>	<u>YTD Actual</u>	<u>Prior YTD Actual</u>
Fire	\$ 158,471,530	\$ 48,792,964	\$ 52,102,937

Overall, expenditures for the Fire Department were tracking above budgeted estimates through October, with 30.8% expended. Personal Services expenditures through October tracked above budgeted levels at \$46.7 million expended, or 31.1%, compared to a par of 30.3%. Salary and

GENERAL FUND (CONT'D.)

KEY GENERAL FUND EXPENDITURES (CONT'D.)

Fire Department (Cont'd.)

overtime (\$4.3 million) expenditures tracked well above par level. The higher salary and overtime expenditures are due to a few activities: July and October strike team deployments for wildfires which are expected to be reimbursed, higher than budgeted payouts for vacation and compensatory time balances for retiring personnel, and backfilling for line staff attending special operations (ARFF, HIT, USAR) and RMS training. The Fire Department will need to take actions to manage the Personal Services allocation in order to end the year within appropriated levels.

Through October, the Fire Department had a total of 263 filled paramedics (167 front-line, 5 Supervisors, and 91 support), compared to the 157 front-line Firefighter Paramedics that are necessary to fully staff all apparatus. In addition, the July Firefighter Paramedic Academy graduated 24 Recruits in November 2008. With the current level of paramedics, the Department projects it will be able to address attrition due to retirements and promotions and have no problem maintaining the target staffing level of 157 front-line Firefighter Paramedics this year.

The Fire Department's Non-Personal/Equipment budget of \$8.2 million was 42.5% expended or encumbered through October and is expected to end the year within the budgeted allocation.

CONTINGENCY RESERVE

Through October, the General Fund Contingency Reserve was at \$30.9 million, up by \$646,711 from the 2008-2009 Adopted Budget level of \$30.3 million. The following revisions to the Contingency Reserve were approved through October:

- An increase of \$534,642 to bring the Contingency Reserve to 3% of the budget based on the Annual Report actions.
- An increase of \$112,069 to reimburse the General Fund for prior year expenditures associated with the Willows Senior Center Fire Damage Repair Project.

OTHER FUNDS

Construction and Conveyance Tax Funds

Due to the slowdown in the local real estate market, Construction and Conveyance Tax revenues continue to experience significant declines when compared to the collection levels experienced through 2006-2007. Nearly 98% of the total C&C taxes are comprised of conveyance receipts, or property transfers, which are the main driver in this revenue category. The median home price for single family homes within the City dropped 34% from \$737,000 in October 2007 to \$490,000 in October 2008. The October 2008 figure represents the lowest median home price within the City since spring 2004. The number of property transfers for all types of residences, however, increased 92% from the prior year (from 360 to 690). This high level of activity is likely attributed to the low median home price. The amount of time to sell these homes has increased slightly from 53 days in October 2007 to 56 days in October 2008.

The 2008-2009 Construction and Conveyance Tax estimate of \$23 million allows for a decline of 14% compared to 2007-2008 actual performance of \$26.8 million. Collections through October totaled \$6.2 million, which represents a decline of 29% from the \$8.7 million collected through October 2007. In addition to these revenues, the City has since received November Conveyance Tax receipts totaling \$2.5 million, which is consistent with the November 2007 collection level. With this decrease, Construction and Conveyance collections have now experienced decreases in 28 out of the last 31 months when compared to the same months in the prior year.

Based on current collection trends, current year receipts may fall below the budgeted estimate by up to \$4 million. Downward adjustments to the Construction and Conveyance Tax revenue estimate may be necessary during the year. With the exception of the Fire Construction and Conveyance Tax Fund, all of the Construction and Conveyance Tax Funds have sufficient ending fund balance to offset a drop in revenue of this magnitude. These downward adjustments will, however, affect the Capital Improvement Program in the out years. Staff will continue to monitor these receipts closely and make additional recommendations, if necessary, at a later date.

Other Construction-Related Revenues

Through October, permit valuation for residential and commercial construction activity is below prior year levels while industrial construction activity is above prior year levels. Residential activity has been slow, with the total construction of 28 units in October, and is below the number of units constructed in the same month last year (41 units). Commercial activity was slow with permit valuation at \$14.6 million. Industrial activity was moderate, though tracking higher than at this point last year, with valuation for industrial permit activity at \$38.1 million. A permit was issued for phase one of a parking garage to serve the office project under construction at the southeast corner of North 1st Street and Highway 237.

This permit activity drives the revenue collection in several categories, including the Construction Excise Tax, the Building and Structure Construction Tax, and the Residential

OTHER FUNDS (CONT'D.)

Other Construction-Related Revenues (Cont'd.)

Construction Tax, and is an indicator of future activity for several other categories, such as the storm and sanitary sewer system fees.

Through October, actual receipts for the construction-related revenues are tracking below the prior year. While it is early in the fiscal year to make firm determinations, downward adjustments to several of these revenue categories will likely be necessary. It is anticipated that many of these adjustments will be brought forward as part of the 2008-2009 Mid-Year Budget Review. Following is a discussion of the performance for the individual revenue categories:

- *Building and Structure Construction Tax* – Receipts through October totaled \$3.4 million, which is 39.1% of the 2008-2009 revenue estimate of \$8.7 million. This collection level is approximately 19% below the prior year collections (\$4.2 million) through October. The budgeted estimate for this category, however, allows for only a 9.5% drop in 2008-2009. It is anticipated that Mid-Year Budget actions will be recommended to reduce this revenue estimate by \$1 million to \$2 million. There is sufficient ending fund balance to offset this revenue adjustment.
- *Construction Excise Tax* – Receipts of \$3.3 million dropped 39.3% from the \$5.5 million collected during the same period last year. The budgeted estimate for this category allows for a decline of only 4.3% in 2008-2009. It may be necessary to reduce this \$13 million revenue estimate by as much as \$5 million. Mid-Year budget actions will be brought forward to rebalance the Construction Excise Tax Fund based on the lower revenue estimate. Since the ending fund balance is not sufficient to offset this drop in revenue, expenditure reductions will also need to be brought forward for City Council consideration.
- *Residential Construction Taxes* – Receipts totaled \$27,000, which represented 18.0% of the current 2008-2009 estimate of \$150,000, and were slightly down from the fees received through the same period last year (\$29,000). It is currently anticipated that these collections will fall below the budgeted estimate by approximately \$50,000. There is sufficient ending fund balance to offset this revenue adjustment.
- *Municipal Water Service Connection Fees* – Receipts totaled \$19,000 through October, which represented 5.1% of the current 2008-2009 estimate of \$370,000. Because Municipal Water Service Connection Fees recover actual costs to install new services, this lower collection level is offset by lower costs.
- *Municipal Water Major Facilities Fees* – Collections totaled \$348,000 through October, which exceeded the current 2008-2009 estimate of \$100,000.

OTHER FUNDS (CONT'D.)

Other Construction-Related Revenues (Cont'd.)

- *Sanitary Sewer Fees* – Fees totaled \$236,000, which represents 26.0% of the current 2008-2009 estimate of \$907,000. This collection level was 12.5% below the fees collected through the same period last year (\$270,000). It is currently anticipated that these collections will fall below the budgeted estimate by approximately \$400,000. There is sufficient ending fund balance to offset this revenue adjustment.
- *Storm Drain Fees* – Storm Drain Fees totaled \$29,000, which represents 9.4% of the current 2008-2009 estimate of \$309,000. This collection level was 44.2% below the fees received through the same period last year (\$52,000). Storm Drain Fees are currently projected to end the year below the budgeted estimate by as much as \$200,000. It is anticipated that Mid-Year budget actions will be brought forward to revise the revenue estimate downwards. Since the ending fund balance is not sufficient to offset this drop in revenue, expenditure reductions will also need to be brought forward for City Council consideration.
- *North San José Traffic Impact Fee Fund* – Revenues through October totaled \$19,000, which represents only 1% of the budgeted revenue estimate. The lower than estimated revenue collection is due to the slowdown in developer activity in the North San José area. The expenditure level of \$13,000 is in line with the lower revenue collections. It is anticipated that Mid-Year budget actions will be brought forward to revise both the revenue estimate and expenditure budget downwards.

