



City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

August 2026

City of Santa Clara

Financial Status Report as of August 31, 2026

This report summarizes the City’s financial performance for the month ended August 31, 2026. Financial analysis for the report is provided for the General Fund, select Special Revenue Funds, Enterprise Operating Funds, Internal Service Funds, and Capital Improvement Funds. Financial information included in this report is unaudited.

Economic Outlook

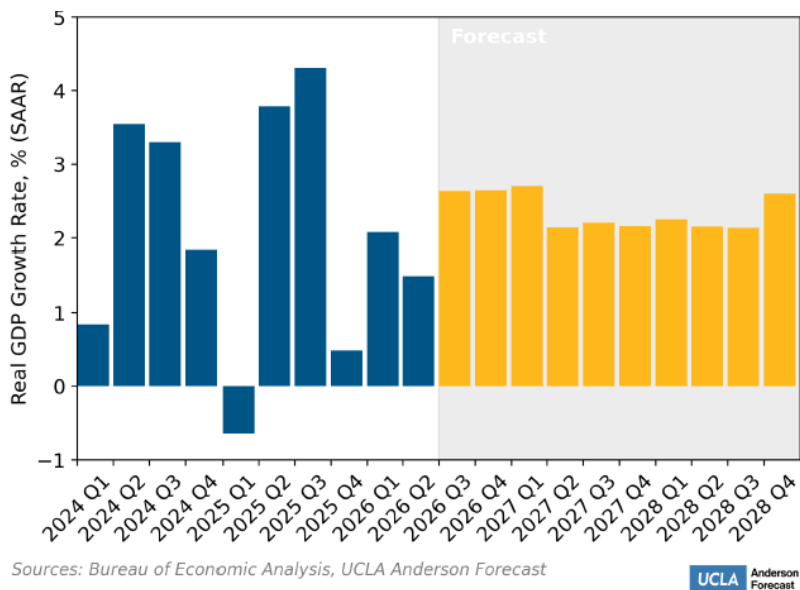
The Fall 2026 UCLA Anderson Forecast describes a U.S. economy that “has largely weathered a series of disruptions, with economic growth remaining resilient, even as inflation and interest rates have risen and labor markets nationally and in California remain weak.

The outlook has shifted considerably over the course of the year. In March, the Forecast expected tax cuts and rapidly expanding investment in artificial intelligence to help reaccelerate the U.S. economy in 2026. Three months later, the war in Iran and resulting oil shock had replaced tariffs as the leading threat to that expansion.

The contrasting signals are particularly pronounced in California. The state’s economy grew at an annual rate of 3.7% in the first quarter of 2026, compared with 2.1% nationally, with only Washington state growing faster. Yet California’s unemployment rate stood at 5.1% in August, the highest of any state. The “employment recession” identified by the Forecast six months ago has continued, even though California has outperformed the nation in the production of goods and services.

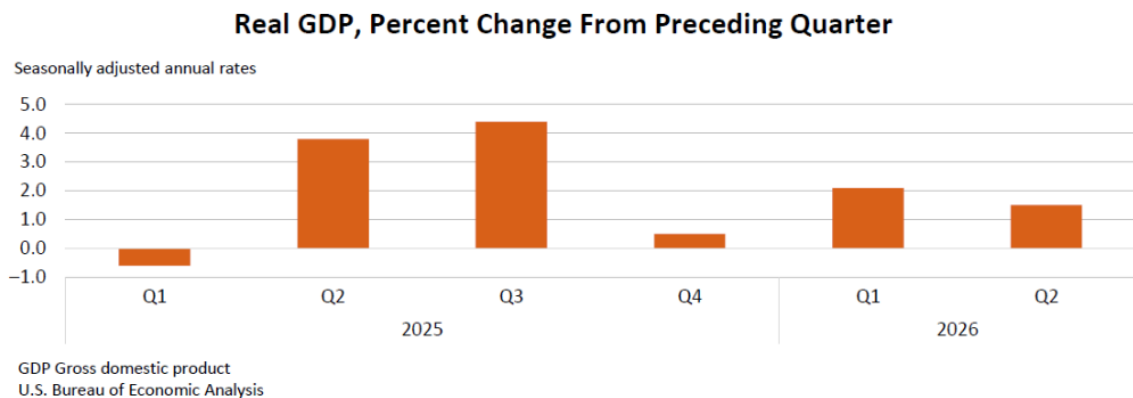
Nationally, the Forecast expects growth to remain above 2% for the remainder of 2026 and near 2% in 2027 and 2028, supported in part by continued investment in AI infrastructure and the wealth effects associated with rising technology equity valuations. Inflation, meanwhile, is expected to move higher again this winter, keeping interest rates elevated and prompting the Federal Reserve to raise rates accordingly.”¹ The Forecast also points to an elevated level of uncertainty with potential upward or downward shifts in the forecast. There are negative risks associated with potential changes in AI equity valuations, the conflict with Iran, and oil prices as well as positive risks associated with potential AI-driven productivity gains and a swifter resolution of the conflict with Iran.

