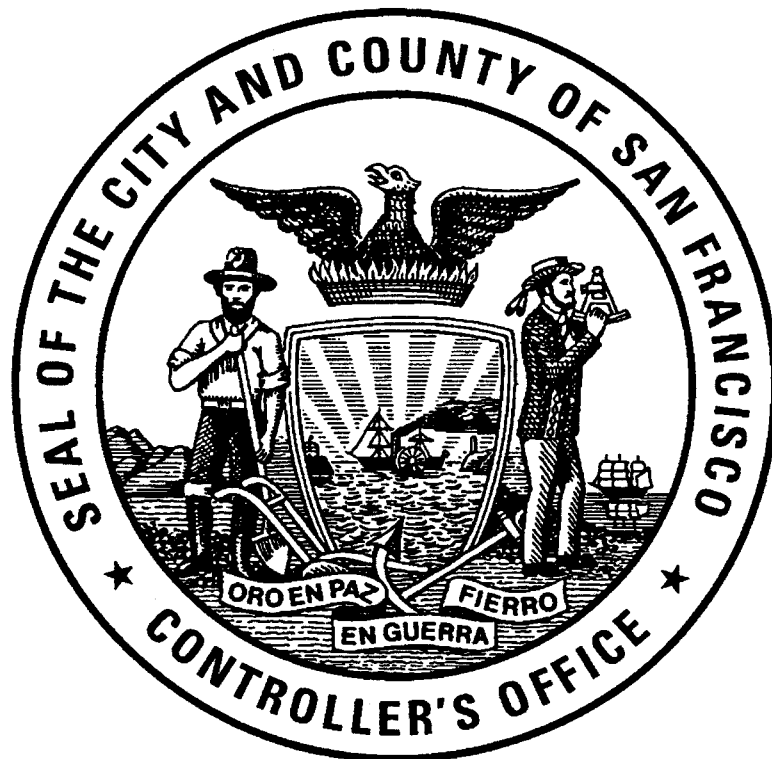


CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA

Comprehensive Annual Financial Report
Year ended June 30, 2000



Prepared by:
Office of the Controller


Edward Harrington
Controller

CITY AND COUNTY OF SAN FRANCISCO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2000

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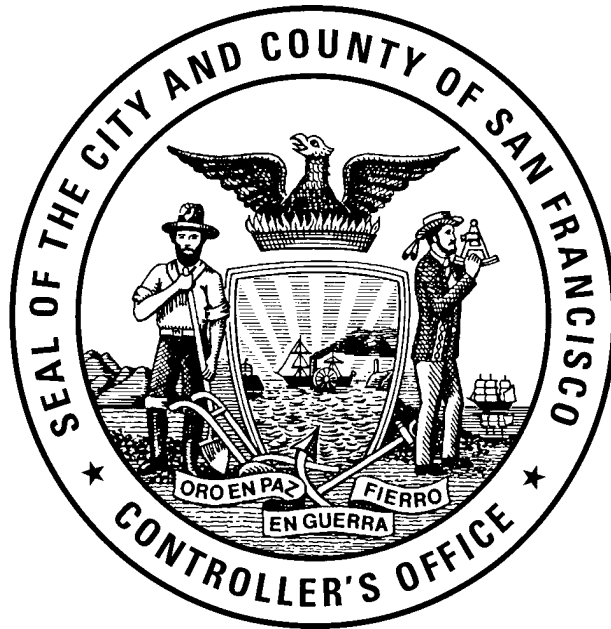
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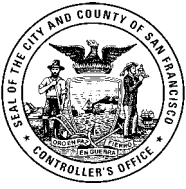
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November 22, 2000

The Honorable Mayor Willie L. Brown, Jr.
The Honorable Members of the Board of Supervisors
City and County of San Francisco
San Francisco, California

Ladies and Gentlemen:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City and County of San Francisco, California (the City) for the fiscal year ended June 30, 2000 with the Independent Auditors' Report, submitted in compliance with City Charter Sections 2.115 and 3.105 and California Government Code Sections 25250 and 25253. The CAFR has been prepared by the Controller's Office in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. I believe that the data, as presented, is accurate in all material respects; that its presentation fairly shows the financial position and the results of the City's operations as measured by the financial activity of its various funds; and that the included disclosures will provide the reader with an understanding of the City's financial affairs.

Our Comprehensive Annual Financial Report is divided into three sections:

The Introductory Section includes information about the organizational structure of the City, its accounting and budgetary systems, and fund structure. It also has summarized data reflecting the financial condition of the City including an analysis of general government operations, enterprise operations, and debt administration.

The Financial Section is prepared using the pyramid approach prescribed by the GASB. It includes the General Purpose Financial Statements which present an overview of the City's entire financial operations. Then, combining and individual fund and account group statements present each of the material separate funds and account groups of the City. Schedules provide certain other information and details of data summarized in the financial statements. The statements and schedules included in this section pertain to those operations which, when taken together, make up the reporting entity of the City. Also included in this section is the Independent Auditors' Report on the financial statements and schedules.

The Statistical Section includes tables containing historical financial data, debt statistics, and miscellaneous social and economic data of the City that are of interest to potential investors in our bonds and to other readers. The data includes ten-year revenue and expenditure information on an inflation-adjusted basis.

THE REPORTING ENTITY AND ITS SERVICES

This CAFR includes the fund and account groups of the primary government, which encompasses several enterprise activities that are not considered separate legal entities, as well as all of its component units. Component units include legally separate entities for which the primary government is financially accountable and that have substantially the same board as the City or provide services entirely to the City. Accordingly, for reporting purposes the operations of the San Francisco County Transportation Authority, the San Francisco Finance Corporation, and the San Francisco Parking Authority are blended with the City. The San Francisco Redevelopment Agency and the Treasure Island Development Authority are reported as discretely presented component units because there is some financial interdependency between the City and these legally separate entities.

SAN FRANCISCO'S ECONOMY

San Francisco is the economic and cultural hub of the Bay Area, a metropolitan region with more than 6.5 million residents in nine counties. The City boasts a strong and diverse collection of both Fortune 500 companies and locally-owned small businesses. Thus while the City is home to Chevron, The Gap, Charles Schwab, and Wells Fargo, over eighty percent of the City's businesses employ fewer than twenty people.ⁱ

The local economy continues to demonstrate strong, sustained growth since the recession of the early 1990s. The population of the City has grown by approximately 10 percent in the past ten years, to 800,606. Downtown office vacancy rates, at 10 percent in 1992, have fallen below one percent.ⁱ The City authorized 3,058 new dwelling units in 2000, over triple the 1,013 permits issued in 1990.ⁱⁱ

Employment, wage and earning trends are similarly optimistic. Approximately 60,000 jobs have been created in the City during the past five years, representing growth of 11 percent. Personal earnings have grown by 30.1 percent since 1994.ⁱⁱⁱ San Francisco's unemployment rate in July 2000 was 2.6 percent, considerably lower than the rate for both California (5.5 percent) and the nation (4.2 percent).

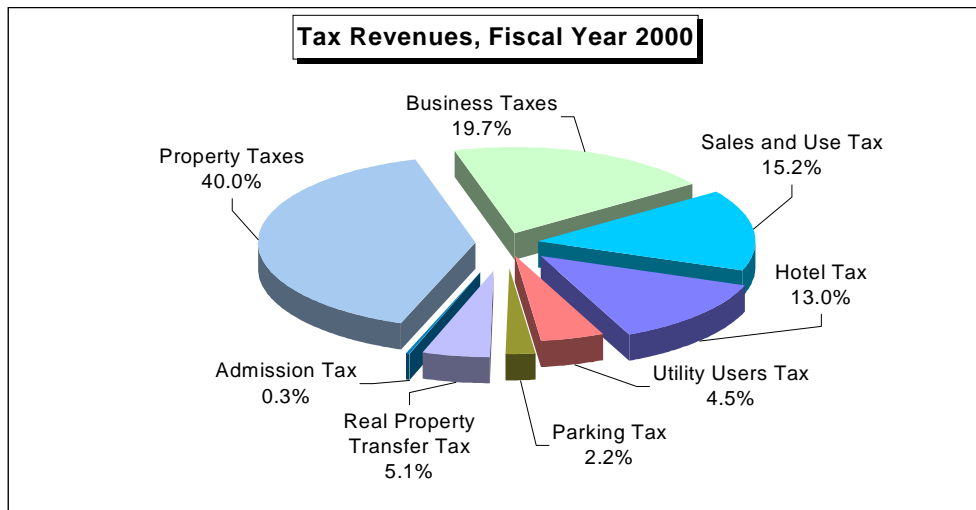
Tourism, at the heart of San Francisco's economy, continues to thrive. The Convention and Visitors Bureau estimates that 16.8 million visited San Francisco in 1999, representing an average daily population of 135,000. These visitors spent over \$6.6 billion in the City during 1999, over \$18 million per day.

ⁱ Source: California Department of Finance

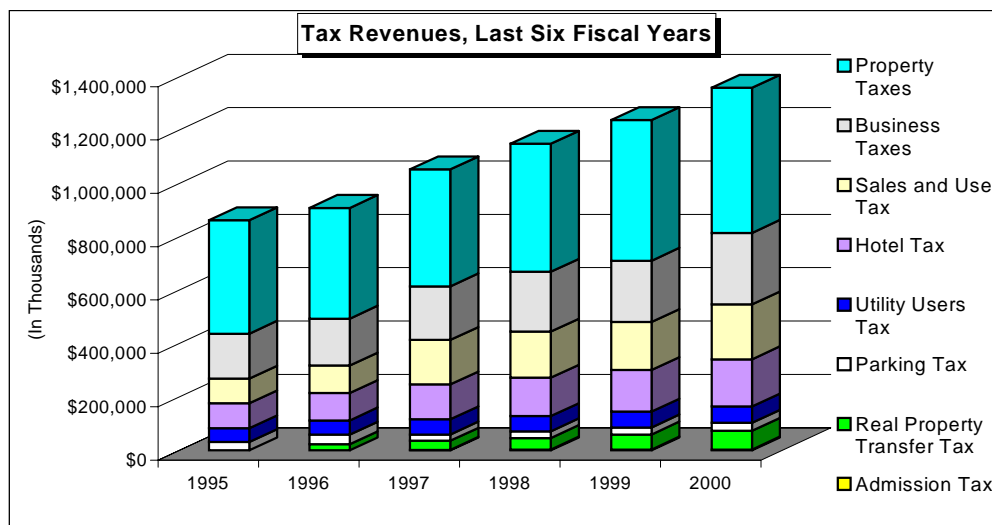
ⁱⁱ Source: San Francisco Department of Building Inspection

ⁱⁱⁱ Source: Federal Bureau of Economic Analysis

City government revenue growth, summarized in the table below and discussed in more detail in the Financial Summary section of this letter, has mirrored the strong overall growth of the local economy. The City's major tax revenues are detailed below (in thousands):



Tax	FY 2000	FY 1999	Increase (Decrease)	
			Amount	% Change
Property Taxes.....	\$ 544,210	\$ 527,176	\$ 17,034	3.2%
Business Taxes.....	267,918	229,905	38,013	16.5%
Other Local Taxes:				
Sales and Use Tax.....	206,132	180,460	25,672	14.2%
Hotel Tax.....	176,180	155,594	20,586	13.2%
Utility Users Tax.....	61,407	58,907	2,500	4.2%
Parking Tax.....	30,279	26,997	3,282	12.2%
Real Property Transfer Tax.....	69,882	56,133	13,749	24.5%
Admission Tax.....	3,590	3,271	319	9.8%
Total Other Local Taxes.....	547,470	481,362	66,108	13.7%
Total Tax Revenues.....	<u>\$ 1,359,598</u>	<u>\$ 1,238,443</u>	<u>\$ 121,155</u>	9.8%



MAJOR INITIATIVES

A number of significant initiatives, outlined below, are underway in San Francisco which should have a positive effect on the City's economic health.

Expansions of Convention Center and Cultural Facilities

The Moscone Convention Center (Convention Center) was originally completed in 1981 with approximately 300,000 square feet of convention space. The first expansion of the Convention Center was completed in 1992, doubling the size of the facility and adding various improvements. Since the completion of the 1992 expansion, demand for the Convention Center has been strong. The City is currently engaged in another expansion of the Convention Center facility. The new facility is known as the Moscone West and is located one half block west of the existing Convention Center. The Moscone West will be a new, free-standing convention facility encompassing approximately 800,000 gross square feet of space which will provide 300,000 square feet of exhibit and meeting space on three floors. This new space represents a fifty-percent increase over the existing Moscone Center facilities. The total cost for the Moscone West is estimated at approximately \$358 million. Of that amount, \$157.5 million will be financed through the issuance of lease revenue bonds authorized by the San Francisco voters in March 1996.

A number of cultural institutions are currently in the process of major expansions or the construction of new facilities. The Asian Art Museum, to be housed in the renovated Old Main Library, is scheduled to open in the Civic Center in 2002, and is financed with a combination of \$51 million of voter-approved bonds and \$69 million in private donations. The DeYoung Fine Arts Museum and the Academy of Sciences both are in the process of constructing new facilities in Golden Gate Park. The new DeYoung will be privately financed. The new Academy building is funded through a combination of \$118 million in local bonds, approved by voters in 1995 and 2000, state funds, and private donations. Design for new Mexican, African-American, and Jewish Museums has begun. These facilities will join the San Francisco Museum of Modern Art in the Yerba Buena district, immediately adjacent to the Moscone Convention Center. All three are scheduled for completion by 2005.

Transportation System Improvements

Significant large-scale development projects are underway both to accommodate a growing number of travelers into the region and to improve transportation options and services for the City's residents, workers and businesses.

San Francisco International Airport serves as the key connection between the Bay Area, national, and international economies, receiving 54 percent of the region's air traffic and 94 percent of international traffic. A \$2.4 billion airport construction plan is scheduled for completion in 2000, designed to accommodate an estimated increase of 11 million passengers – growth of 26 percent – annually by 2006. The centerpiece of the program is the construction of an International Terminal Complex, consisting of a new terminal, new parking garages, a light rail system and improved airport roadways. A connection to Bay Area Rapid Transit (BART) will be completed in 2002, providing a direct rail line from San Francisco and Oakland to the Airport.

The approval of Proposition E by the voters in November 1999 has improved the long-term financial stability of the municipal transportation system. This amendment to the City's Charter changes the funding and operation of the City's public transit system. Proposition E guarantees a minimum level of general revenue support for the system and establishes a more autonomous governing body to direct the system.

Significant transit service expansion is scheduled in 2000 for the South of Market neighborhood, an area that has developed as the center of the City's multimedia and internet industries. In addition, the City broke ground in summer 2000 on the Third Street Light Railway, which beginning in 2004 will provide a direct rail link between the Financial District, Mission Bay, and the residential neighborhoods of the southeast portion of the City.

Redevelopment of Former Industrial and Military Sites

Redevelopment of several industrial and military sites covering more than 2,000 acres are currently underway, which when completed, are expected to positively impact the City's tax revenues and employment base.

The Regents of the University of California have voted to place a new biomedical campus in the Mission Bay area of the City, on approximately 43 acres of formerly-industrially zoned land donated by Catellus Corporation and the City. The UCSF complex is proposed to include approximately 2.6 million square feet of biomedical research and teaching facilities. Over the next two decades, an additional 6 million square feet of development is projected for the area, including biomedical, multimedia and retail businesses, a 500-room hotel, new police and fire stations, and a new school and public library. The Mission Bay development is expected to generate approximately 30,000 new jobs.

Additionally, three military bases located within San Francisco – Treasure Island Naval Station, Hunters Point Naval Shipyard, and the Presidio of San Francisco – have been closed and stewardship transferred to local control by the federal government. The Board of Supervisors has approved draft reuse plans for the Treasure Island Naval Station and the Hunters Point Naval Shipyard. The Presidio has become part of the Golden Gate National Recreation Area and the Presidio Trust Corporation is developing and implementing a reuse plan for the buildings on the former military base.

Status of City Services

In the spring of 2000, the City, through the Controller's Office, conducted its fifth annual Citizen Survey. A total of 2,097 San Franciscans were surveyed, providing their opinions of City services such as recreation and parks, public transit, public safety, libraries, streets, and general City performance. The 2000 survey results indicated that:

- As they had for several years, San Franciscans generally considered the overall performance of City government to be "fair."
- City parks were rated "fair" to "good." Ratings of park facilities had improved over the last four years.
- Ratings of Muni's timeliness and reliability improved from a low in 1999. Cleanliness, fares and safety ratings improved over the last four years.
- Public library services continued to receive favorable ratings, especially for staff assistance.
- Respondents rated the cleanliness and pavement condition of city streets as "fair" on average.
- As in previous years, most citizens felt safe to neutral in the daytime and in their own neighborhoods, while many felt unsafe at night in nearby parks or downtown. Nighttime and downtown safety ratings improved from 1997 to 2000.
- Residents of the southeastern part of the City felt less satisfied with Muni, parks, streets and safety than residents of other parts of San Francisco.

