



# Memorandum

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

**FROM:** Jennifer A. Maguire

**SUBJECT:** BI-MONTHLY FINANCIAL REPORT  
FOR SEPTEMBER/OCTOBER 2012

**DATE:** December 6, 2012

Approved

Date

12-13-12

The Bi-Monthly Financial Report for September/October 2012 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. The City Manager's Budget Office has analyzed actual expenditures as compared to the 2012-2013 Budget and the Finance Department has prepared a report that reflects the financial results ending October 2012.

## OVERVIEW

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

- Current economic conditions point to continued slow economic recovery through 2012-2013, with improvement in certain areas, such as housing, development activity, employment and taxable sales. The Administration is currently monitoring federal fiscal policy, as there is a considerable amount of uncertainty surrounding the federal "fiscal cliff" that would necessitate a combination of tax increases and mandatory spending cuts split between defense and non-defense discretionary spending. If implemented, these actions could have a significant impact on the economy and any impacts would have to be taken into consideration as the upcoming budget is developed. The Administration will closely monitor the performance of the City's economically sensitive revenues to identify any changes in collection trends and associated adjustments to the revenue estimates.
- While it is early in the fiscal year, General Fund revenues overall appear to be tracking slightly above estimated levels, with some categories currently tracking above estimated levels and others below expectations as discussed in this report. Overall, General Fund expenditures are tracking slightly below estimated levels through October, with some year-end savings anticipated by year-end.

**OVERVIEW (CONT'D.)**

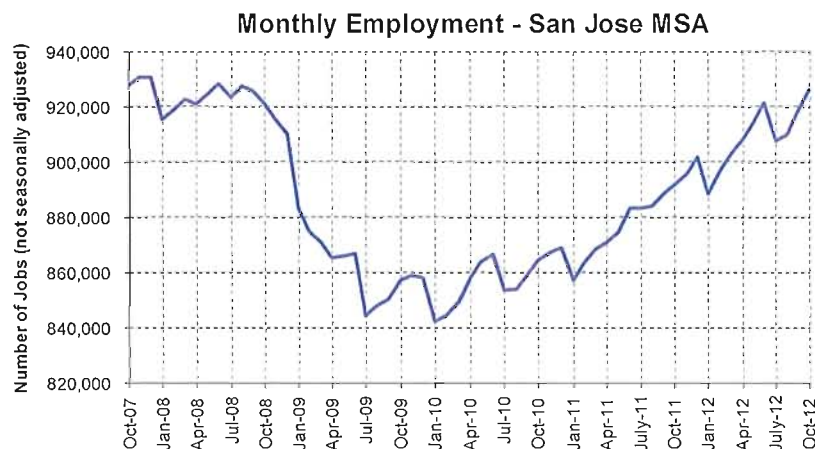
- Development-related revenues in the General Fund as well as the development-related taxes are continuing the strong performance that was experienced in 2011-2012 and are currently tracking to exceed the budgeted estimates. Construction and Conveyance Taxes are also experiencing solid growth and are also on track to exceed the budgeted estimate.
- The Norman Y. Mineta San José International Airport (SJC) has enplaned and deplaned 2.9 million passengers through the first four months of the fiscal year, an increase of 0.9% from the figures reported through October of the prior year compared to a flat passenger activity forecast.
- The Administration will continue to report to the City Council any and all significant developments through this reporting process.

**Economic Environment**

Almost all economic indicators reviewed as part of this report show improvement from the same period a year ago. Consumer confidence, employment indicators, residential, and industrial permit activity, median single-family home prices and days on market have all improved. The only indicator that lagged behind prior year levels in October was commercial permit activity, which is tracking at moderate levels, though lower than the prior year.

Consumer confidence rose from October to November 2012, and “is now at its highest level in more than four years” according to Lynn Franco, Director of Economic Indicators at the Consumer Conference Board. According to Lynn Franco: “This month’s moderate improvement was the result of an uptick in expectations, while consumers’ assessment of present-day conditions continues to hold steady. Over the past few months, consumers have grown increasingly more upbeat about the current and expected state of the job market, and this turnaround in sentiment is helping to boost confidence.”

The October 2012 employment level in the San José, Sunnyvale, Santa Clara Metropolitan Statistical Area (San José MSA) of 926,600 was 3.5% above the October 2011 level of 895,100, reflecting continued growth in this area.



**OVERVIEW (CONT'D.)**

The unemployment rates at the local, State, and national levels continue to show improvement. The unemployment rate for the San José Metropolitan Statistical Area dipped to 7.9% in September 2012, and has remained at that level through October. This rate represents a significant drop from August 2012, when the rate was 8.5%. It is also the lowest unemployment level seen in this MSA since December 2008. In this region, the October 2012 unemployment rate is less than the unadjusted unemployment rate for the State (9.8%), but remains above the nation, which has a current unadjusted unemployment rate of 7.5%.

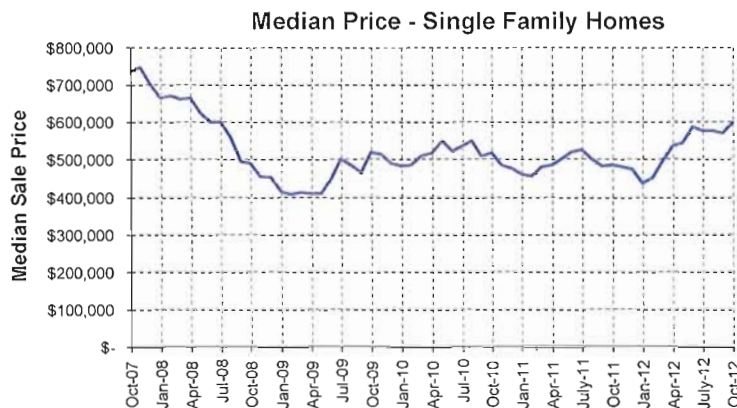
**Unemployment Rate (Unadjusted)**

	<b>Oct. 2011</b>	<b>Sept. 2012</b>	<b>Oct. 2012**</b>
San José Metropolitan Statistical Area*	9.4%	7.9%	7.9%
State of California	11.3%	9.7%	9.8%
United States	8.5%	7.6%	7.5%

\* San Benito and Santa Clara Counties  
 \*\* October 2012 estimates are preliminary and may be updated.  
 Source: California Employment Development Department.

Through October 2012 residential activity was strong, with 757 units issued compared to the prior year level of 49. Commercial activity through October was moderate, with permit valuation of \$62.1 million compared to \$79.5 million through the same period last year. Industrial permit activity is strong, with valuation of \$65.5 million through October, compared to \$59.9 million collected through the same period last year. New industrial permit activity reached its highest level in four years in October 2012.

The median single-family home price in October 2012 of \$599,000 is up 23.5% from the October 2011 price of \$485,000. This increase represents the highest median single-family home price in over four years. Further, the amount of time it is taking to sell these homes is dropping significantly. The average days-on-market for single-family and multi-family dwellings in October 2012 was 40 days, which is the lowest days experienced since July



2007. Finally, the number of property transfers in October 2012, 723, represents an increase of 10.2% when compared to the October 2012 number of sales, and the current year-to-date value is up almost 5% compared to the prior fiscal year.

As suggested by the growth in a number of economic indicators, the local economy continues to experience growth. Economic conditions will continue to be closely monitored and will be

## **OVERVIEW (CONT'D.)**

factored into the assessment of the City's performance in 2012-2013 as well as development of the 2014-2018 General Fund Forecast.

## **GENERAL FUND**

### **REVENUES**

General Fund revenues through October 2012 totaled \$262.3 million which represents a slight increase of \$403,000 (0.2% above) the October 2011 level of \$261.9 million. In both the current and the prior fiscal year, a large share of revenue through October can be attributed to borrowing proceeds from the Tax and Revenue Anticipation Notes (TRANS) issued for cash flow purposes (\$100 million annually in both fiscal years).

Despite the fact that revenues are essentially at the same level, a number of categories vary from year to year. Several categories are currently tracking above the prior year level, including Sales Tax, Licenses and Permits, Departmental Charges, Other Revenue, and Transfers and Reimbursements due to growth in these line items as well as the timing of payments. These higher levels of revenue are offset by categories with lower collection levels including: Franchise Fees, Utility Tax, Fines, Forfeits and Penalties, Revenue from the State, and Revenue from the Federal Government. The lower collection level is primarily the result of differences in the timing of payments or one-time payments and grants that occurred in 2011-2012 rather than declines attributed to actual activity levels.

After four months of the fiscal year, General Fund revenues are generally tracking to meet or in some areas exceed budgeted estimates. Based on current tracking and actual performance in 2011-2012, a number of revenue adjustments were approved in the 2011-2012 Annual Report, including a \$3.1 million increase in the Sales Tax estimate and a \$385,000 increase in the Transient Occupancy Tax revenue estimate. These increases were partially offset by a decrease in Revenue from Local Agencies estimate due to a reduction in projected reimbursement associated with the Grace Community Center Day Rehabilitation Program and a reduction to the Transfers and Reimbursements category of \$562,000, primarily reflecting a \$500,000 decrease to the Gas Tax revenue estimate based on lower actual 2011-2012 collections. Collections will continue to be carefully monitored over the coming year to determine if further adjustments to revenue estimates are necessary.

It should be noted that although there is no Economic Uncertainty Reserve in 2012-2013, there is a 2013-2014 Future Deficit Reserve in the amount of \$22.5 million. This reserve was established in the 2012-2013 Adopted Budget to address the projected General Fund shortfall in 2013-2014 as estimated in the February 2012 Five-Year Forecast.

<b>GENERAL FUND (CONT'D.)</b>
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The following discussion highlights General Fund revenue activities through October.

**KEY GENERAL FUND REVENUES**

Revenue	2012-2013 Estimate	YTD Actual	Prior YTD Collections
<b>Property Tax</b>	<b>\$ 202,925,000</b>	<b>\$ 12,827,516</b>	<b>\$ 12,943,341</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 October, \$12.8 million has been received, reflecting only 6.3% of the budget for this category. The slight decrease in collection compared to the prior year was primarily the result of lower Airplane In-Lieu Tax, partially offset by higher unsecured collections. Overall, Property Tax receipts are expected to meet budgeted levels but will be monitored closely.

As expected, no payments have been received through October for the Secured Property Tax. The 2012-2013 Adopted Budget estimate of \$185.36 million assumes a 1.3% increase from 2011-2012 estimated collection levels and was aligned with the June 2012 information provided by the Santa Clara County Assessor’s Office. Based on the 2011-2012 actual collections of \$184.0 million, growth of only 0.7% is needed to meet the 2012-2013 Adopted Budget level. The County of Santa Clara has provided an updated estimate for 2012-2013 Secured Property Tax of \$185.32 million, which is consistent with the 2012-2013 Adopted Budget estimate. The 2012-2013 collections are based on the value of property assessed on January 1, 2012, 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 of approximately \$46 million county-wide (excluding former redevelopment agency areas), which is higher than in prior years and higher than actual net downward adjustments experienced in 2011-2012 which were approximately \$40 million county-wide (excluding former redevelopment agency areas). This is a preliminary estimate from the County and will be adjusted during the year based on actual experience. Because tax roll adjustments are still occurring and will continue to take place until the end of May 2013, 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, collections through October totaled \$10.6 million, \$146,000 above the prior year level of \$10.4 million. Current actuals includes the final reconciliation of the 2011-2012 fiscal year (\$395,000). In 2011-2012, this true-up payment from the prior fiscal year totaled \$749,000. The 2012-2013 Adopted Budget estimate of \$11.5 million reflects estimated growth of approximately 3.0% from 2011-2012 collections. The most recent estimate from the County of Santa Clara for 2012-2013 remains slightly above this amount at \$11.6 million.

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

For the SB 813 Property Tax category, collections totaled \$273,000 through October as compared to the \$378,000 received last year at this time. Over the last few years, collections in this category had fallen significantly, due, in part, to a substantial number of refunds that were due to property owners as a result of declining home values. In 2011-2012, however, receipts of \$3.3 million reflected strong growth and were 194.8% above the 2010-2011 actuals of \$1.1 million and also exceeded the budgeted estimate of \$2.9 million. The 2012-2013 Adopted Budget assumed receipts would remain at the estimated 2011-2012 collection level of \$2.9 million. Based on higher than anticipated receipts in 2011-2012, collections can drop 11.2% in 2012-2013 and meet the budgeted estimate. The most recent estimate from the County, however, shows a larger decline of 27.3% with estimated receipts of \$2.4 million. Actual collection trends will be monitored to determine if an adjustment to this revenue estimate is necessary. It should be noted that collection levels in recent years remain well below the high of \$10.1 million received in 2005-2006 and below levels seen just a few years ago (e.g., \$8.0 million in 2006-2007 and \$7.9 million in 2007-2008).

Aircraft Property Tax receipts through October of \$2.0 million typically reflect 90% of the annual revenue for this category. If this historical trend continues, it is estimated that revenues will exceed the budgeted estimate of \$2.1 million by year end. It should be noted that the County of Santa Clara Assessor's Office currently estimates \$2.1 million, a 3.3% decline from 2011-2012 receipts of \$2.2 million.

Based on the latest estimate from the County, the Homeowners Property Tax Relief revenue is projected to total \$1.03 million in 2012-2013, which is slightly below the \$1.07 million currently budgeted for this category.