Quarterly Real GDP Growth Forecast
(Seasonally Adjusted Annual Rates)



¹ <https://www.anderson.ucla.edu/news-and-events/ucla-anderson-forecast-sees-resilient-growth-despite-inflation-weak-labor-markets>; UCLA Anderson Forecast for the Nation and California, Fall 2026 Report

In the second quarter 2026 second estimate, the Gross Domestic Product (GDP) increased at an annual rate of 1.5%, following a GDP increase of 2.1% in the first quarter. The increase in real GDP primarily an increase in consumer spending, exports and investments. These movements were partly offset by decreases in government spending. Imports, which are a subtraction to the calculation of GDP, increased.²



On a national level, the unemployment rate was unchanged at 4.1% between July and August 2026. In August, the number of unemployed increased slightly from 6.9 million in July 2026 to 7.0 million in August 2026.³

Chart 1. Unemployment rate, seasonally adjusted, August 2024 – August 2026

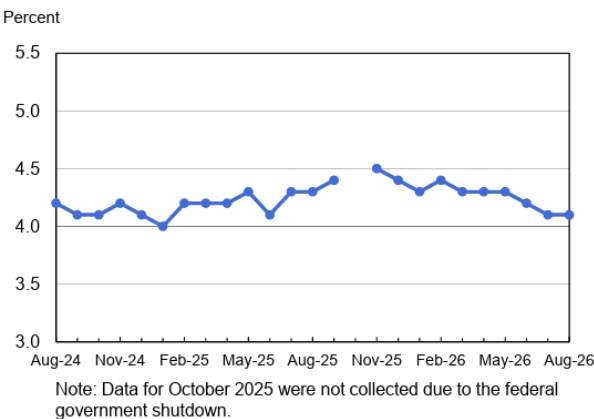
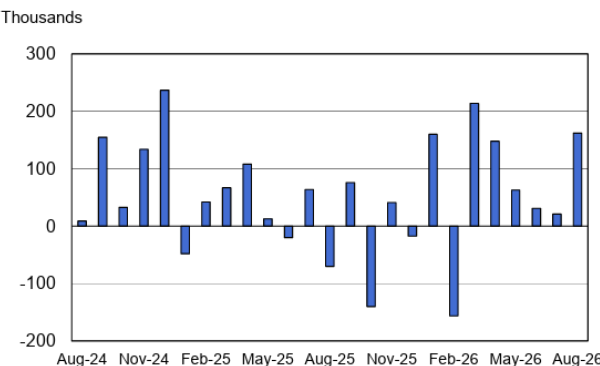


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, August 2024 – August 2026



At the state level, the California unemployment rate remained unchanged at 5.1% between July and August 2026. This rate is lower compared to the 5.5% rate in August 2025. Over the past year, California employers have added 138,500 nonfarm jobs (0.77 percent increase).⁴

² <https://www.bea.gov/news/2026/gdp-second-estimate-and-corporate-profits-2nd-quarter-2026>

³ <https://www.bls.gov/news.release/pdf/empsit.pdf>

⁴ https://edd.ca.gov/en/about_edd/news_releases_and_announcements/unemployment-august-2026/

The unadjusted unemployment rate in the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) was 4.3% in August 2026, up slightly from a revised 4.1% in July 2026, but below the August 2025 level of 4.7%. Between August 2025 and August 2026, employment in this region increased by 20,400 jobs, or 1.7%. The largest increases were in private education and health services (up 13,200 jobs), construction (up 4,200 jobs), and leisure and hospitality (up 2,200 jobs).⁵

General Fund

The General Fund is the major operating fund for the City and includes multiple programs, services, and activities for the residents and businesses of the City. The adopted budget for operating revenues and expenditures for fiscal year 2026/27 was \$388.4 million. The amended budget for revenues and expenditures was adjusted to \$396.9 million to reflect carryover encumbrances from fiscal year 2025/26 and various budget amendments approved by the City Council through August 2026.

While it is very early in the fiscal year and limited data is available, General Fund revenues and expenditures are tracking within estimated levels.

⁵ [https://labormarketinfo.edd.ca.gov/file/lfmonth/sjos\\$pds.pdf](https://labormarketinfo.edd.ca.gov/file/lfmonth/sjos$pds.pdf)

Financial Status Report as of August 31, 2026

General Fund Revenues

As of August 31, 2026, \$23.6 million of General Fund revenue (excluding transfers) was received. This figure incorporates the negative amount reflected in the table below, which represent accruals of revenue to the previous year. In some categories, the revenues received in July and August account for activity that occurred in FY 2025/26 and those revenues are accrued back to that year. In other cases, such as property tax, most payments are scheduled to occur later in the fiscal year. Transfers and use of reserves of \$36.3 million have occurred as budgeted.