ACCOUNTING AND BUDGETING SYSTEMS

The City's financial picture is more readily understood with a general introduction to our accounting and budgeting systems. These systems provide the means for allocation of available resources and for the proper control and recording of revenues and expenditures.

The City's accounting records are maintained on a modified accrual basis for all governmental fund types and expendable trust and agency funds. Using this basis, expenditures other than interest on long-term debt are recorded when the liabilities are expected to be liquidated within the next year, and revenues are recorded when susceptible to accrual, that is, when both measurable and available. All other funds use the accrual basis where transactions are recognized when they occur, regardless of the timing of the related cash flow. Note 2 to the accompanying general purpose financial statements provides a description of the City's significant accounting policies.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City's budget is a detailed operating plan which identifies estimated costs and results in relation to estimated revenues. The budget includes: (1) the programs, projects, services, and activities to be carried on during the fiscal year; (2) the estimated revenue available to finance the operating plan; and (3) the estimated spending requirements of the operating plan. The budget represents a process where policy decisions by the Mayor and Board of Supervisors are made, implemented, and controlled. Note 2(d) to the general purpose financial statements summarizes the budgetary roles of various City officials and the timetable for their various budgetary actions according to the City Charter.

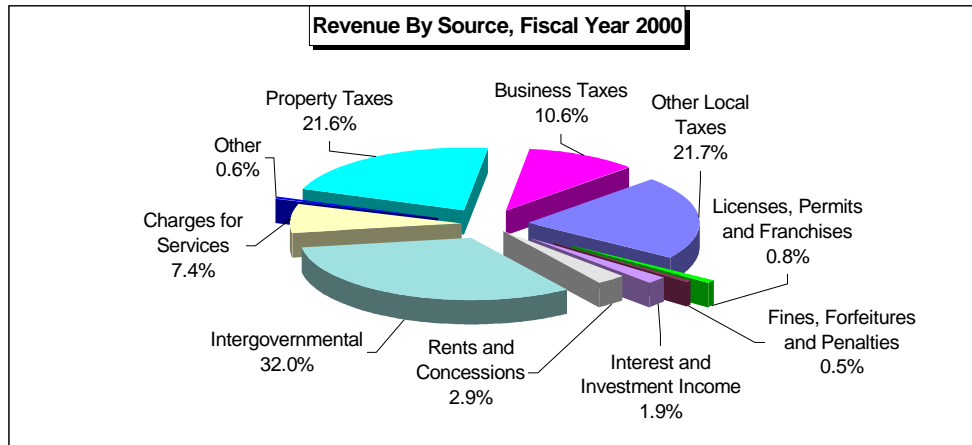
FINANCIAL SUMMARY

San Francisco's budgetary health remains strong and reflects the benefits of an improved economy. For the third year in a row, the City's general government functions have supported a budget which exceeded \$2 billion. This financial summary presents highlights of the City's financial results for the fiscal year ended June 30, 2000.

General Government Functions

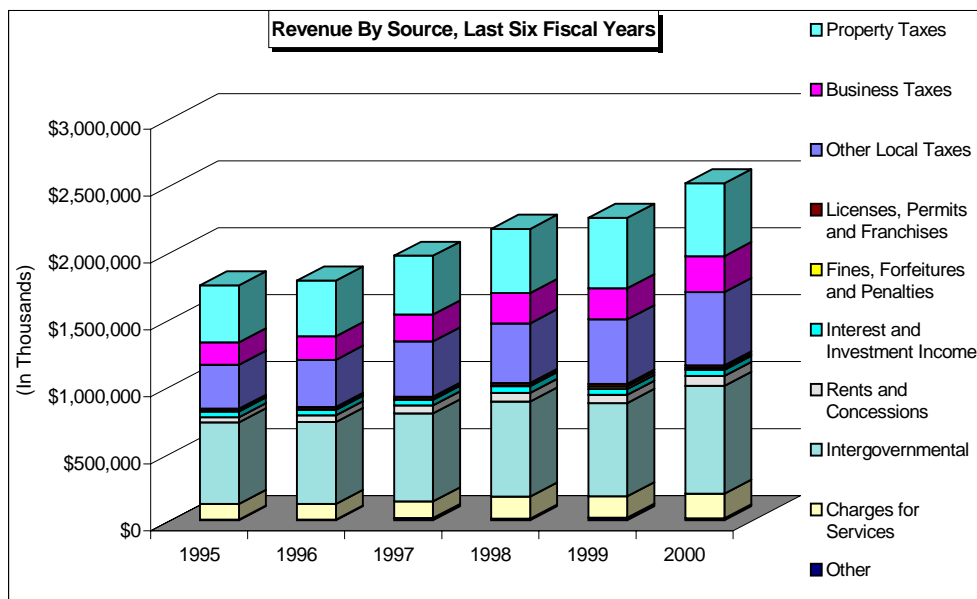
The general government functions are contained in the General, Special Revenue and Debt Service Funds. These funds account for the major portion of the City's operating revenues and expenditures. Revenues for general government functions totaled approximately \$2.52 billion in fiscal year 1999-2000, which represents an increase of 11.4% from fiscal year 1998-99.

The following table presents the amount of revenues from various sources as well as increases or decreases from the prior year.



Revenues Classified by Source
General, Special Revenue, and Debt Service Funds
(In Thousands)

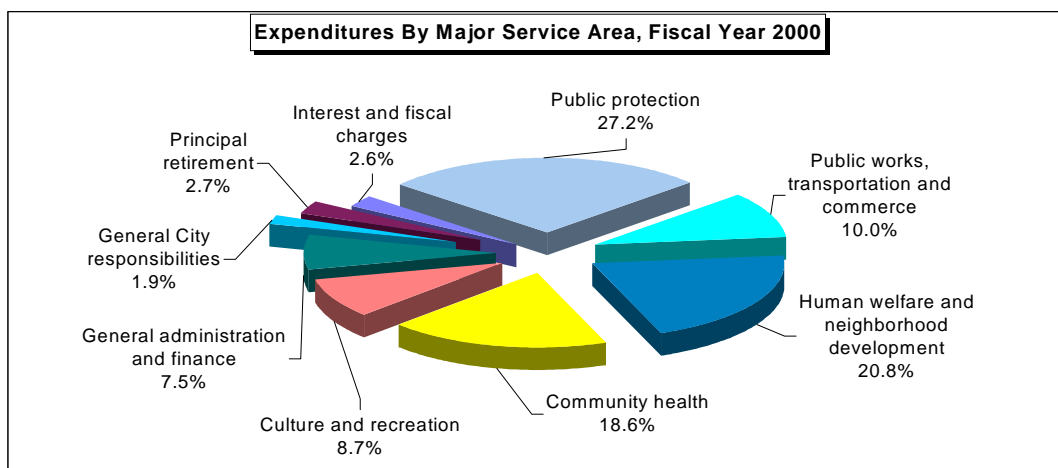
Revenue by Source	FY 2000		FY 1999		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	% of Change
Property taxes.....	\$ 544,210	21.6	\$ 527,176	23.3	\$ 17,034	3.2
Business taxes.....	267,918	10.6	229,905	10.2	38,013	16.5
Other local taxes.....	547,470	21.7	481,362	21.3	66,108	13.7
Licenses, permits and franchises.....	21,025	0.8	20,685	0.9	340	1.6
Fines, forfeitures and penalties.....	12,656	0.5	19,797	0.9	(7,141)	(36.1)
Interest and investment income.....	47,132	1.9	42,466	1.9	4,666	11.0
Rents and concessions.....	72,380	2.9	61,363	2.7	11,017	18.0
Intergovernmental.....	804,723	32.0	696,071	30.9	108,652	15.6
Charges for services.....	185,510	7.4	160,540	7.1	24,970	15.6
Other.....	13,898	0.6	19,022	0.8	(5,124)	(26.9)
Total.....	\$ 2,516,922	100.0	\$ 2,258,387	100.0	\$ 258,535	11.4



The following provides an explanation of revenues by source which changed significantly over the prior year.

- **Property Taxes** – In the fiscal year 1999-2000, the actual growth in the assessed valuation net of exclusions was \$5.2 billion or 8.8%. The property tax rate for the fiscal year 1999-2000 decreased by \$0.036 due to a reduction in funds needed to pay debt services of the City's General Obligation Bonds. In addition, the property tax revenues were reduced by \$3.7 million to reserve additional funds for certain property tax appeals in the fiscal year 1999-2000. During the fiscal year 1998-99, the City received a one-time refund of \$17.6 million from the State of California for payments made in prior years under the Education Revenue Augmentation Fund property tax shift program. If this refund had not been included in the property tax revenue for the fiscal year 98-99, the actual property tax revenue growth for the current fiscal year would have been \$38.3 million or 7.5%.
- **Business Taxes** – The strong economic growth led to an increase in the payroll tax of approximately \$29.9 million and in the gross receipt tax of approximately \$8.1 million.
- **Other Local Taxes** – The increase in other local taxes is primarily attributable to an increase in sales and use taxes of \$25.7 million, hotel taxes of \$20.6 million, and the real property transfer tax of \$13.7 million. The increase in sales and use taxes and hotel taxes is due to the strong economic growth and high tourism. The real property transfer tax increased due to higher property values, a large volume of sales transactions in the residential real estate market, and the sale of several high-priced commercial properties.
- **Fines, forfeitures and penalties** – In the current fiscal year, the City received \$4.5 million less in lawsuit-related penalties. Other penalty revenues were lower by \$2.9 million due to Maintenance of Effort revenue sharing agreements with the State of California.
- **Interest and investment income** – The increase is due to the growth in revenues resulting in higher cash flow that enabled the City to invest and earn more interest and investment income. The increase is offset by the recognition of unrealized losses of \$3.7 million to the general fund and \$2.2 million to the special revenue funds.
- **Rents and concessions** – The increase is primarily attributable to an increase of \$4.0 million in rental fees for the Moscone Convention Center, \$1.0 million in parking fees for the Department of Recreation and Parks, and \$1.0 in increase use of miscellaneous general fund facilities. In addition, the debt service fund for the municipal lease finance program increased by \$4.4 million. This program is used for departmental ongoing equipment needs.
- **Intergovernmental** – The major increases during the 1999-2000 fiscal year pertain to following:
 - Federal public assistance and other federal revenues grew by \$32.0 million due to additional revenues received for Calworks, childcare and food stamp programs.
 - State public assistance administrative revenues increased by \$20.2 million due to increases in adult protective services, children services, food stamps and State Department of Education revenues. The state health and welfare sales tax allocation increased by \$6.9 million. State community mental health and other state health and administration program revenue increased by \$17.4 million. Other state grants and subventions revenues increased by approximately \$15.0 million.
 - Motor Vehicle in-lieu fees increased by \$7.1 million due to an increase in vehicle and sales registrations in California. As a result, the City received higher allocation of in-lieu revenues from the State. In addition, the public safety sales tax increased by \$6.1 million which reflects the higher level of sales activities in San Francisco and throughout the State.
- **Charges for services** – The increase includes \$13.0 million in City Planning fees, of which \$11.0 million was attributable to affordable housing exaction fees. Other increases include \$3.0 million in City Hall events, concerts and courts filing fees, \$2.5 million in public safety service charges, \$2.0 million for neighborhood health centers charges, \$1.4 million for inmate welfare fees, and \$0.6 million for prisoner boarding fees.

The following table presents expenditures by major service area compared to prior year amounts.



**Expenditures Classified by Major Service Area
General, Special Revenue, and Debt Service Funds
(In Thousands)**

<u>Expenditures by Major Service Area</u>	<u>FY 2000</u>		<u>FY 1999</u>		<u>Increase/(Decrease)</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Change</u>
Public protection.....	\$ 632,516	27.2	\$ 582,460 ^A	26.4	\$ 50,056	8.6
Public works, transportation and commerce.....	231,970	10.0	234,524 ^A	10.6	(2,554)	(1.1)
Human welfare and neighborhood development.....	485,201	20.8	435,014 ^A	19.7	50,187	11.5
Community health.....	433,448	18.6	452,563 ^A	20.5	(19,115)	(4.2)
Culture and recreation.....	201,558	8.7	196,008 ^A	8.9	5,550	2.8
General administration and finance.....	174,566	7.5	148,440 ^A	6.7	26,126	17.6
General City responsibilities.....	45,194	1.9	48,093 ^A	2.2	(2,899)	(6.0)
Debt service:						
Principal retirement.....	63,596	2.7	52,715	2.4	10,881	20.6
Interest and fiscal charges.....	60,650	2.6	56,823	2.6	3,827	6.7
Total.....	\$ 2,328,699	100.0	\$ 2,206,640	100.0	\$ 122,059	5.5

^A Certain adjustments have been made to the prior year balances to conform to the current year presentation.

The following provides an explanation of the expenditures by major service area which changed significantly over the prior year.

- **Public protection** – The increase in current year expenditures is primarily due to the following:
 - The expenditures of the Fire Department increased by \$17.2 million, of which \$15.2 million pertained to increased staffing cost for firefighter/paramedic positions and other salary adjustments, \$1.2 million for workers’ compensation costs, and \$1.1 million for 911 emergency project and other information systems-related services.
 - The Sheriff Department’s expenditures increased by \$11.2 million due to an increase in salaries and fringes for additional staffing at the San Bruno jail and security staffing at the City Hall and the Emergency Communications Center.
 - The expenditures of the Police Department increased by \$9.0 million as a result of increases in salaries and fringe benefits. An additional \$6.0 million increase in expenditures related to funding for new programs such as Cops In Schools and Universal Hiring, and for continuing programs such as Cops More, Anti Drug, and HUD Operation Safe Home.

- During the fiscal year 1999-2000, expenditures incurred by the District Attorney's Office increased by \$4.8 million mainly due to increases in salaries and fringe benefits and an increase in the Computer Aided Support Enforcement System Consortium Projects.
- **Public works, transportation, and commerce** – The decrease in expenditures is primarily related to the following:
 - In the prior fiscal year, the Department of Public Works (DPW) spent \$57 million on the land acquisition for the Moscone Convention Center expansion project. In the current fiscal year, DPW spent \$7.1 million on the project, resulting in a decrease of approximately \$50 million in expenditures.
 - Expenditures of the San Francisco County Transportation Authority increased by \$13.1 million due to funding provided to the Municipal Railway for the Embarcadero extension and the Third Street light rail preliminary design.
 - The expenditures incurred by the Emergency Communications Department (ECD) increased by \$15.5 million because of the full year operating costs for the 911 project, the citywide radio system, and the Emergency Communications Center. In addition, ECD incurred \$4.0 million in expenditures for equipment purchases.
 - In fiscal year 1999-2000, expenditures of the Department of Parking and Traffic increased by \$6.2 million largely due to special collection and processing fees paid to the contractor P R W T to collect backlogged overdue and delinquent parking citations. The expenditure increase is also related to additional hiring of parking control officers.
 - The expenditures of the Department of Building Inspection increased by \$4.0 million mainly due to the increase in construction activities in the City.
- **Human welfare and neighborhood development**– The increase in expenditures is based on the following:
 - The expenditures incurred by the Department of Human Services increased by \$43.6 million due to expansion of services under various programs such as welfare-to-work job training and employment program, supportive housing, childcare, Adult Protective Services program, and the new state-funded Cash Assistance Program for Immigrants.
 - The expenditures for the Department of Children, Youth and Their Families increased by \$3.4 million due to the increase of service level for various programs.
- **Community health** – The current year decrease of \$19.1 million is primarily related to the following:
 - A decrease in the local match requirement for the SB 855 Medi-Cal disproportionate share program resulted in a \$32 million non-programmatic decrease in expenditures for the Department of Public Health. This expenditure decrease did not result in any service reductions. (The net revenue decrease from the City's participation in the program was \$10 million which is reflected as charges for services of the San Francisco General Hospital Medical Center Enterprise Fund.) This decrease was offset by an increase in expenditures of \$13 million for the cost-of-living adjustments and the expansion of the public health programs such as the Treatment on Demand.
- **General administration and finance** – The increase in current year expenditures is primarily related to the following:
 - An increase of \$12.1 million in the Department of Administrative Services' expenditures is due primarily to the purchase of the 555-7th Street property and the administration the 25 Van Ness building and the 1660 Mission Building.
 - City Attorney incurred additional expenditures of \$2.9 million for additional staffing to respond to additional services funded by the Airport, the Public Utilities Commission, and the Department of Public Transportation.
 - The expenditures of the Department of Elections increased in the current year by \$3.6 million primarily related to costs of two elections and a runoff, including hiring of additional staff to recruit and train poll workers.

- During fiscal year 1999-2000, expenditures of the Mayor's Office increased by \$4.6 million mainly for the Gay Lesbian Community Center project and City grant programs.
- **Debt service – principal retirement** – The increase in expenditures of \$10.9 million is primarily related to the following:
 - In the prior year, the City issued \$117.8 million of General Obligation Bonds for the schools, affordable housing, zoo and museum. In addition, the City issued \$52.8 million of Lease Revenue Bonds. Principal retirement of these bonds began in the current year, resulting in higher principal payments for the City's General Obligation Bonds and Lease Revenue Bonds in the fiscal year 1999-2000.
- **Debt service – interest and fiscal charges** – The increase in interest and fiscal charges of \$3.0 million is attributable to an increase in interest payments on the City's General Obligation Bonds and the San Francisco Finance Corporation's Lease Revenue Bonds issued in the fiscal year 1999-2000.