Revenue	2012-2013 Estimate	YTD Actual	Prior YTD Collections
<b>Sales Tax</b>	<b>\$ 155,820,000</b>	<b>\$ 18,707,028</b>	<b>\$ 17,208,965</b>

The Sales Tax category includes General Sales Tax and Proposition 172 Sales Tax. General Sales Tax receipts through October reflect the net impact of accruals necessary as part of the close of the 2011-2012 fiscal year as well as an advance payment for the first quarter. The current receipts do not reflect actual performance in 2012-2013. Information on the first quarter collections for this fiscal year will not be received until mid-December, however, it is anticipated that General Sales Tax revenues will meet or exceed the budgeted estimate of \$151.3 million. Proposition 172 Sales Tax information is received on a monthly basis and is tracking to exceed the budgeted estimate of \$4.5 million. Additional detail on these two sales tax categories is provided below.

General Sales Tax growth experienced in the last quarter of 2011-2012 of 9.9% was higher than the 3.5% growth assumed in the development of the 2012-2013 Adopted Budget. To reflect

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

additional revenue generated in that quarter (\$1.7 million) and the additional one-time revenue generated from the 2011-2012 triple-flip true up that will be received in January 2013 (\$1.4 million), the 2012-2013 Adopted Budget estimate was increased by \$3.1 million in the 2011-2012 Annual Report. This adjustment brings the General Sales Tax estimate to \$151.3 million, which is 1.3% above the 2011-2012 year-end figure of \$149.4 million. It is currently anticipated that underlying growth of at least 3% will be realized in 2012-2013 based on recent sales tax performance and current economic trends. If this growth is realized, an upward adjustment to the Sales Tax category will likely be brought forward during the year. Staff will continue to work closely with the City's Sales Tax consultant and will monitor receipts in the upcoming quarters to determine the amount of any recommended adjustment.

Through October, the Proposition 172 Sales Tax receipts of \$1.3 million are tracking 19.4% above the 2011-2012 collection level of \$1.1 million through the same period. Because the 2011-2012 receipts exceeded the estimate used to develop the 2012-2013 Adopted Budget, the 2012-2013 budgeted estimate of \$4.5 million allows for a decline of 3.0% from the prior year collection level of \$4.7 million. Based on 2011-2012 actual performance and current collection trends, it is anticipated that an upward adjustment to this category will be brought forward during the year.

Revenue	2012-2013 Estimate	YTD Actual	Prior YTD Collections
<b>Transient Occupancy Tax</b>	<b>\$ 9,100,000</b>	<b>\$ 2,344,731</b>	<b>\$ 2,207,102</b>

Through October 2012, receipts recorded in the General Fund of \$2.3 million are 6.2% above the prior year collection level for the same period. The 2012-2013 budget estimate assumes an increase of 5% from the 2011-2012 actual collections level. Based on current collection levels, it is anticipated that TOT receipts will achieve or exceed the budgeted revenue estimate of \$9.1 million by year-end; however, activity in this category can be volatile and will be closely monitored as the year progresses.

Through October, the average hotel occupancy rate at the 14 major hotels was 67.6%, a substantial improvement from the 61.5% occupancy rate for the same period in 2011-2012. For the same 14 hotels, the average daily room rate through October was \$133.67, up significantly from the \$121.10 room rate for the same period in 2011-2012. The year-to-date average revenue-per-available room (RevPAR) metric of \$90.28 represents an increase of 21.2% from the prior year level and is attributable to the combined effect of increased room rates and occupancy levels.

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

Revenue	2012-2013 Estimate	YTD Actual	Prior YTD Collections
<b>Utility Tax</b>	<b>\$ 91,855,000</b>	<b>\$ 20,377,371</b>	<b>\$ 23,216,511</b>

Through October, Utility Tax receipts of \$20.4 million are tracking 12.2% below last year's collection level of \$23.2 million due to differences in the timing of payments as well as lower collection levels. Based on current collection trends, overall, Utility Tax receipts are tracking slightly below budgeted estimates. The 2012-2013 budgeted estimate assumes an increase of 3.4% from the prior year once adjusted to exclude a \$1.6 million one-time settlement agreement payment received from Pacific Gas and Electric in 2011-2012. Downward adjustments to this category may be necessary and will be brought forward later in the fiscal year as appropriate.

In the Electric Utility Tax category, collections of \$8.4 million were tracking 24.4% below the prior year level of \$11.1 million through October. The majority of this decline is due to the timing of payments, however, receipts in September were also significantly below expected levels due to a refund that was processed by Pacific Gas and Electric (PG&E) for energy usage from April 2011 through June 2012. After adjusting for timing difference, Electric Utility Tax receipts are tracking 2.4% below the prior year. Growth of 3.8% is needed to meet the 2012-2013 budgeted estimate of \$40.6 million. Based on current collection levels, revenues may fall below this estimate by approximately \$300,000. Collections will continue to be monitored closely and adjustments brought forward as necessary.

In the Gas Utility Tax category, receipts of \$896,000 were tracking 39.1% below the prior year level of \$1.5 million through October. After adjusting for timing difference, Gas Utility Tax receipts are tracking 8.9% below the prior year. The 2012-2013 budgeted estimate of \$9.0 million requires growth of 2.4% from the actual 2011-2012 collection level. Actual collection in the Gas utility Tax area are subject to significant fluctuations from the impact of weather conditions and/or rate changes, therefore, 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. However, if current collection trends continue, receipts in this category may fall below budgeted levels by \$800,000.

Collections of \$3.4 million in the Water Utility category are tracking 18.5% above the prior year level of \$2.9 million. The 2012-2013 estimate of \$10.0 million was based on growth of 7.5% over the projected 2011-2012 collection level of \$9.3 million based on anticipated rate increases. However, because revenues in 2011-2012 ended the year above the estimated collection level, an increase of 4.9% is now needed to achieve the budgeted estimate. Based on receipts through October, collections are currently tracking to exceed the budgeted estimate by up to \$1.0 million. However, 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 \$7.7 million were tracking slightly below the prior year collection level of \$7.8 million. The 2012-2013 Adopted Budget estimate of \$32.3 million assumed a 1% increase from the 2011-2012 estimated collection level. However, because 2011-2012 actual collections of \$31.4 million fell slightly below the estimate used to develop the 2012-2013 Adopted Budget, growth of 2.7% is needed to meet the 2012-2013 budgeted estimate. Given the recent collection trends in this category, a downward adjustment to the revenue estimate may also be necessary in 2012-2013.

Revenue	2012-2013 Estimate	YTD Actual	Prior YTD Collections
<b>Business Taxes</b>	<b>\$ 40,850,000</b>	<b>\$ 11,826,832</b>	<b>\$ 11,766,225</b>

This category consists of the following: Business Tax, Cardroom Tax, Marijuana Business Tax, and Disposal Facility Tax. Through October, overall collections of \$11.8 million are tracking at the prior year collection level and are anticipated to exceed budgeted amounts by year end. If current collection trends continue, it is anticipated that an upward adjustment to this revenue category will be recommended later in the fiscal year.

Cardroom Tax receipts of \$3.9 million through October were 6.9% (\$253,000) above the prior year level of \$3.7 million. This increase from the prior year primarily reflects a spike in activity resulting from the opening of Casino M8trix in August 2012. Growth of 2.1% over the 2011-2012 actual collection level is needed to meet the 2012-2013 budgeted estimate of \$15.3 million. If current collection trends continue, Cardroom Tax revenues are tracking to exceed the budgeted estimate. Revenues will continue to be monitored closely and any adjustments will be brought forward for City Council consideration as more data is available.

Marijuana Business Tax receipts of \$1.2 million are tracking well above the \$913,000 collected during the same period last year. Based on current collection trends and actual collections of \$3.7 million in 2011-2012, Marijuana Business Tax revenue is currently tracking to exceed the 2012-2013 budgeted estimate of \$3.6 million by \$300,000. However, there is some uncertainty regarding this program and the potential impacts from any federal actions. Staff will continue to closely monitor this revenue category and may bring forward any recommended adjustments later in the fiscal year if appropriate.

Business Tax receipts of \$4.6 million were 5.0% above the prior year level of \$4.4 million. No growth from the prior year, however, is necessary to meet the budgeted estimate of \$11.3 million. The positive collection trend in this category reflects the gradual economic recovery as well as efforts by the Finance Department to maximize the receipt of this tax. Additionally, on October 23, 2012, the City Council approved a Business Tax Amnesty Program that is also expected to increase receipts in this category. Based on current collection trends and the implementation of the Amnesty Program, revenues are anticipated to meet or exceed the 2012-

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

2013 budgeted estimate. Once the results of the Amnesty Program are known, any necessary revenue estimate adjustment will be brought forward.

Disposal Facility Tax revenue of \$2.1 million through October is tracking 24.2% below the prior year level of \$2.8 million. The decrease reflects differences in the timing of collections and does not indicate that revenues will end the year lower than expected. Revenue collected through October reflects only billings through September. Once adjusted for these timing discrepancies, Disposal Facility Taxes are anticipated to exceed the budget estimate by approximately \$500,000. The 2012-2013 Adopted Budget estimate of \$10.7 million was built on the assumption that revenues would fall slightly from an estimated collection level of \$10.8 million in 2011-2012 as waste diversion was expected to continue to reduce receipts in this category. However, because actual 2011-2012 collections of \$11.2 million were higher than anticipated, receipts can fall 4.2% in 2012-2013. Actual receipts, once adjusted for timing differences, are 2.8% below the prior year level.

Revenue	2012-2013 Estimate	YTD Actual	Prior YTD Collections
<b>Licenses and Permits</b>	<b>\$ 37,930,977</b>	<b>\$ 14,686,237</b>	<b>\$ 14,030,871</b>

This category includes Building Permits, Fire Permits, and Other Licenses and Permits. Through October, Licenses and Permits revenue of \$14.7 million are tracking 4.7% above the prior year level of \$14.0 million. The 2012-2013 budget estimate, however, allows for a decline of 13.5% from the actual 2011-2012 collection level. Development-related activity experienced very strong growth in 2011-2012 and has continued its solid performance in 2012-2013. If current collection trends continue, an upward adjustment to this revenue category, primarily offset by development fee-related expenditures or increases to development fee reserves, may be brought forward during 2012-2013.

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

Building Permit revenues of \$7.8 million through October is tracking 6.9% above the 2011-2012 collection level of \$7.3 million for the same period and above the budgeted estimate. The 2012-2013 budgeted revenue estimate allows for a 20.9% drop in this category. All revenue categories are tracking above estimated levels. Strong revenue receipts are being driven by an increase in residential and industrial permits, offset by slow commercial activity. It is anticipated that Building Permit revenues will exceed the budget estimate.

Through October, Fire Permit collections of \$3.71 million are tracking within estimated levels and 1.5% above the prior year receipts of \$3.66 million. The Development Fee Program revenue collections of \$1.8 million are tracking slightly above (2%) budgeted levels of \$5.2 million. The Non-Development Fee Program revenue collections of \$1.9 million are also tracking slightly

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

above (2%) budgeted levels of \$4.1 million. At this time, receipts in this category are expected to meet the budgeted estimate of \$9.3 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 \$3.2 million are tracking slightly above the 2011-2012 collection level of \$3.1 million and are tracking above estimated levels. The 2012-2013 budgeted estimate allows for a decline of 4.9% from the prior year, primarily reflecting a drop in the estimated cardroom regulation fee revenue due to changes in the delivery of the regulatory program, and a lower estimate for the vacant/dangerous buildings permits. The vacant/dangerous buildings permit revenue, however, continues to track above estimated levels and the cardroom permit revenue is also exceeding the budgeted estimate.

Revenue	2012-2013 Estimate	YTD Actual	Prior YTD Collections
<b>Departmental Charges</b>	<b>\$ 32,126,081</b>	<b>\$ 13,037,556</b>	<b>\$ 11,718,650</b>

Through October, Departmental Charges revenues of \$13.0 million are tracking 11.3% above the 2011-2012 collection level of \$11.7 million. The 2012-2013 Adopted Budget estimate, however, allows for a decline of 6.3% from the prior year actual receipts. The increase from the prior year reflects growth in several departmental charges categories including: Public Works; Planning; Parks, Recreation, and Neighborhood Services; Library; and Miscellaneous Departmental Charges, partially offset by lower collections in the Police and Transportation Departmental Charges categories. If current collection trends continue, overall Departmental Charges revenues should exceed the budgeted estimate by year-end.

Development-related revenues are currently tracking ahead of the prior year collection levels and are expected to meet or exceed the budgeted estimates. Through October, Planning Fee revenue of \$991,000 is 18.4% above the prior year collection level of \$837,000. The \$2.6 million adopted Planning Fee revenue estimate, however, allows for a drop of 9.2% from the prior year actuals. Overall Planning fee revenue collections are tracking within estimated levels and it is anticipated that they will achieve, and may exceed, the budget estimate.

Public Works revenues through October of \$2.6 million are tracking 18.6% above the prior year level of \$2.2 million. 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 few months of 2012-2013. Non-residential revenues are performing at anticipated levels. At this time, collections are projected to meet the budgeted revenue estimate of \$5.7 million in the Public Works Fee Program. Due to the volatile nature of these revenues, the City Budget Office and Public Works Department will continue to monitor both development and utility revenues closely.