CITY OF SANTA CLARA GENERAL FUND REVENUE OVERVIEW AND COMPARISON BY TYPE

Function	FISCAL YEAR 2026/27				PY REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2026	Percentage Received	Actual Through 8/31/2025	\$ Change From Prior Year	Percentage Change
TAXES							
Sales Tax	\$ 75,850,000	\$ 75,850,000	\$ -	0.00%	\$ -	\$ -	N/A
Property Tax	107,797,000	107,797,000	-	0.00%	40,400	(40,400)	-100.00%
Transient Occupancy Tax	30,680,000	30,680,000	2,478,125	8.08%	1,835,710	642,415	35.00%
Other Taxes	7,400,000	7,400,000	330,844	4.47%	243,406	87,438	35.92%
Total Taxes	221,727,000	221,727,000	2,808,969	1.27%	2,119,516	689,453	32.53%
LICENSES & PERMITS							
Business Licenses	6,150,000	6,150,000	1,412,617	22.97%	1,445,756	(33,139)	-2.29%
Building Permits	-	-	282,934	N/A	271,129	11,805	4.35%
Fire Operation Permits	2,058,000	2,058,000	1,902,160	92.43%	596,264	1,305,896	219.01%
Miscellaneous Permits	45,000	45,000	106,998	237.77%	242,139	(135,141)	-55.81%
Total Licenses & Permits	8,253,000	8,253,000	3,704,709	44.89%	2,555,288	1,149,421	44.98%
FINES & PENALTIES	2,307,000	2,307,000	416,194	18.04%	737,912	(321,718)	-43.60%
INTERGOVERNMENTAL	760,000	760,000	322,114	42.38%	253	321,861	127217.79%
CHARGES FOR SERVICES	36,599,039	36,599,039	4,767,454	13.03%	8,003,906	(3,236,453)	-40.44%
SILICON VALLEY POWER TRANSFER	42,930,000	42,930,000	7,155,010	16.67%	6,212,510	942,500	15.17%
USE OF MONEY & PROPERTY							
Interest	11,571,000	11,571,000	(1,014,510)	-8.77%	(856,771)	(157,739)	18.41%
Rent	14,832,451	14,832,451	3,714,270	25.04%	2,638,243	1,076,027	40.79%
Total Use of Money & Property	26,403,451	26,403,451	2,699,760	10.23%	1,781,472	918,288	51.55%
MISCELLANEOUS REVENUES	380,000	380,000	(3,008)	-0.79%	56,038	(59,046)	-105.37%
OTHER FINANCING SOURCES							
Operating Transfer In - Storm Drain	1,454,000	1,454,000	1,454,000	100.00%	1,454,000	-	0.00%
Operating Transfer In - Reserves	18,446,588	26,971,897	26,971,897	100.00%	15,886,222	11,085,675	69.78%
Operating Transfer In - Fund Balances ⁽¹⁾	7,089,154	7,089,154	7,089,154	100.00%	5,816,858	1,272,296	21.87%
Operating Transfer In - Miscellaneous	777,828	777,828	777,828	100.00%	405,265	372,563	91.93%
Total Other Financing Sources	27,767,570	36,292,879	36,292,879	100.00%	23,562,345	12,730,534	54.03%
STADIUM OPERATION							
Charges for Services	13,606,283	13,606,283	1,612,682	11.85%	1,760,609	(147,927)	-8.40%
Rent and Licensing	7,690,963	7,690,963	106,998	1.39%	1,000,000	(893,002)	-89.30%
Total Stadium Operation	21,297,246	21,297,246	1,719,680	8.07%	2,760,609	(1,040,929)	-37.71%
TOTAL GENERAL FUND	\$ 388,424,306	\$ 396,949,615	\$ 59,883,761	15.09%	\$ 47,789,849	\$ 12,093,911	25.31%

(1) The Operating Transfer In - Fund Balances includes the carryover encumbrances of open purchase orders as of June 30, 2026.

General Fund Revenues

Sales Tax: The City of Santa Clara sales tax rate is 9.75%, of which the City receives 1.0%. As of August 31, 2026, no sales tax has been recorded. Given the timing of payments, the sales tax payments received in August accounted for activity in the prior fiscal year and those funds were accrued to last year.

Property Tax: No property tax receipts were received in August 2026. The majority of property tax revenue is collected in the second half of the fiscal year. The City has not yet received preliminary estimates from the County of Santa Clara regarding the anticipated property tax revenue for the City of Santa Clara.

Transient Occupancy Tax (TOT): TOT is calculated as a percentage of City hotel/motel room charges. The City's TOT rate is 13.5%. Through August 31, 2026, approximately \$2.5 million has been collected, up from \$1.8 million received through the same period last fiscal year. Due to the timing of payments, this represents activity for July.

Other Taxes: Includes franchise tax and documentary transfer tax. The City has collected \$0.3 million through August, which is 36% higher than last fiscal year's collection levels. Receipts through August reflect franchise tax collections of \$0.1 million and documentary transfer tax collections of \$0.2 million.

Licenses & Permits: Includes business licenses, fire operation permits, and miscellaneous permits and fees. Licenses and permits revenue collections are tracking above par with receipts totaling \$3.7 million, or 44.9% of the \$8.3 million budget. This collection level is also above the prior year collection level of \$2.6 million. This is primarily due to higher collections under the fire operation permits category. This is a result of the change in billing cycles for fire permits, where the City now bills for all permits on July 1. It is anticipated that the majority of the revenue for existing permits to be received in the first quarter of the fiscal year.

Fines & Penalties: Includes vehicle, parking, court fines, and miscellaneous penalty fines. The revenue collected in this category through August was \$0.4 million, which is below prior year collections of \$0.7 million. This decrease is primarily reflected under the municipal fines and collection charges categories.

Intergovernmental: Includes motor vehicle fees, state homeowner tax relief, state mandated reimbursement and redistribution of land sale proceeds and ground leases from the Successor Agency. Through August 31, 2026, \$0.3 million has been collected in this category, well above the prior year collection level of \$253. This high collection level is primarily attributable to SB90 reimbursements for the Police Department.

Charges for Services: Includes various plan check and zoning-related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. Through August, collections totaled approximately \$4.8 million or 13% of the budget. This reflects a 40% decrease compared to last year's collections, primarily lower in the miscellaneous charges for services,

engineering fees, planning and zoning fees, and emergency medical services (EMS) transport categories. These decreases are partially offset with higher collections in the technology fee category.