Other financing sources and uses are presented below to illustrate changes from the prior year:

**Other Financing Sources and (Uses)
General, Special Revenue, and Debt Service Funds
(In Thousands)**

	<u>FY 2000</u>	<u>FY 1999</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>% of Change</u>
Operating transfers in.....	\$ 227,804	\$ 229,520	\$ (1,716)	(0.7)
Operating transfers out.....	(400,745)	(285,860)	114,885	40.2
Proceeds from issuance of bonds.....	17,781	24,755	(6,974)	(28.2)
Proceeds from refunding bonds.....	-	29,152	(29,152)	(100.0)
Payment to refunded bond escrow agent.....	-	(28,229)	(28,229)	(100.0)
Net financing uses.....	<u>\$ (155,160)</u>	<u>\$ (30,662)</u>	<u>\$ 48,814</u>	

- **Operating transfers out** – The increase in operating transfers out is primarily due to the following:
 - The General Fund subsidizes the operations of the Muni Railway, the Laguna Honda Hospital, and the San Francisco General Hospital. During the fiscal year 1999-2000, the General Fund subsidies to these three departments were increased by \$21.0 million, \$4.8 million, and \$24.5 million, respectively.
 - The Convention Facilities Fund transferred \$27.8 million to the Moscone Convention Center Fund to finance the convention center's expansion project.
 - The Open Space and Park Fund transferred a total of \$17.0 million to the Capital Project Fund to finance certain capital improvements related to recreation facilities and parks.
- **Proceeds from refunding bonds and Payment to refunded bond escrow agent** – In the prior fiscal year, the Parking Authority issued the Moscone Garage Lease Revenue Refunding Bonds and the Parking Meter Revenue Refunding Bonds in the amount of \$6.9 million and \$22.4 million respectively. A portion of the proceeds from these bonds were used to refund the existing bonds. In the current fiscal year, no refunding bonds were issued.

The current year excess of revenues and other sources over expenditures and other uses is presented below:

Statement of Revenues, Expenditures and Changes in Fund Balances
General, Special Revenue, and Debt Service Funds
(In Thousands)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Revenues.....	\$ 1,859,860	\$ 540,007	\$ 117,055	\$ 2,516,922
Expenditures.....	(1,695,407)	(509,046)	(124,246)	(2,328,699)
Other financing sources, net.....	<u>(129,676)</u>	<u>(25,584)</u>	<u>100</u>	<u>(155,160)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other sources.....	34,777	5,377	(7,091)	33,063
Fund balances at beginning of year.....	<u>240,863</u>	<u>476,072</u>	<u>34,785</u>	<u>751,720</u>
Fund balances at end of year.....	<u>\$ 275,640</u>	<u>\$ 481,449</u>	<u>\$ 27,694</u>	<u>\$ 784,783</u>

Enterprise Operations

The public service enterprise operations are financed and operated similarly to private businesses. Costs (including depreciation) of providing services to the general public are recovered in whole or in part through user charges.

The following table shows actual revenues, expenses and results of operations for the current fiscal year (in thousands):

	<u>Operating Revenues</u>	<u>Operating Expenses</u>	<u>Net Operating Income (Loss)</u>	<u>Non- Operating Revenues (Expenses)</u>	<u>Operating Transfers In/Out</u>	<u>Net Income (Loss)</u>
Airport.....	\$ 363,152	\$ 260,556	\$ 102,596	\$ (30,518)	\$ (22,399)	\$ 49,679
Port.....	46,029	35,780	10,249	1,278	-	11,527
Water/Hetch Hetchy.....	234,684	209,965	24,719	1,675	(39,850)	(13,456)
Muni Railway.....	111,215	440,957	(329,742)	198,281	98,584	(32,877)
Laguna Honda Hospital.....	94,944	130,537	(35,593)	23,115	33,638	21,160
General Hospital.....	269,768	364,333	(94,565)	75,954	14,433	(4,178)
Clean Water.....	145,495	115,273	30,222	(14,042)	-	16,180
Parking Garages/Other.....	<u>33,842</u>	<u>31,315</u>	<u>2,527</u>	<u>(818)</u>	<u>-</u>	<u>1,709</u>
Total.....	<u>\$ 1,299,129</u>	<u>\$ 1,588,716</u>	<u>\$ (289,587)</u>	<u>\$ 254,925</u>	<u>\$ 84,406</u>	<u>\$ 49,744</u>

The net income of the Enterprise Funds of \$49.7 million reflects depreciation expense on assets acquired with contributed capital of \$56.8 million. This depreciation expense is added back to the net income in determining the retained earnings of the Enterprise Funds.

Information related to the City's enterprise activities, including segment information and a description of major activities is disclosed in note 10 to the general purpose financial statements.

Pension Trust Fund Operations

The City has a defined benefit retirement plan in which substantially all full-time employees participate. The plan's most recent actuarial calculations, as of July 1, 1999, estimate the plan is 137.8% funded.

Debt Administration

The ratio of net general obligation bonded debt to taxable valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to management, citizens, and investors. A comparison of these indicators follows:

	FY <u>2000</u>	FY <u>1999</u>
Net tax supported bonded debt	\$909,857,000	\$882,367,000
Net bonded debt per capita	\$1,136.46	\$1,117.68
Ratio of net bonded debt to net assessed value	1.40%	1.45%
Debt service tax rate per \$100 taxable valuation	\$0.1277	\$0.1449

As of June 30, 2000, the City had \$916.0 million in authorized, outstanding property tax-supported general obligation bonds. This amount is reduced by net assets in the General Obligation Bonds Fund of \$6.2 million for net tax supported bonded debt of \$909.8 million. Remaining authorized, unissued general obligation bonds totaled \$757.3 million. The City's ratings on uninsured general obligation bonds as of June 30, 2000 were:

Moody's Investors Service, Inc.	Aa3
Standard and Poor's Corporation	AA
Fitch IBCA, Inc.	AA

Cash Management

The City's pooled deposits and investments are invested pursuant to policy established by the Treasurer. This policy seeks the preservation of capital, liquidity and yield, in that order of priority. The policy addresses soundness of financial institutions holding our assets and the types of investments permitted by the California Government Code. The earned yield for the fiscal year 1999-2000 was 5.84%. The Employees' Retirement System and the Redevelopment Agency deposits and investments are maintained outside the City Treasury and follow policies established by their respective governing boards.

Risk Management

With certain exceptions, it is the policy of the City not to purchase commercial insurance against property or liability risks. Instead, the City believes it is more economical to manage its risks internally and set aside funds as needed for estimated current claim settlements and unfavorable judgments through annual appropriations and supplemental appropriations. The City maintains limited excess coverage for certain facilities, primarily property of the Airport and Port. Additionally, limited insurance coverage is maintained by the City for the Moscone Convention Center property, personal liability, and for art at City-owned museums. The City is self-insured for workers' compensation claims. Claims payment history (experience) and payroll costs (exposure) are considered when calculating the claims liabilities and workers' compensation outstanding liabilities for each department. The City's insurance/self-insurance program is reviewed annually in the budget process. The claims liabilities and workers' compensation liabilities reported on the Balance Sheet have been actuarially determined and include an estimate of incurred but not reported losses.

INDEPENDENT AUDIT

The City's Charter requires an annual audit of the Controller's records. These records, represented in the Comprehensive Annual Financial Report, have been audited by a consortium headed by the nationally recognized certified public accounting firm, KPMG LLP. The consortium also includes Calvin Louie CPA (representing a separate consortium known as Associated Asian CPA Firms), Lamorena and Chang CPAs, Yano and Associates, and Rodriguez, Perez, Delgado and Company. The various enterprise funds, the Health Service System, the Employees' Retirement System, the San Francisco County Transportation Authority and the Redevelopment Agency have been separately audited. The Independent Auditors' Report on our current financial statements is presented in the Financial Section.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1999. This was the eighteenth consecutive year (fiscal years ended June 30, 1982 – 1999) that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

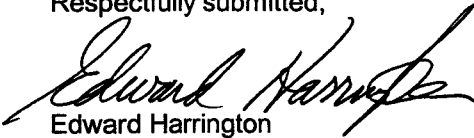
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The California Society of Municipal Finance Officers awarded a Certificate of Award for Outstanding Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 1999. This was the second consecutive year that the City has achieved this prestigious award. In order to be awarded a certificate for outstanding financial reporting, a government must publish easily readable and efficiently organized CAFR. We are once again submitting our CAFR for review under this program.

ACKNOWLEDGMENTS

I would like to express my appreciation to the entire staff of the Controller's Office whose professionalism, dedication and efficiency are responsible for the preparation of this report. I would also like to thank KPMG LLP for their invaluable professional support in the preparation of the CAFR. Finally, I want to thank the Mayor and the Board of Supervisors for their interest and support in planning and conducting the City's financial operations.

Respectfully submitted,



Edward Harrington
Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City and County of
San Francisco, California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Anne Spray Kinsey
President

Jeffrey L. Essler
Executive Director

California Society of
Municipal Finance Officers

Certificate of Award

Outstanding Financial Reporting 1998-1999

Presented to the

City and County of San Francisco

*This certificate is issued in recognition of meeting professional standards and criteria in reporting
which reflect a high level of quality in the annual financial statements
and in the underlying accounting system from which the reports were prepared.*

February 28, 2000

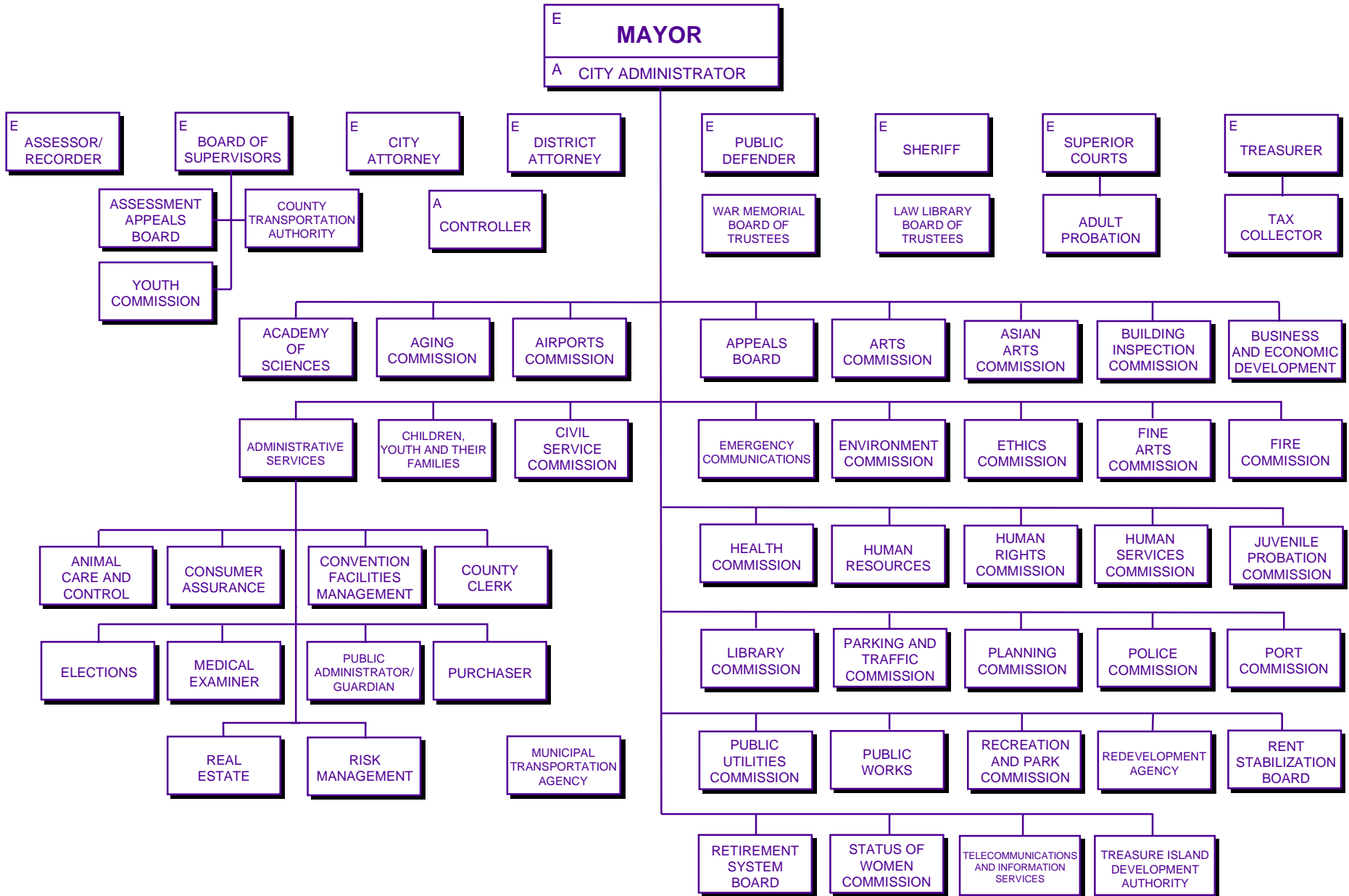


Chair, Professional & Technical Standards Committee

Dedicated to Excellence in Municipal Financial Management

San Francisco City and County Government

(As of June 30, 2000)



A Appointed by Mayor and confirmed by Board of Supervisors
 E Elected

CITY AND COUNTY OF SAN FRANCISCO

**List of Principal Officials
as of June 30, 2000**

ELECTED OFFICIALS

Mayor	Willie L. Brown, Jr.
Board of Supervisors:	
President	Tom Ammiano
Supervisor	Alicia Becerril
Supervisor	Sue Bierman
Supervisor	Amos Brown
Supervisor	Leslie Katz
Supervisor	Barbara Kaufman
Supervisor	Mark Leno
Supervisor	Gavin Newsom
Supervisor	Mabel Teng
Supervisor	Michael Yaki
Supervisor	Leland Y. Yee
Assessor-Recorder	Doris M. Ward
City Attorney	Louise H. Renne
District Attorney.....	Terence Hallinan
Public Defender.....	Jeff Brown
Sheriff	Michael Hennessey
Superior Court	
Presiding Judge	Alfred Chiantelli
Treasurer	Susan Leal

APPOINTED OFFICIALS

City Administrator.....	William L. Lee
Controller	Edward Harrington

DEPARTMENT DIRECTORS/ADMINISTRATORS

Administrative Services.....	Ryan Brooks
Animal Care and Control	Carl Friedman
Consumer Assurance	David Frieders
Convention Facilities Management	Jack Moerschbaecher
County Clerk.....	Nancy Alfaro
Elections.....	Patricia Fado
Medical Examiner.....	Boyd G. Stephens, M.D.
Public Administrator/Public Guardian	Ricardo Hernandez
Purchaser.....	Edwin Lee
Real Estate.....	Anthony DeLucchi
Risk Management	Keith Grand
Academy of Sciences.....	J. Patrick Kociolek, Ph. D.
Aging Commission	Darrick Lam
Airports Commission	John Martin

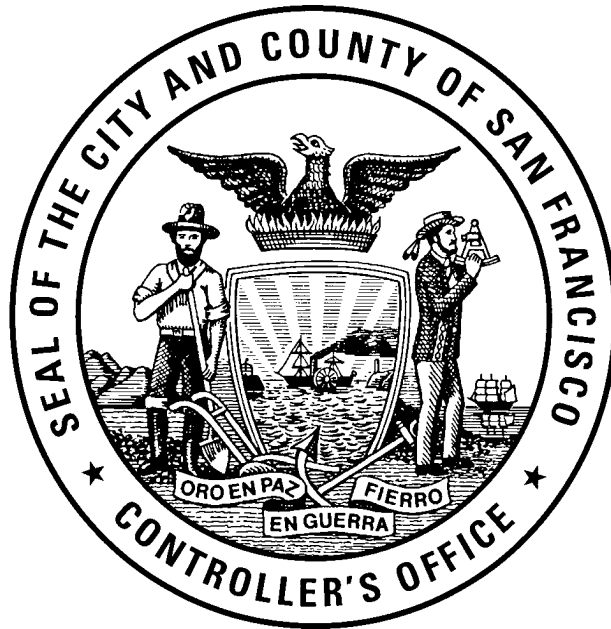
CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT DIRECTORS/ADMINISTRATORS-(Continued)

Appeals Board.....	Robert Feldman
Arts Commission	Richard Newirth
Asian Arts Commission	Emily Sano
Building Inspection Commission.....	Frank Chiu
Board of Supervisors	Gloria Young
Assessment Appeals Board.....	Dawn Duran
County Transportation Authority.....	Andy Nash
Youth Commission	Susan Kim
Business and Economic Development	Emilio Cruz
Children, Youth and Their Families	Deborah Alvarez-Rodriguez
Civil Service Commission	Kate Favetti
Emergency Communications	Thera Bradshaw
Ethics Commission.....	Ginny Vida
Environment Commission	Francesca Vietor
Fine Arts Commission	Harry S. Parker III
Fire Commission	Robert L. Demmons
Health Commission	Mitchell Katz, M.D.
Human Resources	Andrea Gourdine
Human Rights Commission	Virginia Harmon
Human Services Commission	Will Lightbourne
Juvenile Probation Commission	Jesse E. Williams, Jr.
Law Library Board of Trustees	Marcia Bell
Library Commission	Susan Hildreth
Municipal Transportation Agency	Michael Burns
Parking and Traffic Commission	Fred Hamdun
Planning Commission	Gerald Green
Police Commission.....	Fred H. Lau
Port Commission.....	Douglas Wong
Public Utilities Commission	John Mullane
Public Works	Mark Primeau
Recreation and Park Commission	Elizabeth Goldstein
Rent Stabilization Board.....	Joseph Grubb
Retirement System Board	Clare M. Murphy
Status of Women Commission.....	Sonia Melara
Superior Court	Gordon Park-Li
Adult Probation	Armando Cervantes
Telecommunications and Information Services.....	Liza Lowery
War Memorial Board of Trustees	Elizabeth Murray

DISCRETELY PRESENTED COMPONENT UNITS

Redevelopment Agency	James Morales
Treasure Island Development Authority	Annemarie Conroy



FINANCIAL SECTION

- **Independent Auditors' Report**
- **General Purpose Financial Statements**
- **Required Supplementary Information**
- **Combining, Individual Fund, and Individual Account Group Financial Statements and Schedules**



Three Embarcadero Center
San Francisco, CA 94111

Telephone 415 951 0100

Independent Auditors' Report

The Honorable Mayor Willie L. Brown, Jr.
The Honorable Members of the Board of Supervisors
City and County of San Francisco, California:

We have audited the accompanying general purpose financial statements of the City and County of San Francisco, California, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City and County of San Francisco, California, as of June 30, 2000, and the results of its operations and the changes in net assets of its pension and investment trust funds, and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The schedules of funding progress on page 69 are not a required part of the general purpose financial statements, but are supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. We have applied to the schedules of funding progress certain limited procedures prescribed by professional standards, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the schedules.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of City and County of San Francisco, California. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

KPMG LLP

November 22, 2000



KPMG LLP, KPMG LLP, a U.S. limited liability partnership, is
a member of KPMG International, a Swiss association.