<b>GENERAL FUND (CONT'D.)</b>
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**EXPENDITURES**

Through October, General Fund expenditures (without encumbrances) of \$246.5 million were 4.7% above the prior year level of \$235.6 million. This increase from the prior year is primarily due to higher City-wide expenditures (\$12.5 million), Transfers (\$3.7 million), and capital improvements (\$3.0 million), partially offset by lower departmental expenditures (personal services and non-personal/equipment down \$8.3 million). The increase in City-wide expenditures compared to 2011-2012 is due to the timing of a convention center lease payment of \$12.3 million, which took place earlier in 2012-2013. The lower departmental expenditures are primarily a result of lower Personal Services (\$8.2 million) expenditures, particularly in the Police (\$4.5 million) and Fire (\$1.9 million) Departments, which are discussed in greater detail below.

Encumbrances of \$39.4 million were 5.5% above the prior year level of \$37.3 million. Expenditures and encumbrances (\$285.9 million) through October constitute 25.5% of the total 2012-2013 revised budgeted uses of funds (\$1.1 billion, including reserves; or 28.3% of budgeted uses of funds of \$1.0 billion, excluding reserves). Overall, expenditures are tracking within estimated levels through October.

Through October, a few departments are tracking slightly above the budgeted estimate in personal services expenditures, including the Public Works, Transportation, and Environmental Services Departments. It is anticipated that the majority of these higher expenditures will be addressed by reallocating costs to the appropriate funds supported by these departments. As the year progresses, expenditures will continue to be monitored closely to ensure they remain within budgeted levels.

In the City-Wide Expenses category, almost all line items are tracking within estimated levels through October. The Workers' Compensation expenditures, however, are currently tracking above the budgeted estimate as discussed in more detail below.

**KEY GENERAL FUND EXPENDITURES**

Department	2012-2013 Budget	YTD Actual	Prior YTD Actual
<b>Police</b>	<b>\$ 297,652,580</b>	<b>\$ 79,006,070</b>	<b>\$ 83,390,903</b>

On an overall basis, Police Department expenditures are tracking slightly below estimated levels. Overall, Personal Services expenditures of \$75.0 million tracked under anticipated levels (27.6% compared to the par of 28.8%). However, overtime expenditures of \$5.3 million through October tracked slightly above anticipated levels (or 28.8%) with 30.8% expended. The increased overtime was primarily being used to backfill for vacant patrol positions, expand targeted enforcement in response to high crime activity related to gangs through suppression

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

cars, and provide funding to continue backgrounding efforts on an overtime basis until a contract is in place. Several actions approved as part of the 2011-2012 Annual Report increased the Department's overtime funding by \$3.9 million (from \$13.3 million to \$17.2 million) to ensure the Department has sufficient overtime resources in 2012-2013, based on recent increases in crime activity and discussions that occurred as part of the City Council Study Session on Public Safety on September 18, 2012.

In addition to monitoring the overtime earned for pay, the Department also closely monitors overtime earned for compensatory time. The Police Department limits how much overtime can be earned for pay versus compensatory time. The compensatory time balance at the end of October 2012 was 166,833 hours for sworn personnel. This represents a slight increase of 1,761 hours (1%) from the August 2012 balance of 165,072, and a 2,440 hour decrease (1.5%) compared to the October 2011 balance of 164,393.

It should be noted that, as of October, the Department had 1,107 authorized sworn staff, of which there were 12 sworn vacancies (1.1%) and 71 positions that were not filled with street ready personnel (6.4%). In order to fill vacant sworn positions, the Department is budgeted to conduct two Police Officer Recruit Academies; one started in September 2012, and another is scheduled to start in April 2013. At the end of October, the Department had 44 recruits in the September 2012 academy plus an additional 15 direct hire officers that completed an academy elsewhere and were eligible to immediately begin the Field Training Officer program. The direct hires will be street ready in December 2012, and the recruits will be street ready in May 2013.

A total of \$7.6 million (28.6%) of the Department's Non-Personal/Equipment budget was expended or encumbered through October. Excluding the remaining balances for centrally-determined details, including electricity, gas, and vehicle operation and replacement, the Department has approximately \$8.7 million, or 67.4% 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	2012-2013 Budget	YTD Actual	Prior YTD Actual
<b>Fire</b>	<b>\$154,386,634</b>	<b>\$43,174,887</b>	<b>\$ 44,959,271</b>

Overall, expenditures for the Fire Department were tracking within estimated levels through October, with 28.9% expended. Personal Services expenditures through October tracked within budgeted levels with \$41.4 million expended (28.3% compared to the par of 28.8%). The Fire Department's Non-Personal/Equipment budget of \$8.2 million was 39.6% expended or encumbered through October but is expected to end the year within the budgeted allocation.

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

Although personal services expenditure levels tracked within par, primarily due to the amount of time necessary to hire the SAFER 2011 Firefighters, overtime expenditures of \$2.3 million are tracking above estimated levels (42.0% compared to the par of 28.8%). Based on historical tracking, a larger portion of the overtime budget is typically expended through October. Expenditures this year however, are above historical levels due in part to the daily deployment of Engine 29 and corresponding increase in overtime usage. Engine 29 was included as part of the flexible brown-out program, however, it continues to be activated on a daily basis to assist in mitigating the impact of the temporary relocation of Fire Station 5 personnel to Fire Station 34. Fire Station 5 has been temporarily closed while urgent repairs are completed. The Fire Department continues to implement overtime control measures specifically as it relates to activities not related to filling minimum staffing requirements. In addition, on a daily basis, the Fire Department staff continues to monitor minimum staffing to bring overtime within budget. The Budget Office along with the Fire Department will continue to monitor activity to ensure the department remains within its Personal Services appropriation.

Through October, the Fire Department was staffed with 171 filled Firefighter Paramedic positions (158 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 October was 35. The authorized number of 33 sworn administrative staff was exceeded due to the temporary administrative assignment of 1.0 Firefighter and 1.0 Fire Captain to assist with the October Firefighter Recruit Academy.

Department	2012-2013 Budget	YTD Actual	Prior YTD Actual
<b>City-Wide Expenses</b>	<b>\$262,661,834</b>	<b>\$ 29,302,030</b>	<b>\$ 16,809,885</b>

The City-Wide Expenses category includes funding related to multiple departments including one-time funds for specific projects or grants. Through October, expenditures in this category totaled \$29.3 million, or 11.2% of the modified budget, excluding encumbrances. Overall, City-Wide Expenses are tracking within estimated levels. However, Workers' Compensation claims costs are currently tracking above estimated levels and may exceed the budget by approximately \$500,000 to \$1.5 million, primarily due to higher Fire Department claims.

The City currently self-insures and self-administers the Workers' Compensation Program. Through October, workers' compensation expenditures of \$6.2 million were tracking 39.8% above the prior year level of \$4.5 million. The 2012-2013 budget of \$17.3 million, however,

<b>GENERAL FUND (CONT'D.)</b>
-------------------------------

allows for growth of only 5.6% from the actual 2011-2012 expenditure level of \$16.3 million. Based on the data in the workers' compensation claims tracking system, the number of claims through the first four months of the fiscal year was up 14.2% when compared to the first four months of last fiscal year and the average cost per claim was up 22.1%. While this data captures different information than is reflected in the city-wide workers' compensation appropriations (for instance, it includes workers' compensation costs that are charged to the departmental appropriations as well as the City-Wide appropriations), it provides a good understanding of the overall workers' compensation trends. It is important to note that there can be significant expenditure variances from month to month, and the preliminary claims costs for November do show improvement.

In the Fire Department, claims expenditures through October of \$2.3 million were up 51.4% from the prior year, while a drop of 4.1% is needed to meet the 2012-2013 budgeted estimate of \$5.7 million. Fire medical costs have increased 82% (\$574,000) compared to last year as a result of a spike in the severity of injuries requiring surgery, hospital stays, and prescription drugs. In addition, permanent disability claims have increased by 37% (\$222,000) compared to last year. The workers' compensation tracking system reflected a 26.9% increase in the number of claims through October when compared to the same time period last fiscal year and the average cost per claim was up 32.2%. The Fire Department is developing a comprehensive and aggressive modified duty program to enhance the early return to work of employees on disability leave to help control costs. The Fire Safety Committee is prioritizing the review of injury trends, safety prevention, and overall injury reduction.

It should be noted that legislation was enacted in September 2012 that will increase permanent disability benefits effective January 1, 2013. Overall permanent disability benefits are projected to rise by approximately 30%-40% and will impact new claims that occur after January 1<sup>st</sup>. These additional costs may be partially offset by savings generated from the potential reduction in legal actions filed over compensation. Given the legislation applies to new claims only, the impacts are expected to be realized over time. The Administration will analyze these impacts and will factor any expenditure changes into future cost estimates.

The Budget Office and the Human Resources Department will continue to closely monitor the Workers' Compensation appropriations and will bring forward recommended budget adjustments, as necessary, to ensure sufficient funding is available.

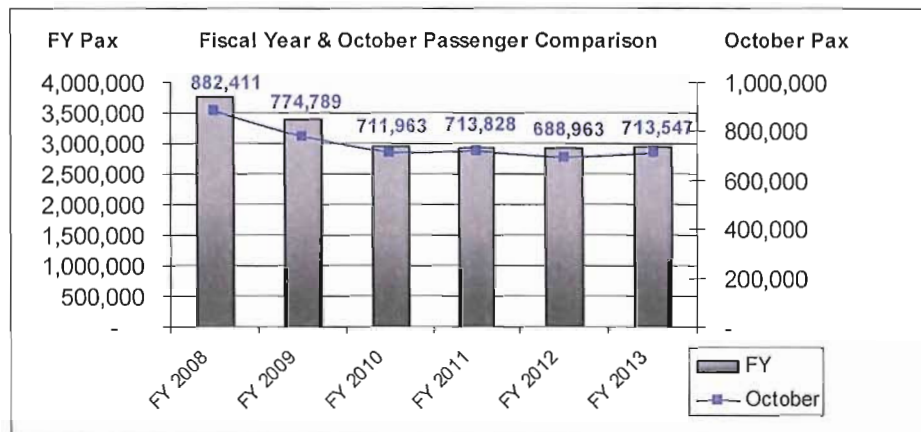
**CONTINGENCY RESERVE**

The General Fund Contingency Reserve remains at \$29.3 million through October, with no revisions recommended.

**OTHER FUNDS**

**Airport Funds**

On a fiscal year-to-date basis, the Norman Y. Mineta San José International Airport (SJC) has enplaned and deplaned 2.9 million passengers, an increase of 0.9% from the figures reported through October of the prior year. Traffic Operations (landings and takeoffs) trail the prior year by 1.5% and Landed Weights by 2.1%. Taxicab operations exceed last fiscal year by 1.0%, parking exits by 2.1%, and gallons of aviation fuel sold by 2.0%. Passenger Facility Charge (PFC) revenues were 1.2% above the same period of the prior year. Fiscal year-to-date mail, freight and cargo totaled 27.5 million pounds, which represents a 5.1% decrease through October of 2011-2012.



Overall, revenue performance at the Airport through October tracked above the budgeted estimate by 3.0%. Airline rates and charges, primarily landing fees and terminal rentals, tracked slightly above budgeted estimate, as did airfield revenues. Public parking also exceeded the estimated budget by 9% and the rental car concession revenues were tracking at 7% higher than the prorated budget. The higher collections in these areas were partially offset by slightly lower than anticipated receipts in the terminal concessions and miscellaneous rents category as well as the other general and non-aviation categories.

Through October, both the Airport Customer Facility and Transportation Fee Fund and Airport Maintenance and Operation Fund expenditures tracked below budgeted levels. Personal Services expenditures were 27.7% of budget compared to the benchmark of 28.8%, while Non-personal/Equipment expenditures (excluding encumbrances) were 17.2% of budget in the Airport Operation and Maintenance Fund and 21.1% in the Airport Customer Facility and Transportation Fee Fund compared to the benchmark of 27.9%. The Administration will continue to closely monitor and report activity, revenue and expenditure status.



**OTHER FUNDS (CONT'D.)****Construction and Conveyance Tax Funds**

Continuing the trend experienced since mid 2011-2012, Construction and Conveyance (C&C) Tax revenues are experiencing growth compared to receipts from the prior fiscal year. Collections through October 2012 totaled \$7.3 million, which is 34.8% of the 2012-2013 estimate of \$21.0 million. This collection level is up 28.1% from the \$5.7 million received through October 2011. Furthermore, the City has also received November Conveyance Tax receipts, which total \$2.9 million. This figure is more than double the revenues of \$1.4 million that were received in November 2011. Based on the stronger than anticipated revenue collections at the end of 2011-2012, the 2012-2013 Adopted Budget estimate of \$21.0 million now represents a 21.0% decline from the actual 2011-2012 collection level. Given the strong performance in this category, it is anticipated that an upward adjustment to this revenue estimate will be brought forward during 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 (sales). As discussed in the Overview/Economic Environment section of this report, the strong performance in the housing market supports the higher collections in the C&C Tax receipts.

