

Memorandum

TO: PUBLIC SAFETY, FINANCE AND
STRATEGIC SUPPORT COMMITTEE

FROM: Jennifer A. Maguire

SUBJECT: BI-MONTHLY FINANCIAL REPORT
FOR JULY/AUGUST 2012

DATE: October 10, 2012

Approved

Date

10/11/12

The Bi-Monthly Financial Report for July/August 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 from the two months ending August 2012.

OVERVIEW

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

- While it is very early in the fiscal year, overall revenues appear to be tracking within estimated levels in the General Fund. Based on actual 2011-2012 performance and updated information, there are a limited number of 2012-2013 revenue adjustments recommended in the 2011-2012 Annual Report that was released on September 28, 2012 and is scheduled to be reviewed by the City Council on October 16, 2012. Following are highlights of the major adjustments, which are also described in detail in the 2011-2012 Annual Report document.
 - An upward adjustment of \$3.1 million to the Sales Tax estimate is recommended to recognize additional revenue generated from the fourth quarter 2011-2012 (\$1.7 million) and to recognize the 2011-2012 "Triple Flip" true-up payment from the State that is expected to be received in January 2013 (\$1.4 million).
 - An upward adjustment of \$385,000 to the Transient Occupancy Tax estimate in the General Fund (\$576,000 in the Transient Occupancy Tax Fund) is recommended to reflect the stronger than anticipated 2011-2012 collections and restore a 5% revenue growth estimate for 2012-2013.
 - A downward adjustment of \$400,000 to the Revenue from Local Agencies category is recommended to reflect a drop in reimbursement associated with the Grace Community Center Day Rehabilitation Program. A reduction to the Transfers and Reimbursements

OVERVIEW (CONT'D.)

category of \$562,000 is also recommended, primarily reflecting a \$500,000 decrease to the Gas Tax revenue estimate based on lower actual 2011-2012 collections and State information.

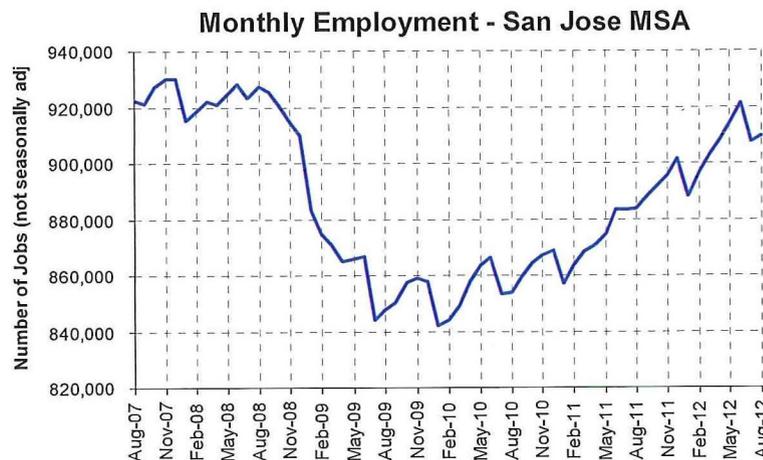
- Several net-zero transactions are recommended to reflect changes to various grants and reimbursements as well as to recognize a payment associated with the sale of 14.5 acres of Airport West Property to the Earthquakes, LLC and to pay off a portion of the HUD 108 loan associated with this property.
- Overall, departments were tracking within budgeted levels through August. While the Police Department expenditures were tracking slightly below anticipated levels through August, several actions are recommended in the 2011-2012 Annual Report to increase the Police Department's overtime funding in 2012-2013 by \$3.9 million (from \$13.3 million to \$17.2 million) to ensure the Department has sufficient overtime resources to address recent increases in crime activity and to address departmental vacancies as discussed at the City Council Study Session on Public Safety on September 18, 2012. The additional overtime is recommended to be funded from Police Department salary savings in 2012-2013 (\$2.4 million), by rebudgeting Police Department savings from 2011-2012 (\$1.25 million), and by reallocating non-personal/equipment funding for contracted backgrounding due to the delay in contract implementation (\$250,000).
- 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 1.6 million passengers through the first two months of the fiscal year, an increase of 0.9% from the figures reported through August of the prior year and compared to a flat passenger activity forecast.
- Current economic conditions point to continued weak performance through 2012-2013. On a national level, the rate of economic growth has been tepid and, according to the September 2012 UCLA Anderson Forecast, the U.S. economy continues to muddle through with slow growth. The Administration will closely monitor the performance of the City's economically sensitive revenues to identify any changes in collection trends as appropriate.
- The Administration will continue to report to the City Council any and all significant developments through this reporting process.

OVERVIEW (CONT'D.)

Economic Environment

According to the September 2012 UCLA Anderson Forecast, the U.S. economy continues to grow at a sluggish pace of 1.3% in the current quarter and 1.5% in the fourth quarter of 2011-2012, however, “as we get into 2013, growth will ratchet up to above 2%,” and potentially grow in excess of 3% by 2014. The economy continues to be dampened by an over leveraged consumer and uncertainty around fiscal policy and regulation. However, positive growth is led by other sectors including a rebound in the housing market with strength in residential and nonresidential construction. The report recognizes that the greatest near term risk comes from the impending December 31, 2012 deadline at which \$600 billion of tax hikes and federal spending cuts are set to take place. UCLA projects that if Congress fails to ease the rate at which austerity measures intended to decrease the size of the federal deficit are enacted, they estimate that the United States would be pushed back into a recession. The report concludes that the economy is expected to muddle through in a slow growth environment that will show some acceleration through 2014, with slow growth in various sectors such as consumer spending, exports and business investments and the bright spot of the long awaited housing rebound.

Consumer confidence rose from August to September 2012, and stands well above levels seen at this time last year. Says Lynn Franco, Director of The Conference Board Consumer Research Center: “Consumers were more positive in their assessment of current conditions, in particular the job market, and considerably more optimistic about the short-term outlook for business conditions, employment, and their financial situation. Despite continuing economic uncertainty, consumers are slightly more optimistic than they have been in several months.”



A number of the economic indicators show improvement from the same period a year ago. Employment indicators, residential permit activity, median single-family home prices and days on market have all improved, while commercial and industrial construction permit activity has slowed.

The August 2012 employment level in the San Jose Sunnyvale Santa Clara Metropolitan Statistical Area (San Jose MSA) of 909,600 was 2.9% above the August 2011 level of 883,900. This employment level, however, remains below the recent peak of 930,500 experienced in December 2007.

OVERVIEW (CONT'D.)

Unemployment Rate (Unadjusted)

	Aug. 2011	Jul. 2012	Aug. 2012**
San Jose Metropolitan Statistical Area*	9.9%	8.8%	8.5%
State of California	11.9%	10.9%	10.4%
United States	9.1%	8.6%	8.2%

* San Benito and Santa Clara Counties

Source: California Employment Development Department.

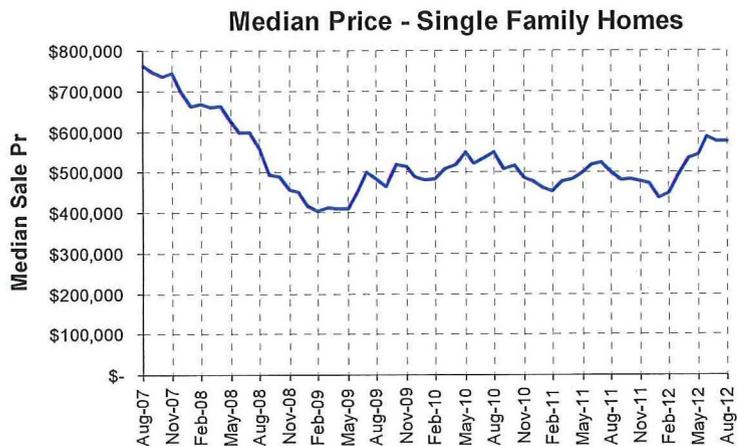
** August 2012 estimates are preliminary and may be updated.

The unemployment rates at the local, State, and national levels continue to show improvement, but remain high. In August 2012, the unemployment rate for the San Jose Metropolitan Statistical Area of 8.5% represents a slight decline from the July 2012 rate of 8.8% and is well below the 9.9% rate experienced a year ago. In this region, the August 2012 unemployment rate is less than the unadjusted unemployment rate for the State (10.4%), but remains above the

nation, which has a current unadjusted unemployment rate of 8.2%.

Through August, permit valuation for residential construction activity is well above activity compared to the prior year. In August 2012 residential activity was strong with 422 units issued compared to the prior year level of 41. For the twelve months ending in August 2012, residential permits totaled 3,396, compared to 2,000 for the twelve months ending August 2011, reflecting a rebound in residential construction activity. Commercial activity through August was slow with permit valuation of \$20.0 million compared to \$41.0 million through the same period last year. Industrial permit activity is also down with valuation of \$32.7 million through August, compared to \$47.4 million collected through the same period last year.

The median single-family home price in August 2012 of \$577,500 is up nearly 16% from the August 2011 price of \$500,000. This increase represents the largest growth in the single-family home price in over two 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 August 2012 was 44 days, which is the lowest days experienced since August 2007. Finally, while the August 2012 number of property transfers of 725 represents a decrease of almost 3% when compared to August 2011 number of sales, the current year-to-date value is up 4.0% compared to the prior fiscal year.



OVERVIEW (CONT'D.)

As suggested by the growth in a number of economic indicators, the local economy continues to experience slow growth. Economic conditions will continue to be closely monitored and will be 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 August 2012 totaled \$168.1 million which represents a decrease of \$6.9 million (4.0% below) from the August 2011 level of \$175.0 million. Lower collections compared to the prior year are primarily due to differences in the timing of payments as well as one-time revenues received in 2011-2012 which were not anticipated to be received in 2012-2013. In both the current and the prior fiscal years, the majority of revenue through August 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).

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

While it is early in the fiscal year, General Fund revenues are generally tracking to meet budgeted estimates. Based on current tracking and actual performance in 2011-2012, some revenue adjustments are recommended 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. Several net-zero transactions are also recommended to reflect changes to various grants and reimbursements as well as to recognize a payment associated with the sale of \$4.5 acres of Airport West Property to the Earthquakes, LLC and to pay off a portion of the HUD 108 loan associated with this property.

GENERAL FUND (CONT'D.)

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, consistent with 2011-2012, 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.

The following discussion highlights General Fund revenue activities through August.

KEY GENERAL FUND REVENUES

Revenue	2012-2013 Estimate	YTD Actual	Prior YTD Collections
Property Tax	\$ 202,925,000	\$ 516,009	\$ 940,711

The Property Tax category consists of Secured Property Tax, Unsecured Property Tax, SB 813 Property Tax (retroactive collections back to the point of sale for reassessments of value due to property resale), and Homeowners Property Tax Relief. Through August, \$516,000 has been received, reflecting only 0.3% of the budget for this category. The decrease in collection compared to the prior year was primarily the result of lower Unsecured Property Tax in addition to lower SB 813 Property Tax collections.

For 2012-2013, the Adopted Budget estimate for Secured Property Taxes of \$185.4 million was developed assuming a 1.3% increase from 2011-2012 estimated collection levels and was consistent 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. However, while no actual payments had been received through August for the Secured Property Tax, the County of Santa Clara has provided a preliminary update to the 2012-2013 Secured Property Tax estimate and now projects a decline of 0.2% from 2011-2012 collections, bringing the estimate to \$183.7 million, which is and \$1.7 million below the current 2012-2013 Adopted Budget level. 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 \$80 million county-wide, which is higher than in prior years and higher than actual net downward adjustments experienced in 2011-2012 which were approximately \$60 million county-wide. This is a very 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 2012, the Budget Office will continue to work with the County to monitor actual performance and estimate year-end collections. If necessary, any lower adjustments to the

GENERAL FUND (CONT'D.)