General Purpose Financial Statements

CITY AND COUNTY OF SAN FRANCISCO
Combined Balance Sheet-All Fund Types, Account Groups and
Discretely Presented Component Units

June 30, 2000

(In Thousands)

ASSETS AND OTHER DEBITS

	Governmental Fund Types				Proprietary Fund Types	
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>
Deposits and investments with City Treasury.....	\$ 293,605	\$ 476,240	\$ 14,183	\$ 237,604	\$ 517,108	\$ 51,703
Deposits and investments outside City Treasury.....	363	16,376	21,636	14,351	2,682	-
Receivables (net of allowance for uncollectible amounts of \$ 28,199):						
Property taxes and penalties.....	23,143	533	1,547	-	-	-
Other local taxes.....	150,309	19,190	-	-	-	-
Federal and state grants and subventions.....	40,844	45,208	-	34,656	53,859	-
Charges for services.....	18,982	3,419	-	425	136,210	9,380
Interest and other.....	7,844	6,472	4	1,936	33,419	489
Due from other funds	61,631	106	-	-	17,514	-
Due from component unit	1,831	446	-	33,682	-	-
Loans receivable	183	228,783	-	-	-	-
Inventories.....	-	-	-	-	35,465	-
Restricted assets:						
Deposits and investments with City Treasury.....	-	-	-	-	855,022	-
Deposits and investments outside City Treasury..	-	-	-	-	313,438	-
Grants and other receivables.....	-	-	-	-	12,152	-
Invested securities lending collateral.....	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-
Fixed assets (net of accumulated depreciation in proprietary fund types)	-	-	-	-	7,023,566	3,000
Deferred charges and other assets.....	5,030	768	-	25	61,831	360
Amount available in Debt Service Funds.....	-	-	-	-	-	-
Amount to be provided for long-term obligations.....	-	-	-	-	-	-
Total assets and other debits.....	<u>\$ 603,765</u>	<u>\$ 797,541</u>	<u>\$ 37,370</u>	<u>\$ 322,679</u>	<u>\$ 9,062,266</u>	<u>\$ 64,932</u>

CITY AND COUNTY OF SAN FRANCISCO
Combined Balance Sheet-All Fund Types, Account Groups and
Discretely Presented Component Units (Continued)

June 30, 2000

(In Thousands)

ASSETS AND OTHER DEBITS

Fiduciary Fund Types	Account Groups		Total Primary Government (Memoran- dum Only)	Component Units	Total Reporting Entity (Memoran- dum Only)	
	General Fixed Assets	General Long-Term Debt				
Trust and Agency	\$	\$	\$	\$	\$	
289,152	-	-	1,879,595	-	1,879,595	Deposits and investments with City Treasury
13,160,860	-	-	13,216,268	106,362	13,322,630	Deposits and investments outside City Treasury
						Receivables (net of allowance for uncollectible amounts of \$ 28,199):
-	-	-	25,223	-	25,223	Property taxes and penalties
-	-	-	169,499	-	169,499	Other local taxes
254	-	-	174,821	2,142	176,963	Federal and state grants and subventions
399	-	-	168,815	382	169,197	Charges for services
475,827	-	-	525,991	3,984	529,975	Interest and other
-	-	-	79,251	-	79,251	Due from other funds
-	-	-	35,959	-	35,959	Due from component unit
-	-	-	228,966	6,678	235,644	Loans receivable
-	-	-	35,465	-	35,465	Inventories
						Restricted assets:
-	-	-	855,022	-	855,022	Deposits and investments with City Treasury
-	-	-	313,438	243,253	556,691	Deposits and investments outside City Treasury
-	-	-	12,152	446	12,598	Grants and other receivables
1,836,360	-	-	1,836,360	-	1,836,360	Invested securities lending collateral
-	-	-	-	11,106	11,106	Property held for resale
						Fixed assets (net of accumulated depreciation in proprietary fund types)
-	2,967,254	-	9,993,820	208,793	10,202,613	
5,302	-	-	73,316	-	73,316	Deferred charges and other assets
-	-	27,694	27,694	204,708	232,402	Amount available in Debt Service Funds
-	-	1,415,637	1,415,637	525,686	1,941,323	Amount to be provided for long-term obligations
<u>\$ 15,768,154</u>	<u>\$ 2,967,254</u>	<u>\$ 1,443,331</u>	<u>\$ 31,067,292</u>	<u>\$ 1,313,540</u>	<u>\$ 32,380,832</u>	Total assets and other debits

(Continued)

See accompanying notes to general purpose financial statements.

CITY AND COUNTY OF SAN FRANCISCO
Combined Balance Sheet-All Fund Types, Account Groups and
Discretely Presented Component Units (Continued)

June 30, 2000
(In Thousands)

LIABILITIES

	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
Accounts payable.....	\$ 68,089	\$ 18,753	\$ 486	\$ 26,406	\$ 90,195	\$ 13,814
Accrued payroll.....	58,169	8,786	-	1,343	50,530	1,914
Accrued vacation and sick leave pay.....	48,917	522	-	-	61,884	2,438
Accrued workers' compensation.....	31,719	-	-	-	99,045	484
Estimated claims payable.....	15,644	-	-	-	50,634	11,043
Deferred tax, grant and subvention revenues.....	30,937	8,005	-	93	426	-
Due to other funds.....	-	39,869	-	16,522	18,916	-
Due to primary government.....	-	-	-	-	-	-
Agency obligations.....	-	-	-	-	-	-
Deferred credits and other liabilities.....	74,650	240,157	8,792	7,036	55,835	19,653
Bond interest payable.....	-	-	398	-	48,397	-
Bonds, loans, capital leases, and other payables.....	-	-	-	-	4,710,558	2,383
Obligations under fixed coupon dollar repurchase agreements.....	-	-	-	-	-	-
Payable to brokers.....	-	-	-	-	-	-
Securities lending collateral.....	-	-	-	-	-	-
Liabilities payable from restricted assets.....	-	-	-	-	125,158	-
Total liabilities.....	328,125	316,092	9,676	51,400	5,311,578	51,729

FUND EQUITY AND OTHER CREDITS

Contributed capital, net.....	-	-	-	-	2,144,310	-
Investment in general fixed assets.....	-	-	-	-	-	-
Retained earnings:						
Reserved for contractual and other commitments...	-	-	-	-	798,826	16,616
Unreserved (deficit).....	-	-	-	-	807,552	(3,413)
Fund balances:						
Reserved for employees' retirement benefits.....	-	-	-	-	-	-
Reserved for external pool participants.....	-	-	-	-	-	-
Reserved for cash requirements.....	83,927	-	-	-	-	-
Reserved for emergencies.....	4,198	-	-	-	-	-
Reserved for assets not available for appropriation.....	5,576	23,871	-	48,033	-	-
Reserved for property held for resale.....	-	-	-	-	-	-
Reserved for debt service.....	-	-	27,694	-	-	-
Reserved for encumbrances.....	32,808	188,491	-	78,185	-	-
Reserved for appropriation carryforward.....	74,051	224,777	-	100,332	-	-
Reserved for subsequent years' budgets.....	29,990	3,520	-	-	-	-
Unreserved.....	45,090	40,790	-	44,729	-	-
Total fund equity and other credits.....	275,640	481,449	27,694	271,279	3,750,688	13,203
Total liabilities, fund equity and other credits...	\$ 603,765	\$ 797,541	\$ 37,370	\$ 322,679	\$ 9,062,266	\$ 64,932

CITY AND COUNTY OF SAN FRANCISCO
Combined Balance Sheet-All Fund Types, Account Groups and
Discretely Presented Component Units (Continued)

June 30, 2000
(In Thousands)

LIABILITIES

Fiduciary Fund Types	Account Groups		Total Primary Government (Memoran- dum Only)	Component Units	Total Reporting Entity (Memoran- dum Only)	
	Trust and Agency	General Fixed Assets				
\$ 19,110	\$ -	\$ -	\$ 236,853	\$ 3,772	\$ 240,625	Accounts payable
53	-	-	120,795	60	120,855	Accrued payroll
-	-	55,704	169,465	1,627	171,092	Accrued vacation and sick leave pay
-	-	103,368	234,616	-	234,616	Accrued workers' compensation
-	-	112,106	189,427	-	189,427	Estimated claims payable
540	-	-	40,001	23,856	63,857	Deferred tax, grant and subvention revenues
3,944	-	-	79,251	-	79,251	Due to other funds
-	-	-	-	35,959	35,959	Due to primary government
139,415	-	-	139,415	406	139,821	Agency obligations
-	-	-	406,123	1,519	407,642	Deferred credits and other liabilities
-	-	-	48,795	1,785	50,580	Bond interest payable
-	-	1,172,153	5,885,094	752,049	6,637,143	Bonds, loans, capital leases, and other payables
384,767	-	-	384,767	-	384,767	Obligations under fixed coupon dollar repurchase agreements
246,306	-	-	246,306	-	246,306	Payable to brokers
1,836,360	-	-	1,836,360	-	1,836,360	Securities lending collateral
-	-	-	125,158	2,051	127,209	Liabilities payable from restricted assets
<u>2,630,495</u>	<u>-</u>	<u>1,443,331</u>	<u>10,142,426</u>	<u>823,084</u>	<u>10,965,510</u>	Total liabilities
FUND EQUITY AND OTHER CREDITS						
-	-	-	2,144,310	-	2,144,310	Contributed capital, net
-	2,967,254	-	2,967,254	192,761	3,160,015	Investment in general fixed assets
-	-	-	815,442	-	815,442	Retained earnings:
-	-	-	804,139	(4,001)	800,138	Reserved for contractual and other commitments
-	-	-	-	-	-	Unreserved (deficit)
12,931,306	-	-	12,931,306	-	12,931,306	Fund balances:
194,671	-	-	194,671	-	194,671	Reserved for employees' retirement benefits
-	-	-	83,927	-	83,927	Reserved for external pool participants
-	-	-	4,198	-	4,198	Reserved for cash requirements
529	-	-	78,009	-	78,009	Reserved for emergencies
-	-	-	-	11,106	11,106	Reserved for assets not available for appropriation
-	-	-	27,694	204,708	232,402	Reserved for property held for resale
492	-	-	299,976	500	300,476	Reserved for debt service
5,578	-	-	404,738	-	404,738	Reserved for encumbrances
-	-	-	33,510	-	33,510	Reserved for appropriation carryforward
5,083	-	-	135,692	85,382	221,074	Reserved for subsequent years' budgets
<u>13,137,659</u>	<u>2,967,254</u>	<u>-</u>	<u>20,924,866</u>	<u>490,456</u>	<u>21,415,322</u>	Unreserved
<u>\$ 15,768,154</u>	<u>\$ 2,967,254</u>	<u>\$ 1,443,331</u>	<u>\$ 31,067,292</u>	<u>\$ 1,313,540</u>	<u>\$ 32,380,832</u>	Total fund equity and other credits
						Total liabilities, fund equity and other credits

See accompanying notes to general purpose financial statements.

CITY AND COUNTY OF SAN FRANCISCO
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances-All Governmental Fund Types, Expendable Trust Fund and
Discretely Presented Component Units
Year ended June 30, 2000
(In Thousands)

	Governmental Fund Types				Fiduciary	Total	Component	Total
	General	Special	Debt	Capital	Expendable	Primary		Reporting
		Revenue	Service	Projects	Trust	(Memoran-	Units	Entity
						dum Only)		(Memoran-
								dum Only)
Revenues:								
Property taxes.....	\$ 405,560	\$ 50,973	\$ 87,677	\$ -	\$ -	\$ 544,210	\$ 31,526	\$ 575,736
Business taxes.....	267,197	721	-	-	-	267,918	-	267,918
Other local taxes.....	411,082	136,388	-	-	-	547,470	5,913	553,383
Licenses, permits and franchises.....	16,106	4,919	-	-	-	21,025	-	21,025
Fines, forfeitures and penalties.....	9,113	3,543	-	-	2	12,658	-	12,658
Interest and investment income.....	18,792	24,324	4,016	12,761	649	60,542	14,358	74,900
Rents and concessions.....	20,395	27,478	24,507	42	526	72,948	29,265	102,213
Intergovernmental:								
Federal.....	129,014	119,941	-	39,558	24	288,537	12,800	301,337
State.....	485,995	67,190	855	1,710	-	555,750	-	555,750
Other.....	309	1,419	-	2,967	-	4,695	-	4,695
Charges for services.....	86,591	98,919	-	1,171	52	186,733	-	186,733
Other.....	9,706	4,192	-	125	4,811	18,834	17,711	36,545
Total revenues.....	<u>1,859,860</u>	<u>540,007</u>	<u>117,055</u>	<u>58,334</u>	<u>6,064</u>	<u>2,581,320</u>	<u>111,573</u>	<u>2,692,893</u>
Expenditures:								
Operating expenditures:								
Public protection.....	597,949	34,567	-	-	221	632,737	-	632,737
Public works, transportation and commerce.....	85,655	146,315	-	-	21	231,991	-	231,991
Human welfare and neighborhood development.....	383,305	101,896	-	-	201	485,402	5,234	490,636
Community health.....	355,720	77,728	-	-	938	434,386	-	434,386
Culture and recreation.....	87,373	114,185	-	-	2,523	204,081	-	204,081
General administration and finance.....	140,211	34,355	-	-	433	174,999	-	174,999
General City responsibilities.....	45,194	-	-	-	-	45,194	-	45,194
Intergovernmental.....	-	-	-	29,605	-	29,605	-	29,605
Debt service:								
Principal retirement.....	-	-	63,596	-	-	63,596	30,320	93,916
Interest and fiscal charges.....	-	-	60,650	-	-	60,650	24,140	84,790
Capital outlay.....	-	-	-	188,793	-	188,793	50,084	238,877
Total expenditures.....	<u>1,695,407</u>	<u>509,046</u>	<u>124,246</u>	<u>218,398</u>	<u>4,337</u>	<u>2,551,434</u>	<u>109,778</u>	<u>2,661,212</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>164,453</u>	<u>30,961</u>	<u>(7,191)</u>	<u>(160,064)</u>	<u>1,727</u>	<u>29,886</u>	<u>1,795</u>	<u>31,681</u>
Other financing sources (uses):								
Operating transfers in.....	156,984	70,282	538	113,031	45	340,880	15	340,895
Operating transfers out.....	(286,660)	(111,874)	(2,211)	(26,849)	(1,021)	(428,615)	-	(428,615)
Proceeds from issuance of bonds & loans.....	-	16,008	1,773	77,128	-	94,909	18,089	112,998
Total other financing sources (uses)...	<u>(129,676)</u>	<u>(25,584)</u>	<u>100</u>	<u>163,310</u>	<u>(976)</u>	<u>7,174</u>	<u>18,104</u>	<u>25,278</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	<u>34,777</u>	<u>5,377</u>	<u>(7,091)</u>	<u>3,246</u>	<u>751</u>	<u>37,060</u>	<u>19,899</u>	<u>56,959</u>
Net income from proprietary activities.....	-	-	-	-	-	-	3	3
Fund balances at beginning of year.....	240,863	476,072	34,785	268,033	10,931	1,030,684	291,686	1,322,370
Decrease in property held for resale.....	-	-	-	-	-	-	(13,893)	(13,893)
Fund balances at end of year.....	<u>\$ 275,640</u>	<u>\$ 481,449</u>	<u>\$ 27,694</u>	<u>\$ 271,279</u>	<u>\$ 11,682</u>	<u>\$ 1,067,744</u>	<u>\$ 297,695</u>	<u>\$ 1,365,439</u>

See accompanying notes to general purpose financial statements.