**Other Construction-Related Revenues**

Through October, revenues associated with construction activity (primarily Construction Excise Tax and Building and Structure Construction Tax) are up from 2011-2012 levels through the same period. Residential construction permit activity is significantly higher than prior year levels (757 units in 2012-2013 vs. 49 in 2011-2012). While valuation for new construction is higher than the prior year, valuation for alteration activity is essentially flat year over year. Overall permit valuation for industrial activity is also higher than the October 2011 level (\$65.5 million in 2012-2013 vs. \$59.9 million in 2011-2012), and is attributable to the first of two four-story parking garages at Cisco's 3.3 million square-foot "Site 4" campus. While industrial new construction activity valuation is up, gains in this category are partially offset by decreased alteration activity as compared to the prior year. Overall commercial activity is down from the October 2011 level, with new construction activity slightly outpacing the prior year (\$13.3 million in 2012-2013 vs. \$11.0 million in 2011-2012), and alterations significantly lower than October 2011 (\$48.8 million vs. \$68.6 million). 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 October totaled \$3.3 million. This collection level is up by 23.1% (\$620,000) from prior year actuals through October. To meet the 2012-2013 budget estimate of \$10.0 million, receipts can actually decline 20.6% from the 2011-2012 collection level of \$12.6 million. If the current performance continues,

## OTHER FUNDS (CONT'D.)

it is anticipated that revenues will exceed the budgeted estimate by year-end and an adjustment to this revenue estimate may be brought forward during 2012-2013, as appropriate.

- *Construction Excise Tax* – Receipts through October totaled \$4.1 million. This collection level is up by 20.5% (\$697,000) from prior year actuals through October. To meet the 2012-2013 budget estimate of \$13.0 million, receipts can actually decline by 27.8% from the 2011-2012 collection level of \$18.0 million. If the current performance continues, it is anticipated that revenues will exceed the budgeted estimate by year-end and an upward adjustment to this revenue estimate may be brought forward during 2012-2013, as appropriate.

### 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 October, revenues and associated non-personal/equipment expenses are tracking higher than budget.

Revenues through October are tracking above anticipated levels. While operating revenues of \$2.3 million have been recognized, additional operating revenues of \$3.0 million have been reported by TSJ but not yet recognized in the fund. Year-to-date collections (\$5.3 million) are significantly higher than the TSJ forecasted level of \$2.5 million, and TSJ anticipates that year-end revenues will exceed the Adopted Budget estimate of \$11.5 million due to activity that was not assumed in the Adopted Budget estimate. Through October, Team San José projects that actual revenue collections could exceed the budgeted revenue estimate by as much as \$5.9 million. The positive revenue performance is primarily attributable to unanticipated food and beverage and contract labor activity. Any increases in revenue will be largely offset by increased expenditures.

Expenditures in the Convention Facilities Operations appropriation (formerly Non-Personal/Equipment) through October (\$7.0 million) are higher than the TSJ-forecasted level of \$4.8 million. The variance is primarily associated with higher than anticipated contract labor and food and beverage activity levels, as described above. Expenditures in this appropriation will be carefully monitored, and a recommendation to increase the appropriation is likely to be included in the 2012-2013 Mid-Year Budget Review. Any increase to the appropriation is anticipated to be offset by an increase to the revenue estimate. All other appropriations within the fund are tracking within anticipated levels.

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 2012-2013 Adopted Budget assumed an Ending Fund Balance of \$2.3 million, and actions included in the 2011-2012 Annual Report reduced that figure to \$2.1 million. Activity through October indicates that the Ending Fund Balance will not be negatively impacted by decreased activity levels, and the fund remains on pace to meet the City Council-approved goal of retaining \$1.5 million at the end of the expansion/renovation project.

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

**Transient Occupancy Tax Fund**

Through October 2012, receipts recorded in the TOT Fund of \$3.5 million are 6.6% above the prior year collection level for the same period. The 2012-2013 budget assumes an increase of 5% from the 2011-2012 actual collections level. Based on current collection levels, it is anticipated that TOT receipts will achieve or exceed the budgeted revenue estimate of \$13.7 million by year-end; however activity in this volatile category will be actively monitored as the year progresses.

The 2012-2013 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.

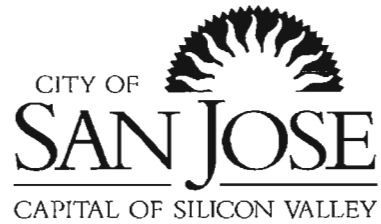
Through October, the average hotel occupancy rate at the 14 major hotels was 67.6%, a substantial improvement from the 61.5% occupancy rate for the same period in 2011-2012. For the same 14 hotels, the average daily room rate through October was \$133.67, up significantly from the \$121.10 room rate for the same period in 2011-2012. The year-to-date average revenue-per-available room (RevPAR) metric of \$90.28 represents an increase of 21.2% from the prior year level and is attributable to the combined effect of increased room rates and occupancy levels.

**CONCLUSION**

Through October, the City's funds are generally performing within budgeted expectations. The 2012-2013 Adopted Budget was built on the assumption that the economic recovery would continue in 2012-2013 with modest growth. Actual collection trends support this assumption, with some of the categories exceeding expectations. The development-related fees and taxes as well as the property-related Construction and Conveyance Taxes are continuing the strong performance that was experienced in 2011-2012 and are currently tracking to exceed the budgeted estimates.

In the 2011-2012 Annual Report, a number of adjustments to the 2012-2013 revenue estimates and expenditure budgets in the General Fund as well as other special and capital funds were approved. These adjustments were based on actual 2011-2012 performance as well as updated information. Any additional adjustments resulting from 2012-2013 performance will be brought forward during the year, with the majority of these adjustments presented as part of the 2012-2013 Mid-Year Budget Review or the 2012-2013 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 Four Months Ended October 31, 2012  
Fiscal Year 2012-2013  
(*UNAUDITED*)

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**Finance Department, City of San José**  
**Monthly Financial Report**  
**Financial Results for the Four Months Ended October 31, 2012**  
**Fiscal Year 2012-2013**  
*(UNAUDITED)*

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**Finance Department, City of San José**  
**Monthly Financial Report**  
**Financial Results for the Four Months Ended October 31, 2012**  
**Fiscal Year 2012-2013**  
*(UNAUDITED)*

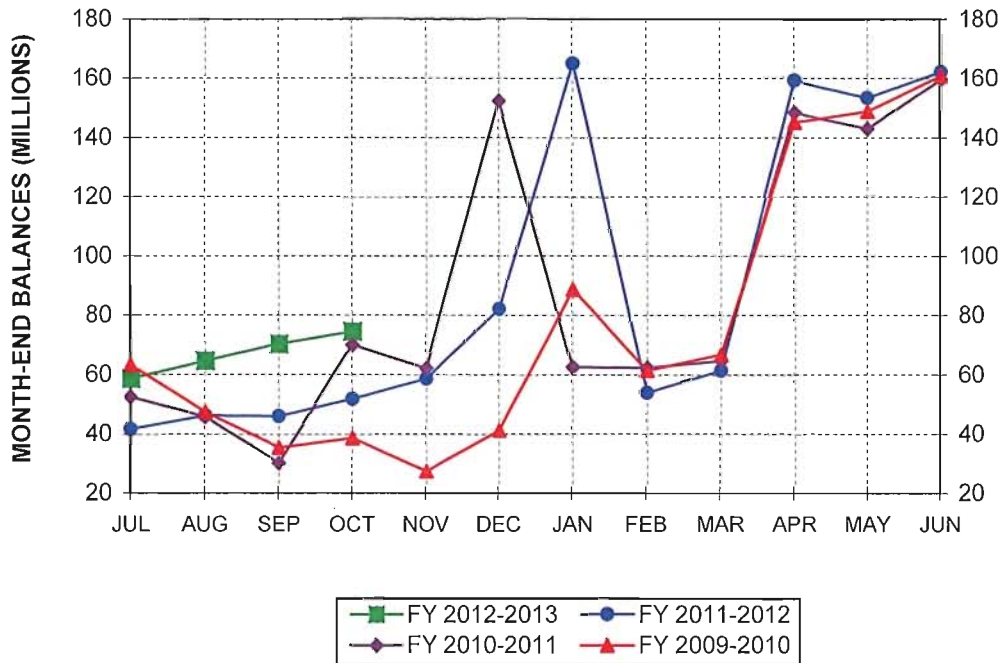
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Submitted by:

  
JULIA H. COOPER  
Acting Director, Finance Department

## GENERAL FUND Comparison of Cash Balances



## GENERAL FUND MONTHLY CASH BALANCES

MONTH	FY 2012-2013	FY 2011-2012	FY 2010-2011	FY 2009-2010
JULY (1)	\$ 58,791,632	\$ 41,946,493	\$ 52,614,304	\$ 63,344,537
AUGUST	64,647,700	46,502,235	45,992,983	47,689,216
SEPTEMBER	70,484,194	46,218,737	30,525,385	35,662,298
OCTOBER	74,756,262	52,097,481	70,246,706	38,946,966
NOVEMBER		58,833,627	62,333,059	27,736,074
DECEMBER (2)		82,304,186	152,493,162	41,491,217
JANUARY (3)		164,958,541	62,749,463	88,749,418
FEBRUARY (3)		54,118,810	62,572,017	61,606,869
MARCH		61,586,562	64,768,564	66,979,823
APRIL (4)		159,137,277	148,465,097	145,213,763
MAY		153,526,766	143,186,930	149,064,276
JUNE		162,325,519	159,719,466	161,013,785

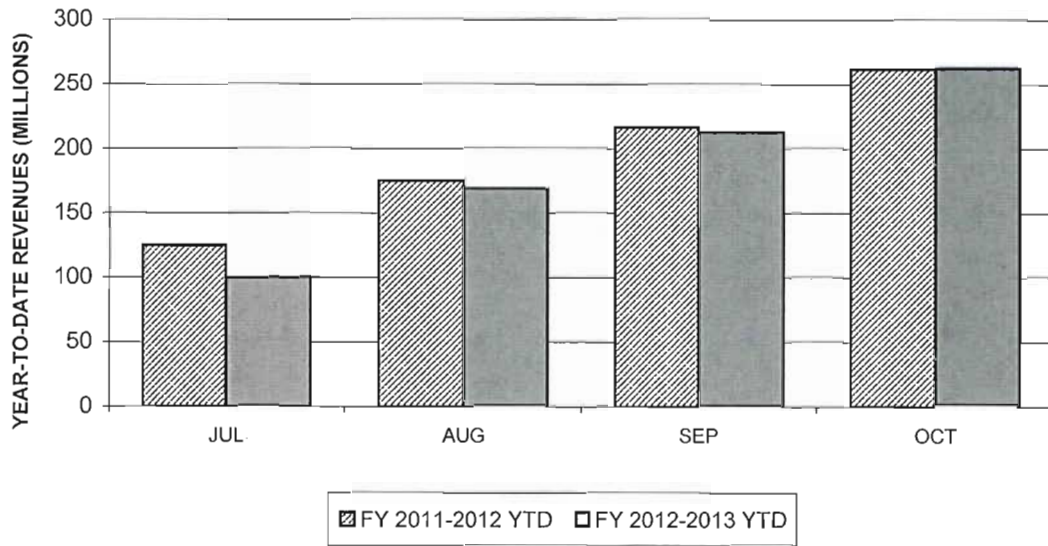
Note: (1) The General Fund cash balance decreases each July mainly due to the Council's direction to annually pre-fund the employer share of retirement contributions in a lump-sum to achieve budgetary savings to the City.

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. These revenues are typically posted in January each year.

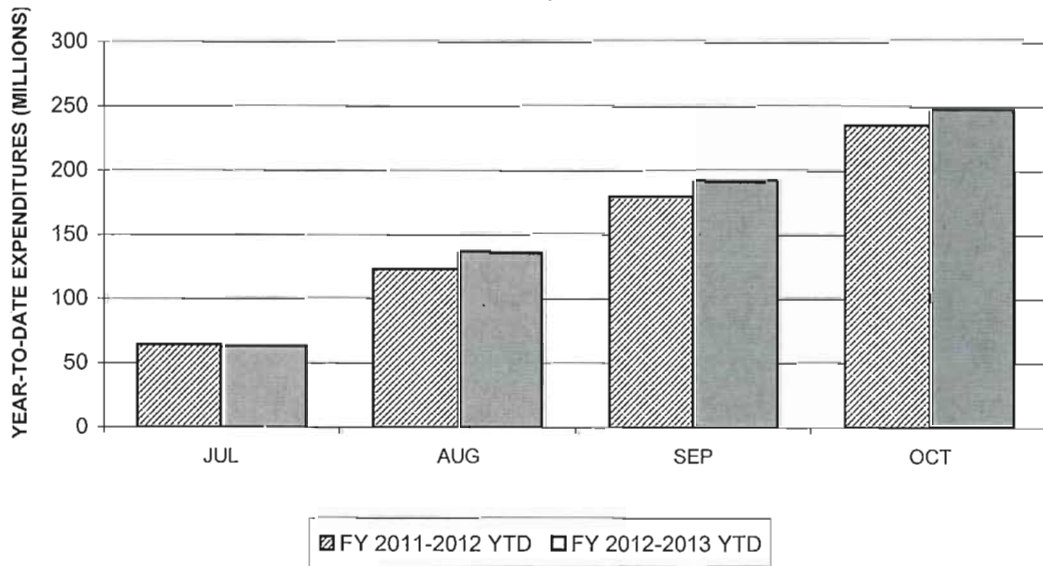
Note: (3) The General Fund cash balance decrease in January 2011 and February 2012 was mainly due to the repayment of the Tax and Revenue Anticipation Notes (TRANS) in the amount of \$75 million and \$100 million, respectively.

Note: (4) The General Fund cash balance increases each April mainly due to the receipt of the second annual installment of property taxes from Santa Clara County.