Silicon Valley Power Transfer: In accordance with the City's charter, Silicon Valley Power pays 5.0% of gross revenues to the General Fund. Transfers throughout the year are based on the budgeted estimate and will be trued up at the end of the fiscal year based on actual performance.

Use of Money & Property: Includes realized investment income and rental income. Collections in the rent category are higher than prior year levels, specifically for right-of-way revenues. The negative amount under the interest category reflects an accrual to the prior year.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, sale of surplus, and one-time miscellaneous revenues. Through August 31, 2026, no revenue has been recorded in this category. The negative amount reflects accruals to the prior year.

Stadium Operation: Through August 2026, \$1.7 million has been collected through charges for services and rent.

Financial Status Report as of August 31, 2026

General Fund Expenditures

As of August 31, 2026, \$107.2 million or 27% of the General Fund operating budget had been expended, which is higher than prior year expenditure levels. Excluding transfers, expenditures totaled \$57.1 million, or 16.5% of the budget, which is at par of 16.7% of the budget. Transfers of \$50.0 million have occurred as budgeted. Overall, expenditures in the General Fund are within budgeted levels through August.

CITY OF SANTA CLARA GENERAL FUND EXPENDITURES OVERVIEW AND COMPARISON BY FUNCTION

Function	FISCAL YEAR 2026/27				PY EXPENDITURES COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2026	Percentage Used	Actual Through 8/31/2025	\$ Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
Non-Departmental	\$ 22,352,629	\$ 23,465,831	\$ 4,366,366	18.61%	\$ 4,737,558	\$ (371,192)	-7.84%
City Council	1,279,327	1,279,327	216,953	16.96%	196,773	20,180	10.26%
City Clerk	2,388,984	2,529,100	369,149	14.60%	280,374	88,775	31.66%
City Manager	7,007,724	7,468,771	934,749	12.52%	883,434	51,315	5.81%
City Attorney	4,715,564	4,998,962	745,851	14.92%	573,378	172,473	30.08%
City Auditor	1,099,342	1,259,443	147,033	11.67%	119,149	27,884	23.40%
Human Resources	6,602,108	6,795,731	815,439	12.00%	691,064	124,375	18.00%
Finance	20,835,070	21,615,528	2,518,067	11.65%	3,217,345	(699,278)	-21.73%
Total General Government	66,280,748	69,412,693	10,113,607	14.57%	10,699,075	(585,468)	-5.47%
PUBLIC WORKS	30,667,362	31,703,861	4,759,470	15.01%	4,695,964	63,506	1.35%
COMMUNITY DEVELOPMENT	6,338,943	6,636,545	970,175	14.62%	856,944	113,231	13.21%
PARKS AND RECREATION	25,923,944	27,844,970	4,413,137	15.85%	4,123,209	289,928	7.03%
PUBLIC SAFETY							
Fire	80,527,946	81,521,591	13,985,836	17.16%	12,151,071	1,834,765	15.10%
Police	106,094,094	106,560,836	17,610,077	16.53%	16,820,121	789,956	4.70%
Total Public Safety	186,622,040	188,082,427	31,595,913	16.80%	28,971,192	2,624,721	9.06%
LIBRARY	12,569,996	12,647,977	2,341,224	18.51%	2,072,909	268,315	12.94%
DEPARTMENTAL TOTAL	328,403,033	336,328,473	54,193,526	16.11%	51,419,293	2,774,233	5.40%
OTHER FINANCING USES							
Operating Transfer Out - Miscellaneous	4,001,805	4,001,805	4,001,805	100.00%	1,062,675	2,939,130	276.58%
Operating Transfer Out - Debt Services	1,400,579	1,400,579	1,400,579	100.00%	1,406,979	(6,400)	-0.45%
Operating Transfer Out - Maintenance Dtrct	1,306,026	1,306,026	1,306,026	100.00%	1,079,493	226,533	20.99%
Operating Transfer Out - Cemetery	976,306	976,306	976,306	100.00%	1,078,109	(101,803)	-9.44%
Operating Transfer Out - CIP	22,718,062	23,138,410	23,138,410	100.00%	6,772,581	16,365,829	241.65%
Operating Transfer Out - Reserves	19,223,426	19,223,426	19,223,426	100.00%	17,649,996	1,573,430	8.91%
Total Other Financing Uses	49,626,204	50,046,552	50,046,552	100.00%	29,049,833	20,996,719	72.28%
STADIUM OPERATION	10,395,069	10,574,589	2,948,757	27.89%	2,553,646	395,111	15.47%
TOTAL GENERAL FUND	\$ 388,424,306	\$ 396,949,615	\$ 107,188,835	27.00%	\$ 83,022,772	\$ 24,166,063	29.11%

General Fund Expenditures

Below is an explanation of certain budget to actual expenditure variances by program.

Non-Departmental: Includes expenditures that are not attributable to a single department, but a function of the City in general. Through August, expenditures totaled \$4.4 million, or 18.6% of the budget. These expenditures are above the par level of 16.7% and higher than prior year levels due to higher salaries and benefits costs and advertising and community promotion spend.

City Attorney: Actual expenditures through August totaled approximately \$0.7 million, which is 14.9% of the budget, which is slightly below par. Spending is higher than the total expenditures through the same time last fiscal year by 30.1% due to higher salaries and benefits and outside legal counsel charges.

City Clerk: Through August, actual expenditures were tracking below budget at \$0.4 million or approximately 14.6% of the budget. This expenditure level reflects a 31.7% increase compared to last fiscal year due to higher software renewal and subscription costs.