CITY AND COUNTY OF SAN FRANCISCO
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual -
General and Special Revenue Fund Types
Budget Basis
Year ended June 30, 2000
(In Thousands)

	General Fund				Special Revenue Funds			
	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Property taxes.....	\$ 388,826	\$ 388,945	\$ 405,560	\$ 16,615	\$ 49,674	\$ 50,124	\$ 50,973	\$ 849
Business taxes.....	246,450	246,450	267,197	20,747	600	600	721	121
Other local taxes.....	349,129	349,129	411,082	61,953	60,450	120,650	136,388	15,738
Licenses, permits, and franchises.....	15,396	15,396	16,106	710	4,705	5,104	4,919	(185)
Fines, forfeitures, and penalties.....	14,541	5,841	9,113	3,272	4,243	4,244	3,543	(701)
Interest and investment income.....	24,964	26,217	26,960	743	2,771	15,231	22,362	7,131
Rents and concessions.....	19,059	19,059	20,395	1,336	21,992	24,169	27,478	3,309
Intergovernmental:								
Federal.....	139,404	140,136	129,014	(11,122)	95,270	117,969	119,942	1,973
State.....	456,765	465,010	492,097	27,087	49,815	53,704	67,190	13,486
Other.....	1,066	1,066	309	(757)	491	706	1,419	713
Charges for services.....	86,150	88,943	86,591	(2,352)	62,384	84,319	98,919	14,600
Other revenues.....	425	1,230	1,634	404	120	5,782	4,193	(1,589)
Total revenues.....	<u>1,742,175</u>	<u>1,747,422</u>	<u>1,866,058</u>	<u>118,636</u>	<u>352,515</u>	<u>482,602</u>	<u>538,047</u>	<u>55,445</u>
Expenditures:								
Public protection.....	582,681	600,863	597,949	2,914	22,370	36,204	34,568	1,636
Public works, transportation and commerce.....	103,390	87,004	85,655	1,349	93,763	147,188	145,993	1,195
Human welfare and neighborhood development.....	408,435	411,984	383,305	28,679	65,045	99,973	99,945	28
Community health.....	397,104	384,624	355,720	28,904	73,573	77,512	77,253	259
Culture and recreation.....	90,061	88,218	87,373	845	123,821	119,355	114,747	4,608
General administration and finance.....	130,245	143,295	139,554	3,741	19,481	35,523	33,880	1,643
General City responsibilities.....	32,995	49,739	47,460	2,279	-	-	-	-
Total expenditures.....	<u>1,744,911</u>	<u>1,765,727</u>	<u>1,697,016</u>	<u>68,711</u>	<u>398,053</u>	<u>515,755</u>	<u>506,386</u>	<u>9,369</u>
Excess (deficiency) of revenues over (under) expenditures.....	(2,736)	(18,305)	169,042	187,347	(45,538)	(33,153)	31,661	64,814
Other financing sources (uses):								
Operating transfers in.....	166,399	186,920	150,730	(36,190)	39,306	74,516	68,624	(5,892)
Operating transfers out.....	(215,514)	(292,917)	(283,600)	9,317	(14,545)	(110,421)	(108,504)	1,917
Proceeds from issuance of bonds & loans.....	-	-	-	-	-	31,308	16,008	(15,300)
Budgetary reserves and designations.....	(54,969)	11,893	-	(11,893)	(2,892)	-	-	-
Total other financing sources (uses).....	<u>(104,084)</u>	<u>(94,104)</u>	<u>(132,870)</u>	<u>(38,766)</u>	<u>21,869</u>	<u>(4,597)</u>	<u>(23,872)</u>	<u>(19,275)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	(106,820)	(112,409)	36,172	148,581	(23,669)	(37,750)	7,789	45,539
Fund balances at beginning of year.....	106,820	359,952	359,952	-	23,669	476,403	476,403	-
Fund balances at end of year.....	<u>-</u>	<u>\$ 247,543</u>	<u>\$ 396,124</u>	<u>\$ 148,581</u>	<u>-</u>	<u>\$ 438,653</u>	<u>\$ 484,192</u>	<u>\$ 45,539</u>

See accompanying notes to general purpose financial statements.

CITY AND COUNTY OF SAN FRANCISCO
Combined Statement of Revenues, Expenses, and Changes
in Retained Earnings
All Proprietary Fund Types
Year ended June 30, 2000
(In Thousands)

	Proprietary Fund Types		Total (Memoran- dum Only)
	Enterprise	Internal Service	
Operating revenues:			
Charges for services.....	\$ 1,035,370	\$ 312,099	\$ 1,347,469
Rents and concessions.....	228,230	-	228,230
Other.....	35,529	-	35,529
Total operating revenues.....	<u>1,299,129</u>	<u>312,099</u>	<u>1,611,228</u>
Operating expenses:			
Personal services.....	828,513	33,709	862,222
Contractual services.....	184,117	200,713	384,830
Light, heat and power.....	30,468	-	30,468
Materials and supplies.....	112,337	15,395	127,732
Depreciation and amortization.....	192,889	2,555	195,444
General and administrative.....	72,633	65	72,698
Services provided by other departments.....	95,288	2,773	98,061
Benefit payments.....	-	43,213	43,213
Bad debt expense.....	28,626	-	28,626
Other.....	43,845	5,698	49,543
Total operating expenses.....	<u>1,588,716</u>	<u>304,121</u>	<u>1,892,837</u>
Operating income (loss).....	<u>(289,587)</u>	<u>7,978</u>	<u>(281,609)</u>
Nonoperating revenues (expenses):			
Operating grants:			
Federal.....	18,811	-	18,811
State/other.....	244,332	-	244,332
Interest and investment income.....	69,065	2,199	71,264
Interest expense.....	(126,113)	(1,123)	(127,236)
Claims settlement.....	31,647	-	31,647
Other, net.....	17,183	19	17,202
Net nonoperating revenues.....	<u>254,925</u>	<u>1,095</u>	<u>256,020</u>
Income (loss) before operating transfers.....	<u>(34,662)</u>	<u>9,073</u>	<u>(25,589)</u>
Operating transfers in.....	214,153	3,373	217,526
Operating transfers out.....	(129,747)	(59)	(129,806)
Net operating transfers.....	<u>84,406</u>	<u>3,314</u>	<u>87,720</u>
Net income.....	<u>49,744</u>	<u>12,387</u>	<u>62,131</u>
Depreciation on fixed assets purchased with externally restricted sources that reduces contributed capital.....	56,767	-	56,767
Retained earnings at beginning of year, as previously reported.....	1,499,867	6,016	1,505,883
Prior period adjustment.....	-	(5,200)	(5,200)
Retained earnings at beginning of year, as restated.....	<u>1,499,867</u>	<u>816</u>	<u>1,500,683</u>
Retained earnings at end of year.....	<u>\$ 1,606,378</u>	<u>\$ 13,203</u>	<u>\$ 1,619,581</u>

See accompanying notes to general purpose financial statements.

CITY AND COUNTY OF SAN FRANCISCO

**Combined Statement of Cash Flows -
All Proprietary Fund Types**

Year ended June 30, 2000

(In Thousands)

	<u>Proprietary Fund Types</u>		<u>Total (Memoran- dum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	
Cash flows from operating activities:			
Cash received from customers, including cash deposits.....	\$ 369,862	\$ -	\$ 369,862
Cash received from patients and third party payors.....	337,988	-	337,988
Cash received from tenants for rent.....	410,123	-	410,123
Cash received from passengers and service contracts.....	122,198	-	122,198
Cash received from quasi-external transactions.....	21,894	317,485	339,379
Cash paid to employees for services.....	(820,379)	(33,165)	(853,544)
Cash paid to suppliers for goods and services.....	(364,646)	(224,484)	(589,130)
Cash paid for quasi-external transactions.....	(128,372)	(2,634)	(131,006)
Cash paid for judgements and claims.....	(7,612)	(50,873)	(58,485)
Cash paid to other governments.....	-	-	-
Cash paid for fees, licenses and permits.....	-	-	-
Net cash provided by (used in) operating activities.....	<u>(58,944)</u>	<u>6,329</u>	<u>(52,615)</u>
Cash flows from noncapital financing activities:			
Operating grants	260,893	-	260,893
Operating transfers in.....	209,480	3,373	212,853
Operating transfers out.....	(129,747)	(59)	(129,806)
Cost allocation charges received.....	8,896	-	8,896
Transit Impact Development fees received.....	4,817	-	4,817
Claims settlement proceeds.....	8,369	-	8,369
Other noncapital increases.....	3,014	-	3,014
Other noncapital decreases.....	(2,466)	-	(2,466)
Net cash provided by noncapital financing activities.....	<u>363,256</u>	<u>3,314</u>	<u>366,570</u>
Cash flows from capital financing activities:			
Capital grants.....	169,899	-	169,899
Bond sale proceeds and loans received.....	253,444	-	253,444
Proceeds from sale of fixed assets.....	9,983	-	9,983
Proceeds from commercial paper borrowings.....	139,233	-	139,233
Claims settlement proceeds.....	23,278	-	23,278
Acquisition of fixed assets.....	(885,986)	(469)	(886,455)
Retirement of capital leases, bonds and loans.....	(66,082)	(1,047)	(67,129)
Retirement of commercial paper borrowings.....	(72,550)	-	(72,550)
Bond issue costs paid.....	(926)	-	(926)
Interest paid on long term debt.....	(229,820)	(937)	(230,757)
Other capital financing decreases.....	(4,072)	-	(4,072)
Net cash used in capital financing activities.....	<u>(663,599)</u>	<u>(2,453)</u>	<u>(666,052)</u>
Cash flows from investing activities:			
Purchases of investments with trustees.....	(984,910)	-	(984,910)
Proceeds from sale of investments with trustees.....	979,420	-	979,420
Purchases of restricted deposits and investments.....	(635,291)	-	(635,291)
Proceeds from sale of restricted deposits and investments.....	1,133,360	-	1,133,360
Interest income received.....	94,324	2,099	96,423
Other investing activity increases.....	3,169	19	3,188
Other investing activity decreases.....	-	(186)	(186)
Net cash provided by investing activities.....	<u>590,072</u>	<u>1,932</u>	<u>592,004</u>
Net increase in cash and cash equivalents.....	230,785	9,122	239,907
Cash and cash equivalents - beginning of year.....	908,908	42,581	951,489
Cash and cash equivalents - end of year.....	<u>\$ 1,139,693</u>	<u>\$ 51,703</u>	<u>\$ 1,191,396</u>

(Continued)

CITY AND COUNTY OF SAN FRANCISCO

**Combined Statement of Cash Flows -
All Proprietary Fund Types (Continued)**

Year ended June 30, 2000

(In Thousands)

	<u>Proprietary Fund Types</u>		<u>Total (Memoran- dum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	
Reconciliation of operating loss to net cash used for operating activities:			
Operating income (loss).....	\$ (289,587)	\$ 7,978	\$ (281,609)
Adjustments for non-cash activities:			
Depreciation and amortization.....	192,889	2,555	195,444
Provision for uncollectibles.....	28,608	-	28,608
Other.....	929	-	929
Changes in assets/liabilities:			
Receivables, net.....	45,658	(623)	45,035
Due from other funds.....	613	2,042	2,655
Inventories.....	(8,044)	-	(8,044)
Deferred charges and other assets.....	(4,650)	(87)	(4,737)
Accounts payable.....	13,376	(2,613)	10,763
Accrued payroll.....	10,960	348	11,308
Accrued vacation and sick leave pay.....	3,694	196	3,890
Accrued workers' compensation.....	6,098	139	6,237
Estimated claims payable.....	17,609	(7,660)	9,949
Due to other funds.....	(70,650)	-	(70,650)
Deferred credits and other liabilities.....	(6,447)	4,054	(2,393)
Total adjustments	<u>230,643</u>	<u>(1,649)</u>	<u>228,994</u>
Net cash provided by (used in) operating activities.....	<u>\$ (58,944)</u>	<u>\$ 6,329</u>	<u>\$ (52,615)</u>
Reconciliation of cash and cash equivalents to the balance sheet:			
Deposits and investments with City Treasury:			
Unrestricted.....	\$ 517,108	\$ 51,703	\$ 568,811
Restricted.....	855,022	-	855,022
Unrestricted deposits and investments outside City Treasury.....	<u>2,682</u>	<u>-</u>	<u>2,682</u>
Total deposits and investments.....	1,374,812	51,703	1,426,515
Add: Restrict deposits outside City Treasury meeting the definition of cash equivalents.....	21,241	-	21,241
Less: Deposits and investments not meeting the definition of cash equivalents.....	<u>(256,360)</u>	<u>-</u>	<u>(256,360)</u>
Cash and cash equivalents at end of year on statement of cash flows.....	<u>\$ 1,139,693</u>	<u>\$ 51,703</u>	<u>\$ 1,191,396</u>
Non cash investing, capital and financing activities:			
Acquisition of fixed assets under capital lease agreements.....	\$ 1,024	\$ -	\$ 1,024
Tenant improvements financed by rent credits.....	446	-	446
Donated assets.....	125	-	125
Depreciation on contributed capital.....	56,767	-	56,767
Contributed improvements by tenants.....	34,648	-	34,648
Acquisition of fixed assets on accounts payable.....	2,890	-	2,890
	<u>\$ 95,900</u>	<u>\$ -</u>	<u>\$ 95,900</u>

See accompanying notes to general purpose financial statements.

CITY AND COUNTY OF SAN FRANCISCO

FIDUCIARY FUNDS

**Combined Statement of Changes in Net Assets -
Pension and Investment Trust Funds**

Year ended June 30, 2000

(In Thousands)

	Pension Trust Fund Employees' Retirement System	Investment Trust Fund	Total Pension and Investment Trust Funds
Additions:			
Employees' contributions.....	\$ 132,761	\$ -	\$ 132,761
Contributions on pooled investments.....	-	2,273,148	2,273,148
Total contributions.....	<u>132,761</u>	<u>2,273,148</u>	<u>2,405,909</u>
Investment income (expenses):			
Interest.....	227,118	7,807	234,925
Dividends.....	81,607	-	81,607
Net appreciation in fair value of investments.....	2,011,790	-	2,011,790
Securities lending income.....	97,092	-	97,092
Fixed coupon dollar repurchase agreement income.....	18,559	-	18,559
Investment expenses.....	(30,556)	-	(30,556)
Securities lending borrower rebates and expenses.....	(84,241)	-	(84,241)
Fixed coupon dollar repurchase finance charges and expenses.....	(16,838)	-	(16,838)
Investment income, net.....	<u>2,304,531</u>	<u>7,807</u>	<u>2,312,338</u>
Total additions.....	<u>2,437,292</u>	<u>2,280,955</u>	<u>4,718,247</u>
Deductions:			
Benefit payments.....	356,961	-	356,961
Refunds of contributions.....	7,285	-	7,285
Distribution from pooled investments.....	-	2,319,703	2,319,703
Administrative expenses.....	10,282	-	10,282
Total deductions.....	<u>374,528</u>	<u>2,319,703</u>	<u>2,694,231</u>
Net increase (decrease).....	2,062,764	(38,748)	2,024,016
Net assets held in trust at beginning of year.....	10,868,542	233,419	11,101,961
Net assets held in trust at end of year.....	<u>\$ 12,931,306</u>	<u>\$ 194,671</u>	<u>\$ 13,125,977</u>

See accompanying notes to general purpose financial statements.

CITY AND COUNTY OF SAN FRANCISCO
NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2000

(1) THE FINANCIAL REPORTING ENTITY

(a) Definition of Reporting Entity

San Francisco is a city and county chartered by the State of California and as such can exercise the powers as both a city and a county under state law. As required by generally accepted accounting principles, the accompanying financial statements present the City and County of San Francisco (the City or Primary Government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operations or financial relationships with the City.

As a government agency, the City is exempt from both federal income taxes and California state franchise taxes.

(b) Individual Component Unit Disclosures

Blended Component Units

Following is a description of those legally separate component units for which the City is financially accountable that are blended with the Primary Government because of their individual governance or financial relationships to the City.