**GENERAL FUND  
Comparison of YTD Revenues  
Actual**

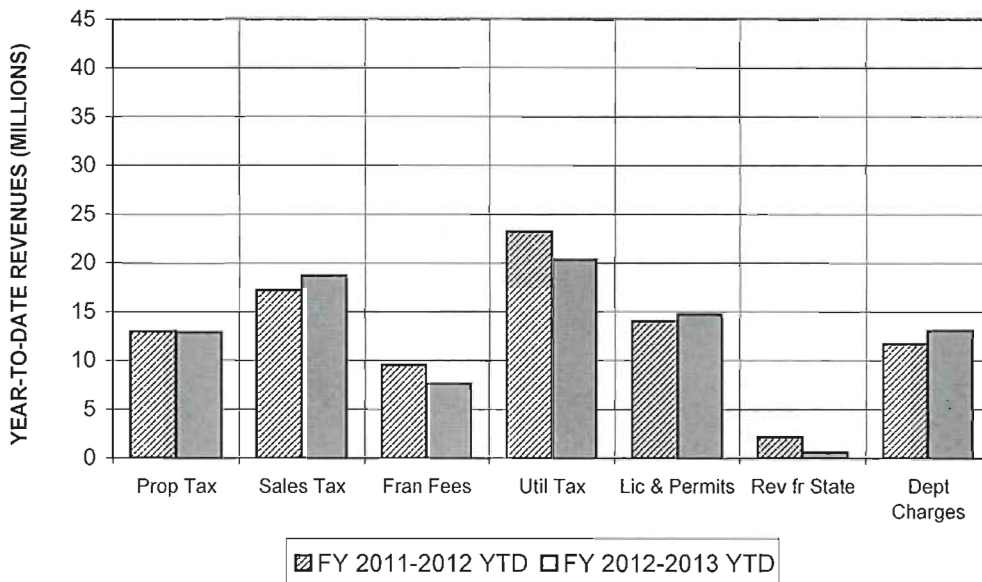


**GENERAL FUND  
Comparison of YTD Expenditures  
Actual**

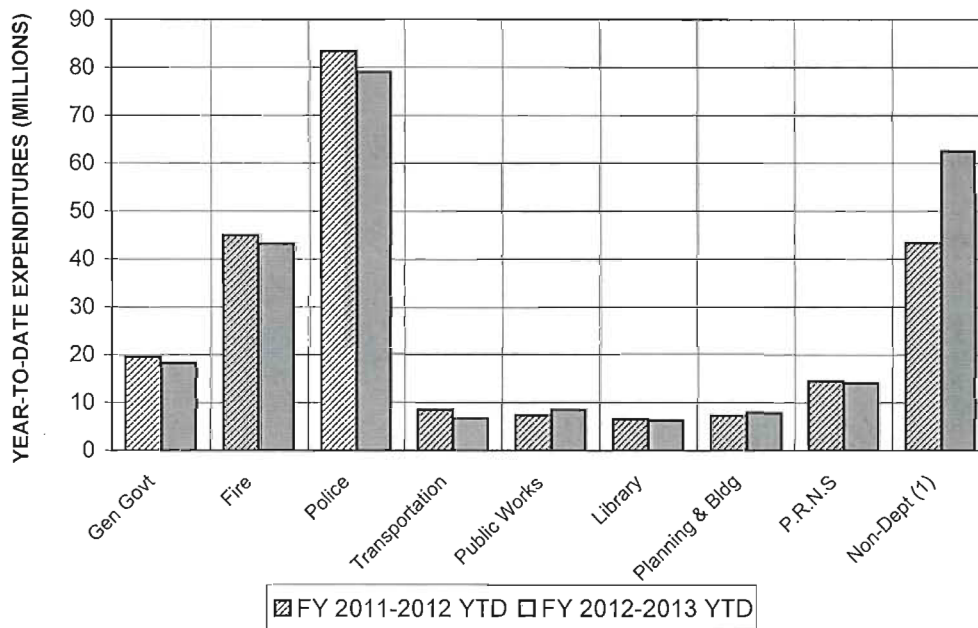




**GENERAL FUND MAJOR REVENUES**  
**Comparison of YTD Actual vs. Prior YTD Actual**  
**For the Four Months Ended October 31, 2012**



**GENERAL FUND MAJOR EXPENDITURES**  
**Comparison of YTD Actual vs. Prior YTD Actual**  
**For the Four Months Ended October 31, 2012**



(1) Non-Departmental year-over-year variance in August 2012 is mainly due to the City's payment to the Successor Agency of the Redevelopment Agency (SARA) for the principal and first interest installment of the 2001F bond payment. This Convention Center Lease expenditure was not reflected in the prior year until June 2012.

**CITY OF SAN JOSE**  
**GENERAL FUND SOURCE AND USE OF FUNDS**  
**FUND BALANCE, REVENUE, TRANSFERS & REIMBURSEMENTS**  
**FOR THE FOUR MONTHS ENDED OCTOBER 31, 2012**  
*(UNAUDITED)*  
*(\$'000's)*

	ADOPTED FY 2012-2013 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2012-2013 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	\$ -	-	19,420	19,420	19,420	100.00%	20,603	116.69%	17,656	(1,183)	-5.74%
Liquidation of c/o Encumbrance	-	-	-	-	-	-	-	-	-	-	-
Available Balance	155,467	12,833	-	168,300	168,300	100.00%	137,324	99.85%	137,537	30,976	22.56%
<b>Total Fund Balance</b>	<b>155,467</b>	<b>12,833</b>	<b>19,420</b>	<b>187,720</b>	<b>187,720</b>	<b>100.00%</b>	<b>157,927</b>	<b>101.76%</b>	<b>155,193</b>	<b>29,793</b>	<b>18.87%</b>
<b>General Revenues</b>											
Property Tax	202,925	-	-	202,925	12,828	6.32%	12,943	6.42%	201,712	(115)	-0.89%
Sales Tax (1)	152,680	3,140	-	155,820	18,707	12.01%	17,209	11.17%	154,027	1,498	8.70%
Telephone Line Tax	20,525	-	-	20,525	5,116	24.93%	5,174	25.20%	20,529	(58)	-1.12%
Transient Occupancy Tax	8,715	385	-	9,100	2,345	25.77%	2,207	24.57%	8,984	138	6.25%
Franchise Fees	43,625	-	-	43,625	7,599	17.42%	9,542	22.88%	41,709	(1,943)	-20.36%
Utility Tax	91,855	-	-	91,855	20,377	22.18%	23,217	25.69%	90,383	(2,840)	-12.23%
Business Taxes	40,550	300	-	40,850	11,827	28.95%	11,766	28.60%	41,134	61	0.52%
Licenses and Permits	37,813	122	-	37,935	14,699	38.75%	14,031	32.01%	43,838	668	4.76%
Fines, Forfeits and Penalties	16,708	-	-	16,708	4,865	29.12%	5,040	27.45%	18,358	(175)	-3.47%
Use of Money and Property	2,911	-	-	2,911	1,150	39.51%	1,208	39.50%	3,058	(58)	-4.80%
Revenue from Local Agencies	29,250	1,638	-	30,888	1,564	5.06%	1,979	6.59%	30,017	(415)	-20.97%
Revenue from State of Cal.	10,747	401	-	11,148	577	5.18%	2,149	14.90%	14,419	(1,572)	-73.15%
Revenue from Federal Government	16,611	5,520	-	22,131	1,349	6.10%	1,569	7.96%	19,700	(220)	-14.02%
Departmental Charges (2)	32,126	-	-	32,126	13,037	40.58%	11,719	34.19%	34,276	1,318	11.25%
Other Revenues	16,270	130,057	-	146,327	109,340	74.72%	107,497	92.49%	116,221	1,843	1.71%
<b>Total General Revenues</b>	<b>723,311</b>	<b>141,563</b>	<b>-</b>	<b>864,874</b>	<b>225,380</b>	<b>26.06%</b>	<b>227,250</b>	<b>27.11%</b>	<b>838,365</b>	<b>(1,870)</b>	<b>-0.82%</b>
<b>Transfers &amp; Reimbursements</b>											
Overhead Reimbursements	32,349	-	-	32,349	23,047	71.24%	22,869	70.49%	32,441	178	0.78%
Transfers from Other Funds	18,998	210	-	19,208	9,806	51.05%	9,111	41.97%	21,706	695	7.63%
Reimbursements for Services	15,685	(500)	-	15,185	4,030	26.54%	2,630	17.01%	15,459	1,400	53.23%
<b>Total Transfers &amp; Reimburse</b>	<b>67,032</b>	<b>(290)</b>	<b>-</b>	<b>66,742</b>	<b>36,883</b>	<b>55.26%</b>	<b>34,610</b>	<b>49.72%</b>	<b>69,606</b>	<b>2,273</b>	<b>6.57%</b>
<b>Total Sources</b>	<b>\$ 945,810</b>	<b>154,106</b>	<b>19,420</b>	<b>1,119,336</b>	<b>449,983</b>	<b>40.20%</b>	<b>419,787</b>	<b>39.48%</b>	<b>1,063,164</b>	<b>30,196</b>	<b>7.19%</b>

(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 2012-2013 negative cumulative impact through October 2012 is approximately \$5.4 million.  
(2) - See Supplemental Schedule on Page 7.

**CITY OF SAN JOSE**  
**GENERAL FUND SOURCE AND USE OF FUNDS**  
**EXPENDITURES**  
**FOR THE FOUR MONTHS ENDED OCTOBER 31, 2012**  
*( UNAUDITED )*  
*( \$000's )*

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		CUR YTD	PRIOR	PRIOR YTD %	PRIOR YEAR-END	CUR YTD LESS PRIOR YTD ACTUAL(1)	% CHANGE
	FY 2012-2013	BUDGET		FY 2012-2013	ACTUAL	ENCUMBR	ACTUAL %	YTD	OF PRIOR	BUDGETARY		CUR YTD ACTUAL
	BUDGET	AMENDMENTS		BUDGET	ACTUAL	ENCUMBR	OF BUDGET	ACTUAL(1)	YEAR-END	BASIS		LESS PRIOR YTD
<b>General Government</b>												
Mayor and Council	\$ 11,022	(219)	33	10,836	2,375	62	21.92%	2,519	29.76%	8,463	(144)	-5.72%
City Attorney	12,114	(8)	188	12,294	2,983	196	24.26%	3,264	30.13%	10,832	(281)	-8.61%
City Auditor	2,011	(2)	6	2,015	531	6	26.35%	536	30.10%	1,781	(5)	-0.93%
City Clerk	2,069	(1)	7	2,075	480	18	23.13%	471	28.34%	1,662	9	1.91%
City Manager	10,759	24	538	11,321	2,645	875	23.36%	2,727	28.13%	9,696	(82)	-3.01%
Finance	12,276	411	394	13,081	3,304	817	25.26%	3,256	29.80%	10,927	48	1.47%
Information Technology	13,362	76	2,066	15,504	2,603	2,460	16.79%	3,393	28.39%	11,953	(790)	-23.28%
Human Resources	5,982	(3)	66	6,045	1,482	590	24.52%	1,518	28.29%	5,365	(36)	-2.37%
Independent Police Auditor	1,066	(1)	1	1,066	261	1	24.48%	256	27.41%	934	5	1.95%
Office of Economic Development	5,255	(2)	311	5,564	1,550	1,146	27.86%	1,635	36.63%	4,464	(85)	-5.20%
Total General Government	75,916	275	3,610	79,801	18,214	6,171	22.82%	19,575	29.62%	66,077	(1,361)	-6.95%
<b>Public Safety</b>												
Fire	151,324	2,515	548	154,387	43,175	1,485	27.97%	44,959	29.23%	153,790	(1,784)	-3.97%
Police	294,753	1,193	1,707	297,653	79,006	3,509	26.54%	83,391	28.89%	288,670	(4,385)	-5.26%
Total Public Safety	446,077	3,708	2,255	452,040	122,181	4,994	27.03%	128,350	29.01%	442,460	(6,169)	-4.81%
<b>Capital Maintenance</b>												
Transportation	25,906	(10)	728	26,624	6,676	1,698	25.08%	8,509	35.14%	24,218	(1,833)	-21.54%
Public Works	30,600	(239)	294	30,655	8,505	2,569	27.74%	7,341	27.68%	26,523	1,164	15.86%
Total Capital Maintenance	56,506	(249)	1,022	57,279	15,181	4,267	26.50%	15,850	31.24%	50,741	(669)	-4.22%
<b>Community Service</b>												
Housing	254	-	-	254	59	-	23.23%	-	0.00%	-	59	100.00%
Library	24,031	(171)	133	23,993	6,279	479	26.17%	6,560	29.93%	21,920	(281)	-4.28%
Planning, Bldg & Code Enf.	33,927	(21)	219	34,125	7,846	1,027	22.99%	7,245	28.13%	25,759	601	8.30%
Park, Rec & Neigh Svcs	49,381	957	402	50,740	14,100	5,218	27.79%	14,455	30.75%	47,003	(355)	-2.46%
Environmental Services	428	11	26	465	142	25	30.54%	238	61.18%	389	(96)	-40.34%
Total Community Services	108,021	776	780	109,577	28,426	6,749	25.94%	28,498	29.98%	95,071	(72)	-0.25%
Total Dept. Expenditures	\$ 686,520	4,510	7,667	698,697	184,002	22,181	26.34%	192,273	29.38%	654,349	(8,271)	-4.30%

(1) Does not include encumbrance balance.