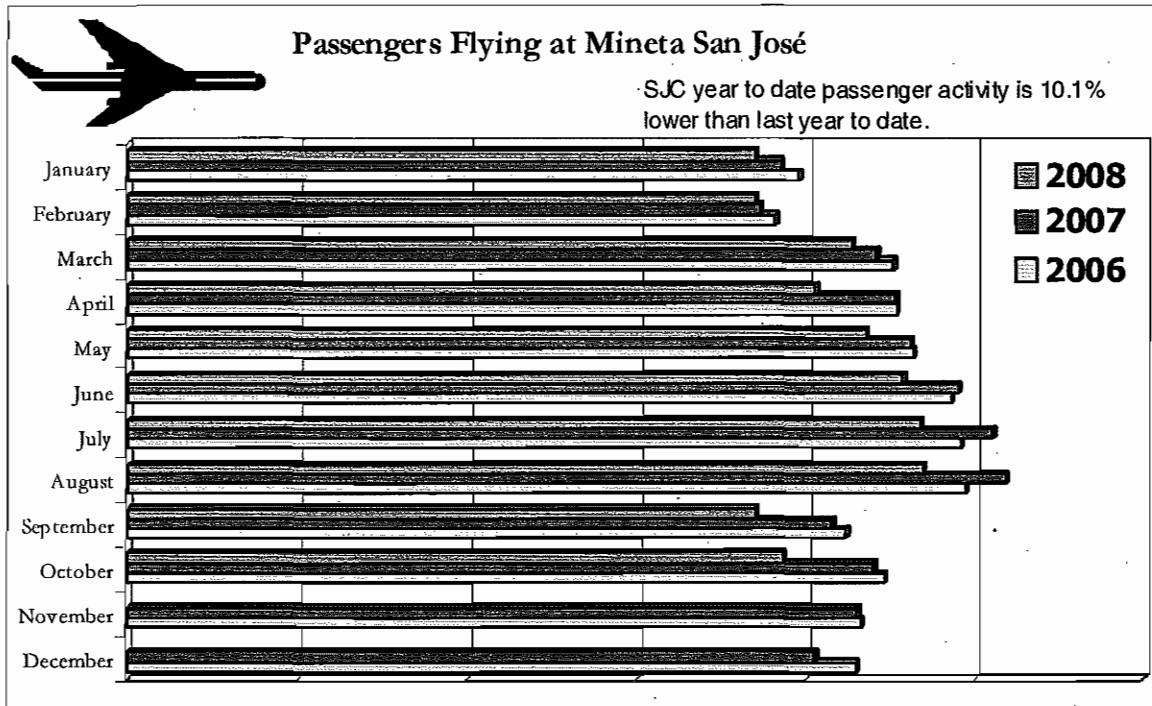
Airport Funds

On a fiscal year-to-date basis, the Norman Y. Mineta San José International Airport (SJC) enplaned and deplaned 3.4 million passengers, a decrease of 10.1% from the figures reported through October 2007.

Fiscal year-to-date mail, freight and cargo totaled 52.9 million pounds, which represents a 14.7% decrease from 2007-2008. Traffic Operations (landings and takeoffs) trailed the prior year by 11.5%, Landed Weights by 7.0%, and Taxicab operations trailed last fiscal year by 7.6%. Passenger Facility Charge (PFC) revenues were 12.8% less than the prior year.

OTHER FUNDS (CONT'D.)

Airport Funds (Cont'd.)



Operating revenues through October 2008 totaled \$39.79 million or 8.0% above the budgeted estimate and 7.0% above prior year-to-date activity. Although revenues are performing higher than budget through October due to conservative budgeting practices, the most current receipts are beginning to show signs of decline.

Operating expenses are tracking below estimated levels in both personal services and non-personal/equipment categories. Personal services expenditures are 27.0% of budget compared to the benchmark of 30.8% with savings attributed to vacancies. Non-personal/equipment expenditures are 20.8% of budget compared to the benchmark of 24.4%. Encumbrances of \$12.7 million bring total personal and non-personal/equipment commitments to \$33.5 million or 38.0% of budget.

Year-to-date revenues from the Airport Customer Facilities and Transportation Fee Fund total \$2.1 million, with \$1.0 million earmarked for transfer to the Airport Revenue Bond Improvement Fund for the construction of the Consolidated Rental Car Facility. Excluding this transfer, revenue in this fund is still tracking slightly above (0.7%) the budgeted estimate and total expenditures (\$1.4 million) are tracking below (8.8%).

OTHER FUNDS (CONT'D.)

Housing Funds

The instability in the financial markets has caused two primary challenges for the Housing Department: the ability to secure short-and long-term debt; and the ability of affordable housing developers to secure outside financing necessary for their projects to move forward. A more detailed Information Memorandum on the impacts of the financial market crisis on the Housing funds is being prepared by the Housing Department.

The 2008-2009 Adopted Budget for the Low and Moderate Income Housing Fund assumes a bond sale of \$85 million to support various housing projects. The recent instability in the financial markets has led to much higher interest rates in the municipal bond market, which adversely affect the Housing Department's leveraging capacity. The Housing Department is working with the Finance Department to prepare for a bond issuance in early 2009. However, if the interest rates remain unfavorable, this issuance may be postponed. The Housing Department is developing strategies to deal with this potential delay. These strategies include the use of the entire \$50 million line of credit for this fund as well as limiting project commitments to those that can be financed with the cash available. Budget adjustments will be brought forward, as necessary, to align projected revenues and expenditures.

In the Multi-Source Housing Fund, \$32 million in Housing in-lieu fee revenue was assumed in the 2008-2009 Adopted Budget. Due to the slowdown in the economy, collecting this amount appears highly unlikely. The Housing Department is conducting an analysis to determine how much in-lieu revenue will be collected, and will be bringing forward a request to reduce the revenue estimate, and corresponding expenditure appropriation, for this category in the Mid-Year Budget Review.

Transient Occupancy Tax Fund

Transient Occupancy Tax (TOT) collections of \$3.6 million through October were below the prior year collection level of \$3.9 million. However, growth of 4% is needed to meet the 2008-2009 budgeted estimate. As described earlier for General Fund Transient Occupancy Tax collections, the occupancy and room rates at the 14 major hotels have been declining in recent months, with the largest declines experienced in October 2008. The current economic downturn is expected to have a more severe impact in the coming months.

Based on collection trends and the deteriorating economic environment, it is likely that a downward adjustment to the TOT revenue estimate will be brought forward for City Council consideration during the 2008-2009 Mid-Year Budget Review. It is anticipated that a downward revision to the ending fund balance and/or allocations to the three recipient program categories (Convention Facilities Operations and Maintenance; Cultural Grants; and San Jose Convention and Visitors Bureau) will also be necessary this fiscal year to offset the lower revenue collections.

OTHER FUNDS (CONT'D.)

Water Utility Fund

In the Water Utility Fund, revenues are tracking below expected levels through October due primarily to lower water sales. Collections are currently projected to end the year below budget by as much as \$1.5 million. Several factors combined to reduce potable water sales, including conservation, the worsening economy, and the real estate market downturn.

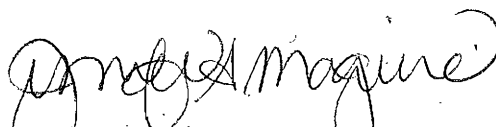
Expenditures are also tracking below expected levels, largely because lower potable water sales have translated into savings for water purchases. These savings are expected to total \$700,000 by year-end. In addition, the Environmental Services Department projects personal services and non-personal/equipment savings of approximately \$200,000. These expenditure savings will offset a large portion of the projected revenue shortfall. It may also be necessary, however, to use up to \$600,000 of the \$1.6 million Ending Fund Balance to align projected revenues and expenditures.

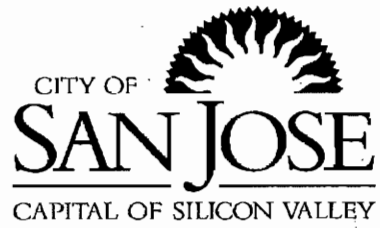
CONCLUSION

While the City's overall finances remain in relatively sound condition through October, the rapidly deteriorating economy has begun to impact revenue collections in a number of City funds. Budget adjustments to align projected revenues and expenditures will be brought forward for City Council consideration to ensure that each City fund remains in balance.

When the 2008-2009 Adopted Budget was developed, it was assumed that only modest economic growth would be experienced this fiscal year, hampered by the continued slowdown in the housing market, the fallout from the sub-prime mortgage crisis, and the rising cost of fuel. As the fiscal year has progressed, the economic news has become more alarming. The economy is now officially in a recession, which is expected to be long and painful. While there is limited data for 2008-2009, downward adjustments to a number of the economically sensitive revenue estimates in the General Fund and special/capital funds are expected to be brought forward. Many of these adjustments will be presented in the 2008-2009 Mid-Year Budget Review.