San Francisco County Transportation Authority (Authority) - The Authority was created in 1989 by the voters of the City and County of San Francisco to impose voter-approved sales and use tax of one-half of one percent to fund essential traffic and transportation projects. The Authority is governed by a Board consisting of the eleven members of the City's Board of Supervisors serving ex officio. The operations of the Authority are reported in a special revenue fund. Financial statements for the Authority can be obtained from the Authority's administrative offices at 100 Van Ness Avenue, San Francisco, CA 94102.

San Francisco Finance Corporation (Finance Corporation) - The Finance Corporation was created in 1990 by a vote of the electorate to allow the City to lease-purchase \$20 million (plus 5% per year growth) of equipment using tax-exempt obligations. Although legally separate from the City, the Finance Corporation is reported as if it were part of the primary government because its sole purpose is to provide lease financing to the City. The operations of the Finance Corporation are accounted for in the debt service and capital projects funds. Financial statements for the Finance Corporation can be obtained from the Finance Corporation's administrative offices at City Hall, Room 336, #1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

San Francisco Parking Authority (Parking Authority) - The Parking Authority was created in October 1949 pursuant to the Parking Law. In accordance with Proposition D authorized by the City's electorate in November 1988, a City Charter amendment created the Parking and Traffic Commission (DPT). The DPT consists of five commissioners appointed by the mayor. Upon creation of the DPT, the responsibility to oversee the City's off-street parking operations was transferred from the Parking Authority to the DPT. The staff and fiscal operations of the Parking Authority were also incorporated into the DPT.

Discretely Presented Component Units

San Francisco Redevelopment Agency (Agency) - The Agency is a public body, corporate and politic, organized and existing under the Community Redevelopment Law of the State of California. It is governed by seven commissioners who are appointed by the Mayor, subject to confirmation by the City's Board of Supervisors. The Agency has adopted as its mission the creation of affordable housing and economic

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

development opportunities Citywide. Included in its financial data are the accounts of the San Francisco Redevelopment Financing Authority (SFRFA), a component unit of the Agency. The SFRFA is a separate joint powers authority formed between the Agency and the City to facilitate the long-term financing of Agency activities. The Agency's governing commission serves as the Board of Directors of the SFRFA.

The Agency's governing body is not substantively the same as that of the City and the Agency does not provide services entirely or almost entirely to the City. The Agency is reported in a separate column to emphasize it is legally separate from the City. The City is financially accountable for the Agency through the appointment of the Agency's Board and the ability of the City to approve the Agency's budget. Disclosures related to the Agency, where significant, are identified throughout these notes. Complete financial statements can be obtained from the Agency's administrative offices at 770 Golden Gate Ave., San Francisco, CA 94102.

Treasure Island Development Authority (TIDA) – The TIDA is a nonprofit public benefit corporation. The TIDA was authorized in accordance with the Treasure Island Conversion Act of 1997 and designated as a redevelopment agency pursuant to Community Redevelopment Law of the State of California. The TIDA is governed by seven commissioners who are appointed by the Mayor, subject to confirmation by the City's Board of Supervisors. The specific purpose of the TIDA is to promote the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the property known as Naval Station Treasure Island for the public interest, convenience, welfare and common benefit of the inhabitants of the City. The TIDA has adopted as its mission the creation of affordable housing and economic development opportunities on Treasure Island.

The TIDA's governing body is not substantively the same as that of the City and the TIDA does not provide services entirely or almost entirely to the City. The TIDA is reported in a separate column to emphasize it is legally separate from the City. The City is financially accountable for the TIDA through the appointment of the TIDA's Board and the ability of the City to approve the TIDA's budget. Disclosures related to the TIDA, where significant, are identified throughout these notes.

Other City Operations

The City's operations also include several enterprise and other activities which are not considered separate legal entities. The City's Health Service System is reported as an Internal Service Fund (note 8) and the Employees' Retirement System is reported as a Pension Trust Fund (note 8). Information related to the City's enterprise activities is disclosed in note 10 including segment information and a description of major activities.

Non Disclosed Organizations

There are other governmental agencies which provide services within the City and County of San Francisco. These entities have independently elected governing boards and the City is not financially accountable for them. The City's general purpose financial statements, except for certain cash held by the City as an agent, do not reflect operations of the San Francisco Airport Improvement Corporation, San Francisco Health Authority, San Francisco Housing Authority, Private Industry Council of San Francisco, San Francisco Unified School District and San Francisco Community College District. The City is represented in two regional agencies, the Bay Area Rapid Transit District (BART) and the Bay Area Air Quality Management District (BAAQM) which are also excluded from the City's reporting entity.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (*Continued*)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the City are described in the following sections.

(a) Basis of Presentation—Fund Accounting

The accounts of the City are organized on the basis of fund types or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The various funds are summarized by type in the financial statements. Fund types and account groups used by the City are described in the following sections.

Governmental Fund Types

General Fund—The General Fund, the general operating fund of the City, accounts for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds—Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds—Debt Service Funds account for the accumulation of resources for, and the payment of, long-term obligation principal, interest and related costs.

Capital Projects Funds—Capital Projects Funds account for financial resources used for the acquisition or construction of major capital facilities (other than those financed in the proprietary fund types).

Proprietary Fund Types

Enterprise Fund Types—Enterprise Funds account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the Board of Supervisors is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the Board of Supervisors has decided that periodic determination of revenues earned, expenses incurred, and net income or loss is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds—Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City or other governmental units on a cost reimbursement basis. Internal Service Funds include the activities of the Health Service System.

Fiduciary Fund Types

Trust and Agency Funds—Trust and Agency Funds account for assets held by the City as a trustee or as an agent for individuals, private organizations, other governmental units and/or other funds. These include: (a) the Pension Trust Fund (Employees' Retirement System), (b) Expendable Trust Funds, (c) Investment Trust Fund, and (d) Agency Funds.

Account Groups

General Fixed Assets Account Group—The General Fixed Assets Account Group accounts for the fixed assets of the primary government, other than those accounted for in the proprietary fund types.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

General Long-Term Debt Account Group—The General Long-Term Debt Account Group accounts for all long-term obligations of the primary government, including claims liabilities, workers' compensation liabilities, and vested vacation and sick leave pay, except those accounted for in the proprietary fund types.

(b) Basis of Accounting

The *modified accrual basis* of accounting is followed in the *governmental fund types*, the *expendable trust funds*, and the *agency funds*. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e. both measurable and available to finance expenditures of the fiscal period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest and principal on long-term obligations that are recorded when due, are recorded when they are expected to be liquidated with expendable available resources.

The City's property tax accrual policy is discussed in note 5.

The City collects an annual taxpayer-assessed business tax based either on gross receipts or on payroll for each calendar year. The City bills taxpayers each June for one-half of the previous year's actual taxes. This amount is due on July 1 and delinquent after July 31. The remaining amount is due January 1 and is delinquent after February 28. The City accrues as revenues the amount of June billing expected to be collected within 60 days of the end of its fiscal year, which is a significant portion of the amount billed.

Sales tax revenues and motor vehicle license fees collected by the State on behalf of the City are recorded using the modified accrual basis of accounting as described above.

Licenses, permits, and franchises (except motor vehicle license fees), fines and penalties and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Interest and dividend income is recognized on the modified accrual basis. Changes in the fair value of investments are recognized in revenue.

Intergovernmental revenues, consisting primarily of federal, state, and local grants and subventions which are received as reimbursement for specific purposes or projects, are recognized based upon the expenditures recorded. Intergovernmental revenues which are virtually unrestricted as to purpose of expenditure and revocable only for failure to meet prescribed compliance requirements are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

Substantially all of the activities of the Redevelopment Agency and the TIDA are accounted for using this modified accrual basis of accounting.

The *accrual basis* of accounting is utilized in the *proprietary fund types*, the *pension trust fund*, and the *investment trust fund*. Revenues of the Clean Water Program (CWP) include accruals based on estimates for the period between the termination of the billing cycle and the end of the fiscal year.

For its proprietary activities, the City does not apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989. The proprietary funds apply all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as statements and interpretations of FASB, the Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (*Continued*)

(c) Measurement Focus

All *governmental fund types* are accounted for on a spending or funds flow measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Resources not available to finance expenditures or commitments of the current period are recognized as deferred revenue. Claims liabilities, workers' compensation liabilities and vested vacation and sick leave pay estimated to be payable within the next year are recorded in the governmental fund types; remaining amounts are shown in the General Long-Term Debt Account Group.

All *proprietary fund types* are accounted for on a capital maintenance measurement focus based upon net income, financial position and cash flows in a manner similar to a commercial enterprise.

Operations of the *pension and investment trust funds* are accounted for in the same manner as the proprietary fund types. Operations of *expendable trust funds* are accounted for in essentially the same manner as governmental funds. *Agency funds* are custodial in nature and do not involve measurement of results of operations.

(d) Budgetary Data

The budget of the City is a detailed operating plan which identifies estimated costs and results in relation to estimated revenues. The budget includes (1) the programs, projects, services, and activities to be provided during the fiscal year, (2) the estimated revenue available to finance the operating plan, and (3) the estimated spending requirements of the operating plan. The budget represents a process through which policy decisions are made, implemented, and controlled. The City Charter prohibits expending funds for which there is no legal appropriation.

The following procedures establish the budgetary data reflected in the financial statements:

Original Budget

- (1) Departments and Commissions conduct hearings to obtain public comment on their proposed annual budgets during December and January.
- (2) From February through May, the Mayor and his staff analyze, review and refine the budget submittals.
- (3) On June 1, the Mayor submits the proposed budget to the Board of Supervisors. The Board then adopts an interim budget.
- (4) The Board of Supervisors conducts hearings to obtain public comment on the budget.
- (5) Prior to September 15, the Board of Supervisors finalizes the annual budget through passage of the Annual Appropriation Ordinance, the legal authority for enactment of the budget.

Revised Budget

The revised budgetary data presented in the financial statements reflects the following changes to the original budget:

- (1) Certain annual appropriations are budgeted on a project or program basis. If such projects or programs are not completed at the end of the fiscal year, unexpended appropriations, including encumbered funds, are carried forward to the following year. In certain circumstances, other programs and regular annual appropriations may be carried forward after appropriate approval.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

Annually appropriated funds, not authorized to be carried forward, lapse at the end of the fiscal year. Appropriations carried forward from the prior year are included in the revised budgetary data.

- (2) Appropriations may be adjusted during the year with the approval of the Mayor and the Board of Supervisors. Additionally, the Controller is authorized to make transfers of excess appropriations within a department. Such adjustments are reflected in the revised budgetary data.

The Annual Appropriation Ordinance adopts the budget at the character level of expenditure within departments. As described above, the Controller is authorized to make transfers of excess appropriations within departments. Accordingly, the legal level of budgetary control by the Board of Supervisors is the department level, although certain large departments are controlled at the division level.

Budgetary data, as revised, is presented in the financial statements for the General Fund and Special Revenue Funds. Revised budgetary data excludes the amount reserved for encumbrances for appropriate comparison to actual expenditures.

Federal and state capital grants and certain other capital projects are budgeted by the Mayor and the Board of Supervisors over the term of the individual grant or project. Since these Capital Projects are not budgeted on an annual basis, they are not included in the budgetary data.

(e) Encumbrances

Encumbrance accounting is employed in the governmental fund types and expendable trust funds as a significant aspect of budgetary control. Under encumbrance accounting, purchase orders, contracts and other commitments for expenditure of funds are recorded to reserve that portion of the applicable appropriation for both budgetary and GAAP financial reporting. The City does not consider encumbrances as expenditures until the goods or services have been delivered.

(f) Deposits and Investments

Investment in the Treasurer's Pool

The Treasurer invests on behalf of most funds of the City and external participants in accordance with the City's investment policy and the California State Government Code. The Treasurer's pool is managed by the City Treasurer who reports on a monthly basis to the Board of Supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the City's investment policy and to monitor compliance with the investment policy and reporting provisions of the law through an annual audit.

The Treasurer's investment pool consists of two components: 1) pooled deposits and investments and 2) dedicated investment funds. The dedicated investment funds represent restricted funds and relate to bond issuances of the Enterprise Funds and the General Fund's cash reserve requirement. In addition to the Treasurer's investment pool, the City has other funds which are held by trustees. These funds are related to the issuance of bonds and certain loan programs of the City. The investments of the Employees' Retirement System and deposits and investments of the Redevelopment Agency are held by trustees (note 4).

The San Francisco Unified School District and Community College District are required by the California Education Code to participate in the City's investment pool. As of June 30, 2000, \$190.2 million was held on behalf of these involuntary participants. The Trial Courts of the State of California also have funds in the City's investment pool on a voluntary basis. The total percentage share of the Treasurer's pool that relates to these three external participants is 7.14%. The deposits held for these entities are included in

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

the Investment Trust Fund. The City has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2000 to support the value of shares in the pool.

Investment Valuation

Treasurer's Pool – Substantially all investments are carried at fair value. The fair value of pooled investments is determined annually and is based on current market prices. The fair value of participants' position in the pool is the same as the value of the pool shares. The method used to determine the value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawal. In the event that a certain fund overdraws its share of pooled cash, the overdraft is reported as a due to the General Fund. Certain US government securities that have a remaining maturity at time of purchase of one year or less, are carried at amortized cost, which approximates market value.

Employees' Retirement System (Retirement System) - Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market price are reported at estimated fair value. Purchases and sales of investments are recorded on a trade date basis. The fair values of real estate holdings are estimated primarily on appraisals prepared by third-party appraisers. The fair values of venture capital investments are estimated based primarily on audited financial statements provided by the individual fund managers. Such market value estimates involve subjective judgments, and the actual market price of these investments can only be determined by negotiation between independent third parties in a sales transaction.

Investments in forward currency contract investments are commitments to purchase or sell stated amounts of foreign currency. Changes in market value of open contracts are immediately recognized as gains or losses. The market values of forward currency contracts are determined by quoted currency prices from national exchanges. As June 30, 2000, the fair value of open purchase contracts was \$452.7 million, offset by the fair value of open sales contracts of (\$447.6) million for a net fair value of \$5.1 million. The Retirement System utilized contracts netting to \$293.3 million to hedge (or decrease) the currency risk of foreign investments or to settle trades, and contracts netting to \$298.4 million to increase investment exposure in foreign currencies beyond the amounts reported as international investment securities or to settle trades. Additionally, contracts may be used to effectively cancel previous contracts.

The City Charter and Retirement System Board (Board) policies permit the Retirement System to use investments of the plan to enter into securities lending transactions which are loans of securities to broker-dealers and other entities for collateral with a simultaneous agreement to return collateral for the same securities in the future. The Retirement System's securities custodians are agents in lending the plan's securities for cash collateral of 102% for domestic securities and 105% for international securities. Securities on loan at year-end are presented as "non-categorized" in the schedule of custodial risk (note 4). As of June 30, 2000, the Retirement System has no credit risk exposure to borrowers because the amounts the Retirement System owes the borrowers exceed the amounts the borrowers owe the Retirement System. Contracts with the lending agents require them to indemnify the Retirement System if the borrowers fail to return the securities (and if the collateral were inadequate to replace the securities lent) or fail to pay the Retirement System for income distributions by the securities issuers while the securities are on loan.

All securities loans can be terminated on demand by either the Retirement System or the borrower, although the average term of the loans is thirty-three days. In lending domestic securities, cash collateral is invested in the lending agent's short-term investment pool, which at year-end had a weighted-average maturity of forty-eight days. In lending international securities, cash collateral is invested in a separate short-term investment pool, which at year-end had a weighted-average maturity of three days. The

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

relationship between the maturities of the investment pools and the Retirement System's loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the Retirement System cannot determine. Cash collateral may also be invested separately in term loans, in which case the maturity of the loaned securities matches the term of the loan. Cash received as collateral on securities lending transactions is reported as an asset, and liabilities from these transactions are reported in the statement of net assets. Additionally, the costs of securities lending transactions, such as borrower rebates and fees are recorded as expenses.

The City Charter and Board policies permit the Retirement System to use investments to enter into fixed coupon dollar repurchase agreements, that is, a sale of securities with a simultaneous agreement to repurchase similar securities in the future at a lower price that reflects a financing rate. The fair value of the securities underlying fixed coupon dollar repurchase agreements equals the cash received. If the dealers default on their obligations to resell these securities to the Retirement System at the agreed buy back price, the Retirement System could suffer an economic loss if the securities have to be purchased in the open market at a price higher than the agreed-upon buy back price. This credit exposure at June 30, 2000 was approximately \$7.1 million.

Investments in S&P 500 futures contracts are used to replicate the performance of the S&P 500 index, while lowering transaction costs. Changes in market value of open contracts are immediately recognized as gains or losses. At June 30, 2000 the fair value of total open contracts was \$4.8 million.