City Council: Through August, expenditures of \$0.2 million were at 17% of budget, which is slightly above par. Compared to the same period through last fiscal year, this reflects an increase in expenditures, resulting from high spend under the operating supplies category.

City Manager: The actual expenditures through August totaled \$0.9 million, or 12.5% of the budget, which is below par for this time of the year. Expenditures are approximately 5.8% higher compared with the spending level through the same period last fiscal year. This is due to higher spend in the salaries and benefits categories.

Community Development Department: This department consists of three divisions: Planning, Building, and Housing and Community Services. The Building Division of this department is reflected in the Building Development Services Fund, which falls under the special revenue section of this report. Through August, departmental expenditures for the Planning and Housing and Community Services divisions totaled \$1.0 million, or 14.6% of the budget, which is below par of 16.7%. This expenditure level is 13.2% above the prior year as a result of higher salaries and benefits and contractual services spend.

Finance Department: Through August, the Department's expenditures totaled \$2.5 million, or 11.6% of the budget, which is below par. This expenditure level was approximately 21.7% lower compared to the same period last year, primarily due to lower salaries and benefits costs. This decrease is partially offset by higher software subscription and contractual services costs.

Fire Department: Through August, actual expenditures totaled \$14.0 million, or 17.2% of the budget, which is slightly above par. These expenditures are 15.1% above the prior fiscal year due to higher spend in the salaries and benefits, contractual services and subscription costs categories. Overtime expenditures of \$1.9 million are tracking at 56.6% of the budget, which is well above par for this time of year. Excluding reimbursable mutual aid-related overtime, which was only \$305,458 in August, the

departmental overtime remains at approximately 47% of the budget. While this overtime figure is still above par, it is important to note that overtime is used to backfill for vacant positions and the vacancy savings offset a portion of the overtime costs.

Through August, absences are down 2% (from 16,891 to 16,605 hours) when compared with the prior fiscal year and remain above historical levels. Absences are trending high in the areas of compensation time usage, family sick leave, disability leave, and industrial injury time.

Due to recent Unit 1 MOU changes, Unit 1 employees can no longer elect compensatory time off (CTO) in lieu of overtime pay when backfilling shift absences, nor can they cash out CTO hours earned through overtime. Previously, Unit 1 employees could elect to receive CTO and later cash out those earned hours. Under the new MOU changes, overtime worked for backfilling shift absences must now be paid as overtime, resulting in higher overtime hours and expenditures compared with the prior fiscal year. Conversely, CTO cash-out expenditures for Unit 1 employees will no longer occur.

The Department will continue to monitor expenditures throughout the fiscal year, and any necessary budget adjustments will be brought forward for City Council consideration.

Library Department: Through August, actual expenditures totaled \$2.3 million, or 18.5% of the budget, which is slightly above par, and 13% higher than expenditure levels last fiscal year. The increase in spending is mainly attributable to higher salaries and benefits costs, and operating supplies and printing, binding and books costs.

Parks and Recreation Department: Through August, actual expenditures totaled \$4.4 million, or 15.9% of the budget, which is slightly below par, but slightly higher than prior year actuals of \$4.1 million. This increase reflects higher spend for operating and miscellaneous supplies and maintenance costs.

Police Department: Expenditures through August are tracking at expected levels at \$17.6 million, or 16.5% of the budget; this is approximately 4.7% higher prior year spending. The increase is mainly due to higher spend in the salaries and benefits and contractual services categories.

Stadium Operation: Stadium operating expenditures are incurred first and billed on a reimbursement basis creating a timing difference in revenue recognition. Stadium expenditures totaled \$2.9 million through August, which is higher than prior year levels. Events at the Stadium during August included one AC/DC concert, two Karol G concerts and two User and Chris Brown concerts; these costs are fully reimbursed by the Stadium Manager and the Stadium Authority.

Special Revenue Funds

The table below is a summary of revenues and expenditures of select Special Revenue Funds as of August 31, 2026. The amended budget reflects carryover encumbrances from fiscal year 2025/26 and budget amendments approved by the City Council through August 2026.

Revenues totaled approximately \$7.3 million, while expenditures totaled approximately \$4.0 million through the end of August. Revenues are tracking above par at 25.5%, while expenditures are tracking below par at approximately 10.6%. In the Fire CUPA Fund, revenues are tracking significantly higher than prior year levels. Similar to the fire operation permits collected in the General Fund, this is a result of the updated billing cycle. The Fire Department bills all existing permits on July 1st and it is anticipated that the majority of the revenue for existing permits to be received in the first quarter of the fiscal year. Activity in the Housing Successor Agency Fund are lower than prior year levels.