The Administration will continue to closely monitor the economic situation and collections of the City's economically sensitive revenues to assure we can react quickly and appropriately, particularly in this volatile environment. 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 4 Months Ended October 31, 2008
Fiscal Year 2008-09

Finance Department, City of San José
Monthly Financial Report
Financial Results for the 4 Months Ended October 31, 2008
Fiscal Year 2008-09

Table of Contents


	<i>Page Reference</i>
General Fund	
Comparison of Current Year's Monthly Cash Balance vs. Prior Year's Balance.....	1
Comparison of Current Year-to-Date Revenues vs. Prior Year-to-Date Revenues.....	2
Comparison of Current Year-to-Date Expenditures vs. Prior Year-to-Date Expenditures.....	2
Comparison of Current Year-to-Date Revenues for Major Revenue Sources vs. Prior Year-to-Date Revenues.....	3
Comparison of Current Year-to-Date Expenditures by Type vs. Prior Year-to-Date Expenditures.....	3
Schedule of Sources and Uses of Funds.....	4
Supplemental Schedule of Departmental Revenues.....	7
Other Funds	
<i>Special Revenue Funds</i>	
Comparison of Construction & Conveyance Tax Funds YTD Revenues vs. Prior Year's Corresponding YTD Revenues.....	8
Comparison of Construction & Conveyance Tax Funds YTD Expenditures vs. Prior Year's Corresponding YTD Expenditures.....	8
Schedule of Sources and Uses of Funds	9
<i>Enterprise Funds</i>	
YTD Revenues and YTD Expenditures for:	
Airport Revenue Fund 521 and Airport Maintenance & Operating Fund 523.....	11
WPCP Operating Fund 513.....	12
Parking Operations Fund 533.....	13
Schedule of Sources and Uses of Funds	14

Finance Department, City of San José
Monthly Financial Report
Financial Results for the 4 Months Ended October 31, 2008
Fiscal Year 2008-09

Table of Contents

	<i>Page Reference</i>
Other Funds (Cont'd)	
<i>Capital Project Funds</i>	
Schedule of Sources and Uses of Funds.....	15
<i>Other Fund Types</i>	
Schedule of Sources and Uses of Funds.....	16

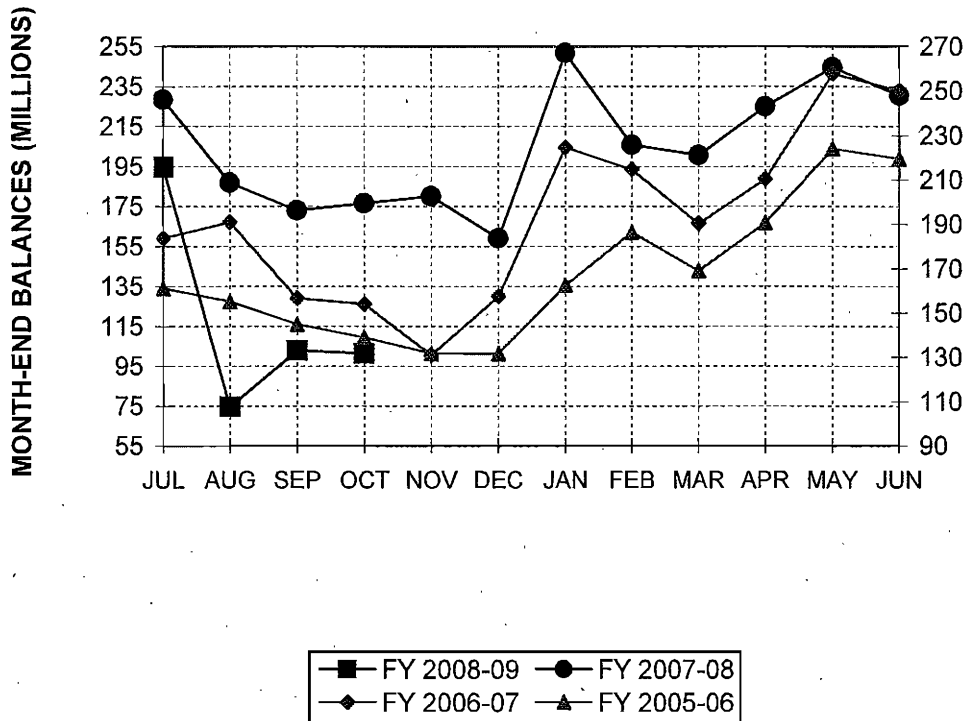
Submitted by:



SCOTT P. JOHNSON

Director, Finance Department

GENERAL FUND Comparison of Cash Balances

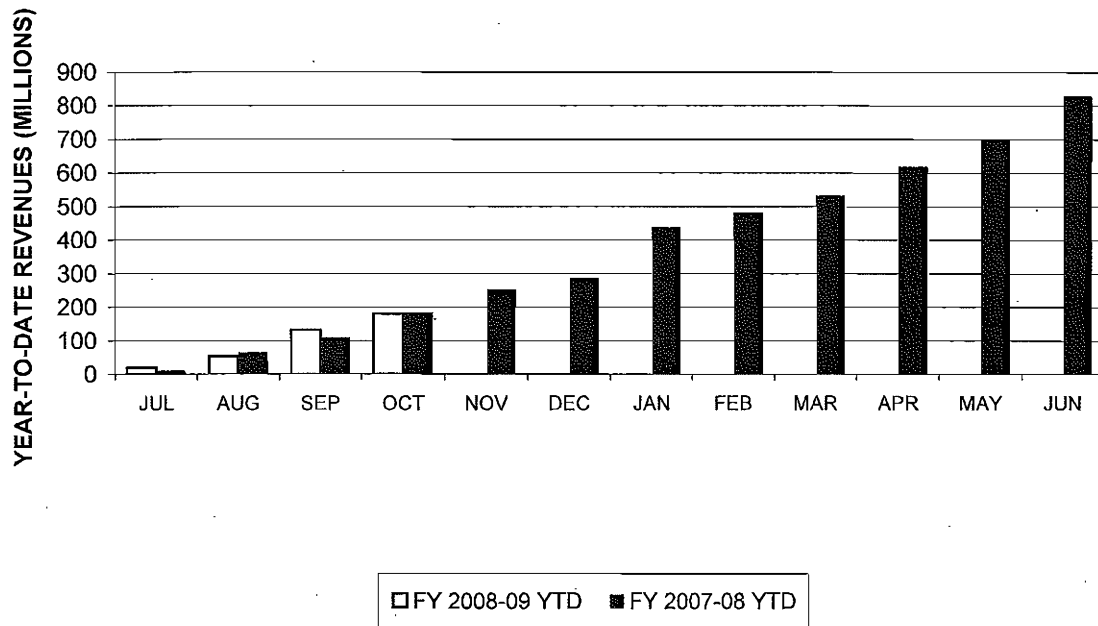


GENERAL FUND MONTHLY CASH BALANCES

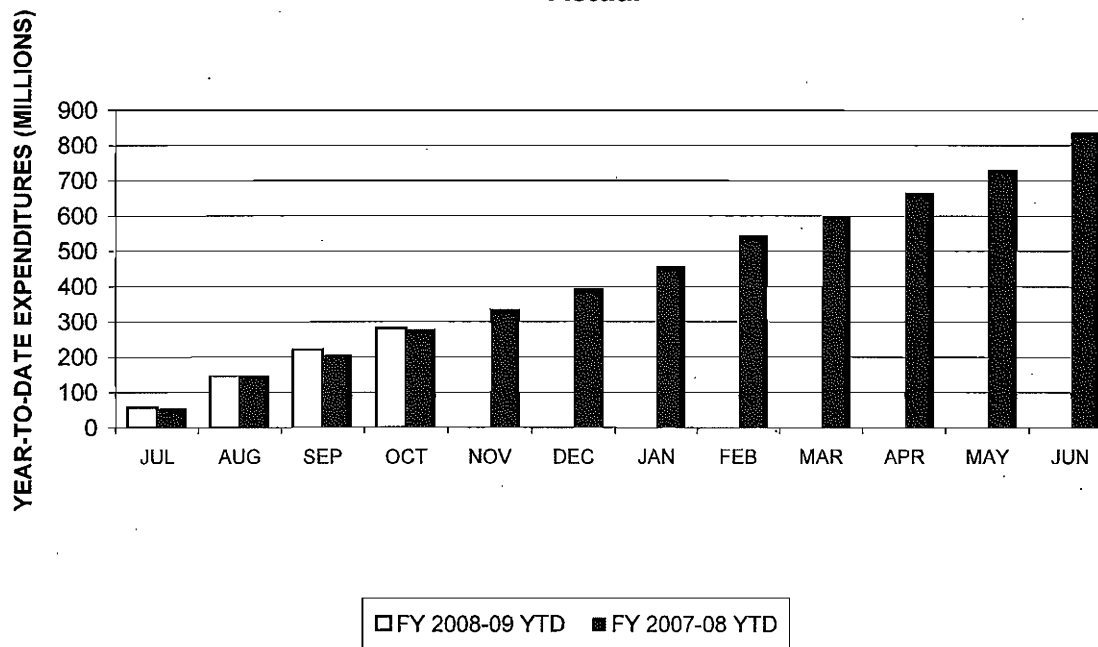
MONTH	FY 2008-09	FY 2007-08	FY 2006-07	FY 2005-06
JULY	\$ 194,527,843	\$ 228,551,607	\$ 183,638,084	\$ 161,103,519
AUGUST (1)	74,677,718	186,835,010	190,974,568	155,276,638
SEPTEMBER	102,811,355	173,043,887	156,674,730	144,980,057
OCTOBER	101,433,688	176,617,539	154,011,382	139,052,451
NOVEMBER		180,164,388	131,009,877	131,757,140
DECEMBER		159,164,830	157,479,064	131,612,938
JANUARY		251,792,153	224,766,520	162,598,761
FEBRUARY		205,882,438	214,574,932	186,471,797
MARCH		200,763,696	190,320,128	169,141,222
APRIL		225,008,853	210,342,744	190,637,410
MAY		244,545,422	257,771,653	224,072,193
JUNE		230,556,706	250,180,874	219,498,514