Secured Property Tax estimate will likely be brought forward as part of the 2012-2013 Mid-Year Budget Review.

In the Unsecured Property Tax category, the largest payment is received in October of each year. The revenue received through August (\$395,000) accounts for the final reconciliation of the 2011-2012 fiscal year. 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 is slightly above this amount at \$11.9 million.

For the SB 813 Property Tax category, collections totaled \$113,000 through August, while \$176,000 had been 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 normalize and remain flat 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 with estimated receipts of \$2.1 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 are typically received in October of each year. Consistent with this timing, no revenues have been received through August 2012. The current 2012-2013 Adopted Budget estimate of \$2.1 million reflects an expected decline of approximately 5% from 2011-2012 receipts of \$2.2 million and is consistent with the current County of Santa Clara Assessor's Office estimates.

Based on the latest estimate from the County, the Homeowners Property Tax Relief revenue is projected to total \$1.05 million in 2012-2013, which is slightly below the \$1.07 million currently budgeted for this category.

GENERAL FUND (CONT'D.)

Revenue	2012-2013 Estimate	YTD Actual	Prior YTD Collections
Sales Tax	\$ 152,680,000	(\$ 1,908,778)	(\$ 557,306)

The Sales Tax category includes General Sales Tax and Proposition 172 Sales Tax. General Sales Tax receipts through August still reflected a negative amount of \$1.9 million due to the 2011-2012 year-end accrual to account for the last quarter of 2011-2012. The current receipts do not yet reflect actual performance in 2012-2013. Information on the first quarter collections for this fiscal year will not be received until late December.

In 2011-2012, General Sales Tax collections of \$149.4 million were 11.6% above the 2010-2011 collection level of \$133.9 million. This increase reflected actual growth in the first three quarters of 8.4% (1st quarter), 6.2% (2nd quarter) and 14.2% (third quarter) and estimated growth of approximately 3.5% for the last quarter combined with prior year true-up adjustments. Because a three-month lag exists between the period of sales activity and when the City receives its quarterly Sales Tax allocation, the fourth quarter (April through June) was accrued to 2011-2012 based on the 3.5% growth projection. Since the accrual was processed, the City received information on San José's performance in the last quarter of 2011-2012, representing sales activity for April through June 2011. This data, received in September, showed an increase of 9.9% from the same quarter in the prior year. This higher growth rate generated an additional \$1.7 million in revenue that will be reflected in the 2012-2013 sales tax figure and an increase in the 2012-2013 budgeted estimate for Sales Tax was included in the 2011-2012 Annual Report to recognize this additional funding. The recommended 2011-2012 Annual Report actions also include the recognition of the 2011-2012 "Triple Flip" true-up payment from the State, anticipated to be received in January 2013 (\$1.4 million). With these recommended adjustments, the 2012-2013 General Sales Tax estimate will be \$151.3 million which is 1.3% above the 2011-2012 year-end figure of \$149.4 million.

The strong growth of 9.9% in San Jose in the 4th quarter of 2011-2012 out paced overall sales tax growth in the State (up 6.8%), Northern California (up 7.1%), the San Francisco Bay Area (up 7.3%), and the County of Santa Clara (up 2.8%). In contrast to this strong growth experienced in San José, there were some local jurisdictions that experienced declines in this same quarter, including Los Gatos (-23.5%), Cupertino (-13.2%), Saratoga (-13.1%), Mountain View (-5.1%).

The City's Sales Tax consultant, MuniServices Company, recently provided the City with economic performance data, which is considered to be a more accurate measure of the actual sales tax activity in San José for a particular period. This growth analysis measures sales tax receipts, excluding State and county pools and adjusts for anomalies, payments for prior periods, and late payments. On an economic basis, sales tax receipts increased 6.8% in the fourth quarter of 2011-2013 (April through June). This increase was the result of growth in every economic sector except the small Miscellaneous category.

GENERAL FUND (CONT'D.)

**Sales Tax Economic Performance
 April 2012 – June 2012**

Economic Sector	% of Total Revenue	% Change from 4th Quarter 2011-2012 to 4th Quarter 2010-2011
Transportation	25.4%	13.1%
General Retail	25.3%	2.7%
Business to Business	23.8%	9.1%
Food Products	15.2%	4.0%
Construction	9.6%	2.4%
Miscellaneous	0.7%	(5.1%)
Total	100.0%	6.8%

The General Sales Tax estimate in the 2012-2013 Adopted Budget assumed 3% underlying growth from the 2011-2012 estimated collection level, excluding the impact of one-time adjustments associated with prior years. At that time, details regarding the fourth quarter receipts and the economic growth during that period were not known and the data behind the third quarter revealed economic growth of only 2%. Given the stronger economic performance in the fourth quarter of 2011-2012, an upward adjustment to this category may be brought forward later in 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 August, the Proposition 172 Sales Tax receipts of \$483,000 were tracking 22.5% above the 2011-2012 collection level of \$394,000 through the same period. The 2012-2013 increase reflects the overall Sales Tax performance throughout the State and the relative share that is attributed to San Jose. Because collections in 2011-2012 exceeded projections, 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
Transient Occupancy Tax	\$ 8,715,000	\$ 957,654	\$ 865,833

Through August 2012, Transient Occupancy Tax (TOT) receipts recorded in the General Fund of \$958,000 are 10.6% above the prior year collection level for the same period. The 2012-2013 Adopted Budget assumed an increase of 5% from the 2011-2012 estimated level. As a result of higher than anticipated 2011-2012 collections, the 2012-2013 budget now allows for a decline of 0.6%. Based on actual collection trends, it is anticipated that TOT receipts will exceed the

GENERAL FUND (CONT'D.)

budget revenue estimate of \$8.7 million by year-end. With TOT receipts showing no such sign of decline, a recommendation was included in the 2011-2012 Annual Report, scheduled for City Council consideration on October 16, 2012, to increase the budgeted revenue estimate by \$385,000 (from \$8.7 million to \$9.1 million). This recommended increase will bring the projected 2012-2013 growth to 5%, consistent with the growth assumption incorporated into the 2012-2013 Adopted Budget.

Through August, the average hotel occupancy rate at the 14 major hotels was 67.6%, a substantial improvement from the 59.4% occupancy rate for the same period in 2011-2012. For the same 14 hotels, the average daily room rate through August was \$129.03, up significantly from the \$112.92 room rate for the same period in 2011-2012. The year-to-date average revenue-per-available room (RevPAR) metric of \$87.17 represents an increase of 30.1% from the prior year level and is attributable to the combined effect of increased room rates and occupancy levels.

Revenue	2012-2013 Estimate	YTD Actual	Prior YTD Collections
Utility Tax	\$ 91,855,000	\$ 8,365,747	\$ 7,515,767

Through August, Utility Tax receipts of \$8.4 million were tracking 11.3% above last year's collection level of \$7.5 million due primarily to higher collections in the Electricity and Water Utility Tax categories. A portion of this growth, however, was due to differences in prior year accruals. The 2012-2013 budgeted estimate assumes an increase of 3.3% 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. Based on the current collection trends, overall, Utility Tax receipts are tracking close to budgeted estimates. The City Manager's Budget Office will continue to monitor Utility Tax revenues closely, and bring forward any adjustments if necessary.

In the Electric Utility Tax category, collections of \$4.1 million were tracking 22.3% above the prior year level of \$3.3 million through August. The majority of the growth reflects the impact of year-end accruals in each of the fiscal years. After adjusting for accruals, actual growth of 7.7% was realized when compared to July 2011 collections. This is above the growth of 3.8% needed to meet the 2012-2013 budgeted estimate. When the 2012-2013 Adopted Budget was developed, it was assumed that receipts in 2012-2013 would increase by 1.5% over the estimated 2011-2012 collection level of \$40.0 million, reflecting the annualization of a January 2012 rate increase. However, because receipts in 2011-2012 fell below the \$40.0 million estimate, actual growth of 3.8% is needed in 2012-2013.

In the Gas Utility Tax category, receipts of \$411,000 were tracking 28.9% below the prior year level of \$578,000 through August. Factoring out year-end accruals and differences in timing, actual receipts were 9.1% below the prior year. The 2012-2013 budgeted estimate of \$9.0

GENERAL FUND (CONT'D.)

million assumed that collections would remain flat from estimated 2011-2012 receipts; however, based on actual 2011-2012 receipts of \$8.8 million, growth of 2.4% from the actual 2011-2012 collection level is needed. 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.

Collections of \$1.3 million in the Water Utility category are tracking 26.3% above the prior year level of \$992,000. Almost half of this growth, however, was the result of year-end accrual differences. Adjusting for accruals, year-to-date collections increased 19.1% above the prior year level. 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. It should be noted that this category is always subject to fluctuations related to the amount of precipitation received, particularly in the spring.

Collections in the Telephone Utility Tax category of \$2.6 million were tracking at the prior year collection level. The 2012-2013 Adopted Budget estimate of \$32.3 million assumed a 1% increase from the 2011-2012 estimated collection level. However, because 2010-2011 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 be necessary in 2012-2013.

Revenue	2012-2013 Estimate	YTD Actual	Prior YTD Collections
Business Taxes	\$ 40,550,000	\$ 4,813,236	\$ 5,124,213

This category consists of the following: Business Tax, Cardroom Tax, Marijuana Business Tax, and Disposal Facility Tax. Through August, overall collections of \$4.8 million are tracking 6.1% below the prior year collection level of \$5.1 million, reflecting lower collections in the Disposal Facility Tax and Cardroom Tax categories, partially offset by higher collections in the Marijuana Business Tax and Business Tax categories. To meet the 2012-2013 budgeted estimate, receipts in this category can drop 1.4% from the actual 2011-2012 collection level.

Cardroom Tax receipts of \$1.21 million through August were 4.1% below the prior year level of \$1.26 million. This decrease from the prior year primarily reflects a focus on the closing of Garden City and opening of Casino M8trix in August 2012. To meet the 2012-2013 revenue estimate of \$15.3 million, growth of 2.1% over the prior year is needed in 2012-2013. Based on current collection trends and actual 2011-2012 receipts of \$14.9 million, Cardroom Tax revenue

GENERAL FUND (CONT'D.)

may fall below the 2012-2013 budgeted estimate. However, the effects of the opening of the Casino M8trix as well as general growth in the economy may positively impact this category. In addition, it should be noted that a ballot measure to increase the number of authorized tables will be included in the November 2012 election and could positively impact collections in this category if approved. 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 \$522,000 are tracking well above the \$332,000 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. 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 \$2.8 million were 5.6% above the prior year level of \$2.6 million. The 2012-2013 Adopted Budget estimate of \$11.0 million allows for a decline of 2.5% from actual 2011-2012 receipts. In the development of the 2012-2013 Adopted Budget, it was assumed that receipts would remain flat at the 2011-2012 estimated level of \$11.0 million; however, actual receipts in 2011-2012 totaled \$11.3 million reflecting the gradual economic recovery as well as efforts by the Finance Department to maximize the receipt of this tax. Based on current collection trends, revenues are anticipated to meet or exceed the 2012-2013 budgeted estimate by year end. On October 23, 2012, the City Council will be considering a Business Tax Amnesty Program that could also increase receipts in this category by year end.