Other funds - Nonpooled investments are also generally carried at fair value. However, money market investments (such as short term, highly liquid debt instruments including commercial paper, bankers' acceptances, and U.S. Treasury and agency obligations) and participating interest-earning investment contracts (such as negotiable certificates of deposit, repurchase agreements and guaranteed or bank investment contracts) that have a remaining maturity at the time of purchase of one year or less, are carried at amortized cost which approximates market value. The fair value of non-pooled investments is determined annually and is based on current market prices. The fair value of investments in open-end mutual funds is determined based on the fund's current share price.

Component Unit - Redevelopment Agency (Agency) - Investments are stated at fair value except for money market investments with maturities of one year or less which have been stated at amortized cost. The fair value of investments has been obtained by using market quotes as of June 30, 2000 and reflects the values as if the Agency were to liquidate the securities on that date.

Investment Income

Income from pooled investments is allocated to the individual funds or external participants based on the fund or participant's average daily cash balance at month end in relation to total pooled investments. City management has determined that the investment income related to certain funds should be allocated to the General Fund. On a budget basis, the interest income is recorded in the General Fund. On a generally accepted accounting principles (GAAP) basis, the income is reported in the fund where the related investments reside. An operating transfer is then recorded to transfer an amount equal to the interest earnings to the General Fund. This is the case for certain Special Revenue Funds excluding the San Francisco County Transportation Authority, the Moscone Convention Facilities Capital Projects Fund, the General Obligation Bond Fund, the Internal Service Funds, the Trust and Agency Funds, and the Expendable Trust Funds.

It is the City's policy to charge interest to those funds that have a negative average daily cash balance at month end. In certain instances, City management has determined that the interest expense related to the fund should be allocated to the General Fund. On a budget basis, the interest expense is recorded in the General Fund. On a GAAP basis, the interest expense is recorded in the fund then an operating

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

transfer in is recorded to transfer an amount equal to the interest expense from the General Fund. This is the case for the certain Special Revenue Funds, Municipal Railway, Laguna Honda Hospital, San Francisco General Hospital Medical Center, and the Internal Service Funds.

Income from nonpooled investments is recorded based on the specific investments held by the fund. The interest income is recorded in the fund that earned the interest.

(g) Loans Receivable

Special Revenue Fund and the Agency Component Unit expenditures relating to long-term loans arising from loan subsidy programs are charged to operations upon funding. Long-term loans receivable are recorded with an offset to a deferred credit account. The balance of long-term loans receivable includes loans which may be forgiven if certain terms and conditions of the loans are met.

(h) Inventory

Inventory recorded in the proprietary funds primarily consists of construction materials and maintenance supplies as well as pharmaceutical supplies maintained by the hospitals. With the exception of the CWP which accounts for materials and supplies using the purchase method in which items are recorded as an expense when they are acquired, inventory is generally valued by the proprietary funds at cost or average cost and is expensed as the supplies are consumed. Supplies inventory maintained in the governmental fund types is recorded using the purchase method.

(i) Redevelopment Agency Property Held for Resale

The Redevelopment Agency charges the full cost of developing and administering Agency projects to capital outlay as expenditures are incurred. Property held for resale is recorded as an asset at the lower of estimated cost or estimated conveyance value. Estimated conveyance value is management's estimate of net realizable value of a property based on current intended use. Changes in the estimated conveyance values are reported as a change in fund equity.

(j) General Fixed Assets

General fixed assets are those acquired for general governmental purposes. Those assets purchased or constructed in the current year are recorded as expenditures in the governmental fund types and capitalized at cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the time received. Certain assets for which actual costs are not available have been valued at approximate historical cost based on a professional valuation.

Certain infrastructure, fixed assets (principally roads, curbs and gutters, streets and sidewalks and lighting systems) have not been capitalized in the General Fixed Assets Account Group. Such assets are normally immovable and of value only to the City.

No depreciation is provided on general fixed assets nor has interest been capitalized.

(k) Fixed Assets—Proprietary Fund Types

Fixed assets of the proprietary fund types are stated at cost or estimated historical cost. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Depreciation has been provided over estimated useful lives using the straight-line method (note 6). Depreciation related to certain fixed assets purchased with externally restricted sources is closed to the contributed capital accounts on an annual basis. Amortization of assets acquired under capital lease is included in depreciation and amortization.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

(l) Accrued Vacation and Sick Leave Pay

Vacation pay, which may be accumulated up to ten weeks depending on an employee's length of service, is payable upon termination.

Sick leave may be accumulated up to six months. Unused amounts, accumulated prior to December 6, 1978, are vested and are payable upon termination of employment by retirement or disability caused by industrial accident or death. Sick leave earned subsequent to that date is nonvesting and, hence, is not a liability.

The City accrues for all salary-related items for which they are liable to make a payment directly and incrementally associated with payments made for compensated absences on termination. The City includes its share of social security and medicare payments made on behalf of the employees in the accrual for vacation and sick leave pay.

Vested vacation and sick leave pay is accrued for all fund types. For governmental fund types, amounts expected to be payable within the next year, which are estimated based on historical information, are accrued in the fund and the remainder is recorded in the General Long-Term Debt Account Group. For proprietary fund types, both the current and long-term portion of the liability is recorded in the fund.

(m) Bond Issuance Costs and Discounts

Bond issuance costs are treated as expenditures in the governmental fund types. Bond issuance costs incurred in the proprietary funds are amortized over the life of the bonds. Original bond issuance discounts are offset against the related debt and amortized using the interest method over the life of the bonds.

(n) Fund Equity

Reservations of Fund Equity

Reservations of fund balances of the governmental fund types and the fiduciary fund type indicate that portion of fund equity which is not available for appropriation for expenditure or is legally segregated for a specific future use. Following is a brief description of the nature of certain reserves and other equity categories.

Reserve for employees' retirement benefits – The net assets of the Pension Trust Fund are reserved for employees' and retirees' retirement benefits.

Reserve for external pool participants – The net assets of the Investment Trust Fund are reserved for the San Francisco Community College District, San Francisco Unified School District and the Trial Courts.

Reserve for cash requirements - The City's Administrative Code provides for a cash requirement reserve to meet potential short-term working capital needs. The balance is calculated as 10% of either the current or following year's property tax levy.

Reserve for emergencies - The City's Administrative Code provides for an emergency reserve fund for purposes of meeting any emergency as defined in the City's Charter. The amount reserved for emergencies may be appropriated only by a vote of three-fourths of the Board of Supervisors.

Reserve for assets not available for appropriation - Certain assets, primarily cash and investments outside City Treasury and deferred charges, do not represent expendable available financial resources. Therefore, a portion of fund equity is reserved to offset the balance of these assets.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

Reserve for property held for resale – A reserve equal to the recorded amount of property held for resale indicates that a portion of fund balance is not available for future appropriations.

Reserve for debt service – The fund balance of the debt service funds is reserved for the payment of debt service in the subsequent year.

Reserve for encumbrances - Encumbrances are recorded as reservations of fund balances because they do not constitute expenditures or liabilities (note 2(e)). In certain special revenue and capital projects funds, this accounting treatment results in a deficit unreserved fund balance. This deficiency is carried forward to the next fiscal year where it is applied against estimated revenues in the year the commitments are expended.

Reserve for appropriation carryforward – At the end of the fiscal year, certain budgeted expenditures are authorized to be carried over and expended in the ensuing year. A reserve of fund equity is established in the amount of these budget authorizations.

Reserve for subsequent years' budgets – A portion of fund equity is reserved for subsequent years' budgets. This balance includes the reserve required by the City's Administrative Code for the budget incentive program for the purpose of making additional funds available for items and services that will improve the efficient operations of departments. Appropriations from this reserve will only be made to departments that have demonstrated their ability to reduce the cost of service delivery and other departmental activities during the previous fiscal year.

Reservations of Retained Earnings

Reservations of retained earnings of the enterprise funds pertain to restricted assets which are funded from operations. Reservations of retained earnings of internal service funds recognize contractual and other commitments which are not properly accruable, but represent future obligations of retained earnings. For internal service funds the reserve includes an amount for employee health benefits.

Designations of Fund Equity

Designations of fund balances (note 3) indicate that portion of fund equity that is not available for appropriation based on management's plans for future use of the funds. Following is a brief description of the nature of the designations as of June 30, 2000.

Designation for litigation and contingencies – This designation represents management's estimate of anticipated legal settlements or contingencies to be paid in the subsequent fiscal year.

Designation for extraordinary one-time expenditures – This designation represents the extraordinary revenue recognized in a prior year due to the implementation of an accounting pronouncement. Management has designated this amount to fund extraordinary expenditures which may arise in a subsequent fiscal year.

Contributed Capital

Capital grants from external sources are recognized as contributed capital in proprietary funds at the time reimbursable expenditures related to grants are incurred.

Deficit Fund Balances/Retained Earnings

As of June 30, 2000, the San Francisco General Hospital Medical Center Enterprise Fund had deficit retained earnings of \$36.9 million. The City's policy is to fund operating deficits on a budgetary basis not

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

to exceed the subsidy amount budgeted for the current year, which approximates the modified accrual basis of accounting. Accordingly, depreciation and certain non-current accrued expenses are not funded, resulting in continuing deficits.

The Telecommunications and Information Services Internal Service Fund had a \$4.4 million deficit retained earnings as of June 30, 2000. Approximately \$2.7 million of the deficit retained earnings is due to the depreciation and certain non-current accrued expenses that are not funded and will result in continuing deficits. The remaining portion of the deficit retained earnings relates to the operations and is expected to be reduced in future years through anticipated rate increases and/or reductions in operating expenses.

The Central Shops Internal Service Fund had a \$0.2 million deficit retained earnings as of June 30, 2000. The deficit retained earnings is due to the depreciation and certain non-current accrued expenses that are not funded and will result in continuing deficits in future years.

The TIDA Component Unit had a \$0.3 million deficit fund balance as of June 30, 2000. The deficit fund balance is expected to be reduced through future rents and concession revenue and/or reductions in operating expenses.

In addition, the South Beach Yacht Harbor Enterprise Fund of the Agency Component Unit has an accumulated deficit of \$4.0 million at June 30, 2000. Over the next several years, the Agency intends to supplement funds, primarily from tax increment revenues, to pay debt service on Enterprise obligations in order to reduce this deficit.

(o) Interfund Transfers

Interfund transfers are generally recorded as operating transfers in (out) except for certain types of transactions which are described below.

- (1) Charges for services are recorded as revenues of the performing fund and expenditures of the requesting fund. Unbilled costs are recognized as an asset of the performing fund at the end of the fiscal year.
- (2) Reimbursements for expenditures, initially made by one fund which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed.
- (3) Residual equity transfers representing nonrecurring or non-routine transfers of equity between funds are recorded as a change in fund equity.

(p) Refundings of Debt

Gains or losses occurring from advance refundings occurring subsequent to June 30, 1993 are deferred and amortized into expense over the remaining life of the old bonds or the life of the new bonds, whichever is shorter.

(q) Cash Flows

Statements of cash flows are presented for proprietary fund types. Cash and cash equivalents include all unrestricted and restricted highly liquid investments with original purchase maturities of three months or less. Pooled cash and investments in the City's Treasury represent monies in a cash management pool and such accounts are similar in nature to demand deposits.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

(r) Restatements of Fund Equity

Enterprise Funds

During fiscal year 1998, the San Francisco International Airport (Airport) issued \$125 million in Special Facilities Lease Revenue Bonds on behalf of the SFO Fuel Company LLC (SFO Fuel). SFO Fuel is a consortium of airlines created for the purpose of acquiring, constructing, modifying, expanding, and installing certain jet fuel system at the Airport. SFO Fuel is required to pay facilities rent to the Airport in an amount equal to the debt service payments and required bond reserve account deposits on the bonds. The principal and interest on the bonds will be paid solely from the facilities rent payable by SFO Fuel to the Airport. The Airport has assigned its right to receive the facilities rent to the bond trustee to pay and secure the payment of the bonds. Neither the Airport nor the City is obligated in any manner for the repayment of these obligations and, as such, they are not reported in the accompanying general purpose financial statements.

Under the terms of the Special Facilities Lease Revenue Bonds, legal title to the improvements, additions and replacements to the jet fuel system passes to the Airport from SFO Fuel. The jet fuel system has been recorded in the Airport's financial statements as contributed capital. The general purpose financial statements reflect a correction of the Airport's fiscal year 1999-2000 beginning contributed capital of \$41.0 million for contributions made during previous years. This correction increased contributed capital and fixed assets of the Airport Enterprise Fund.

Internal Service Funds

The retained earnings of the Health Service Internal Service Fund as of July 1, 1999 has been restated from amounts previously reported to correct an accounting error in the amount of unearned contributions reported as of June 30, 1999. As a result of the restatement, retained earnings as of the beginning of the year has been decreased by \$5.2 million. This error has been corrected in the fiscal year 1999-2000 balance sheet and statement of revenues, expenses and changes in retained earnings.

(s) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(t) Total (Memorandum Only) Columns on Combined Statements

Total columns on the combined statements are for overview information only. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor are such data comparable to a consolidation. Eliminations of interfund activity have been made within funds but not within fund types or between fund types.

(3) Budgetary Results Reconciled to Results in Accordance with Generally Accepted Accounting Principles

Budgetary Results Reconciliation

The budgetary process is based upon accounting for certain transactions on a basis other than GAAP basis. The results of operations are presented in the budget-to-actual comparison statement in accordance with the budgetary process (Budget basis) to provide a meaningful comparison with the budget.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

The major differences between the Budget basis “actual” and GAAP basis are as follows:

(a) Basis differences

Certain accruals (primarily estimated claims payable, accrued vacation and sick leave pay and accrued workers’ compensation) are excluded from the Budget basis financial statement because such amounts are budgeted on a cash basis.

(b) Timing differences

Timing differences represent transactions that are accounted for in different periods for Budget basis and GAAP basis reporting. Certain revenues accrued on a Budget basis have been deferred for GAAP reporting. These primarily relate to the accounting for property tax revenues under the Teeter Plan (note 5).

The results of “actual” operations on a Budget basis are reconciled to the results of operations on a GAAP basis as follows for the year ended June 30, 2000 (in thousands):

	General Fund	Special Revenue Fund
Excess of revenues and other sources over		
expenditures and other uses - Budget basis.....	\$ 36,172	\$ 7,789
Unrealized loss on investments.....	(3,660)	(2,221)
Accruals excluded from Budget basis:		
Vacation and sick leave pay.....	(1,647)	(191)
Workers' compensation.....	2,000	-
Estimated claims.....	1,912	-
Excess of revenues and other sources over		
expenditures and other uses - GAAP	<u>\$ 34,777</u>	<u>\$ 5,377</u>

The fund balances as of June 30, 2000 on a Budget basis are reconciled to the fund balances on a GAAP basis as follows (in thousands):

	General Fund	Special Revenue Fund
Fund balance - Budget basis.....	\$ 396,124	\$ 484,192
Unrealized loss on investments.....	(2,604)	(2,221)
Expenditure accruals excuded from budget basis:		
Accrued vacation and sick leave pay.....	(48,917)	(522)
Accrued workers' compensation.....	(31,719)	-
Estimated claims payable.....	(15,644)	-
Cumulative excess property tax revenues recognized		
on a budget basis.....	<u>(21,600)</u>	<u>-</u>
Fund balance - GAAP basis.....	<u>\$ 275,640</u>	<u>\$ 481,449</u>

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

General Fund Budget basis fund balance at June 30, 2000 is composed of the following (in thousands):

Reserved for cash requirements	\$ 83,927	
Reserved for emergencies.....	4,198	
Reserved for assets not available for appropriation	5,576	
Reserved for encumbrances	32,808	
Reserved for appropriation carryforward	74,051	
Reserved for subsequent years' budgets:		
Reserved for budget incentive program.....	12,390	
Reserved for investments	15,000	
Reserved for nurses' childcare	1,100	
Reserved for on-line City access program.....	500	
Reserved for queer youth shelter.....	250	
Reserved for universal health care	500	
Reserved for welfare to work program.....	<u>250</u>	
Total reserve		\$230,550
Designated for litigation and contingencies	14,081	
Designated for extraordinary one-time expenditures.....	2,912	
Unreserved – available for appropriation.....	<u>148,581</u>	
Total unreserved amounts		<u>165,574</u>
Fund Balance, June 30, 2000 - Budget basis		<u>\$396,124</u>

Of the \$148.6 million unreserved–available for appropriation, \$127.5 million has been subsequently appropriated as part of the General Fund budget for fiscal year 2000-01.

(4) Deposits and Investments

The City's deposits and investments are invested pursuant to investment policy guidelines established by the City Treasurer. The objectives of the policy are, in order of priority, preservation of capital, liquidity, and yield. The policy addresses the soundness of financial institutions in which the City will deposit funds, types of investment instruments as permitted by the California Government Code, and the percentage of the portfolio which may be invested in certain instruments with longer terms to maturity.