Note: (1) The General Fund cash balance decreased by \$91.6 million in August 2008 due to the decision to pay the City's portion of retirement contributions in a lump-sum rather than in bi-weekly contributions.

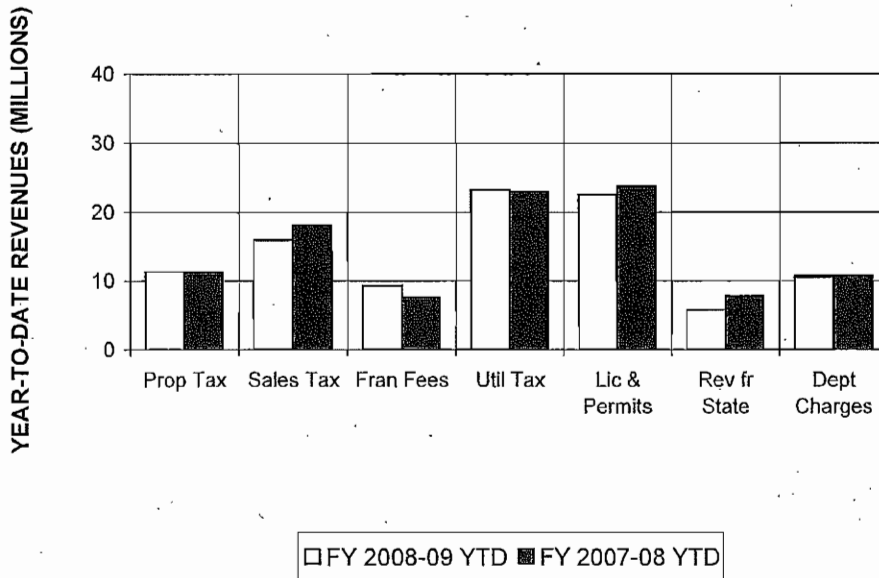
**GENERAL FUND
Comparison of YTD Revenues
Actual**



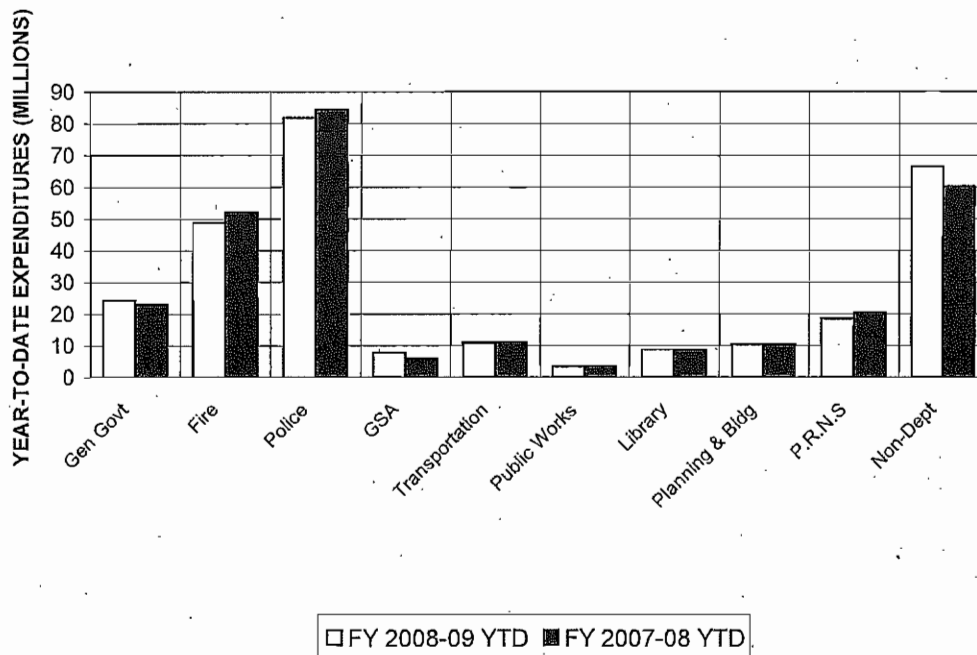
**GENERAL FUND
Comparison of YTD Expenditures
Actual**



GENERAL FUND MAJOR REVENUES
Comparison of YTD Actual vs. Prior YTD Actual
For the 4 Months Ended October 31, 2008



GENERAL FUND MAJOR EXPENDITURES
Comparison of YTD Actual vs. Prior YTD Actual
For the 4 Months Ended October 31, 2008



Note: 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 2008-2009 impact through October 2008 is approximately \$6.2 million.

CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
FUND BALANCE, REVENUE, TRANSFERS & REIMBURSEMENTS
FOR THE 4 MONTHS ENDED OCTOBER 31, 2008
(UNAUDITED)
(\$000's)

	ADOPTED FY 2008-09 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2008-09 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
Fund Balance											
Prior Year Encumbrances	\$ -	-	41,649	41,649	41,649	100.00%	22,124	88.16%	25,096	19,525	88.25%
Liquidation of c/o Encumbrance	-	-	-	-	-	-	-	-	-	-	-
Available Balance	202,882	20,769	-	223,651	223,651	100.00%	153,454	61.97%	247,630	70,197	45.74%
Total Fund Balance	202,882	20,769	41,649	265,300	265,300	100.00%	175,578	64.38%	272,726	89,722	51.10%
General Revenues											
Property Tax	208,267	-	-	208,267	11,316	5.43%	11,264	5.53%	203,718	52	0.46%
Sales Tax (Note 1)	152,536	-	-	152,536	15,905	10.43%	18,005	11.41%	157,814	(2,100)	-11.66%
Transient Occupancy Tax	9,972	-	-	9,972	2,722	27.30%	2,659	27.81%	9,560	63	2.37%
Franchise Fees	41,621	-	-	41,621	9,298	22.34%	7,808	18.53%	41,064	1,690	22.21%
Utility Tax	83,690	-	-	83,690	23,234	27.76%	22,918	27.86%	82,254	316	1.38%
Licenses and Permits	78,884	56	-	78,940	22,545	28.56%	23,687	31.98%	74,059	(1,142)	-4.82%
Fines, Forfeits and Penalties	15,726	-	-	15,726	4,138	26.31%	5,063	32.45%	15,601	(925)	-18.27%
Use of Money and Property	13,222	(1,500)	-	11,722	3,033	25.87%	5,061	29.13%	17,371	(2,028)	-40.07%
Revenue from Local Agencies	48,072	(177)	-	47,895	20,042	41.85%	15,309	31.04%	49,318	4,733	30.92%
Revenue from State of Cal.	10,265	561	-	10,826	5,813	53.69%	7,777	63.16%	12,314	(1,964)	-25.25%
Revenue from Federal Government	3,815	442	-	4,257	661	15.53%	1,062	14.33%	7,409	(401)	-37.76%
Departmental Charges (Note 2)	30,863	43	-	30,906	10,567	34.19%	10,748	34.85%	30,842	(181)	-1.68%
Other Revenues	17,496	2,483	-	19,979	9,795	49.03%	7,878	33.64%	23,416	1,917	24.33%
Total General Revenues	714,429	1,908	-	716,337	139,069	19.41%	139,039	19.18%	724,740	30	0.02%
Transfers & Reimbursements											
Overhead Reimbursements	103,789	1,800	-	105,589	21,650	20.50%	22,916	61.03%	37,550	(1,266)	-5.52%
Transfers from Other Funds	-	-	-	-	19,336	-	21,787	42.71%	51,010	(2,451)	-11.25%
Reimbursements for Services	-	-	-	-	4,208	-	3,218	17.97%	17,907	988	30.70%
Total Transfers & Reimburse	103,789	1,800	-	105,589	45,192	42.80%	47,921	45.01%	106,467	(2,729)	-5.69%
Total Sources	\$ 1,021,100	24,477	41,649	1,087,226	449,561	41.35%	362,538	32.84%	1,103,933	87,023	24.00%

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 2008-2009 impact through October 2008 is approximately \$6.2 million.