Disposal Facility Tax revenue of \$278,000 through August is tracking 68.2% below the prior year level of \$875,000. 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 August reflects only a portion of the July billings, and additional revenue for these July billings was received in September. In 2011, this revenue had already been reflected in the August reports. Once adjusted for these timing discrepancies, Disposal Facility Taxes are anticipated to meet budgeted levels. 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.

GENERAL FUND (CONT'D.)

Revenue	2012-2013 Estimate	YTD Actual	Prior YTD Collections
Licenses and Permits	37,812,739	\$ 8,652,823	\$ 8,518,795

This category includes Building Permits, Fire Permits, and Other Licenses and Permits. Through August, Licenses and Permits revenue of \$8.7 million tracked 1.6% above the prior year level of \$8.5 million. The 2012-2013 budget estimate, however, allows for a decline of 13.8% from the actual 2011-2012 collection level. Development-related activity continued to experience very strong growth in 2011-2012, exceeding the estimates used to develop the 2012-2013 Adopted Budget. Development-related activity has continued its solid performance in the first two months of the fiscal year. 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 \$4.1 million through August is tracking 24.1% above the 2011-2012 collection level of \$3.3 million for the same period and is also tracking well above the budgeted estimate. The 2012-2013 budgeted revenue estimate of \$19.7 million allows for a drop of 20.9% from the actual 2011-2012 collection level of \$24.9 million. All revenue categories are tracking above estimated levels. Based on recent collection trends, it is anticipated that Building Permit revenues will exceed the budget estimate.

Through August, Fire Permit collections of \$1.9 million were tracking 8.6% below estimated levels of \$1.2 million and 24.2% below the prior year receipts of \$2.5 million. Overall, the Development Fee Program revenues are tracking above estimated levels and are currently anticipated to meet budgeted estimates of \$4.1 million by year end. Non-Development Fee Program revenues, however, are tracking below estimated levels, largely due to annual renewable permit bills that are generated quarterly. This lower collection level is primarily due to timing of payments and once adjusted for this, receipts are anticipated to meet budgeted revenue levels of \$5.2 million by year-end.

The Other Licenses and Permits collections of \$2.6 million are tracking 2.4% below the 2011-2012 collection level of \$2.7 million, but are tracking within estimated levels. The 2012-2013 budgeted estimate allows for a decline of 6.1% from the prior year, primarily reflecting a drop in the estimated cardroom permit revenue due to changes in the delivery of the regulatory program.

GENERAL FUND (CONT'D.)

Revenue	2012-2013 Estimate	YTD Actual	Prior YTD Collections
Departmental Charges	\$ 32,126,081	\$ 7,466,691	\$ 6,863,447

Through August, Departmental Charges revenues of \$7.5 million were tracking 8.8% above the 2011-2012 collection level of \$6.9 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 collection 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 August, Planning Fee revenue of \$561,000 is tracking 33.3% above the prior year collection level of \$421,000. The \$2.6 million Adopted Budget Planning Fee revenue estimate; however, allows for a drop of 4.7% from the prior year actuals. At this early point in the year, it is anticipated that Planning Fee revenues will achieve, and may exceed, the budget estimate of \$2.6 million by year end.

Public Works revenues through August of \$1.1 million are tracking 10.6% above the prior year level of \$1.0 million. To meet the 2012-2013 budgeted estimate of \$5.7 million, revenues can actually decline 22.2% from the 2011-2012 collection level. Revenues in most residential categories are tracking above estimated levels due to several single family and multi-family residential projects that were received in the first two months of 2012-2013. Non-residential revenues are performing at anticipated levels. At this time, collections are projected to meet or exceed the budgeted revenue estimate in the Public Works Fee Program.

EXPENDITURES

Through August, General Fund expenditures (without encumbrances) of \$135.8 million were 10.3% above the prior year level of \$123.1 million. This increase from the prior year is primarily due to higher City-wide expenditures (\$13.2 million), Transfers (\$3.5 million), and capital improvements (\$2.1 million), partially offset by lower departmental expenditures (personal services and non-personal/equipment down \$6.1 million). The increase in City-wide expenditures compared to 2011-2012 are entirely 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 in Police (\$1.9 million) and Fire (\$1.6 million) which are discussed in greater detail below.

Encumbrances of \$37.3 million were 2.8% below the prior year level of \$38.4 million. Expenditures and encumbrances (\$173.1 million) through August constitute 15.8% of the total

GENERAL FUND (CONT'D.)

2012-2013 revised budgeted uses of funds (\$1.097 billion, including reserves; \$1.002 billion, or 17.3%, excluding reserves). Overall, expenditures are tracking within estimated levels through August.

Through August, a few departments are tracking slightly above the budgeted estimate in personal services expenditures, including the Public Works, Transportation, Housing, 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 however funding may need to be distributed by year end.

KEY GENERAL FUND EXPENDITURES

Department	2012-2013 Budget	YTD Actual	Prior YTD Actual
Police	\$296,462,022	\$ 37,075,007	\$ 41,602,344

On an overall basis, Police Department expenditures are tracking slightly below estimated levels. Personal Services expenditures of \$35.1 million tracked under anticipated levels (13.0% compared to the par of 13.5%); however, overtime expenditures of \$2.6 million through August tracked above anticipated levels with 19.7% expended. The increased overtime is primarily being used to backfill for vacant patrol positions, expand targeted enforcement of high crime activity related to gangs through suppression cars, and provide funding to continue backgrounding efforts on an overtime basis until a contract is in place. Several actions are recommended in the 2011-2012 Annual Report to increase the Department's overtime funding in 2012-2013 by \$3.9 million (from \$13.3 million to \$17.2 million) to ensure the Department has sufficient overtime resources in 2012-2013 to address recent increases in crime activity and to address departmental vacancies as discussed at the City Council Study Session on Public Safety on September 18, 2012. The additional overtime is recommended to be funded from Police Department salary savings in 2012-2013 (\$2.4 million), by rebudgeting Police Department savings from 2011-2012 (\$1.25 million), and by reallocating non-personal/equipment funding for contracted backgrounding due to the delay in contract implementation (\$250,000).

In addition to monitoring overall overtime usage, there is a limit on how much overtime can be earned for pay versus compensatory time. The compensatory time balance at the end of August 2012 was 165,072 hours for sworn personnel. This represents a slight increase of 534 hours (<1%) from the June 2012 balance of 164,538, but a 25,410 hour decrease (13.3%) compared to the August 2011 balance of 190,482. The drop in the compensatory time balance from the prior year can primarily be attributed to the retirement or separation of sworn employees that have been with the City for a long time and have accrued large compensatory time balances, which are paid out at the time of separation.

GENERAL FUND (CONT'D.)

It should be noted that, as of August, the Department had 1,107 authorized sworn staff of which 50 were vacant (4.5%). The 50 vacancies were partially offset by three temporary sworn positions, a Police Lieutenant a Police Sergeant, and a Police Officer, funded through various grants awarded to the Department, leaving a net of 47 sworn vacancies in the Department (4.2%). In order to fill the vacant sworn positions, the Department is budgeted to conduct two Police Officer Recruit Academies beginning in September 2012 and April 2013. The September 2012 academy included 45 recruits plus an additional 13 direct hire officers that completed an academy elsewhere and are eligible to immediately begin the Field Training Officer program. The direct hires should be street ready in December, and the recruits should be street ready in May 2013.

A total of \$5.8 million (22.1%) of the Department's Non-Personal/Equipment budget was expended or encumbered through August. Excluding the remaining balances for centrally-determined details, including electricity, gas, and vehicle operation and replacement, the Department has approximately \$9.7 million, or 75.4% of the non-centrally-determined appropriation available for the remainder of the fiscal year.

The Budget Office and the Department will monitor expenditures closely to ensure expenditures are within appropriated levels by year-end.

Department	2012-2013 Budget	YTD Actual	Prior YTD Actual
Fire	\$154,808,340	\$ 20,023,505	\$ 22,536,987

Overall, expenditures for the Fire Department were tracking within estimated levels through August, with 13.8% expended or encumbered. Personal Services expenditures through August tracked within budgeted levels with \$19.3 million expended (13.2% compared to the par of 13.5%). The Fire Department's Non-Personal/Equipment budget of \$8.4 million was 24.5% expended or encumbered through August, but is expected to end the year within the budgeted allocation.

Although personal services expenditure levels are tracking within estimated levels, primarily due to the amount of time necessary to hire the SAFER 2011 Firefighters, overtime expenditures of \$1.0 million are tracking above estimated levels (19.0% compared to the par of 13.5%). The daily deployment of Fire Engine 29 has contributed to the increased overtime usage. Engine 29 was budgeted as part of the brown-out program, however, has been activated on a daily basis to assist in mitigating the impact of the temporary relocation of Fire Station 5 personnel to Fire Station 34 as a result of needing to do urgent repairs at Fire Station 5. The Fire Department will continue 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 will continue to monitor minimum staffing to bring overtime within budget. Included in the

GENERAL FUND (CONT'D.)

2011-2012 Annual Report is a recommended reallocation from Non-Personal/Equipment to Personal Services of \$190,000 to address the overtime portion of the technical/workforce development training rebudget of \$300,000 that was approved as part of the 2012-2013 Adopted 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 August, 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 August was 34, which exceeded the authorized number of 33, due to a temporary EMT certification issue. It is anticipated that sworn administrative staffing levels will return to authorized levels by mid-year.

CONTINGENCY RESERVE

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

OTHER FUNDS

Airport Funds

On a fiscal year-to-date basis, the Norman Y. Mineta San José International Airport (SJC) has enplaned and deplaned 1.6 million passengers, an increase of 0.9% from the figures reported through August of the prior year. This compares to a forecasted flat passenger activity level for 2012-2013.

Traffic Operations (landings and takeoffs) trail the prior year by 0.8%, Landed Weights by 1.8%, and Taxicab operations by 1.0%. Parking exits exceed the prior year by 1.1% and gallons of aviation fuel sold by 3.6%. Passenger Facility Charge (PFC) revenues tracked 4.5% above the same period of the prior year. Fiscal year-to-date mail, freight and cargo totaled 13.8 million pounds, which represents a 9.3% decrease from the first two months of 2011-2012.

SJC Passengers	Aug. 2012	Aug. 2011	% Change
Enplaned August	389,322	381,772	2.0%
Deplaned August	389,290	389,364	0.0%
August Passengers	778,612	771,136	1.0%
YTD Passengers	1,550,896	1,537,823	0.9%

OTHER FUNDS (CONT'D.)

While year-to-date revenue of \$16.5 million primarily reflect just one month of receipts, it is currently projected that revenue will meet projections of \$115 million by year-end.

Through August, both the Airport Customer Facility and Transportation Fee Fund and Airport Maintenance and Operation Fund expenditures tracked below budgeted levels. Personal Services expenditures were 12.8% of budget compared to the benchmark of 13.5%, while Non-Personal/Equipment expenditures (excluding encumbrances) were 5.6% of the budget in the Maintenance and Operation Fund and 8.1% of the budget in the Customer Facility and Transportation Fee Fund compared to the benchmark of 9.9%. The administration will continue to closely monitor and report activity, revenue, and expenditure status.

Construction and Conveyance Tax Funds

Continuing the trend experienced since mid 2011-2012, Construction and Conveyance (C&C) Tax revenues are experiencing strong growth compared to receipts from the prior fiscal year. Collections through August 2012 totaled \$2.5 million, which is 11.4% of the 2012-2013 estimate of \$21.0 million. This collection level is up almost 32% from the \$1.9 million received through August 2011. Furthermore, the City has also received September Conveyance Tax receipts, which total \$2.7 million. This represents a 35% increase from the \$2.0 million received in September 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 17.3% decline from the actual 2011-2012 collection level of \$25.4 million. Based on current collection trends, it is anticipated that an upward adjustment to this revenue estimate will likely be brought forward during 2012-2013.