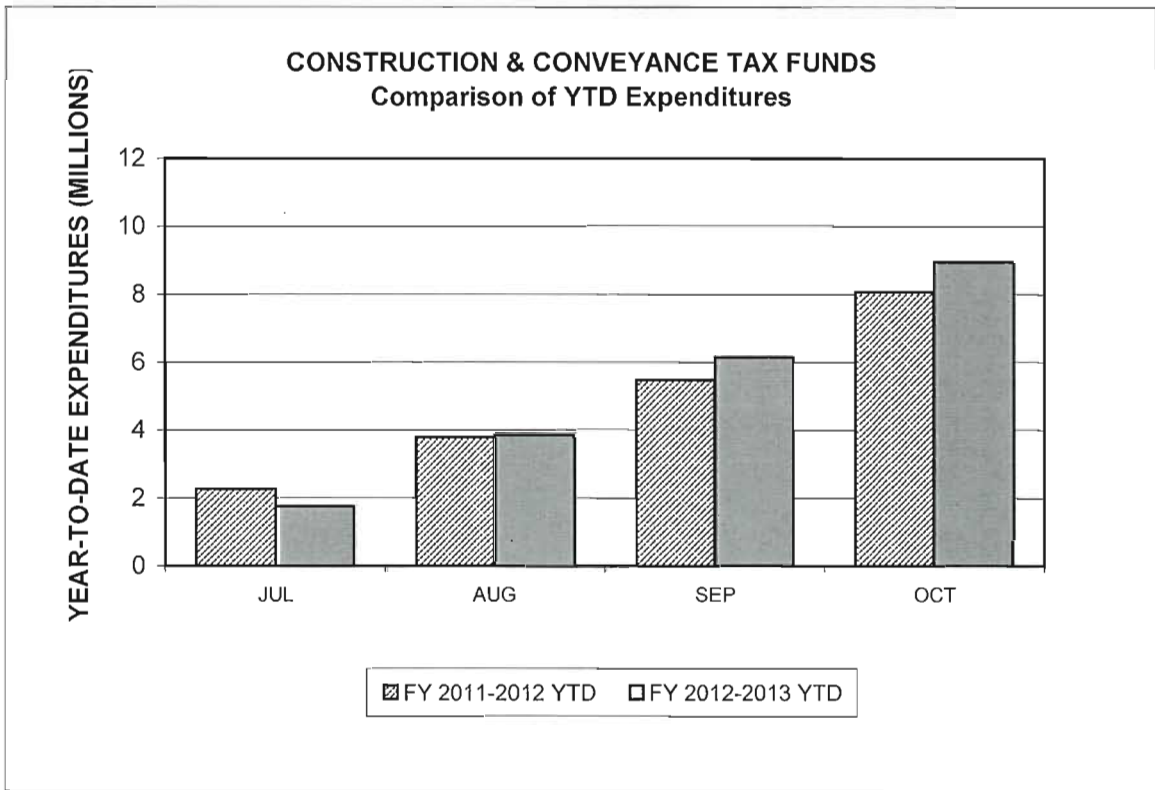
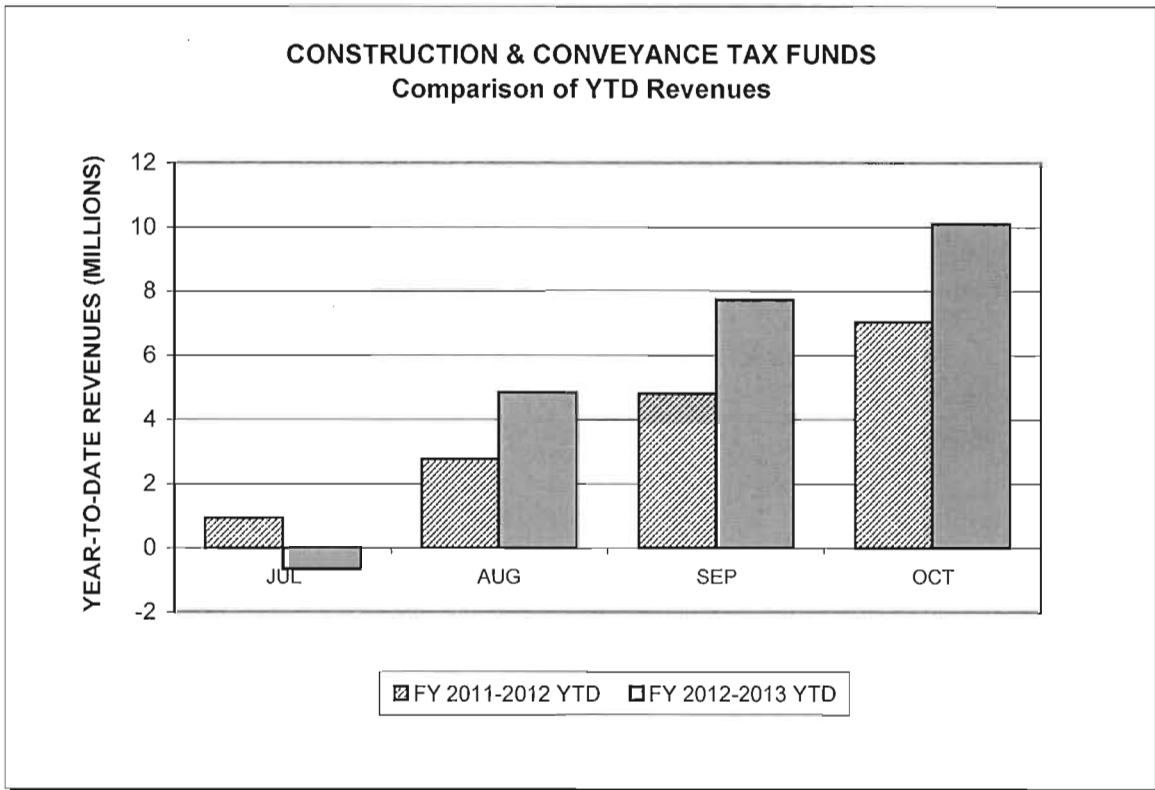
**CITY OF SAN JOSE  
GENERAL FUND SOURCE AND USE OF FUNDS  
EXPENDITURES  
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2012  
( UNAUDITED )  
( \$000's )**

	ADOPTED FY 2012-2013 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2012-2013 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
<b>Non-Dept Expenditures</b>												
City-wide Expenditures:												
Econ & Neighborhood Develop.	\$ 21,744	575	278	22,597	14,371	2,352	63.60%	2,193	9.48%	23,126	12,178	555.31%
Environmental & Utility Services	5,951	466	63	6,480	1,366	988	21.08%	1,513	28.03%	5,398	(147)	-9.72%
Public Safety	19,815	1,971	794	22,580	6,601	189	29.23%	5,965	26.64%	22,390	636	10.66%
Recreation & Cultural Services	7,592	1,155	215	8,962	1,290	3,327	14.39%	1,775	22.26%	7,975	(485)	-27.32%
Transportation Services	7,776	-	259	8,035	1,040	584	12.94%	1,136	24.63%	4,612	(96)	-8.45%
Strategic Support	46,985	140,850	5,992	193,827	4,634	8,062	2.39%	4,189	3.39%	123,744	445	10.62%
<b>Total City-wide Expenditures</b>	<b>109,863</b>	<b>145,017</b>	<b>7,601</b>	<b>262,481</b>	<b>29,302</b>	<b>15,502</b>	<b>11.16%</b>	<b>16,771</b>	<b>8.96%</b>	<b>187,245</b>	<b>12,531</b>	<b>74.72%</b>
Other Non-Dept Expenditures:												
Capital Contributions	15,640	919	4,152	20,711	4,508	1,692	21.77%	1,518	27.25%	5,571	2,990	196.97%
Transfers to Other Funds	39,387	(10,374)	-	29,013	28,699	-	98.92%	25,095	83.04%	30,222	3,604	14.36%
Other Operating Expenditures	-	180	-	180	-	-	0.00%	-	0.00%	-	-	0.00%
<b>Total Non-Dept Expenditures</b>	<b>164,890</b>	<b>135,742</b>	<b>11,753</b>	<b>312,385</b>	<b>62,509</b>	<b>17,194</b>	<b>20.01%</b>	<b>43,384</b>	<b>19.45%</b>	<b>223,038</b>	<b>19,125</b>	<b>44.08%</b>
<b>Reserves</b>												
Contingency Reserves	29,309	-	-	29,309	-	-	0.00%	-	0.00%	-	-	0.00%
Earmarked Reserves	65,091	13,854	-	78,945	-	-	0.00%	-	0.00%	-	-	0.00%
<b>Total Reserves</b>	<b>94,400</b>	<b>13,854</b>	<b>-</b>	<b>108,254</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Total Uses</b>	<b>\$ 945,810</b>	<b>154,106</b>	<b>19,420</b>	<b>1,119,336</b>	<b>246,511</b>	<b>39,375</b>	<b>22.02%</b>	<b>235,657</b>	<b>26.86%</b>	<b>877,387</b>	<b>10,854</b>	<b>4.61%</b>

(1) Does not include encumbrance balance.

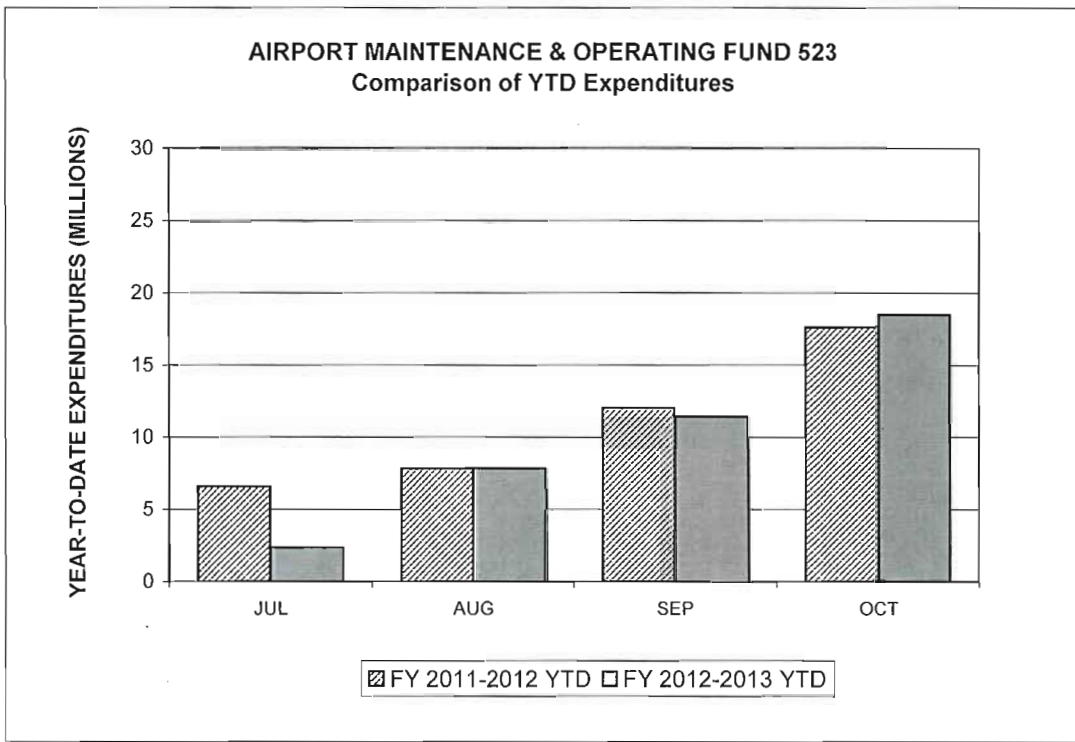
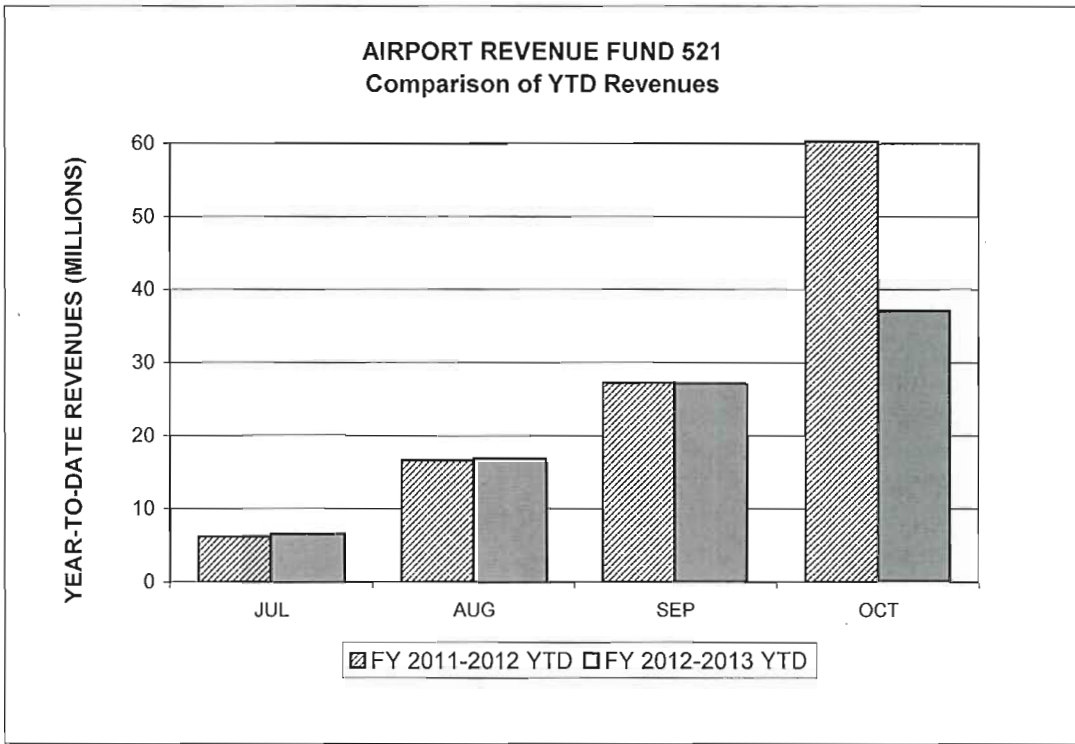
CITY OF SAN JOSE  
GENERAL FUND SOURCE AND USE OF FUNDS  
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2012  
SUPPLEMENTAL SCHEDULE - DEPARTMENTAL REVENUES  
(UNAUDITED)  
(\$000's)