Note 2 - See Supplemental Schedule on Page 7

CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
EXPENDITURES
FOR THE 4 MONTHS ENDED OCTOBER 31, 2008
(UNAUDITED)
(\$000's)

	ADOPTED FY 2008-09 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2008-09 BUDGET	YEAR-TO-DATE		CUR YTD ACTUAL % OF BUDGET	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	ENCUMBR						
General Government												
Mayor and Council	\$ 10,339	(241)	114	10,212	2,429	55	23.79%	2,176	28.89%	7,532	253	11.63%
City Attorney	13,384	255	1,734	15,373	3,973	1,568	25.84%	3,736	28.04%	13,323	237	6.34%
City Auditor	2,642	89	172	2,903	665	156	22.91%	778	37.42%	2,079	(113)	-14.52%
City Clerk	4,470	98	11	4,579	615	55	13.43%	551	22.78%	2,419	64	11.62%
City Manager	12,094	251	349	12,694	3,403	457	26.81%	3,346	29.63%	11,293	57	1.70%
Finance	12,502	329	320	13,151	3,642	577	27.69%	3,280	29.23%	11,221	362	11.04%
Information Technology	17,274	807	901	18,982	4,955	1,366	26.10%	4,870	31.42%	15,499	85	1.75%
Human Resources	7,914	164	226	8,304	2,200	378	26.49%	2,090	29.13%	7,175	110	5.26%
Redevelopment Agency	1,897	53	-	1,950	601	-	30.82%	375	31.91%	1,175	226	60.27%
Independent Police Auditor	830	39	7	876	272	5	31.05%	256	31.80%	805	16	6.25%
Office of Economic Development	4,274	209	531	5,014	1,346	448	26.84%	1,408	32.41%	4,345	(62)	-4.40%
Office of Emergency Services	541	10	-	551	158	-	28.68%	153	58.40%	262	5	3.27%
Total General Government	88,161	2,063	4,365	94,589	24,259	5,065	25.65%	23,019	29.85%	77,128	1,240	5.39%
Public Safety												
Fire	158,203	(161)	430	158,472	48,793	1,467	30.79%	52,103	32.93%	158,203	(3,310)	-6.35%
Police	281,147	1,981	2,644	285,772	81,868	4,510	28.65%	84,321	30.14%	279,794	(2,453)	-2.91%
Total Public Safety	439,350	1,820	3,074	444,244	130,661	5,977	29.41%	136,424	31.15%	437,997	(5,763)	-4.22%
Capital Maintenance												
General Services	24,927	69	1,387	26,383	7,798	6,021	29.55%	5,824	32.37%	17,992	1,972	33.86%
Transportation	32,895	(93)	1,070	33,872	10,816	2,555	31.93%	10,984	33.60%	32,688	(168)	-1.53%
Public Works	9,860	421	171	10,452	3,293	1,244	31.51%	3,536	35.66%	9,915	(243)	-6.87%
Total Capital Maintenance	67,682	397	2,628	70,707	21,905	9,820	30.98%	20,344	33.57%	60,595	1,561	7.67%

(1) Does not include encumbrance balance.

**CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
EXPENDITURES
FOR THE 4 MONTHS ENDED OCTOBER 31, 2008
(UNAUDITED)
(\$000's)**

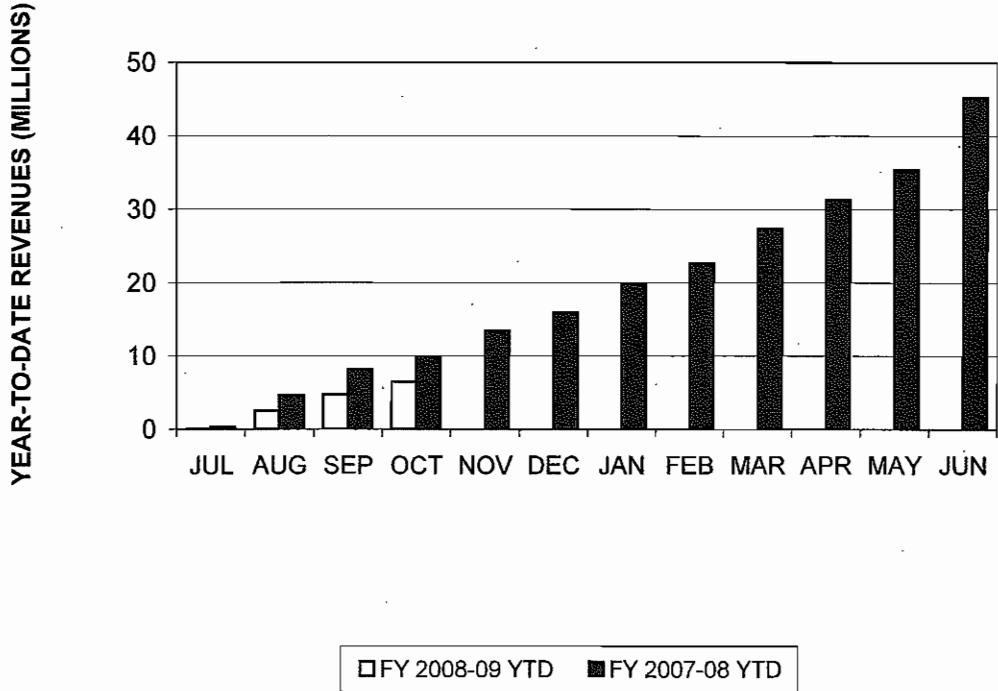
	ADOPTED FY 2008-09 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2008-09 BUDGET	YEAR-TO-DATE		CUR YTD ACTUAL % OF BUDGET	PRIOR YTD ACTUAL(1)	PRIOR YTD %	PRIOR YEAR-END	CUR YTD LESS PRIOR YTD ACTUAL(1)	% CHANGE
					ACTUAL	ENCUMBR			OF PRIOR YEAR-END ACTUAL	BUDGETARY BASIS ACTUAL		LESS PRIOR YTD ACTUAL
Community Service												
Library	29,575	698	269	30,540	8,749	371	28.65%	8,581	29.94%	28,661	168	1.96%
Planning, Bldg & Code Enf.	36,780	550	704	38,034	10,315	909	27.12%	10,313	30.14%	34,218	2	0.02%
Park, Rec & Neigh Svcs	59,009	631	1,776	61,416	18,465	5,940	30.07%	20,311	31.89%	63,687	(1,846)	-9.08%
Environmental Services	842	115	360	1,317	148	357	11.24%	15	1.30%	1,151	133	886.67%
Total Community Services	126,206	1,992	3,109	131,307	37,677	7,577	28.69%	39,220	30.71%	127,717	(1,543)	-3.93%
Total Dept. Expenditures	\$ 721,399	6,272	13,176	740,847	214,502	28,439	28.95%	219,007	31.13%	703,437	(4,505)	-2.06%
Non-Dept Expenditures												
City-wide Expenditures:												
Econ & Neighborhood Develop.	\$ 30,566	5,843	1,827	38,236	14,035	3,541	36.71%	13,549	48.21%	28,103	486	3.59%
Environmental & Utility Services	989	240	125	1,354	187	477	13.81%	66	6.31%	1,046	121	183.33%
Public Safety	5,861	(218)	2,399	8,042	657	2,606	8.17%	1,741	19.59%	8,886	(1,084)	-82.26%
Recreation & Cultural Services	12,652	255	1,177	14,084	2,205	1,221	15.66%	2,561	28.58%	8,962	(356)	-13.90%
Transportation Services	3,034	464	478	3,976	469	721	11.80%	376	18.21%	2,065	93	24.73%
Strategic Support	69,557	(809)	4,356	73,104	13,049	5,266	17.85%	12,163	27.07%	44,929	886	7.28%
Total City-wide Expenditures	122,659	5,775	10,362	138,796	30,602	13,832	22.05%	30,456	32.40%	93,991	146	0.48%
Capital Contributions	33,663	(2,396)	18,111	49,378	6,349	15,826	12.86%	3,443	31.45%	10,947	2,906	84.40%
Transfers to Other Funds	32,812	5,951	-	38,763	29,489	-	76.08%	26,353	88.89%	29,647	3,136	11.90%
Total Non-Dept Expenditures	189,134	9,330	28,473	226,937	66,440	29,658	29.28%	60,252	44.77%	134,585	6,188	10.27%
Reserves												
Contingency Reserves	30,294	647	-	30,941	-	-	0.00%	-	0.00%	-	-	0.00%
Earmarked Reserves	80,273	8,228	-	88,501	-	-	0.00%	-	0.00%	-	-	0.00%
Total Reserves	110,567	8,875	-	119,442	-	-	0.00%	-	0.00%	-	-	0.00%
Total Uses	\$ 1,021,100	24,477	41,649	1,087,226	280,942	58,097	25.84%	279,259	33.32%	838,022	1,683	0.60%

(1) Does not include encumbrance balance.