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 August, 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. Permit valuation for residential construction activity is tracking well above prior year levels (464 units in 2012-2013 vs. 41 in 2011-2012); however, gains in this category are partially offset by decreases in permit valuation for commercial and industrial construction activity. In the commercial sector, permit valuation of \$20.0 million is well below the \$41.0 million figure through the same period last year. Industrial permit valuation of \$32.7 million is down from \$47.4 million through August of 2011-2012. Nearly all commercial and industrial permit activity (96%) is due to alterations, with no industrial new construction activity and very minimal commercial new construction activity. This permit activity drive the revenue collection in several categories, including the Construction Excise Tax and the Building and Structure

OTHER FUNDS (CONT'D.)

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

- *Building and Structure Construction Tax* – Receipts through August of \$1.6 million are up 57.1% (\$574,000) from prior year collections through this period. To meet the 2012-2013 budget estimate of \$10.0 million, collections can actually decline 20.6% from the 2011-2012 collection level of \$12.6 million. If current collection trends continue, 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.
- *Construction Excise Tax* – Receipts through August of \$1.9 million are up 34.3% (\$482,000) from the prior year collections through this period. To meet the 2012-2013 budget estimate of \$13.0 million, collections can actually decline by 27.8% from the 2011-2012 collection level of \$18.0 million. If current collection trends continue, 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 August, revenues and associated non-personal/equipment expenses are tracking higher than budgeted levels.

Revenues through August are tracking above anticipated levels. While operating revenues of \$852,000 have been recognized, additional operating revenues of \$400,000 have been reported by TSJ but not yet recognized in the fund. Year-to-date collections (\$1.25 million) are higher than the TSJ forecasted level of \$1.0 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 development of this estimate. As the disruption associated with the Convention Center Expansion/Renovation becomes less impactful on facility users, revenue is anticipated to increase. Any increase in revenue, however, is likely to be offset by additional costs associated with Team San Jose service delivery.

Expenditures in the Non-Personal/Equipment appropriation attributable to July/August activity (\$2.7 million) are higher than the TSJ-forecasted level of \$2.2 million. The \$500,000 variance is primarily associated with the Convention Center Expansion/Renovation project (unanticipated moving/cleaning expenses) and higher than anticipated activity levels. Expenditures in this appropriation will be carefully monitored, and an increase may be recommended later in the year if necessary. Any increase to the appropriation is anticipated to be offset by an increase to the revenue estimate.

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 on

OTHER FUNDS (CONT'D.)

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 \$2.3 million. The 2011-2012 Annual Report includes several recommendations which will impact the 2012-2013 Ending Fund Balance, including upwards adjustments related to 2011-2012 revenue collections and expenditure savings and increases in revenue from the Transient Occupancy Tax Fund due to higher than anticipated 2011-2012 collections and a recommended increase to the 2012-2013 revenue estimate. Also included in the Annual Report are a series of budget adjustments which will allow for the purchase of necessary Fixtures, Furniture, and Equipment associated with the Convention Center Expansion/Renovation project. After accounting for all of the proposed Annual Report actions, the Ending Fund Balance is anticipated to be \$2.1 million. Based on performance through August, the current year activity levels are not expected to negatively impact the Ending Fund Balance, and this Fund remains on pace to meet the City Council-approved goal of retaining a fund balance of \$1.5 million at the end of the expansion/renovation project.

Transient Occupancy Tax Fund

Through August 2012, receipts recorded in the Transient Occupancy Tax (TOT) Fund of \$1.4 million are 10.7% above the prior year collection level for the same period. The 2012-2013 budget assumed an increase of 5% from the 2011-2012 estimated level, however the budget now allows for a decline of 0.6% based on higher than anticipated 2011-2012 collections. With TOT receipts showing no such sign of decline, a recommendation was included in the 2011-2012 Annual Report, scheduled for City Council consideration on October 16, 2012, to increase the budgeted revenue estimate by \$576,000 (from \$13.1 million to \$13.7 million). This recommended increase will bring the projected 2012-2013 growth to 5%, consistent with the growth assumption incorporated into the 2012-2013 Adopted Budget.

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. Based on the higher than anticipated 2011-2012 collections and the recommendation to increase the 2012-2013 budgeted revenue estimate, increases to the three recipient organizations are recommended in the 2011-2012 Annual Report.

Through August, the average hotel occupancy rate at the 14 major hotels was 67.6%, a substantial improvement from the 59.4% occupancy rate for the same period in 2011-2012. For the same 14 hotels, the average daily room rate through August was \$129.03, up significantly from the \$112.92 room rate for the same period in 2011-2012. The year-to-date average revenue-per-available room (RevPAR) metric of \$87.17 represents an increase of 30.1% from the prior year level and is attributable to the combined effect of increased room rates and occupancy levels.

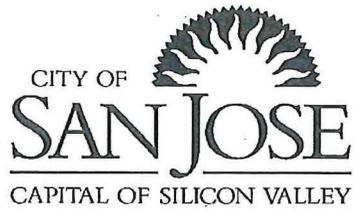
CONCLUSION

Through August, the City's funds appear to be 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. While limited information is available on the 2012-2013 fiscal year, 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.

As reported in the 2011-2012 Annual Report, there are a number of 2012-2013 adjustments to the General Fund as well as other City funds based on actual 2011-2012 performance and 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 2 Months Ended August 31, 2012
Fiscal Year 2012-13
(*UNAUDITED*)

Finance Department, City of San José
Monthly Financial Report
Financial Results for the 2 Months Ended August 31, 2012
Fiscal Year 2012-13
(UNAUDITED)

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Finance Department, City of San José
Monthly Financial Report
Financial Results for the 2 Months Ended August 31, 2012
Fiscal Year 2012-13
(UNAUDITED)

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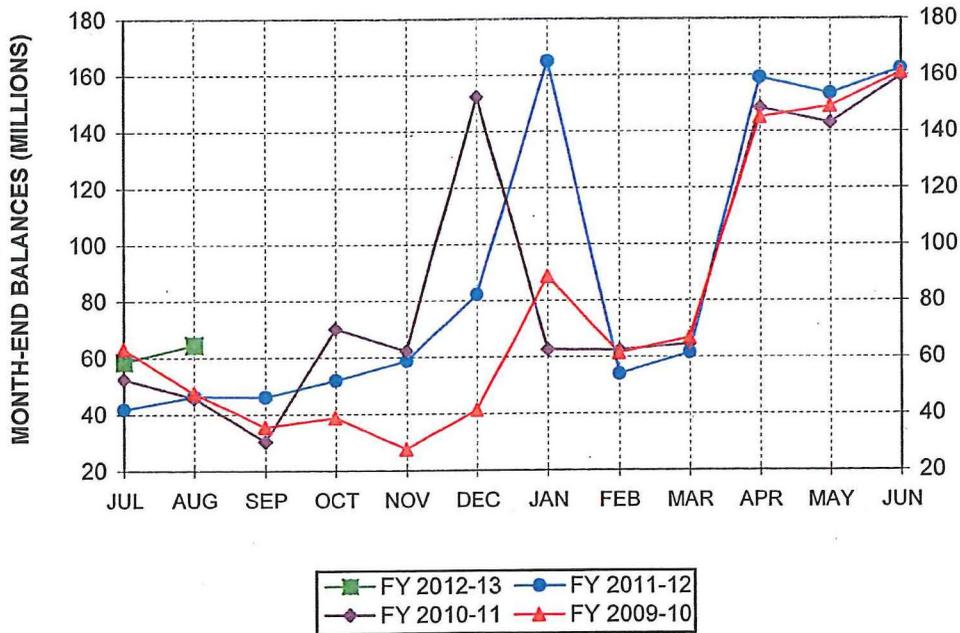
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Submitted by:


JULIA H. COOPER

Acting Director, Finance Department

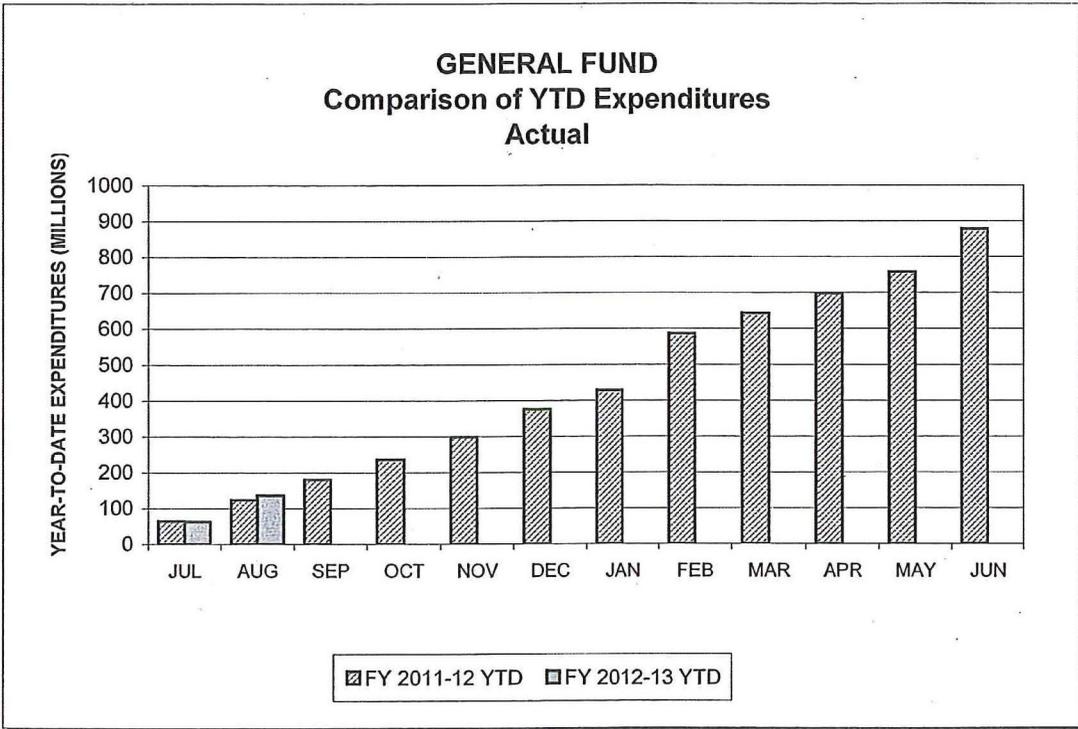
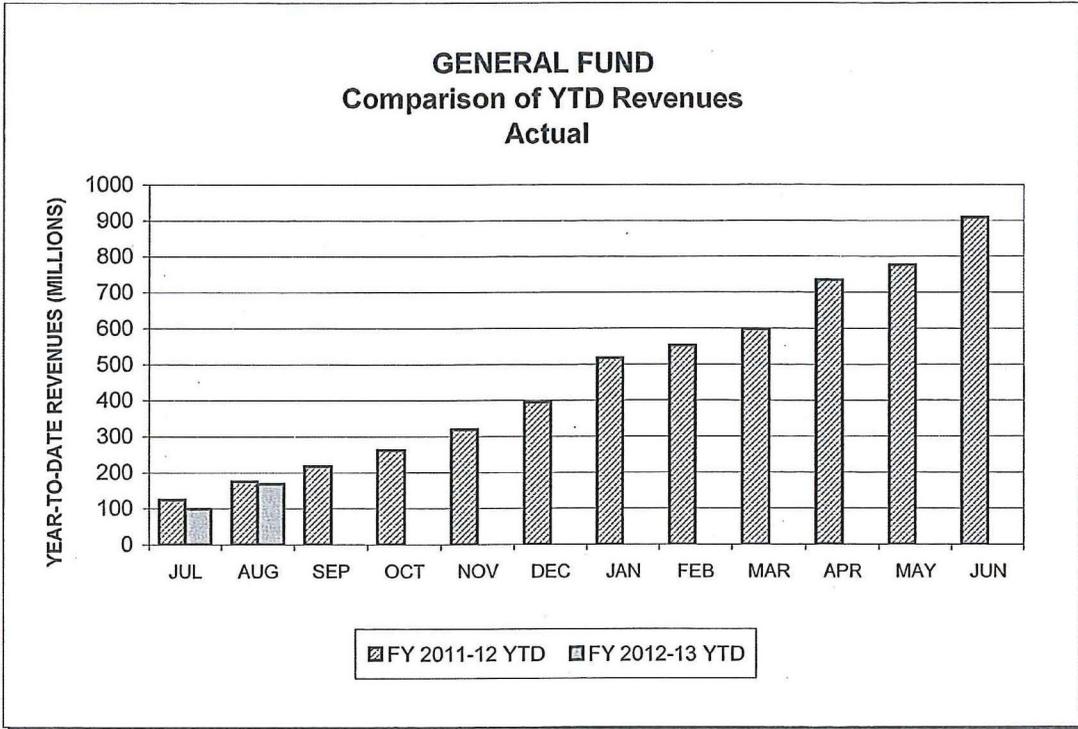
GENERAL FUND Comparison of Cash Balances