	ADOPTED FY 2012-2013 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2012-2013 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	\$ 1,436	-	-	1,436	346	24.09%	576	37.99%	1,516	(230)	-39.93%
Public Works	5,650	-	-	5,650	2,573	45.54%	2,169	29.87%	7,261	404	18.63%
Transportation	1,135	-	-	1,135	383	33.74%	437	33.75%	1,295	(54)	-12.36%
Library	1,305	-	-	1,305	199	15.25%	(3)	-0.26%	1,173	202	6733.33%
Planning, Bldg & Code Enf	2,600	-	-	2,600	1,008	38.77%	837	29.01%	2,885	171	20.43%
Parks Rec & Neigh Svcs	14,460	-	-	14,460	6,572	45.45%	5,866	40.04%	14,652	706	12.04%
Miscellaneous Dept Charges	5,540	-	-	5,540	1,956	35.31%	1,837	33.44%	5,494	119	6.48%
<b>Total Departmental Revenues \$</b>	<b>32,126</b>	<b>-</b>	<b>-</b>	<b>32,126</b>	<b>13,037</b>	<b>40.58%</b>	<b>11,719</b>	<b>34.19%</b>	<b>34,276</b>	<b>1,318</b>	<b>11.25%</b>



Negative Revenues in July 2012 were caused by the reversal of FY 2011-2012 year-end accrued revenues that exceeded the amount of actual year-end revenues.

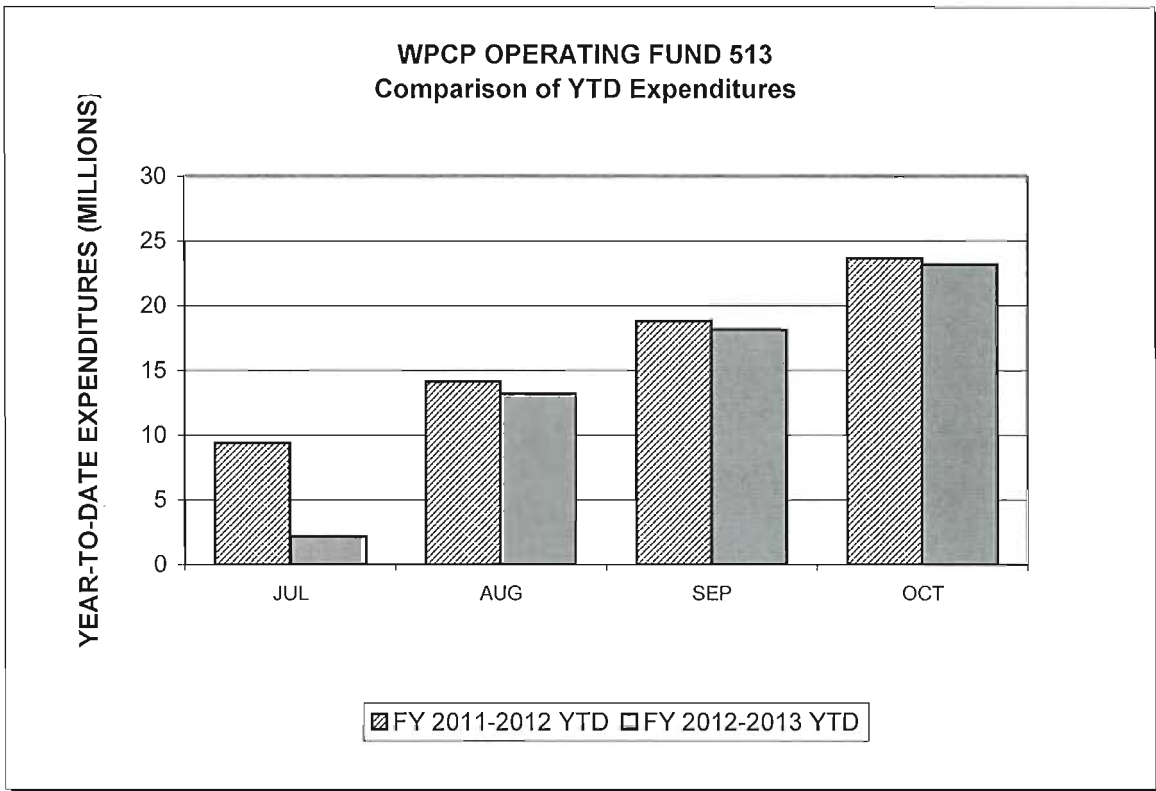
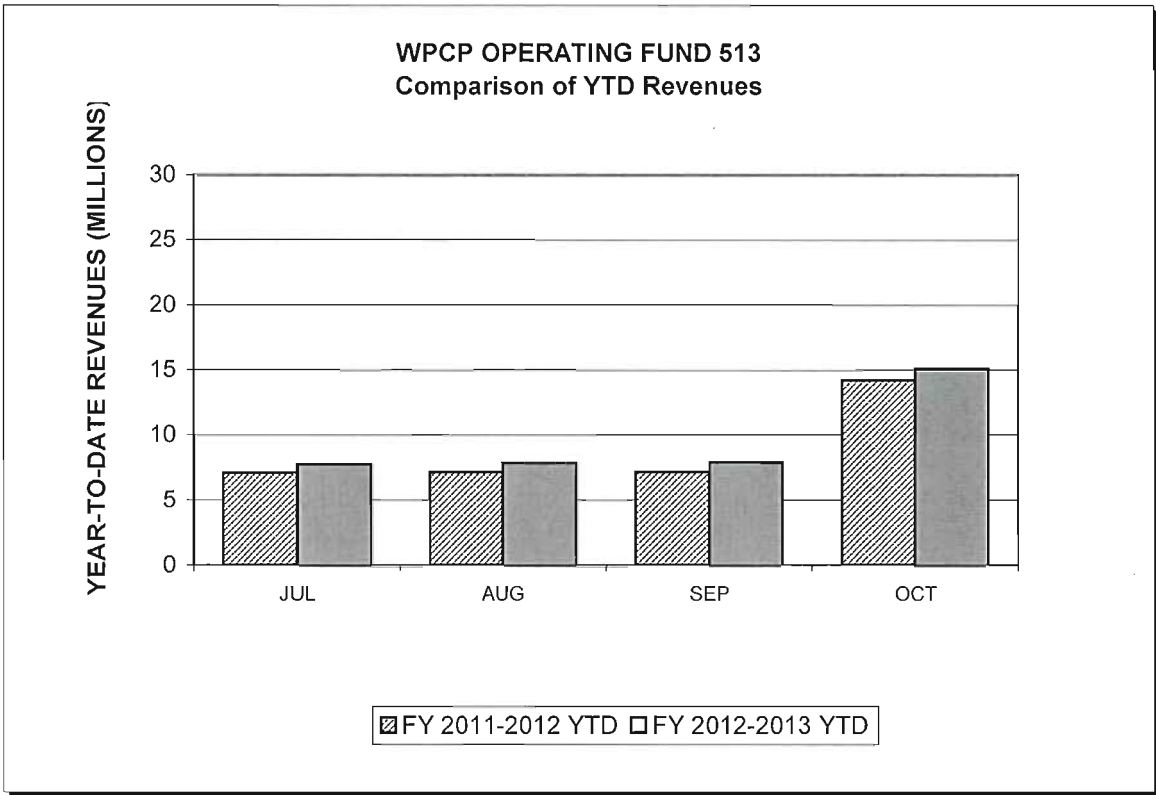
Increase in Revenues between August 2012 and October 2012 is due to the \$1.42 million increase in Conveyance Tax Collections and \$1.49 million increase in transfers from other funds.



Airport Revenues include the reimbursement of \$22.2 million in October 2011 for previously paid expenditures from the proceeds of the City's Airport Revenue Bonds, Series 2007A (AMT), pursuant to the Proceeds Allocation Certificate executed on September 30, 2011.

Low Expenditures in July 2012 were caused by a combination of two factors: 1) the reversal of FY 2011-2012 year-end accrued expenditures that exceeded the amount of actual year-end expenditures and 2) the timing of the payment of July expenditures in August.

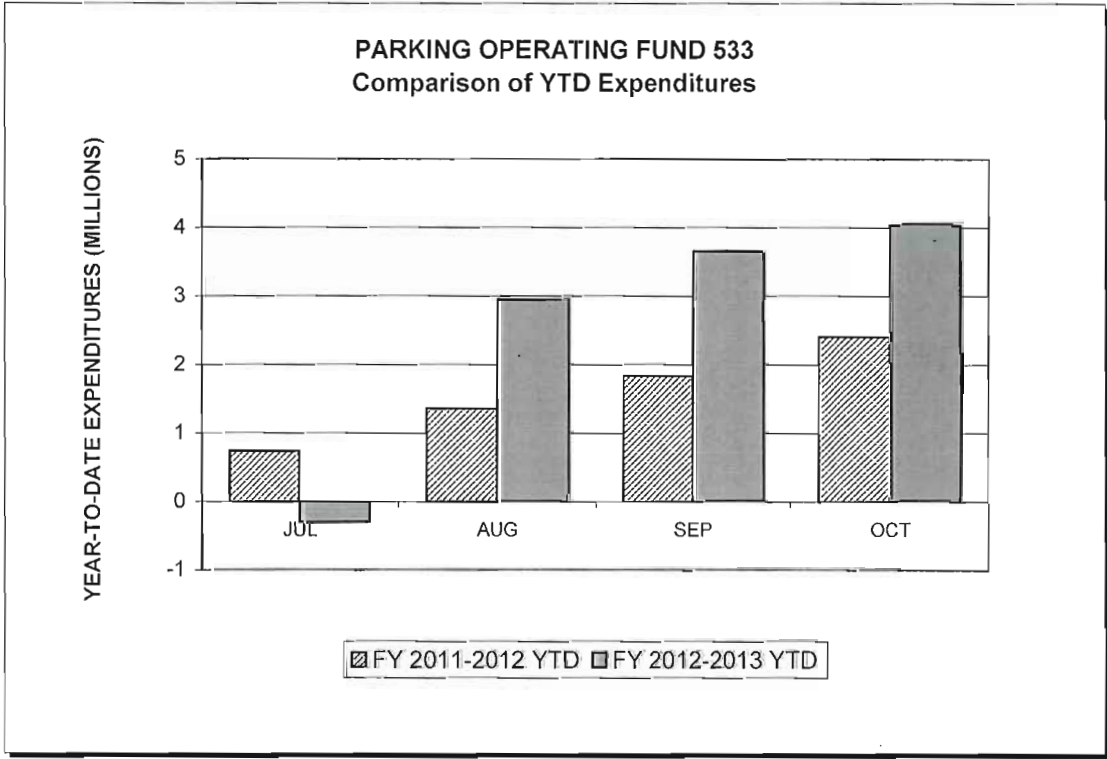
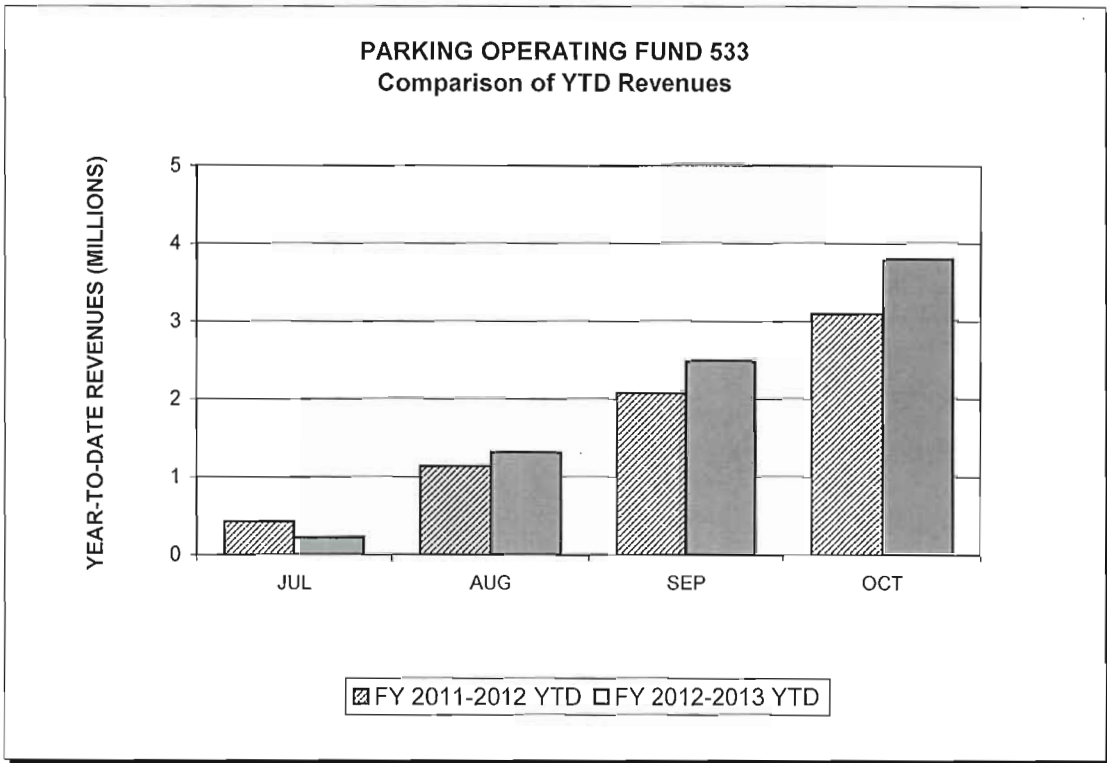
Note: The graphs above include the airport revenue fund (521) and operating fund (523) only.