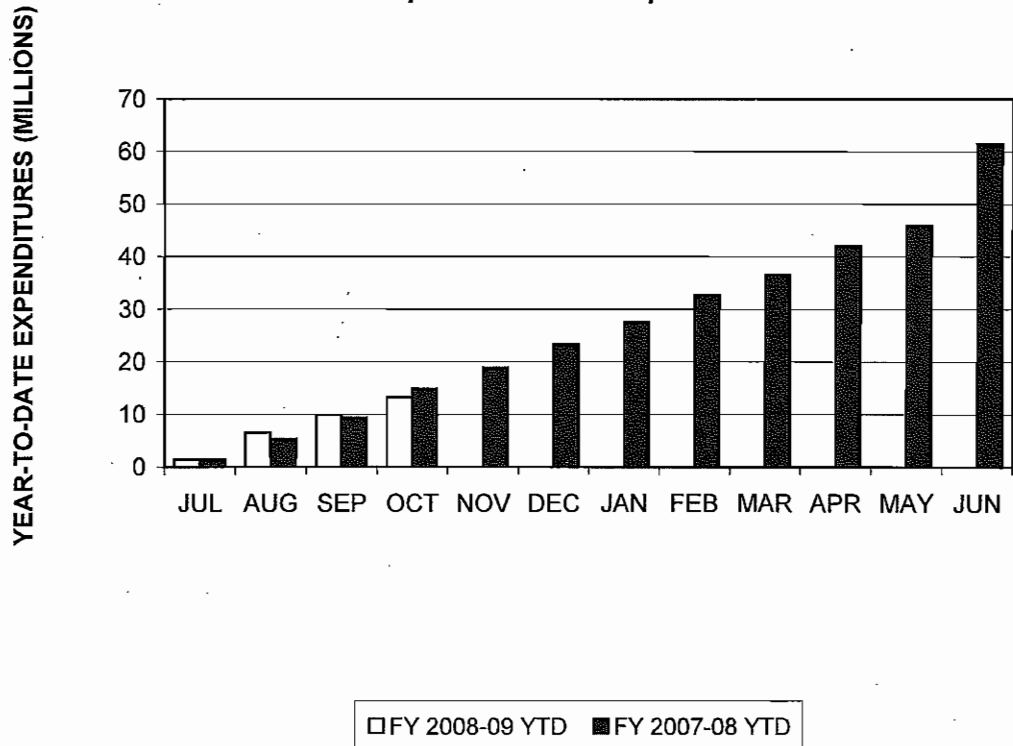
CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
FOR THE 4 MONTHS ENDED OCTOBER 31, 2008
SUPPLEMENTAL SCHEDULE - DEPARTMENTAL REVENUES
(UNAUDITED)
(\$000's)

	ADOPTED FY 2008-09 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2008-09 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
Police	\$ 1,763	-	-	1,763	567	32.16%	496	29.45%	1,684	71	14.31%
Public Works	7,511	-	-	7,511	2,350	31.29%	2,131	29.59%	7,201	219	10.28%
Transportation	956	-	-	956	462	48.33%	327	23.29%	1,404	135	41.28%
Library	1,216	-	-	1,216	(8)	-0.66%	31	2.30%	1,345	(39)	-125.81%
Planning, Bldg & Code Enf	6,702	-	-	6,702	1,736	25.90%	2,632	38.75%	6,792	(896)	-34.04%
Parks Rec & Neigh Svcs	6,357	-	-	6,357	3,970	62.45%	4,176	46.91%	8,903	(206)	-4.93%
Miscellaneous Dept Charges	6,358	43	-	6,401	1,490	23.28%	955	27.18%	3,513	535	56.02%
Total Departmental Revenues \$	30,863	43	-	30,906	10,567	34.19%	10,748	34.85%	30,842	(181)	-1.68%

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



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



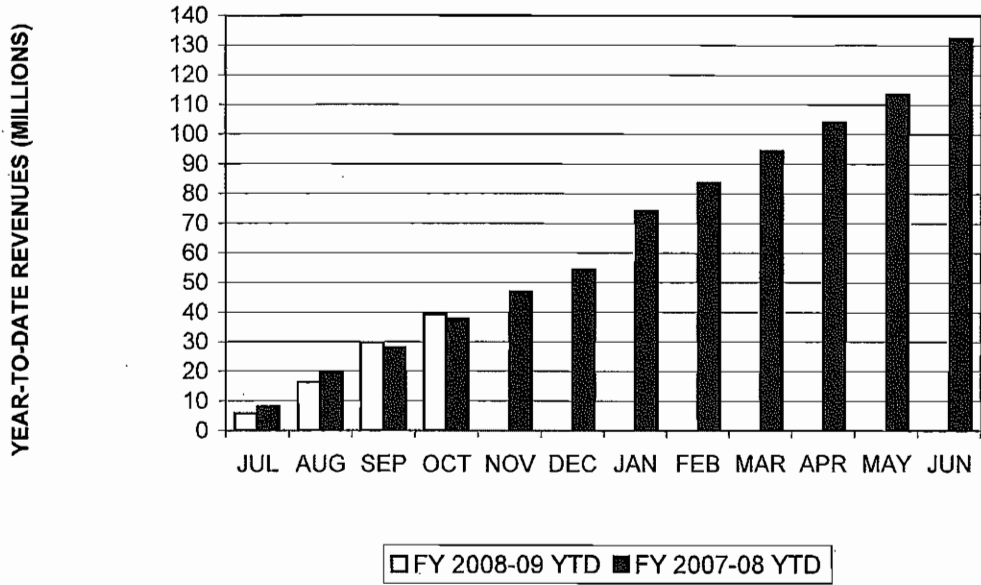
**CITY OF SAN JOSE
SPECIAL REVENUE FUNDS
SOURCE AND USE OF FUNDS
FOR THE 4 MONTHS ENDED OCTOBER 31, 2008
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2008-09 BUDGET	BUDGET AMENDMENTS		FY 2008-09 BUDGET	ACTUAL	ENCUMBR	Y-T-D ACTUAL
Construction/Conveyance Tax							
Prior Year Encumbrance	\$ -	-	11,753	11,753	11,753	N/A	13,679
Liquidation of c/o Encumbrance	-	-	-	-	-	N/A	-
Beginning Fund Balance	80,039	6,598	-	86,637	86,637	N/A	101,009
Revenues	49,982	639	-	50,621	6,494	N/A	9,991
Total Sources	130,021	7,237	11,753	149,011	104,884	N/A	124,679
Total Uses	130,021	7,237	11,753	149,011	13,190	9,998	14,805
Gas Tax							
Prior Year Encumbrance	-	-	-	-	-	N/A	-
Liquidation of c/o Encumbrance	-	-	-	-	-	N/A	-
Beginning Fund Balance	-	-	-	-	-	N/A	-
Revenues	17,200	-	-	17,200	4,215	N/A	4,703
Total Sources	17,200	-	-	17,200	4,215	N/A	4,703
Total Uses	17,200	-	-	17,200	4,215	0	3,218
Building and Structures							
Prior Year Encumbrance	-	-	7,285	7,285	7,285	N/A	8,200
Liquidation of c/o Encumbrance	-	-	-	-	-	N/A	-
Beginning Fund Balance	12,701	5,535	-	18,236	18,236	N/A	19,982
Revenues	15,813	6,812	-	22,625	4,287	N/A	5,916
Total Sources	28,514	12,347	7,285	48,146	29,808	N/A	34,098
Total Uses	28,514	12,347	7,285	48,146	5,894	6,711	5,170
Residential Construction							
Prior Year Encumbrance	-	-	-	-	-	N/A	1
Liquidation of c/o Encumbrance	-	-	-	-	-	N/A	-
Beginning Fund Balance	1,315	24	-	1,339	1,339	N/A	1,337
Revenues	150	-	-	150	27	N/A	29
Total Sources	1,465	24	-	1,489	1,366	N/A	1,367
Total Uses	\$ 1,465	24	-	1,489	47	0	41