GENERAL FUND MONTHLY CASH BALANCES

MONTH	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10
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		46,218,737	30,525,385	35,662,298
OCTOBER		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		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

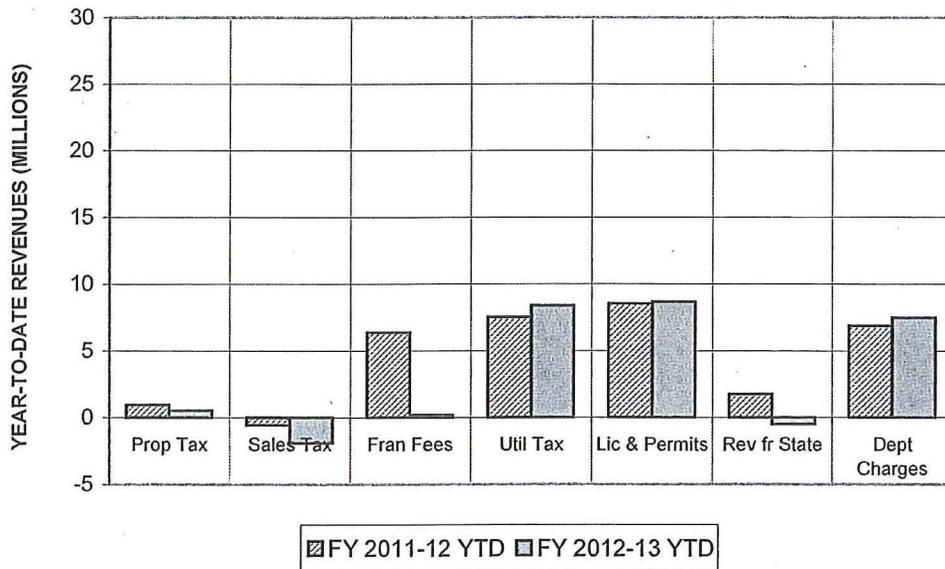
- Note: (1) The General Fund cash balance decrease in July 2012 (also in July 2009, 2010 and 2011) was mainly due to the Council's direction to annually pre-fund the employer share of retirement contributions in a lump-sum to achieve budgetary savings to the City.
- Note: (2) The General Fund cash balance increase in December 2010 was mainly due to the timing of the receipt of \$88.5 million in Property Tax revenue and \$16.7 million in Sales Tax revenue. 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.



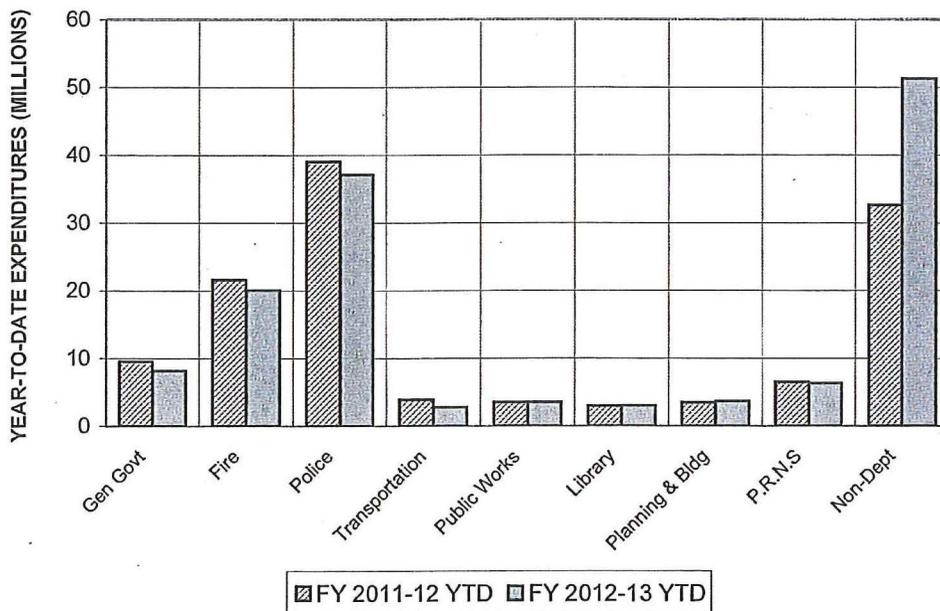
General Fund Revenue includes issuance of Tax and Revenue Anticipation Notes (TRANS) in the amount of \$100 million in July 2011 and \$100 million in July 2012 for cash flow borrowing.

General Fund Expenditures includes repayment of TRANS in the amount of \$100 million in February 2012.

GENERAL FUND MAJOR REVENUES
Comparison of YTD Actual vs. Prior YTD Actual
For the 2 Months Ended August 31, 2012



GENERAL FUND MAJOR EXPENDITURES
Comparison of YTD Actual vs. Prior YTD Actual
For the 2 Months Ended August 31, 2012



Negative General Fund Revenue amounts, notably Sales Tax and Revenue from the State, were caused by the reversal of amounts accrued in FY 11-12 that have not yet been received in full as of August 31, 2012 but are expected to be received shortly thereafter.

CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
FUND BALANCE, REVENUE, TRANSFERS & REIMBURSEMENTS
FOR THE 2 MONTHS ENDED AUGUST 31, 2012
(UNAUDITED)
(\$'000's)

	ADOPTED FY 2012-13 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2012-13 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	\$ -	-	20,009	20,009	20,009	100.00%	20,639	116.90%	17,656	(630)	-3.05%
Liquidation of c/o Encumbrance	-	-	-	-	-	-	-	-	-	-	-
Available Balance	155,467	-	-	155,467	155,467	100.00%	121,061	88.02%	137,537	34,406	28.42%
Total Fund Balance	155,467	-	20,009	175,476	175,476	100.00%	141,700	91.31%	155,193	33,776	23.84%
General Revenues											
Property Tax	202,925	-	-	202,925	516	0.25%	941	0.47%	201,712	(425)	-45.16%
Sales Tax (1)	152,680	-	-	152,680	(1,909)	-1.25%	(557)	-0.36%	154,027	(1,352)	-242.73%
Telephone Line Tax	20,525	-	-	20,525	1,728	8.42%	1,731	8.43%	20,529	(3)	-0.17%
Transient Occupancy Tax	8,715	-	-	8,715	958	10.99%	866	9.64%	8,984	92	10.62%
Franchise Fees	43,625	-	-	43,625	196	0.45%	6,346	15.21%	41,709	(6,150)	-96.91%
Utility Tax	91,855	-	-	91,855	8,366	9.11%	7,516	8.32%	90,383	850	11.31%
Business Taxes	40,550	-	-	40,550	4,813	11.87%	5,124	12.46%	41,134	(311)	-6.07%
Licenses and Permits	37,813	-	-	37,813	8,653	22.88%	8,519	19.43%	43,838	134	1.57%
Fines, Forfeits and Penalties	16,708	-	-	16,708	1,371	8.21%	2,031	11.06%	18,358	(660)	-32.50%
Use of Money and Property	2,911	-	-	2,911	418	14.36%	343	11.22%	3,058	75	21.87%
Revenue from Local Agencies	29,250	-	-	29,250	358	1.22%	275	0.92%	30,017	83	30.18%
Revenue from State of Cal.	10,747	-	-	10,747	(491)	-4.57%	1,740	12.07%	14,419	(2,231)	-128.22%
Revenue from Federal Government	16,611	5,267	-	21,878	(440)	-2.01%	(888)	-4.51%	19,700	448	50.45%
Departmental Charges (2)	32,126	-	-	32,126	7,467	23.24%	6,863	20.02%	34,276	604	8.80%
Other Revenues	16,270	125,000	-	141,270	107,003	75.74%	105,273	90.58%	116,221	1,730	1.64%
Total General Revenues	723,311	130,267	-	853,578	139,007	16.29%	146,123	17.43%	838,365	(7,116)	-4.87%
Transfers & Reimbursements											
Overhead Reimbursements	32,349	-	-	32,349	20,542	63.50%	20,128	62.04%	32,441	414	2.06%
Transfers from Other Funds	18,998	-	-	18,998	7,137	37.57%	8,771	40.41%	21,706	(1,634)	-18.63%
Reimbursements for Services	15,685	-	-	15,685	1,400	8.93%	-	0.00%	15,459	1,400	100.00%
Total Transfers & Reimburse	67,032	-	-	67,032	29,079	43.38%	28,899	41.52%	69,606	180	0.62%
Total Sources	\$ 945,810	130,267	20,009	1,096,086	343,562	31.34%	316,722	29.79%	1,063,164	26,840	8.47%

(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 impact through August 2012 is approximately \$1.2 million.
(2) - See Supplemental Schedule on Page 7.

CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
EXPENDITURES
FOR THE 2 MONTHS ENDED AUGUST 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 2012-13	BUDGET		FY 2012-13	ACTUAL	ENCUMBR	ACTUAL %	YTD	OF PRIOR	BUDGETARY		LESS PRIOR YTD
	BUDGET	AMENDMENTS		BUDGET	ACTUAL	ENCUMBR	OF BUDGET	ACTUAL(1)	YEAR-END	BASIS		ACTUAL
General Government												
Mayor and Council	\$ 11,022	-	33	11,055	977	71	8.84%	1,145	13.53%	8,463	(168)	-14.67%
City Attorney	12,114	-	188	12,302	1,337	186	10.87%	1,540	14.22%	10,832	(203)	-13.18%
City Auditor	2,011	-	6	2,017	235	6	11.65%	253	14.21%	1,781	(18)	-7.11%
City Clerk	2,069	-	7	2,076	191	27	9.20%	224	13.48%	1,662	(33)	-14.73%
City Manager	10,759	-	538	11,297	1,217	911	10.77%	1,313	13.54%	9,696	(96)	-7.31%
Finance	12,276	-	404	12,680	1,563	897	12.33%	1,507	13.79%	10,927	56	3.72%
Information Technology	13,362	-	2,066	15,428	1,034	2,428	6.70%	1,727	14.45%	11,953	(693)	-40.13%
Human Resources	5,982	-	70	6,052	682	629	11.27%	746	13.90%	5,365	(64)	-8.58%
Independent Police Auditor	1,066	-	1	1,067	122	1	11.43%	122	13.06%	934	-	0.00%
Office of Economic Development	5,255	-	311	5,566	792	1,442	14.23%	955	21.39%	4,464	(163)	-17.07%
Total General Government	75,916	-	3,624	79,540	8,150	6,598	10.25%	9,532	14.43%	66,077	(1,382)	-14.50%
Public Safety												
Fire	151,324	2,936	548	154,808	20,024	1,380	12.93%	21,583	14.03%	153,790	(1,559)	-7.22%
Police	294,753	-	1,709	296,462	37,075	3,787	12.51%	39,010	13.51%	288,670	(1,935)	-4.96%
Total Public Safety	446,077	2,936	2,257	451,270	57,099	5,167	12.65%	60,593	13.69%	442,460	(3,494)	-5.77%
Capital Maintenance												
Transportation	25,906	-	896	26,802	2,754	1,985	10.28%	3,880	16.02%	24,218	(1,126)	-29.02%
Public Works	30,600	-	296	30,896	3,463	2,961	11.21%	3,477	13.11%	26,523	(14)	-0.40%
Total Capital Maintenance	56,506	-	1,192	57,698	6,217	4,946	10.78%	7,357	14.50%	50,741	(1,140)	-15.50%
Community Service												
Housing	254	-	-	254	37	-	14.57%	-	0.00%	-	37	100.00%
Library	24,031	-	133	24,164	2,975	478	12.31%	2,951	13.46%	21,920	24	0.81%
Planning, Bldg & Code Enf.	33,927	-	227	34,154	3,666	364	10.73%	3,456	13.42%	25,759	210	6.08%
Park, Rec & Neigh Svcs	49,381	-	402	49,783	6,303	5,626	12.66%	6,465	13.75%	47,003	(162)	-2.51%
Environmental Services	428	-	29	457	38	65	8.32%	216	55.53%	389	(178)	-82.41%
Total Community Services	108,021	-	791	108,812	13,019	6,533	11.96%	13,088	13.77%	95,071	(69)	-0.53%
Total Dept. Expenditures	\$ 686,520	2,936	7,864	697,320	84,485	23,244	12.12%	90,570	13.84%	654,349	(6,085)	-6.72%

(1) Does not include encumbrance balance.

**CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
EXPENDITURES
FOR THE 2 MONTHS ENDED AUGUST 31, 2012
(UNAUDITED)
(\$000's)**

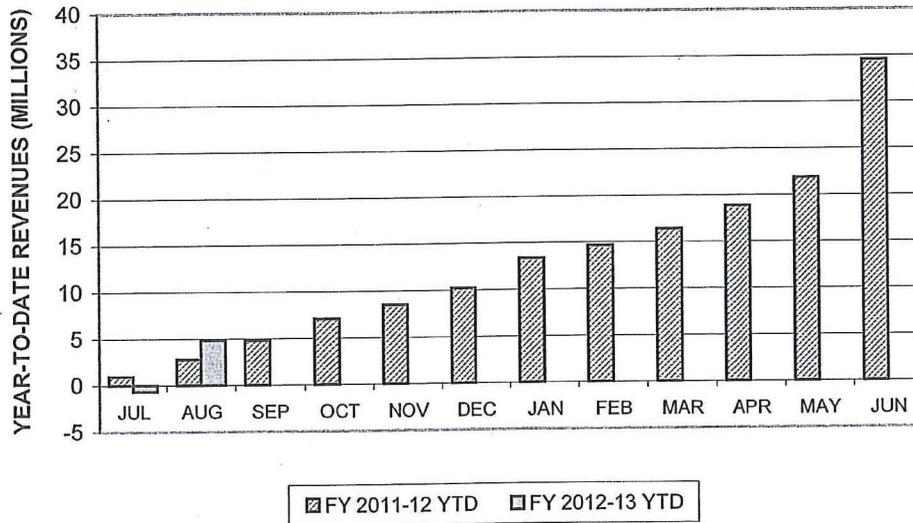
	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		CUR YTD	PRIOR	PRIOR YTD %	PRIOR YEAR-END	CUR YTD LESS PRIOR YTD ACTUAL(1)	% CHANGE
	FY 2012-13 BUDGET	BUDGET AMENDMENTS		FY 2012-13 BUDGET	ACTUAL	ENCUMBR	OF BUDGET	YTD ACTUAL(1)	OF PRIOR YEAR-END ACTUAL	BUDGETARY BASIS ACTUAL		LESS PRIOR YTD ACTUAL
Non-Dept Expenditures												
City-wide Expenditures:												
Econ & Neighborhood Develop. \$	21,744	-	278	22,022	13,304	2,895	60.41%	1,341	5.80%	23,126	11,963	892.10%
Environmental & Utility Services	5,951	-	63	6,014	499	1,185	8.30%	654	12.12%	5,398	(155)	-23.70%
Public Safety	19,815	2,031	795	22,641	3,775	100	16.67%	2,290	10.23%	22,390	1,485	64.85%
Recreation & Cultural Services	7,592	-	215	7,807	(30)	846	-0.38%	362	4.54%	7,975	(392)	-108.29%
Transportation Services	7,776	-	588	8,364	296	687	3.54%	306	6.63%	4,612	(10)	-3.27%
Strategic Support	46,985	125,000	5,992	177,977	2,244	6,539	1.26%	1,919	1.55%	123,744	325	16.94%
Total City-wide Expenditures	109,863	127,031	7,931	244,825	20,088	12,252	8.21%	6,872	3.67%	187,245	13,216	192.32%
Other Non-Dept Expenditures:												
Capital Contributions	15,640	-	4,214	19,854	2,754	1,776	13.87%	641	11.51%	5,571	2,113	329.64%
Transfers to Other Funds	39,387	-	-	39,387	28,447	-	72.22%	25,095	83.04%	30,222	3,352	13.36%
Total Other Non-Dept Expenditures	55,027	-	4,214	59,241	31,201	1,776	52.67%	25,736	71.90%	35,793	5,465	21.23%
Total Non-Dept Expenditures	164,890	127,031	12,145	304,066	51,289	14,028	16.87%	32,608	14.62%	223,038	18,681	57.29%
Reserves												
Contingency Reserves	29,309	-	-	29,309	-	-	0.00%	-	0.00%	-	-	0.00%
Earmarked Reserves	65,091	300	-	65,391	-	-	0.00%	-	0.00%	-	-	0.00%
Total Reserves	94,400	300	-	94,700	-	-	0.00%	-	0.00%	-	-	0.00%
Total Uses	\$ 945,810	130,267	20,009	1,096,086	135,774	37,272	12.39%	123,178	14.04%	877,387	12,596	10.23%

(1) Does not include encumbrance balance.

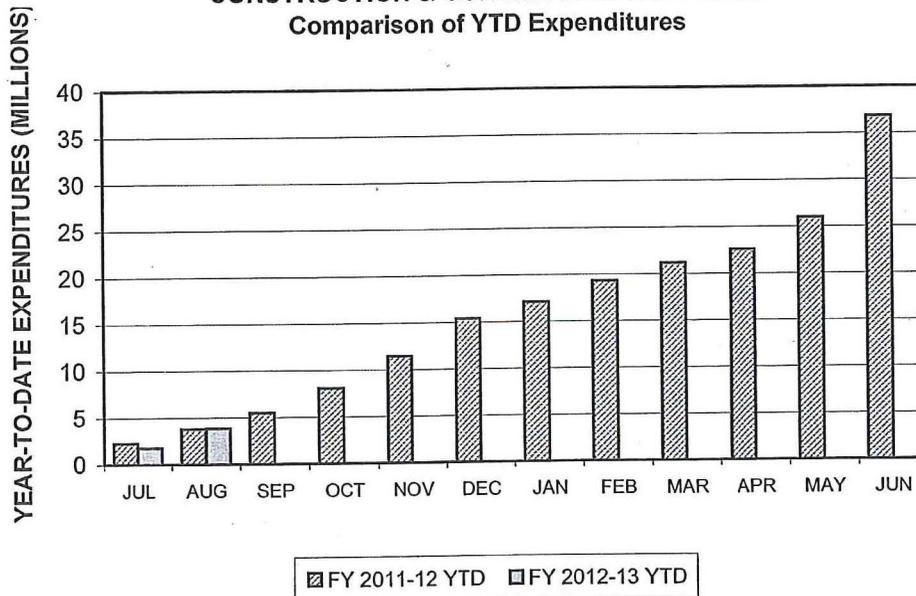
CITY OF SAN JOSE
GENERAL FUND SOURCE AND USE OF FUNDS
FOR THE 2 MONTHS ENDED AUGUST 31, 2012
SUPPLEMENTAL SCHEDULE - DEPARTMENTAL REVENUES
(UNAUDITED)
(\$000's)