Low Expenditures in July 2012 were caused by a combination of two factors: 1) the reversal of FY 2011-2012 year-end accrued expenditures that exceeded the amount of actual year-end expenditures and 2) the timing of the payment of July expenditures in August.

Note: The graphs above are only for the WPCP operating fund (513).





Negative Expenditures in July 2012 were caused by the reversal of FY 2011-2012 year-end accrued expenditures that exceeded the amount of actual year-end expenditures.

The increase in Parking Expenditures in August 2012 was due to a payment made to the Successor Agency of the Redevelopment Agency that was used to pay the debt service on the Series 2001A bond.

Note: The graphs above are only for the Parking operating fund (533).

**CITY OF SAN JOSE  
SPECIAL FUNDS  
SOURCE AND USE OF FUNDS  
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2012  
(UNAUDITED)  
(\$'000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2012-2013	BUDGET		FY 2012-2013	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET	ACTUAL	ENCUMBR	ACTUAL
<b>Construction/Conveyance Tax</b>							
Prior Year Encumbrance	\$ -	-	4,475	4,475	4,475	N/A	7,964
Beginning Fund Balance	52,553	21,944	-	74,497	74,497	N/A	70,875
Revenues	27,346	10,818	-	38,164	10,094	N/A	7,040
<b>Total Sources</b>	<b>79,899</b>	<b>32,762</b>	<b>4,475</b>	<b>117,136</b>	<b>89,066</b>	<b>N/A</b>	<b>85,879</b>
<b>Total Uses</b>	<b>79,899</b>	<b>32,762</b>	<b>4,475</b>	<b>117,136</b>	<b>8,956</b>	<b>9,055</b>	<b>8,068</b>
<b>Airport (1)</b>							
Prior Year Encumbrance	-	-	8,996	8,996	8,996	N/A	13,253
Beginning Fund Balance	370,663	(32,092)	-	338,571	338,571	N/A	423,647
Revenues	340,377	(5,240)	-	335,137	70,470	N/A	97,846
<b>Total Sources</b>	<b>711,040</b>	<b>(37,332)</b>	<b>8,996</b>	<b>682,704</b>	<b>418,037</b>	<b>N/A</b>	<b>534,746</b>
<b>Total Uses</b>	<b>711,040</b>	<b>(37,332)</b>	<b>8,996</b>	<b>682,704</b>	<b>55,505</b>	<b>30,567</b>	<b>55,453</b>
<b>Waste Water Treatment (2)</b>							
Prior Year Encumbrance	-	-	32,678	32,678	32,678	N/A	45,271
Beginning Fund Balance	246,362	32,958	-	279,320	279,320	N/A	242,538
Revenues	275,183	-	-	275,183	160,118	N/A	161,115
<b>Total Sources</b>	<b>521,545</b>	<b>32,958</b>	<b>32,678</b>	<b>587,181</b>	<b>472,116</b>	<b>N/A</b>	<b>448,924</b>
<b>Total Uses</b>	<b>521,545</b>	<b>32,958</b>	<b>32,678</b>	<b>587,181</b>	<b>60,087</b>	<b>49,169</b>	<b>60,140</b>
<b>Parking</b>							
Prior Year Encumbrance	-	-	712	712	712	N/A	1,005
Beginning Fund Balance	11,524	1,783	-	13,307	13,307	N/A	10,712
Revenues	10,456	669	-	11,125	3,782	N/A	3,097
<b>Total Sources</b>	<b>21,980</b>	<b>2,452</b>	<b>712</b>	<b>25,144</b>	<b>17,801</b>	<b>N/A</b>	<b>14,814</b>
<b>Total Uses</b>	<b>\$ 21,980</b>	<b>2,452</b>	<b>712</b>	<b>25,144</b>	<b>4,036</b>	<b>4,114</b>	<b>2,408</b>
<b>Municipal Water</b>							
Prior Year Encumbrance	\$ -	-	1,288	1,288	1,288	N/A	1,705
Beginning Fund Balance	13,545	2,036	-	15,581	15,581	N/A	15,206
Revenues	31,803	-	-	31,803	15,302	N/A	13,934
<b>Total Sources</b>	<b>45,348</b>	<b>2,036</b>	<b>1,288</b>	<b>48,672</b>	<b>32,171</b>	<b>N/A</b>	<b>30,845</b>
<b>Total Uses</b>	<b>45,348</b>	<b>2,036</b>	<b>1,288</b>	<b>48,672</b>	<b>11,140</b>	<b>2,360</b>	<b>10,746</b>

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

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

**CITY OF SAN JOSE  
SPECIAL FUNDS  
SOURCE AND USE OF FUNDS  
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2012  
(UNAUDITED)  
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2012-2013 BUDGET	BUDGET AMENDMENTS		FY 2012-2013 BUDGET	ACTUAL	ENCUMBR	Y-T-D ACTUAL
<b>Gas Tax</b>							
Revenues	15,000	-	-	15,000	4,030	N/A	2,629
<b>Total Sources</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>4,030</b>	<b>N/A</b>	<b>2,629</b>
<b>Total Uses</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>4,030</b>	<b>0</b>	<b>2,629</b>
<b>Building and Structures</b>							
Prior Year Encumbrance	-	-	3,339	3,339	3,339	N/A	3,767
Beginning Fund Balance	11,597	2,790	-	14,387	14,387	N/A	13,869
Revenues	20,073	851	-	20,924	3,844	N/A	5,008
<b>Total Sources</b>	<b>31,670</b>	<b>3,641</b>	<b>3,339</b>	<b>38,650</b>	<b>21,570</b>	<b>N/A</b>	<b>22,644</b>
<b>Total Uses</b>	<b>31,670</b>	<b>3,641</b>	<b>3,339</b>	<b>38,650</b>	<b>3,040</b>	<b>3,357</b>	<b>6,385</b>
<b>Residential Construction</b>							
Beginning Fund Balance	1,074	184	-	1,258	1,258	N/A	1,108
Revenues	102	-	-	102	77	N/A	12
<b>Total Sources</b>	<b>1,176</b>	<b>184</b>	<b>-</b>	<b>1,360</b>	<b>1,335</b>	<b>N/A</b>	<b>1,120</b>
<b>Total Uses</b>	<b>\$ 1,176</b>	<b>184</b>	<b>-</b>	<b>1,360</b>	<b>9</b>	<b>0</b>	<b>13</b>
<b>Transient Occupancy Tax</b>							
Prior Year Encumbrance	\$ -	-	116	116	116	N/A	176
Beginning Fund Balance	2,206	2,093	-	4,299	4,299	N/A	3,840
Revenues	13,081	576	-	13,657	3,541	N/A	3,314
<b>Total Sources</b>	<b>15,287</b>	<b>2,669</b>	<b>116</b>	<b>18,072</b>	<b>7,956</b>	<b>N/A</b>	<b>7,330</b>
<b>Total Uses</b>	<b>15,287</b>	<b>2,669</b>	<b>116</b>	<b>18,072</b>	<b>4,968</b>	<b>2,496</b>	<b>3,931</b>
<b>Conventions, Arts &amp; Entertainment</b>							
Prior Year Encumbrance	-	-	387	387	387	N/A	495
Beginning Fund Balance	7,654	872	-	8,526	8,526	N/A	8,422
Revenues	27,826	898	-	28,724	3,801	N/A	4,092
<b>Total Sources</b>	<b>35,480</b>	<b>1,770</b>	<b>387</b>	<b>37,637</b>	<b>12,714</b>	<b>N/A</b>	<b>13,009</b>
<b>Total Uses</b>	<b>35,480</b>	<b>1,770</b>	<b>387</b>	<b>37,637</b>	<b>8,040</b>	<b>403</b>	<b>7,626</b>

**CITY OF SAN JOSE  
SPECIAL FUNDS  
SOURCE AND USE OF FUNDS  
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2012  
(UNAUDITED)  
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2012-2013 BUDGET	BUDGET AMENDMENTS		FY 2012-2013 BUDGET	ACTUAL	ENCUMBR	Y-T-D ACTUAL
<b>Golf</b>							
Prior Year Encumbrance	-	-	-	-	-		N/A
Beginning Fund Balance	328	47	-	375	375		N/A
Revenues	2,375	-	-	2,375	2,093		N/A
<b>Total Sources</b>	<b>2,703</b>	<b>47</b>	<b>-</b>	<b>2,750</b>	<b>2,468</b>		<b>N/A</b>
<b>Total Uses</b>	<b>2,703</b>	<b>47</b>	<b>-</b>	<b>2,750</b>	<b>1,289</b>	<b>0</b>	<b>1,419</b>
<b>Other Funds</b>							
Prior Year Encumbrance	-	-	33,524	33,524	33,524		N/A
Beginning Fund Balance	186,132	16,689	-	202,821	202,821		N/A
Revenues	399,756	6,058	-	405,814	142,717		N/A
<b>Total Sources</b>	<b>585,888</b>	<b>22,747</b>	<b>33,524</b>	<b>642,159</b>	<b>379,062</b>		<b>N/A</b>
<b>Total Uses</b>	<b>\$ 585,888</b>	<b>22,747</b>	<b>33,524</b>	<b>642,159</b>	<b>87,526</b>	<b>132,811</b>	<b>111,433</b>

**CITY OF SAN JOSE  
CAPITAL PROJECT FUNDS  
SOURCE AND USE OF FUNDS  
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2012  
(UNAUDITED)  
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2012-2013	BUDGET		FY 2012-2013	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET	ACTUAL	ENCUMBR	ACTUAL
<b>Construction Excise</b>							
Prior Year Encumbrance	\$ -	-	2,537	2,537	2,537	N/A	8,259
Beginning Fund Balance	35,268	11,208	-	46,476	46,476	N/A	27,924
Revenues	42,294	7,333	-	49,627	11,258	N/A	8,624
<b>Total Sources</b>	<b>77,562</b>	<b>18,541</b>	<b>2,537</b>	<b>98,640</b>	<b>60,271</b>	<b>N/A</b>	<b>44,807</b>
<b>Total Uses</b>	<b>77,562</b>	<b>18,541</b>	<b>2,537</b>	<b>98,640</b>	<b>10,147</b>	<b>13,037</b>	<b>11,170</b>
<b>Redevelopment Projects</b>							
Prior Year Encumbrance	-	-	37	37	37	N/A	214
Beginning Fund Balance	-	2	-	2	2	N/A	1,297
Revenues	-	-	-	-	-	N/A	151
<b>Total Sources</b>	<b>-</b>	<b>2</b>	<b>37</b>	<b>39</b>	<b>39</b>	<b>N/A</b>	<b>1,662</b>
<b>Total Uses</b>	<b>-</b>	<b>2</b>	<b>37</b>	<b>39</b>	<b>11</b>	<b>26</b>	<b>(18)</b>
<b>Other</b>							
Prior Year Encumbrance	-	-	1,450	1,450	1,450	N/A	5,241
Beginning Fund Balance	53,165	(152)	-	53,013	53,013	N/A	58,745
Revenues	14,233	950	-	15,183	2,819	N/A	1,778
<b>Total Sources</b>	<b>67,398</b>	<b>798</b>	<b>1,450</b>	<b>69,646</b>	<b>57,282</b>	<b>N/A</b>	<b>65,764</b>
<b>Total Uses</b>	<b>\$ 67,398</b>	<b>798</b>	<b>1,450</b>	<b>69,646</b>	<b>3,545</b>	<b>15,540</b>	<b>3,922</b>

**CITY OF SAN JOSE**  
**OTHER FUND TYPES**  
**SOURCE AND USE OF FUNDS**  
**FOR THE FOUR MONTHS ENDED OCTOBER 31, 2012**  
*(UNAUDITED)*  
*( \$000's )*

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2012-2013	BUDGET		FY 2012-2013	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET	ACTUAL	ENCUMBR	ACTUAL
<b>Trust and Agency</b>							
Prior Year Encumbrance	\$ -	-	2	2	2	N/A	1
Beginning Fund Balance	4,106	(295)	-	3,811	3,811	N/A	2,397
Revenues	80	274	-	354	383	N/A	837
<b>Total Sources</b>	<u>4,186</u>	<u>(21)</u>	<u>2</u>	<u>4,167</u>	<u>4,196</u>	<u>N/A</u>	<u>3,235</u>
<b>Total Uses</b>	<u>\$ 4,186</u>	<u>(21)</u>	<u>2</u>	<u>4,167</u>	<u>124</u>	<u>47</u>	<u>48</u>