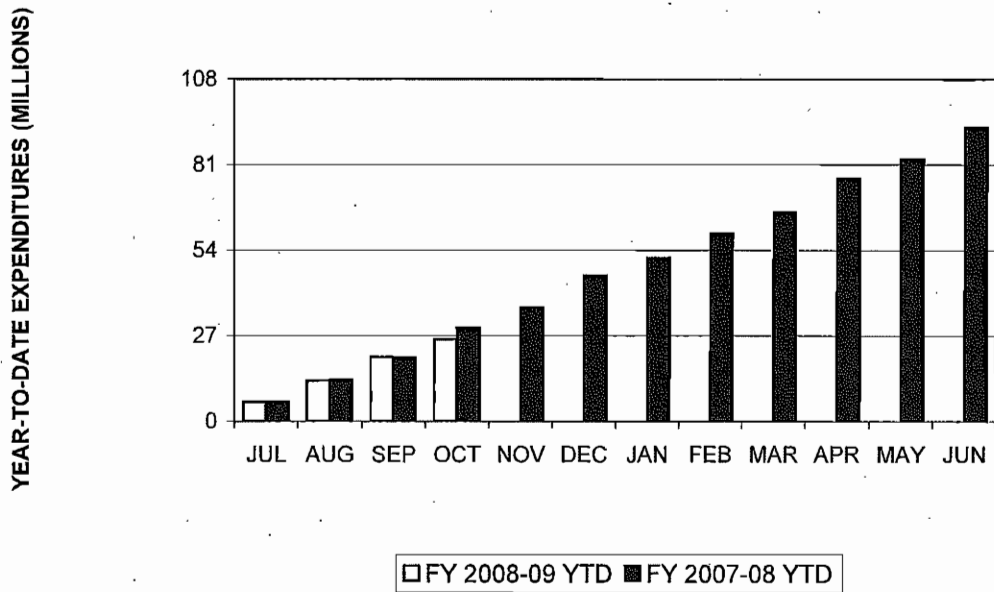
**CITY OF SAN JOSE
SPECIAL REVENUE FUNDS
SOURCE AND USE OF FUNDS
FOR THE 4 MONTHS ENDED OCTOBER 31, 2008
(UNAUDITED)
(\$000's)**

	ADOPTED FY 2008-09 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2008-09 BUDGET	YEAR-TO-DATE		PRIOR Y-T-D ACTUAL
					ACTUAL	ENCUMBR	
Transient Occupancy Tax							
Prior Year Encumbrance	\$ -	-	401	401	401	N/A	127
Liquidation of c/o Encumbrance	-	-	-	-	-	N/A	-
Beginning Fund Balance	4,058	59	-	4,117	4,117	N/A	4,176
Revenues	14,984	-	-	14,984	3,681	N/A	3,975
Total Sources	19,042	59	401	19,502	8,199	N/A	8,278
Total Uses	19,042	59	401	19,502	4,524	926	5,685
Conventions, Arts & Entertainment							
Prior Year Encumbrance	-	-	689	689	689	N/A	338
Liquidation of c/o Encumbrance	-	-	-	-	-	N/A	-
Beginning Fund Balance	6,429	1,177	-	7,606	7,606	N/A	4,080
Revenues	19,887	481	-	20,368	1,581	N/A	4,068
Total Sources	26,316	1,658	689	28,663	9,876	N/A	8,486
Total Uses	26,316	1,658	689	28,663	6,030	679	6,211
Golf							
Prior Year Encumbrance	-	-	11	11	11	N/A	11
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	791	134	-	925	925	N/A	833
Revenues	2,123	-	-	2,123	1,514	N/A	1,606
Total Sources	2,914	134	11	3,059	2,450	N/A	2,450
Total Uses	2,914	134	11	3,059	1,312	21	1,247
Other Funds							
Prior Year Encumbrance	-	-	57,048	57,048	57,048	N/A	56,828
Liquidation of c/o Encumbrance	-	-	-	-	-	N/A	-
Beginning Fund Balance	193,130	20,596	-	213,726	213,726	N/A	187,201
Revenues	617,629	16,002	-	633,631	131,890	N/A	120,360
Total Sources	810,759	36,598	57,048	904,405	402,664	N/A	364,389
Total Uses	\$ 810,759	36,598	57,048	904,405	128,286	155,501	107,039

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

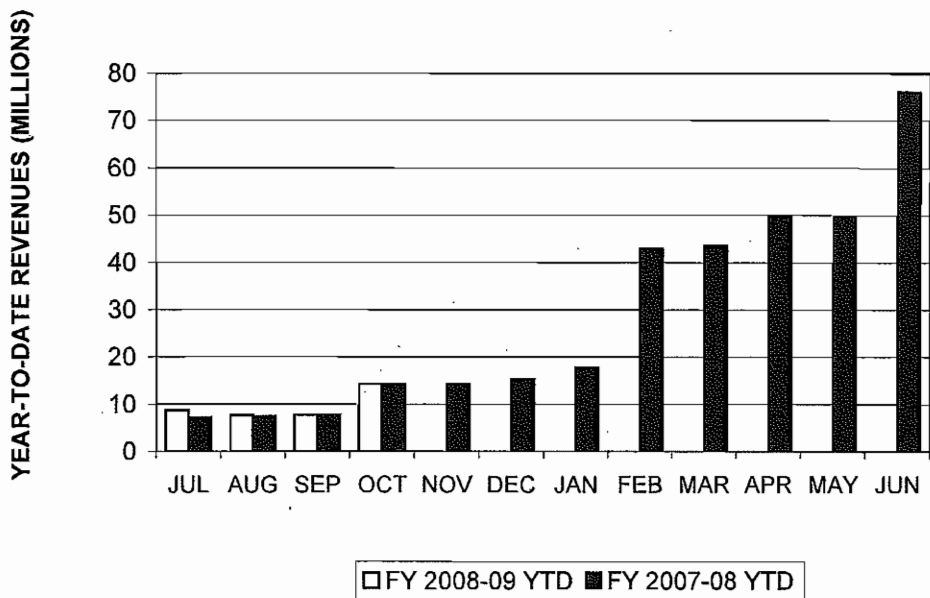


**AIRPORT MAINTENANCE & OPERATING FUND 523
Comparison of YTD Expenditures**

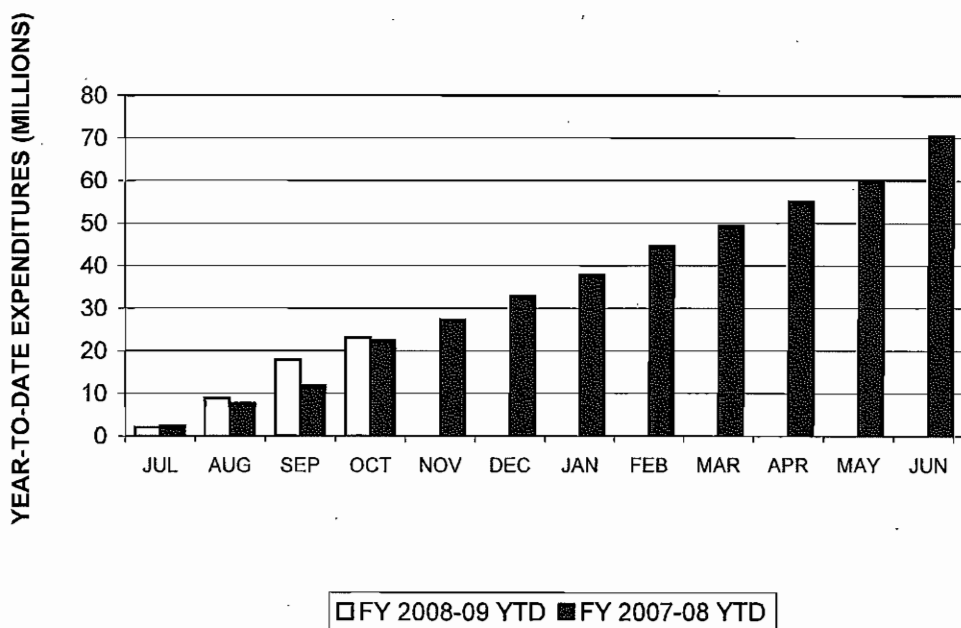


Note: The graphs above include the airport revenue fund (521) and operating fund (523) only.