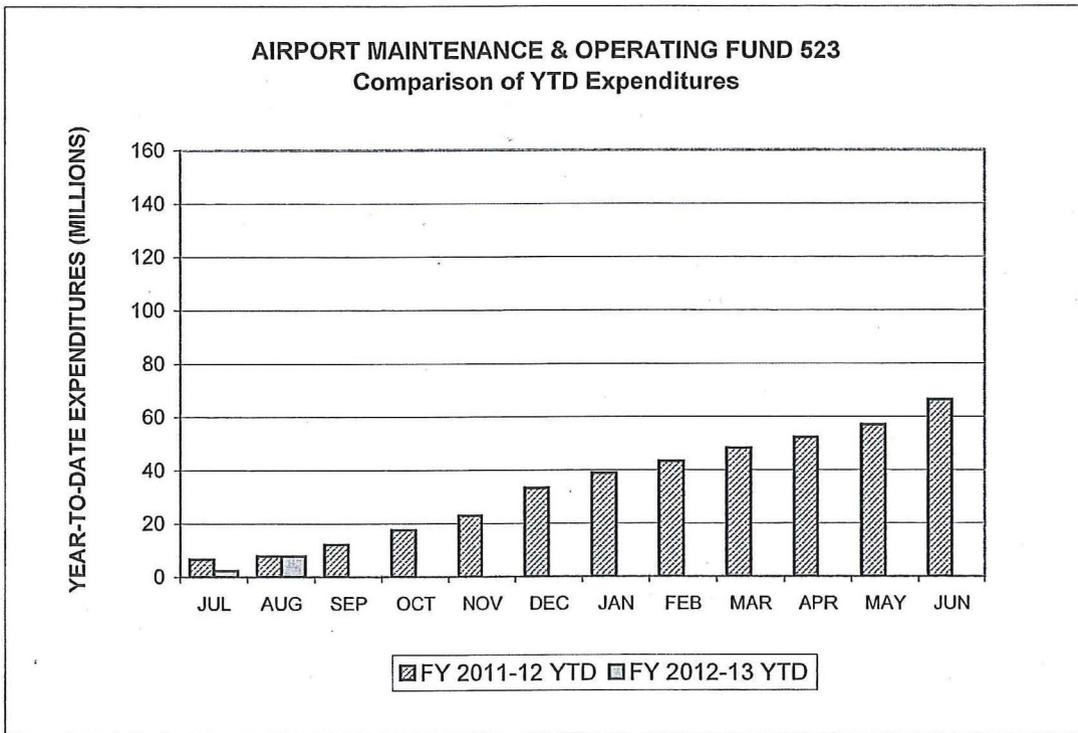
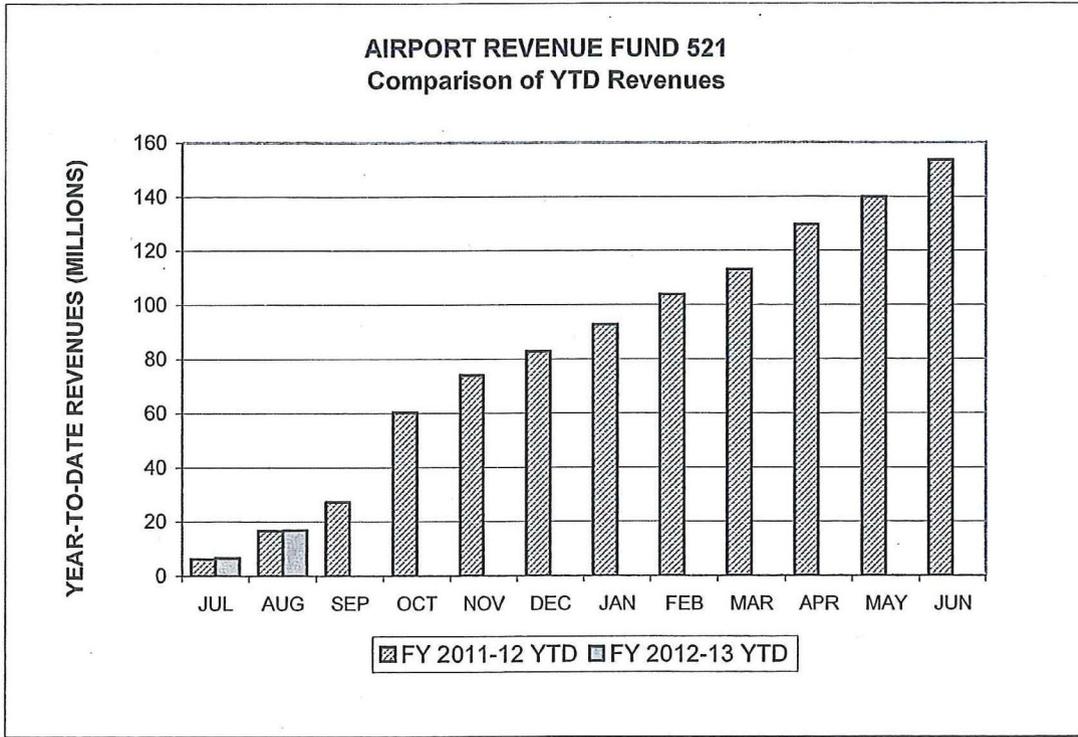
	ADOPTED FY 2012-13 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2012-13 BUDGET	CUR YTD ACTUAL	CUR YTD ACTUAL % OF BUDGET	PRIOR YTD ACTUAL	PRIOR YTD % OF PRIOR YEAR-END ACTUAL	PRIOR YEAR-END BUDGETARY BASIS ACTUAL	CUR YTD LESS PRIOR YTD ACTUAL	% CHANGE CUR YTD ACTUAL LESS PRIOR YTD ACTUAL
Police	\$ 1,436	-	-	1,436	187	13.02%	244	16.09%	1,516	(57)	-23.36%
Public Works	5,650	-	-	5,650	1,099	19.45%	993	13.68%	7,261	106	10.67%
Transportation	1,135	-	-	1,135	150	13.22%	216	16.68%	1,295	(66)	-30.56%
Library	1,305	-	-	1,305	112	8.58%	(6)	-0.51%	1,173	118	1966.67%
Planning, Bldg & Code Enf	2,600	-	-	2,600	571	21.96%	421	14.59%	2,885	150	35.63%
Parks Rec & Neigh Svcs	14,460	-	-	14,460	4,395	30.39%	4,197	28.64%	14,652	198	4.72%
Miscellaneous Dept Charges	5,540	-	-	5,540	953	17.20%	798	14.52%	5,494	155	19.42%
Total Departmental Revenues \$	32,126	-	-	32,126	7,467	23.24%	6,863	20.02%	34,276	604	8.80%

CONSTRUCTION & CONVEYANCE TAX FUNDS
Comparison of YTD Revenues



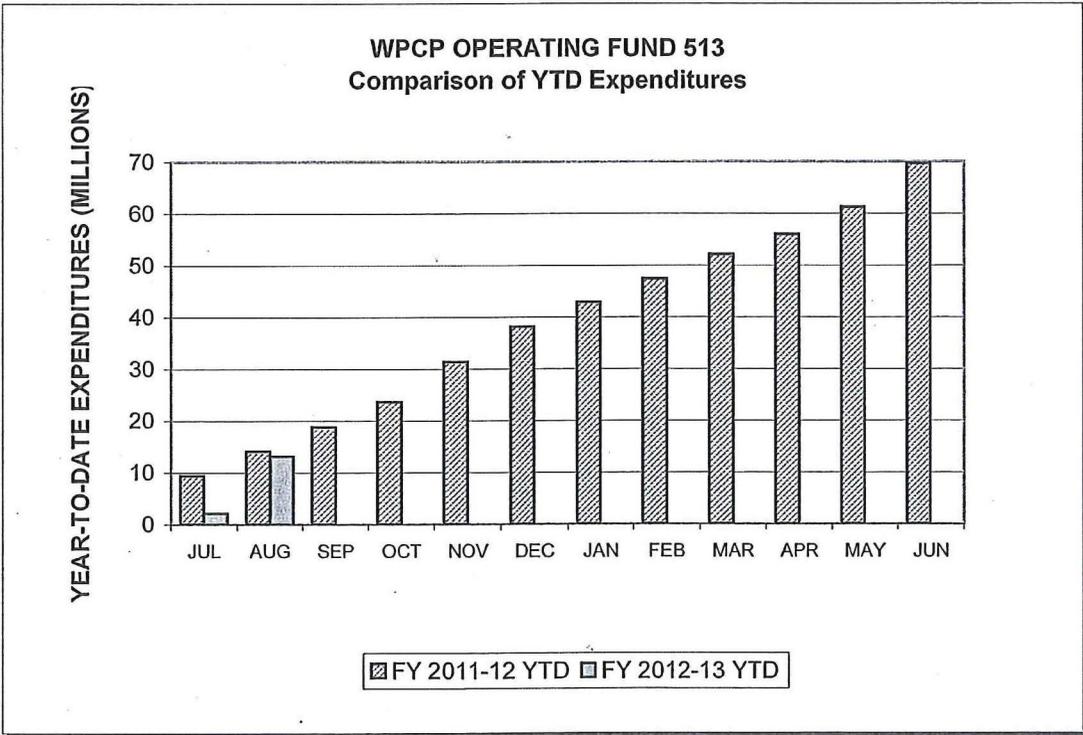
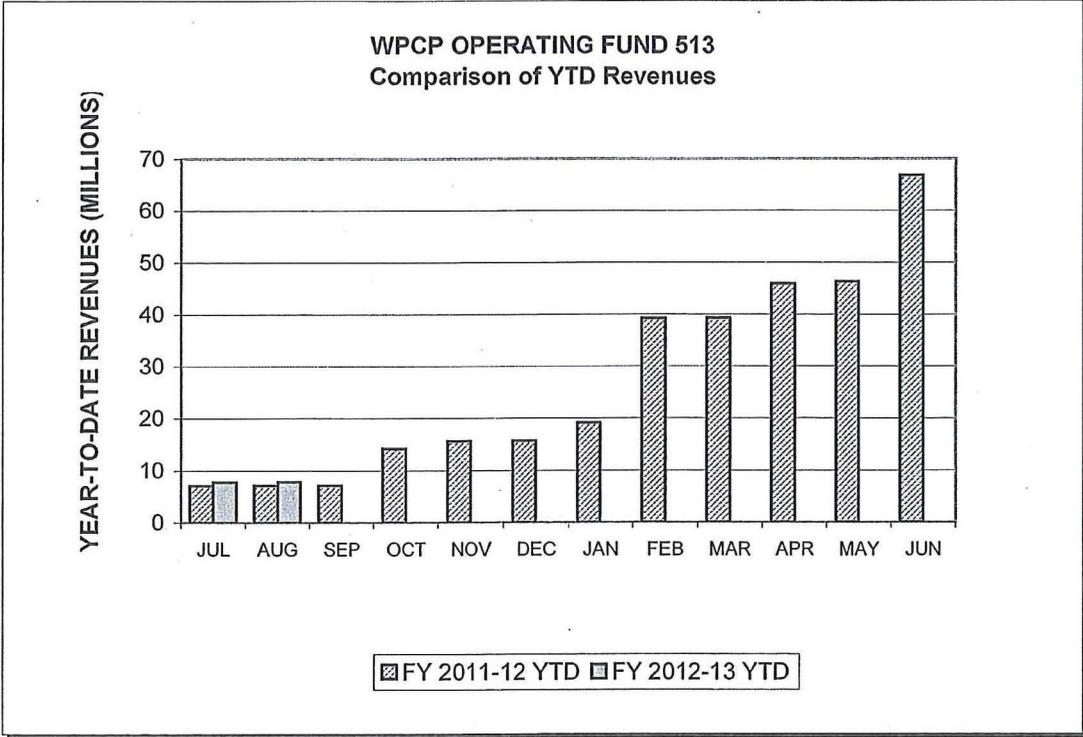
CONSTRUCTION & CONVEYANCE TAX FUNDS
Comparison of YTD Expenditures