CITY OF SANTA CLARA SPECIAL REVENUE FUNDS REVENUE AND EXPENDITURES - OVERVIEW AND COMPARISON BY FUND

Fund Description	REVENUE - FISCAL YEAR 2026/27				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2026	Percentage Received	Actual Through 8/31/2025	\$ Change From Prior Year	Percent Change
Building Development Services Fee Fund	\$17,330,000	\$ 17,330,000	\$ 3,853,583	22.24%	\$ 3,118,553	\$ 735,030	23.57%
City Affordable Housing Fund	1,265,252	1,265,252	132,396	10.46%	131,217	1,179	0.90%
Fire CUPA Fund	2,110,120	2,110,120	2,224,386	105.42%	126,651	2,097,735	1656.31%
Fire Development Services Fee Fund	3,956,750	3,956,750	769,122	19.44%	749,973	19,149	2.55%
Housing and Urban Development	2,291,000	2,291,000	238,918	10.43%	613,315	(374,397)	-61.04%
Housing Authority Fund	286,710	286,710	10,297	3.59%	8,946	1,351	15.10%
Housing Successor Fund	1,317,124	1,317,124	52,790	4.01%	152,178	(99,388)	-65.31%
TOTAL	\$28,556,956	\$ 28,556,956	\$ 7,281,492	25.50%	\$ 4,900,833	\$ 2,380,659	48.58%

Fund Description	EXPENDITURES - FISCAL YEAR 2026/27				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2026	Percentage Used	Actual Through 8/31/2025	\$ Change From Prior Year	Percent Change
Building Development Services Fee Fund	\$18,234,088	\$ 19,182,629	\$ 2,513,262	13.10%	\$ 2,892,752	\$ (379,490)	-13.12%
City Affordable Housing Fund	6,964,140	7,390,701	193,615	2.62%	236,512	(42,897)	-18.14%
Fire CUPA Fund	2,083,179	2,115,179	334,082	15.79%	181,975	152,107	83.59%
Fire Development Services Fee Fund	4,296,410	4,322,410	616,286	14.26%	604,178	12,108	2.00%
Housing and Urban Development	2,291,000	2,958,101	236,279	7.99%	718,517	(482,238)	-67.12%
Housing Authority Fund	474,542	516,035	21,694	4.20%	29,582	(7,888)	-26.66%
Housing Successor Fund	1,164,746	1,164,799	75,082	6.45%	194,838	(119,756)	-61.46%
TOTAL	\$35,508,105	\$ 37,649,854	\$ 3,990,300	10.60%	\$ 4,858,354	\$ (868,054)	-17.87%

Internal Service Funds

The table below displays the expenditures in the internal service funds across the City. The amended budget reflects current year appropriations, prior year carryover, and budget amendments approved through August 2026. As of August 31, 2026, the internal service fund expenditures totaled \$12.4 million, or 19.6% of the amended budget. The spend in the Information Technology (IT) Services and Vehicle Replacement Funds are significantly higher when compared to prior year levels due to the timing of contractual services and vehicle replacement payments. In the Special Liability Fund, expenses related to larger claims have been incurred, and a budget amendment is included as part of this report to account for these higher claims. Maintenance and replacement costs for radios are recorded in the Communication Acquisitions Fund; as of August, no costs have been incurred. The Unemployment Insurance Fund expenditures are above the prior year due to the timing of the first quarterly payment.

CITY OF SANTA CLARA INTERNAL SERVICE FUNDS EXPENDITURES - OVERVIEW AND COMPARISON BY FUND

Fund Description	EXPENDITURES - FISCAL YEAR 2026/27				PRIOR YEAR EXPENDITURE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2026	Percentage Used	Actual Through 8/31/2025	\$ Change From Prior Year	Percent Change
Communication Acquisitions Fund	\$ 1,068,501	\$ 1,488,778	\$ -	0.00%	\$ 130,274	\$ (130,274)	-100.00%
Fleet Maintenance and Operations Fund	7,261,619	7,622,715	1,152,404	15.12%	1,067,035	85,369	8.00%
Information Technology Services Fund	21,474,316	25,796,156	3,183,106	12.34%	1,381,006	1,802,100	130.49%
Public Works Capital Projects Management Fund	3,593,216	4,484,349	709,188	15.81%	694,109	15,079	2.17%
Special Liability Fund	8,529,000	8,579,420	4,080,487	47.56%	4,712,989	(632,502)	-13.42%
Unemployment Insurance Fund	168,000	168,000	35,109	20.90%	0	35,109	N/A
Vehicle Replacement Fund	2,151,000	7,706,369	1,081,154	14.03%	434,796	646,358	148.66%
Workers' Compensation Fund	7,260,000	7,260,000	2,128,216	29.31%	2,114,868	13,348	0.63%
TOTAL	\$51,505,652	\$ 63,105,787	\$ 12,369,664	19.60%	\$ 10,535,077	\$ 1,834,587	17.41%

Governmental Capital Improvement Funds

The table below lists the revenue for selected capital improvement funds. The amended budget reflects current year appropriations, prior year carryover, and budget amendments approved through August 2026. As of August 31, 2026, the capital fund revenue totaled approximately \$0.8 million. The collections in the Parks and Recreation Capital Fund, Streets and Highways Capital Fund, and Tasman East Specific Infrastructure Fund reflect interest earnings. The revenue collected in the Related Santa Clara Fund represent developer contributions. The revenue shown in the Storm Drain Capital Fund reflect customer service charges.

CITY OF SANTA CLARA GOVERNMENTAL CAPITAL IMPROVEMENT FUNDS REVENUE - OVERVIEW AND COMPARISON BY SELECTED FUND

Fund Description	REVENUE - FISCAL YEAR 2026/27				
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 8/31/2026	Percentage Used
Parks & Recreation	\$ -	\$ 756,622	\$ 756,622	\$ 402,238	53.16%
Related Santa Clara Developer	744,929	-	744,929	50,000	6.71%
Storm Drain	1,454,000	2,993,167	4,447,167	248,602	5.59%
Streets & Highways	7,504,238	29,836,371	37,340,609	19,669	0.05%
Tasman East Specific Infrastructure Improvement Fund	200,000	1,761,385	1,961,385	42,059	2.14%
TOTAL	\$ 9,903,167	\$ 35,347,545	\$ 45,250,712	\$ 762,568	1.69%

The table below lists the total amended budgeted amounts for expenditures in the Capital Improvement Funds. Similar to the revenue table, the amended expenditure budgets consist of current year appropriations, prior year carryover encumbrance balances in Governmental Capital Improvement Funds, and budget amendments approved through August 2026. As of August 31, 2026, capital fund expenditures totaled nearly \$6.0 million, or 2.0% of the amended budget.