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

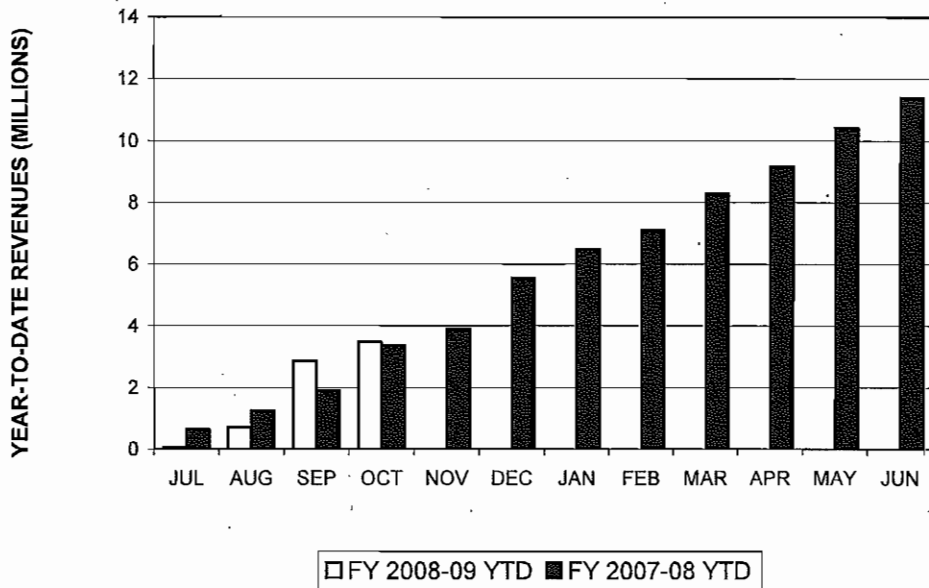


**WPCP OPERATING FUND 513
Comparison of YTD Expenditures**

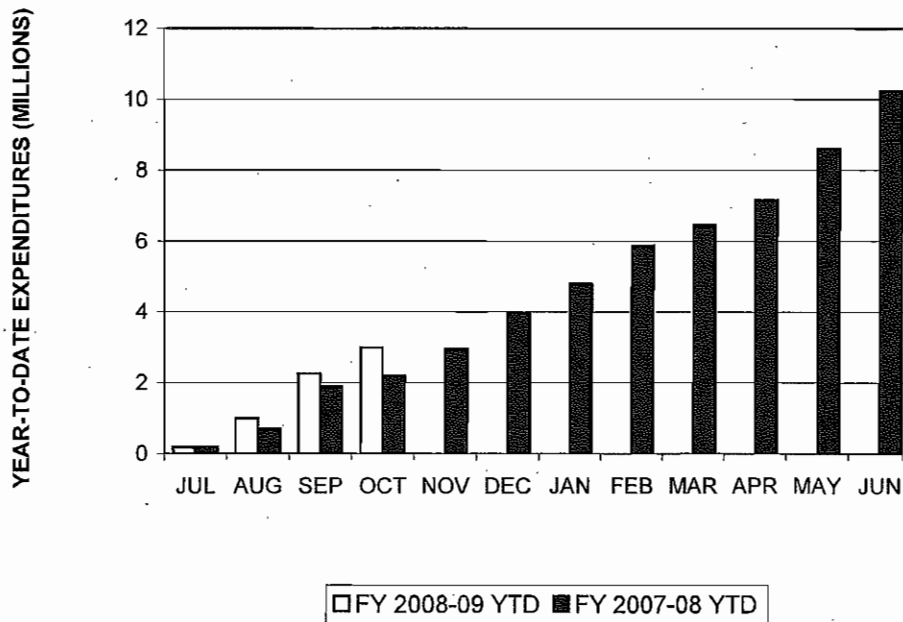


Note: Graphs above are only for WPCP operating fund (513).

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



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



Accounting transfers that artificially increased revenues and expenditures by the same amount were included in fund 533. An adjustment has been made to net out these transfers so that actual and operational revenues and expenditures can be compared to prior year amounts.

**CITY OF SAN JOSE
ENTERPRISE FUNDS
SOURCE AND USE OF FUNDS
FOR THE 4 MONTHS ENDED OCTOBER 31, 2008
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2008-09 BUDGET	BUDGET AMENDMENTS		FY 2008-09 BUDGET	ACTUAL	ENCUMBR	Y-T-D ACTUAL
Airport							
Prior Year Encumbrance	\$ -	-	497,173	497,173	497,173	N/A	190,201
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	589,935	30,090	-	620,025	620,025	N/A	473,929
Revenues	404,483	(25,325)	-	379,158	148,509	N/A	107,543
Total Sources	994,418	4,765	497,173	1,496,356	1,265,707	N/A	771,673
Total Uses	994,418	4,765	497,173	1,496,356	151,603	515,707	135,500
(Note 1)							
Waste Water Treatment							
Prior Year Encumbrance	-	-	58,152	58,152	58,152	N/A	38,241
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	170,257	1,480	-	171,737	171,737	N/A	186,060
Revenues	245,551	44,990	-	290,541	126,473	N/A	120,143
Total Sources	415,808	46,470	58,152	520,430	356,362	N/A	344,444
Total Uses	415,808	46,470	58,152	520,430	52,026	61,370	62,199
(Note 2)							
Municipal Water							
Prior Year Encumbrance	-	-	2,146	2,146	2,146	N/A	1,603
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	9,155	207	-	9,362	9,362	N/A	10,874
Revenues	30,433	35	-	30,468	13,992	N/A	12,355
Total Sources	39,588	242	2,146	41,976	25,500	N/A	24,832
Total Uses	39,588	242	2,146	41,976	10,154	1,978	10,007
Parking							
Prior Year Encumbrance	-	-	1,267	1,267	1,267	N/A	873
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	12,442	1,748	-	14,190	14,190	N/A	13,045
Revenues	16,954	(5,100)	-	11,854	3,478	N/A	3,366
Total Sources	29,396	(3,352)	1,267	27,311	18,935	N/A	17,284
Total Uses	\$ 29,396	(3,352)	1,267	27,311	2,984	1,727	2,198
(Note 3)							

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.

Note 3 - Accounting transfers that artificially increased revenues and expenditures by the same amount were included in fund 533.

An adjustment has been made to net out these transfers so that actual and operational revenues and expenditures can be compared to prior year amounts.

**CITY OF SAN JOSE
CAPITAL PROJECT FUNDS
SOURCE AND USE OF FUNDS
FOR THE 4 MONTHS ENDED OCTOBER 31, 2008
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2008-09 BUDGET	BUDGET AMENDMENTS		FY 2008-09 BUDGET	ACTUAL	ENCUMBER	Y-T-D ACTUAL
Construction Excise							
Prior Year Encumbrance	\$ -	-	8,482	8,482	8,482	N/A	7,731
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	16,636	(7,037)	-	9,599	9,599	N/A	15,122
Revenues	29,535	11,564	-	41,099	14,689	N/A	10,162
Total Sources	46,171	4,527	8,482	59,180	32,770	N/A	33,015
Total Uses	46,171	4,527	8,482	59,180	11,683	13,694	14,814
Redevelopment Projects							
Prior Year Encumbrance	-	-	5,063	5,063	5,063	N/A	3,057
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	3,340	4,734	-	8,074	8,074	N/A	7,370
Revenues	-	262	-	262	737	N/A	3,378
Total Sources	3,340	4,996	5,063	13,399	13,874	N/A	13,805
Total Uses	3,340	4,996	5,063	13,399	2,574	3,570	1,037
Other							
Prior Year Encumbrance	-	-	129,130	129,130	129,130	N/A	47,685
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	140,942	3,715	-	144,657	144,657	N/A	262,404
Revenues	30,429	3,024	-	33,453	2,466	N/A	5,856
Total Sources	171,371	6,739	129,130	307,240	276,253	N/A	315,945
Total Uses	\$ 171,371	6,739	129,130	307,240	29,720	131,225	17,613

**CITY OF SAN JOSE
OTHER FUND TYPES
SOURCE AND USE OF FUNDS
FOR THE 4 MONTHS ENDED OCTOBER 31, 2008
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2008-09 BUDGET	BUDGET AMENDMENTS		FY 2008-09 BUDGET	ACTUAL	ENCUMBR	Y-T-D ACTUAL
Trust and Agency							
Prior Year Encumbrance	\$ -	-	33	33	33	N/A	28
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	2,197	181	-	2,378	2,378	N/A	2,189
Revenues	203	(88)	-	115	126	N/A	1,513
Total Sources	2,400	93	33	2,526	2,537	N/A	3,730
Total Uses	\$ 2,400	93	33	2,526	259	47	555