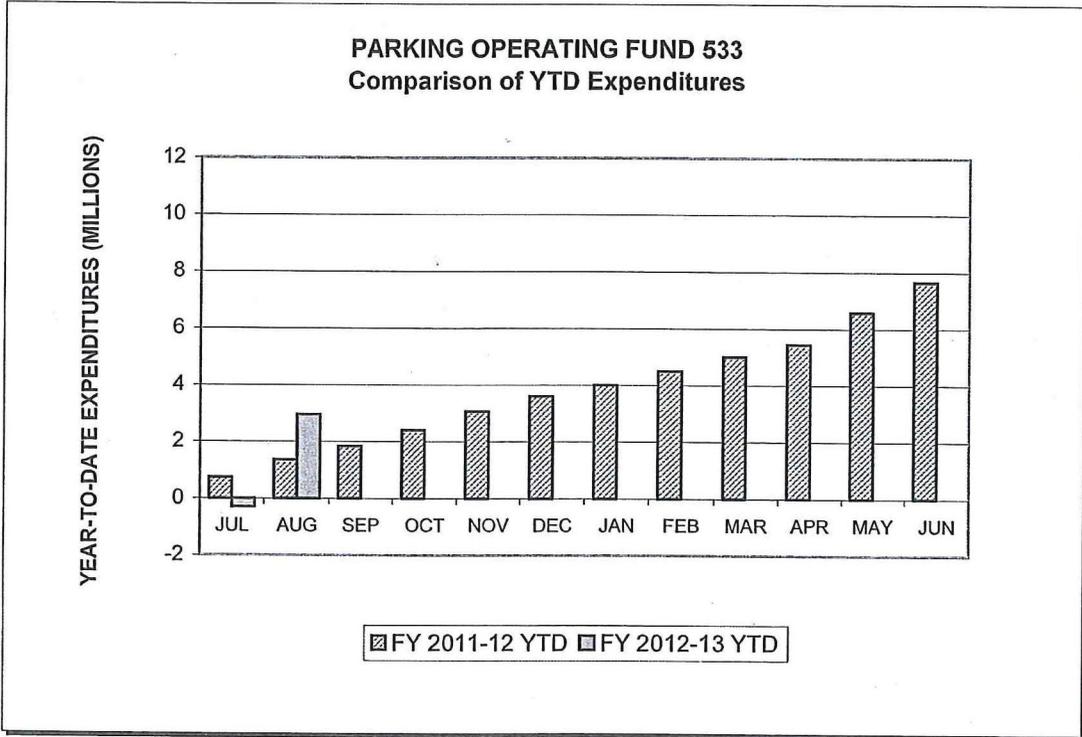
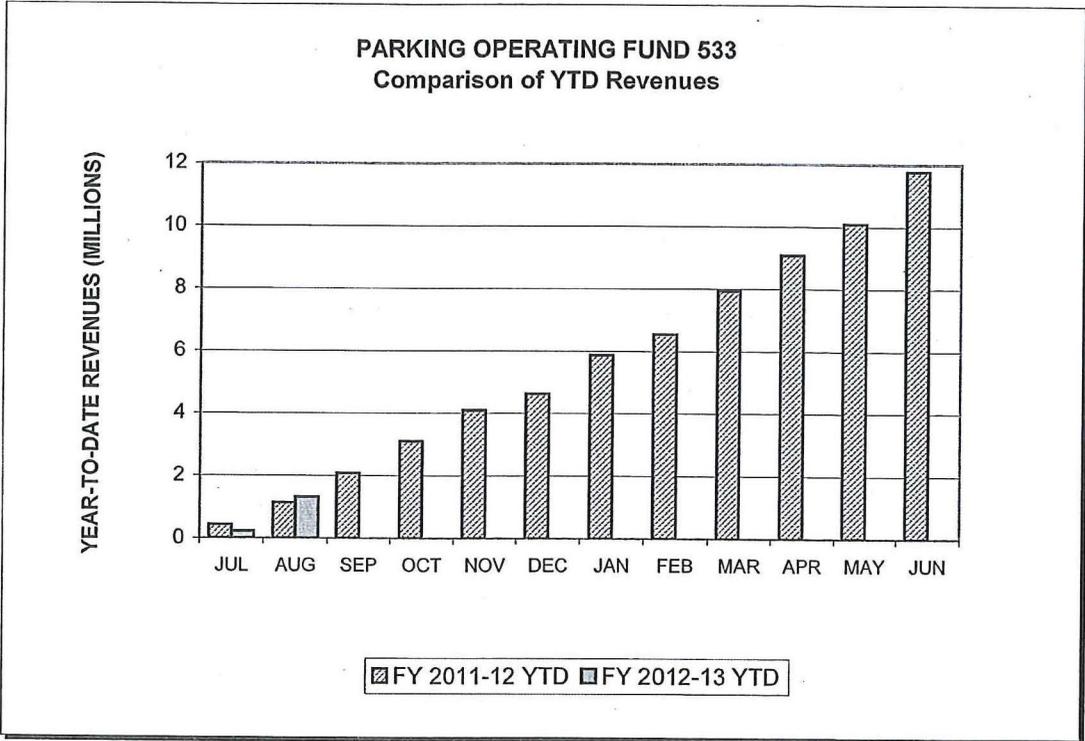


Airport Revenue includes the reimbursement of \$22.2 million in October 2011 for previously paid expenditures from the proceeds of the City's Airport Revenue Bonds, Series 2007A (AMT), pursuant to the Proceeds Allocation Certificate executed on September 30, 2011.

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



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



Negative Expenditures in July 2012 were caused by the reversal of FY11-12 year-end accrued expenditures that exceeded the amount of actual year-end expenditures.

Note: Graphs above are only for Parking operating fund (533).

**CITY OF SAN JOSE
SPECIAL FUNDS
SOURCE AND USE OF FUNDS
FOR THE 2 MONTHS ENDED AUGUST 31, 2012
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2012-13	BUDGET		FY 2012-13	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
Construction/Conveyance Tax							
Prior Year Encumbrance	\$ -	-	4,478	4,478	4,478	N/A	7,967
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	52,553	3,487	-	56,040	56,040	N/A	50,734
Revenues	27,346	10,339	-	37,685	4,844	N/A	2,760
Total Sources	79,899	13,826	4,478	98,203	65,362	N/A	61,461
Total Uses	79,899	13,826	4,478	98,203	3,858	9,059	3,789
Airport (1)							
Prior Year Encumbrance	-	-	9,520	9,520	9,520	N/A	13,253
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	370,663	-	-	370,663	370,663	N/A	448,217
Revenues	340,377	-	-	340,377	30,924	N/A	33,020
Total Sources	711,040	-	9,520	720,560	411,107	N/A	494,490
Total Uses	711,040	-	9,520	720,560	31,148	31,748	28,023
Waste Water Treatment (2)							
Prior Year Encumbrance	-	-	33,113	33,113	33,113	N/A	45,271
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	246,362	-	-	246,362	246,362	N/A	217,419
Revenues	275,183	-	-	275,183	138,543	N/A	135,112
Total Sources	521,545	-	33,113	554,658	418,018	N/A	397,802
Total Uses	521,545	-	33,113	554,658	32,627	44,975	27,551
Parking							
Prior Year Encumbrance	-	-	854	854	854	N/A	1,005
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	11,524	-	-	11,524	11,524	N/A	8,021
Revenues	10,456	-	-	10,456	1,312	N/A	1,136
Total Sources	21,980	-	854	22,834	13,690	N/A	10,162
Total Uses	\$ 21,980	-	854	22,834	2,949	2,635	1,357

(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 2 MONTHS ENDED AUGUST 31, 2012
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2012-13	BUDGET		FY 2012-13	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
Municipal Water							
Prior Year Encumbrance	\$ -	-	1,400	1,400	1,400	N/A	1,705
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	13,545	-	-	13,545	13,545	N/A	12,831
Revenues	31,803	-	-	31,803	8,421	N/A	7,539
Total Sources	45,348	-	1,400	46,748	23,366	N/A	22,075
Total Uses	45,348	-	1,400	46,748	5,612	3,017	5,831
Gas Tax							
Prior Year Encumbrance	-	-	-	-	-	N/A	-
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	-	-	-	-	-	N/A	-
Revenues	15,000	-	-	15,000	1,400	N/A	1,331
Total Sources	15,000	-	-	15,000	1,400	N/A	1,331
Total Uses	15,000	-	-	15,000	1,400	0	-
Building and Structures							
Prior Year Encumbrance	-	-	3,762	3,762	3,762	N/A	3,777
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	11,597	-	-	11,597	11,597	N/A	11,195
Revenues	20,073	-	-	20,073	1,574	N/A	(265)
Total Sources	31,670	-	3,762	35,432	16,933	N/A	14,707
Total Uses	31,670	-	3,762	35,432	1,789	3,788	1,392
Residential Construction							
Prior Year Encumbrance	-	-	-	-	-	N/A	-
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	1,074	-	-	1,074	1,074	N/A	1,121
Revenues	102	-	-	102	47	N/A	5
Total Sources	1,176	-	-	1,176	1,121	N/A	1,126
Total Uses	\$ 1,176	-	-	1,176	6	0	7

**CITY OF SAN JOSE
SPECIAL FUNDS
SOURCE AND USE OF FUNDS
FOR THE 2 MONTHS ENDED AUGUST 31, 2012
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2012-13	BUDGET		FY 2012-13	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
Transient Occupancy Tax							
Prior Year Encumbrance	\$ -	-	116	116	116	N/A	176
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	2,206	-	-	2,206	2,206	N/A	3,375
Revenues	13,081	-	-	13,081	1,458	N/A	1,300
Total Sources	15,287	-	116	15,403	3,780	N/A	4,851
Total Uses	15,287	-	116	15,403	1,484	3,350	1,306
Conventions, Arts & Entertainment							
Prior Year Encumbrance	-	-	387	387	387	N/A	495
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	7,654	-	-	7,654	7,654	N/A	5,792
Revenues	27,826	-	-	27,826	851	N/A	442
Total Sources	35,480	-	387	35,867	8,892	N/A	6,729
Total Uses	35,480	-	387	35,867	5,900	355	4,675
Golf							
Prior Year Encumbrance	-	-	-	-	-	N/A	7
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	328	-	-	328	328	N/A	354
Revenues	2,375	-	-	2,375	1,932	N/A	1,629
Total Sources	2,703	-	-	2,703	2,260	N/A	1,990
Total Uses	2,703	-	-	2,703	1,245	0	1,372
Other Funds							
Prior Year Encumbrance	-	-	34,801	34,801	34,801	N/A	47,177
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	186,132	-	-	186,132	186,132	N/A	173,246
Revenues	399,756	210	-	399,966	86,097	N/A	76,360
Total Sources	585,888	210	34,801	620,899	307,030	N/A	296,783
Total Uses	\$ 585,888	210	34,801	620,899	37,967	150,664	51,061

**CITY OF SAN JOSE
CAPITAL PROJECT FUNDS
SOURCE AND USE OF FUNDS
FOR THE 2 MONTHS ENDED AUGUST 31, 2012
(UNAUDITED)
(\$000's)**

	ADOPTED	YTD	C/O	REVISED	YEAR-TO-DATE		PRIOR
	FY 2012-13	BUDGET		FY 2012-13	ACTUAL	ENCUMBR	Y-T-D
	BUDGET	AMENDMENTS	ENCUMBR	BUDGET			ACTUAL
Construction Excise							
Prior Year Encumbrance	\$ -	-	3,105	3,105	3,105	N/A	8,259
Liquidation of c/o Enc.	-	-	-	-	-	N/A	-
Beginning Fund Balance	35,268	-	-	35,268	35,268	N/A	19,959
Revenues	42,294	580	-	42,874	6,364	N/A	3,518
Total Sources	77,562	580	3,105	81,247	44,737	N/A	31,736
Total Uses	77,562	580	3,105	81,247	4,745	14,037	7,035
Redevelopment Projects							
Prior Year Encumbrance	-	-	37	37	37	N/A	214
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	-	-	-	-	-	N/A	466
Revenues	-	-	-	-	-	N/A	-
Total Sources	-	-	37	37	37	N/A	680
Total Uses	-	-	37	37	-	37	(107)
Other							
Prior Year Encumbrance	-	-	1,491	1,491	1,491	N/A	5,612
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	53,165	315	-	53,480	53,480	N/A	58,017
Revenues	14,233	-	-	14,233	2,790	N/A	1,777
Total Sources	67,398	315	1,491	69,204	57,761	N/A	65,406
Total Uses	\$ 67,398	315	1,491	69,204	2,980	2,573	1,697

**CITY OF SAN JOSE
OTHER FUND TYPES
SOURCE AND USE OF FUNDS
FOR THE 2 MONTHS ENDED AUGUST 31, 2012
(UNAUDITED)
(\$000's)**

	ADOPTED FY 2012-13 BUDGET	YTD BUDGET AMENDMENTS	C/O ENCUMBR	REVISED FY 2012-13 BUDGET	YEAR-TO-DATE		PRIOR Y-T-D ACTUAL
					ACTUAL	ENCUMBR	
Trust and Agency							
Prior Year Encumbrance	\$ -	-	2	2	2	N/A	1
Liquidation of c/o Enc	-	-	-	-	-	N/A	-
Beginning Fund Balance	4,106	-	-	4,106	4,106	N/A	2,316
Revenues	80	-	-	80	67	N/A	94
Total Sources	<u>4,186</u>	-	2	<u>4,188</u>	<u>4,175</u>	N/A	<u>2,411</u>
Total Uses	<u>\$ 4,186</u>	-	2	<u>4,188</u>	47	35	15