As part of the adoption of the FY 2026/27 and FY 2027/28 capital budget, capital funds were carried over for projects that were not anticipated to be completed by June 30, 2026. Necessary additional adjustments to the capital carryover amounts will be included as part of the Budgetary Year-End Report for FY 2025/26, anticipated to be brought forward for City Council approval in December 2026.

CITY OF SANTA CLARA GOVERNMENTAL CAPITAL IMPROVEMENT FUNDS SUMMARY OF EXPENDITURES

Fund Description	EXPENDITURES - FISCAL YEAR 2026/27				
	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 8/31/2026	Percentage Used
City Affordable Housing Capital Fund	\$ -	\$ 4,944,484	\$ 4,944,484	\$ -	0.00%
Fire	31,000	1,334,224	1,365,224	126,395	9.26%
General Gov't - Other	4,176,000	15,517,835	19,693,835	241,938	1.23%
Library	-	753,014	753,014	-	0.00%
Parks & Recreation	5,492,788	50,982,690	56,475,478	214,003	0.38%
Measure I GO Bond Projects	-	88,773,675	88,773,675	2,593,531	2.92%
Public Buildings	1,317,500	25,828,343	27,145,843	205,974	0.76%
Related Santa Clara Developer	744,929	189,594	934,523	47,962	5.13%
Storm Drain	5,519,000	8,544,344	14,063,344	62,736	0.45%
Streets & Highways	22,067,707	68,419,353	90,487,060	2,527,262	2.79%
Tasman East Specific Infrastructure Improvement Fund	29,865	2,818,949	2,848,814	2,423	0.09%
TOTAL	\$ 39,378,789	\$ 268,106,505	\$ 307,485,294	\$ 6,022,224	1.96%

Enterprise Funds

The table below is a summary of revenues and expenses for the Enterprise Operating Funds as of August 31, 2026. Overall, revenues and expenditures are tracking below budgeted levels. Revenues are tracking low primarily due to accruals to the prior fiscal year.

CITY OF SANTA CLARA ENTERPRISE OPERATING FUNDS REVENUE AND EXPENSES - OVERVIEW AND COMPARISON BY FUND

Fund Description	REVENUE - FISCAL YEAR 2026/27				PRIOR YEAR REVENUE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2026	Percentage received	Actual Through 8/31/2025	\$ Change From Prior Year	Percent Change
Cemetery Fund	\$ 612,000	\$ 612,000	\$ 154,020	25.17%	\$ 102,310	\$ 51,710	50.54%
Electric Utility Fund	1,000,943,752	1,000,943,752	98,877,481	9.88%	88,675,000	10,202,481	11.51%
Sewer Utility Fund	73,914,893	73,914,893	6,982,055	9.45%	6,260,081	721,974	11.53%
Solid Waste Utility Fund	44,629,712	44,629,712	5,466,987	12.25%	5,024,907	442,080	8.80%
Water Recycling Fund	11,615,151	11,615,151	1,684,510	14.50%	1,536,857	147,653	9.61%
Water Utility Fund	86,234,703	86,234,703	11,189,554	12.98%	9,753,338	1,436,216	14.73%
TOTAL REVENUE	\$ 1,217,950,211	\$ 1,217,950,211	\$ 124,354,607	10.21%	\$ 111,352,493	\$ 13,002,114	11.68%

Fund Description	EXPENDITURES - FISCAL YEAR 2026/27				PRIOR YEAR EXPENSE COMPARISON		
	Adopted Budget	Amended Budget	Actual Through 8/31/2026	Percentage Used	Actual Through 8/31/2025	\$ Change From Prior Year	Percent Change
Cemetery Fund	\$ 1,673,539	\$ 1,740,376	\$ 325,698	18.71%	\$ 200,178	\$ 125,520	62.70%
Electric Utility Fund	805,818,347	830,923,580	110,458,417	13.29%	110,632,290	(173,873)	-0.16%
Sewer Utility Fund	47,017,456	47,468,189	10,502,515	22.13%	10,191,475	311,040	3.05%
Solid Waste Utility Fund	45,024,117	48,167,323	6,586,413	13.67%	5,613,481	972,932	17.33%
Water Recycling Fund	12,001,002	12,051,300	299,815	2.49%	2,180,932	(1,881,117)	-86.25%
Water Utility Fund	74,307,232	75,593,372	5,446,305	7.20%	7,135,003	(1,688,698)	-23.67%
TOTAL - Operating Appropriations	\$ 985,841,693	\$ 1,015,944,140	\$ 133,619,163	13.15%	\$ 135,953,359	\$ (2,334,196)	-1.72%

Revenues are tracking above prior year levels, while expenditures are tracking slightly below prior year levels.

Revenues in the electric (which also includes the Electric Debt Service Fund), water, sewer (which also includes the Sewer Debt Service Fund) and water recycling funds are primarily from customer service charges. The activity levels for these customer service charges also impact the resource and production costs on the expenditure side for these funds. In the Electric Utility Fund, the significant increase in revenue is attributable to higher collections for customer service energy charges. The decreases in the Water Recycling Fund and Water Utility Fund spend is due to the timing of the resource and production costs, which have not yet been recorded in the current year. In the Cemetery Fund, higher sales have been recorded in addition to salaries and benefits spend when compared to prior years.

Financial Status Report as of August 31, 2026

A summary of revenue and expenses in the Enterprise Capital Improvement Funds is detailed in the table below. Actual revenue through August 31, 2026, totaled \$22.4 million, consisting primarily of load development fees in the Electric Utility Fund and sewer fees in the Sewer Utility Fund. Enterprise capital fund expenses totaled \$29.5 million, or 3% of the amended budget. Similar to the general government capital funds, capital funds were carried over from FY 2025/26 as part of the FY 2026/27 and FY 2027/28 budget adoption process for those projects that were not expected to be completed by June 30, 2026. Additional necessary adjustments to the capital carryover amounts based on actual year-end expenditures will be brought forward for City Council approval in December 2026, as part of the budgetary year-end report for FY 2025/26.

CITY OF SANTA CLARA ENTERPRISE CAPITAL IMPROVEMENT FUNDS REVENUE - OVERVIEW AND COMPARISON BY SELECTED FUND

REVENUE - FISCAL YEAR 2026/27					
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 8/31/2026	Percentage Used
Electric Utility Fund	\$ 59,665,750	\$ 29,138,238	\$ 88,803,988	\$ 22,333,912	25.15%
Sewer Utility Fund	300,000	-	300,000	25,880	8.63%
Solid Waste Utility Fund	247,500	-	247,500	1,717	0.69%
TOTAL - Revenue	\$ 60,213,250	\$ 29,138,238	\$ 89,351,488	\$ 22,361,509	25.03%

CITY OF SANTA CLARA ENTERPRISE CAPITAL IMPROVEMENT FUNDS SUMMARY OF EXPENDITURES

EXPENSES - FISCAL YEAR 2026/27					
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 8/31/2026	Percentage Used
Cemetery Fund	\$ -	\$ 270,489	\$ 270,489	\$ -	0.00%
Convention Center Capital Fund	-	275,332	275,332	-	0.00%
Electric Utility Fund	223,142,750	625,482,719	848,625,469	23,684,643	2.79%
Sewer Utility Fund	30,330,379	57,442,015	87,772,394	4,066,577	4.63%
Solid Waste Utility Fund	1,234,160	164,438	1,398,598	116,102	8.30%
Street Lighting ⁽¹⁾	7,647,000	4,803,058	12,450,058	688,625	5.53%
Water Recycling Fund	50,000	168,637	218,637	10,910	4.99%
Water Utility Fund	5,525,000	10,156,835	15,681,835	959,961	6.12%
TOTAL - CIP Appropriations	\$ 267,929,288	\$ 698,763,524	\$ 966,692,812	\$ 29,526,818	3.05%

(1) Street Lighting fund is part of Electric Capital Improvement Funds

Fund Reserves

By policy, City Council established the City's General Contingency Reserve, under which reserves for Budget Stabilization and Capital Projects were established.

- Budget Stabilization Reserve is set aside for weathering economic downturns, emergency financial crisis, or disaster situations. The reserve target is equal to the expenditures of the City's General Fund operations for three months (90-day or 25% General Fund Adopted Operating Budget).
- Capital Projects Reserve earmarks funds for the Capital Improvement Program.

Other General Reserves and Enterprise Fund Reserves included in this report are highlighted as follows:

- Technology Fee Reserve is set aside to update and/or replace the City's aging technology and to ensure internal controls are in compliance with current business standard and legal requirements.
- Land Sale Reserve is net proceeds from the sale of City-owned land, with interest earned on these funds available to be appropriated for General Fund operating expenditures. This reserve is available for appropriation by City Council action.
- The Electric Utility Rate Stabilization Reserve and the Operations and Maintenance Reserve ensure sufficient operating cash is available to cover day-to-day expenses, address unforeseen cost increases or revenue shortfalls, and ensure debt service coverage.
- The Replacement and Improvement Reserve in the Water and Sewer Utility Funds is for future capital improvement.

The table below summarizes select reserve balances.

City of Santa Clara

Financial Status Report as of August 31, 2026

CITY OF SANTA CLARA
RESERVE BALANCES
August 31, 2026

DETAIL OF SELECTED FUND RESERVE BALANCES:			
	GENERAL FUND	ELECTRIC	WATER
Budget Stabilization Reserve	\$ 83,967,116		
Capital Projects Reserve	12,031,732		
Land Sale Reserve	18,561,159		
Technology Fee Reserve	2,442,629		
Electric Rate Stabilization Fund Reserve		\$ 89,000,000	
Electric Operations and Maintenance Reserve		375,000,000	
Replacement & Improvement			\$ 303,090
TOTALS	\$ 117,002,636	\$ 464,000,000	\$ 303,090

Donations to the City of Santa Clara

Donations received by department during the month of August 2026 and for fiscal year 2026/27 are shown in the table below.

Department	Aug-26	Fiscal Year 2026/27		Designated Use
		Year To Date		
City Manager's Office	\$ 100	\$ 100		Help Your Neighbor
Parks & Recreation	325	400		Roberta Jones Jr. Theatre
Parks & Recreation	575	18,875		Wade Brummal
TOTALS	\$ 1,000	\$ 19,375		