Investments permitted by the City's investment policy include the following:

- Public Time Deposits
- Public Demand Accounts
- Negotiable Certificates of Deposit
- Money Market Instruments
- U.S. Treasury Instruments -
 - Treasury Bills
 - Treasury Bonds
 - Treasury Notes

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

- Federal Agencies -
 - Federal Home Loan Bank
 - Federal Farm Credit Bank
 - Federal National Mortgage Association
 - Federal Mortgage Corporation
 - Student Loan Marketing Association
- Commercial Paper
- Bankers' Acceptances
- Repurchase Agreements
- Reverse Repurchase Agreements

The City's investment policy identifies certain restrictions related to the above investments. Investments held by the City Treasurer during the year did not include repurchase agreements or reverse repurchase agreements.

Other deposits and investments maintained outside the City Treasury are invested pursuant to governing bond covenants or California Government Code provisions. The following provides a brief description of the nature of these investments.

Employees' Retirement System

The Retirement System's funds are invested pursuant to policy guidelines established by the Retirement System's Board. The objective of the investment policy is to maximize the expected return of the fund at an agreed upon level of risk. The Retirement Board has established percentage guidelines for types of investments to ensure the portfolio is diversified. As of June 30, 2000, the Retirement System had no investments in any one organization that represented 5% or more of plan net assets. Investments held by the Retirement System during the year did not include reverse repurchase agreements.

Other Funds

Other funds consist primarily of deposits and investments with trustees related to the issuance of bonds and to certain loan programs operated by the City. These funds are invested either in accordance with bond covenants and are pledged for payment of principal, interest, and specified capital improvements or in accordance with grant agreements and may be restricted for the issuance of loans.

Component Units

The investment policy of the Redevelopment Agency is governed by Article 2 of the California Government Code (Code). Investments are restricted to certain types of instruments and certain of these instruments are only allowed within limits. The Code permits repurchase agreements, but reverse repurchase agreements require the prior approval of the Agency Commission. The Agency does not participate in reverse repurchase agreements or other high-risk investments as defined by the Agency's investment policy. It is the Agency's intention to hold investments until maturity, unless earlier liquidation would result in an investment gain.

The funds of the TIDA are invested solely in the City Treasury.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

Total City deposits and investments at fair value are as follows (in thousands):

	Primary Government	Component Units	Total
Deposits and investments with City Treasury.....	\$ 1,879,595	\$ -	\$ 1,879,595
Deposits and investments outside City Treasury.....	13,216,268	106,362	13,322,630
Restricted assets:			
Deposits and investments with City Treasury.....	855,022	-	855,022
Deposits and investments outside City Treasury.....	313,438	243,253	556,691
Invested securities lending collateral.....	1,836,360	-	1,836,360
Total deposits and investments.....	\$ 18,100,683	\$ 349,615	\$ 18,450,298
Deposits.....	\$ (37,026)	\$ 3,379	\$ (33,647)
Investments.....	18,137,709	346,236	18,483,945
Total deposits and investments.....	\$ 18,100,683	\$ 349,615	\$ 18,450,298

Cash and Deposits

The City had cash and deposits at June 30, 2000 as follows (in thousands):

	Primary Government		Component Units	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
Cash on hand.....	\$ 232	\$ -	\$ 1	\$ -
Federally insured deposits.....	1,149	1,123	258	276
Collateralized deposits *.....	(41,726)	43,786	3,120	4,082
Uninsured and uncollateralized.....	3,319	3,319	-	-
	\$ (37,026)	\$ 48,228	\$ 3,379	\$ 4,358

* Under the City's cash management policy, investments are converted to cash as checks are presented for payment. At June 30, 2000, the carrying amount of collateralized deposits has been reduced by the amount of outstanding checks of approximately \$78.5 million. Of the \$78.5 million of outstanding checks, \$29.0 million relates to the San Francisco Unified School District and Community College District which have been reflected in an investment trust fund.

The California Government Code requires California banks and savings and loan associations to secure the City's deposits not covered by Federal depository insurance by pledging government securities as collateral. The fair value of pledged securities must equal at least 110% of the City's deposits or 150% of mortgage backed collateral. The collateral must be held at the pledging bank's trust department or other bank, acting as the pledging bank's agent, in the City's name.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

The \$3.3 million of uncollateralized cash consists of \$1.6 million of cash held on behalf of the Employees' Retirement System by a third party trustee and \$1.7 million of cash held on behalf of the Parking Garages by third party trustees.

Investments

Investments of the City are summarized on the next page. The investments that are represented by specific identifiable investment securities are classified as to custodial risk by three categories as follows: Category 1 includes investments that are insured or registered or securities held by the City or its agent in the City's name; Category 2 includes uninsured and unregistered investments, with the securities held by counterparty's trust department or agent in the City's name; Category 3 includes uninsured and unregistered investments, with the securities held by the counterparty, or by its trust department or agent but not in the City's name.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

At June 30, 2000 investments included the following (in thousands):

Type of Investment	Category			Carrying value
	1	2	3	
Primary Government including Pension and Investment Trust Funds				
<u>Investments in City Treasury:</u>				
U.S. government securities.....	\$ 1,415,869	\$ -	\$ -	\$ 1,415,869
Bankers' acceptances.....	28,476	-	-	28,476
Commercial paper.....	668,862	-	-	668,862
Negotiable certificates of deposit.....	675,387	-	-	675,387
Total Investments in City Treasury.....	<u>2,788,594</u>	<u>-</u>	<u>-</u>	<u>2,788,594</u>
<u>Employees' Retirement System (ERS):</u>				
U.S. government securities.....	338,390	-	298	338,688
Short term bills and notes.....	43,771	-	1,502	45,273
Debt securities.....	1,102,478	-	74,934	1,177,412
Equity securities.....	5,379,869	-	11,817	5,391,686
Total categorized investments.....	<u>6,864,508</u>	<u>-</u>	<u>88,551</u>	<u>6,953,059</u>
Non-categorized investments:				
Mortgage backed securities.....				355,097
Fixed interest mutual funds.....				306,047
Equity investments, including mutual funds.....				815,806
Real estate.....				551,299
Venture capital.....				1,862,466
Money market mutual funds.....				523,863
Forward currency contracts.....				5,134
Investment in lending agents' short-term investment pool.....				1,836,360
Investments lent to broker-dealers.....				1,785,967
Total non-categorized investments.....				<u>8,042,039</u>
Total Employees' Retirement System.....				<u>14,995,098</u>
<u>Other Funds:</u>				
U.S. government securities.....	55,240	-	250,591	305,831
Common stock.....	967	-	-	967
Commercial paper.....	-	-	10,268	10,268
Total categorized investments.....	<u>56,207</u>	<u>-</u>	<u>260,859</u>	<u>317,066</u>
Non-categorized investments:				
Money market mutual funds.....				36,951
Total Other Funds.....				<u>354,017</u>
Total Primary Government including Pension and Investment Trust Funds.....	\$ 9,709,309	\$ -	\$ 349,410	\$ 18,137,709
Component Unit - Redevelopment Agency				
U.S. government securities.....	\$ 5,496	\$ 9,771	\$ 114,015	\$ 129,282
Bankers' acceptances.....	-	6,206	-	6,206
Commercial paper.....	-	37,339	39,870	77,209
Corporate medium term notes.....	12,385	7,062	-	19,447
Municipal bonds.....	-	-	2,835	2,835
Repurchase agreements.....	-	-	1,901	1,901
Total categorized investments.....	<u>\$ 17,881</u>	<u>\$ 60,378</u>	<u>\$ 158,621</u>	<u>236,880</u>
Non-categorized investments:				
Guaranteed investment contracts.....				79,552
Local agency investment fund.....				4,718
Money market mutual funds.....				25,086
Total non-categorized investments.....				<u>109,356</u>
Total Redevelopment Agency.....				\$ 346,236

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

The types of investments made during the year were substantially the same as those held as of June 30, 2000. Fair value fluctuates with interest rates, and increasing rates could cause fair value to decline below original cost. City management believes the liquidity in the portfolio is sufficient to meet cash flow requirements and to preclude the City from having to sell investments below original cost for that purpose. Interest and net investment income comprises the following at June 30, 2000 (in thousands):

Interest and dividends	\$ 456,900
Net increase in the fair value of investments	<u>2,002,105</u>
Total investment income	<u>\$ 2,459,005</u>

The net increase in the fair value of investments takes into account all changes in fair value (including purchases and sales) that occurred during the year. The primary component of this figure is the net appreciation in the fair value of pension investments.

The earned yield, which includes net gains on investments sold, on all investments held by the City Treasurer for the fiscal year ended June 30, 2000 was 5.84%.

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's Pool as of June 30, 2000 (in thousands):

Statement of Net Assets	
Net assets held in trust for all pool participants.....	<u>\$ 2,734,617</u>
Equity of internal pool participants.....	\$ 2,539,946
Equity of external pool participants.....	<u>194,671</u>
Total equity.....	<u>\$ 2,734,617</u>
Statement of Changes in Net Assets	
Net assets at July 1, 1999.....	\$ 2,924,812
Net change in investments by pool participants.....	<u>(190,195)</u>
Net assets at June 30, 2000.....	<u>\$ 2,734,617</u>

The following provides a summary of key investment information for the Treasurer's Pool as of June 30, 2000 (in thousands):

<u>Type of Investment</u>	<u>Rates</u>	<u>Maturities</u>	<u>Par Value</u>	<u>Carrying Value</u>
US government securities.....	4.33% - 8.56%	07/31/00 - 05/15/04	\$ 1,442,005	\$ 1,415,869
Bankers' acceptance.....	6.11% - 6.85%	07/06/00 - 10/25/00	29,000	28,476
Commercial paper.....	6.41% - 6.82%	07/03/00 - 09/12/00	673,891	668,862
Negotiable certificate of deposits.....	6.05% - 7.00%	07/03/00 - 11/07/00	<u>675,400</u>	<u>675,387</u>
			<u>\$ 2,820,296</u>	2,788,594
Carrying amount of deposits in Treasurer's Pool.....				<u>(53,977)</u>
Total cash and investments in Treasurer's Pool.....				<u>\$ 2,734,617</u>

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

(5) Property Taxes

The City is responsible for assessing, collecting and distributing property taxes in accordance with enabling state law. Property taxes are levied on both real and personal property. Liens for secured property taxes attach on January 1st preceding the fiscal year for which taxes are levied. Secured property taxes are levied on the first business day of September and are payable in two equal installments: the first is due on November 1st and delinquent with penalties after December 10th; the second is due February 1st and delinquent with penalties after April 10th. Secured property taxes which are delinquent and unpaid as of June 30th are subject to redemption penalties, costs, and interest when paid. If not paid at the end of five years, the property may be sold at public auction and the proceeds are used to pay delinquent amounts due. Any excess is remitted, if claimed, to the taxpayer. Unsecured personal property taxes do not represent a lien on real property. Those taxes are due on January 1st and become delinquent with penalties after August 31st. Supplemental property tax assessments associated with changes in the assessed valuation due to transfer of ownership in property or upon completion of new construction are levied in two equal installments and have variable due dates based on the dates of the underlying transaction.

Since the passage of California's Proposition 13, beginning with fiscal year 1978-79, general property taxes are based either on a flat 1% rate applied to the 1975-76 full value of the property or on 1% of the sales price of the property on sales transactions or construction value added after the 1975-76 valuation. Taxable values on properties (exclusive of increases related to sales and construction) can rise at a maximum of 2% per year.

The Proposition 13 limitations on general property taxes do not limit taxes levied to pay the interest and redemption charges on any indebtedness approved by the voters prior to June 6, 1978 (the date of passage of Proposition 13). Proposition 13 was amended in 1986 to allow property taxes in excess of the 1% limit to fund general obligation bond debt service when such bonds are approved by two-thirds of the local voters. These taxes for debt service amounted to approximately \$87.7 million for the year ended June 30, 2000, including interest and redemption charges for general obligation bonds of the Water Department of \$0.8 million. The Water Department transferred an amount, equal to the interest and redemption charges of its general obligation bonds, to the General Fund, as authorized by the voters in 1979.

Taxable valuation for the year ended June 30, 2000 (net of non-reimbursable exemptions, reimbursable exemptions, and tax increment allocations to the Redevelopment Agency) was approximately \$64.9 billion, an increase of 8.8% from the previous year. The secured tax rate was \$1.129 per \$100 of valuation which is comprised of the following: \$0.90 for general government (which includes \$0.247 for the required state property tax shift), \$0.128 for the City's bond interest and redemption charges, and a total of \$0.101 to the San Francisco Unified School District, the San Francisco Community College District, the Bay Area Air Quality Management District and the Bay Area Rapid Transit District (note 7). Delinquencies in the current year on secured taxes and unsecured taxes amounted to 1.77% and 2.11%, respectively, of the current year tax levy, for net delinquencies of 1.80% of the current year tax levy.

As established by the Teeter Plan, the Controller allocates to the City and other agencies 100% of the secured property taxes billed but not yet collected by the County; in return, as the delinquent property taxes and associated penalties and interest are collected, the County retains such amounts in the Tax Losses Reserve Fund. To the extent the Tax Losses Reserve Fund balances are higher than required, transfers may be made to benefit the City's General Fund on a budgetary basis. The balance of the Tax Losses Reserve Fund as of June 30, 2000 was \$7.2 million which is included in the Tax Collection Agency Fund for reporting purposes. The City has funded payment of accrued and current delinquencies, together with the required reserve, from internal borrowing, primarily from the Tax Collection Agency Fund.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

(6) Fixed Assets

General Fixed Assets

A summary of changes in general fixed assets acquired through governmental funds follows (in thousands):

	Balance July 1, 1999	Additions	Transfers In/(Out)	Balance June 30, 2000
Land.....	\$ 172,056	\$ 29,201	\$ -	\$ 201,257
Facilities and improvements.....	1,597,280	-	17,515	\$ 1,614,795
Machinery and equipment.....	405,045	44,930	-	449,975
Construction in progress.....	599,754	118,988	(17,515)	701,227
	<u>\$ 2,774,135</u>	<u>\$ 193,119</u>	<u>\$ -</u>	<u>\$ 2,967,254</u>

Proprietary Funds

A summary of proprietary fund type fixed assets at June 30, 2000 follows (in thousands):

	Enterprise	Internal Service
Land.....	\$ 298,882	\$ -
Facilities and improvements.....	7,220,013	920
Machinery and equipment.....	731,799	21,147
Property held under lease.....	21,785	4,816
	<u>8,272,479</u>	<u>26,883</u>
Less accumulated depreciation and amortization.....	<u>2,331,490</u>	<u>23,883</u>
	5,940,989	3,000
Construction in progress.....	1,082,577	-
	<u>\$ 7,023,566</u>	<u>\$ 3,000</u>

Machinery and equipment are generally estimated to have useful lives of 3 to 30 years, except for certain equipment of the Water Department which have an estimated useful life of up to 75 years. Facilities and improvements are generally estimated to have useful lives from 5 to 50 years, except for utility type assets of the Water Department/Hetch Hetchy Project, the CWP, the Muni Railway, Laguna Honda Hospital, and the Port of San Francisco, which have estimated useful lives from 51 to 100 years. These long-lived assets include reservoirs, aqueducts, pumping stations of the Water Department/Hetch Hetchy Project, Cable Car Barn facilities and structures of Muni, building and structures of Laguna Honda Hospital, and pier substructures of the Port and totaled \$1.4 billion as of June 30, 2000. In addition, the Water Department/Hetch Hetchy Project had utility type assets with useful lives over 100 years which totaled \$4.5 million at June 30, 2000.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

During the fiscal year ended June 30, 2000 the City's Enterprise Funds incurred total interest expense and interest income of approximately \$252.1 million and \$91.7 million, respectively. Of these amounts, interest expense and interest income of approximately \$126.0 million and \$22.6 million respectively, was capitalized as part of the cost of constructing proprietary fixed assets. The net amount of approximately \$103.4 million was capitalized into fixed assets.

Component Unit - Redevelopment Agency

A summary of changes in Redevelopment Agency fixed assets follows (in thousands):

	Balance July 1, 1999	Additions	Deletions
Facilities and improvements.....	\$ 108,415	\$ 65,916	\$ -
Machinery and equipment.....	7,137	352	(31)
Property held under lease.....	32,792	-	-
Accumulated depreciation and amortization.....	(5,362)	(426)	-
Construction in progress.....	64,938	978	(65,916)
	\$ 207,920	\$ 66,820	\$ (65,947)

Included in the summary of Redevelopment Agency fixed assets is \$16 million of proprietary fund fixed assets which are being depreciated over 10 to 50 years.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

(7) Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2000 (in thousands):

	July 1, 1999	Additional Obligations, Interest Accretion and Net Increases	Current Maturities, Retirements, and Net Decreases	June 30, 2000
General Long-Term Obligations				
General obligation bonds.....	\$ 886,260	\$ 69,955	\$ 44,590	\$ 911,625
Lease revenue bonds.....	157,585	8,315	14,735	151,165
Certificates of participation.....	86,617	8,684	3,375	91,926
Loans payable.....	9,385	9,000	1,072	17,313
Capital leases payable.....	182	-	58	124
Estimated claims payable (note 15).....	51,564	60,542	-	112,106
Accrued workers' compensation (note 15)	88,053	15,315	-	103,368
Accrued vacation and sick leave pay.....	46,164	9,540	-	55,704
Total general long-term obligations.....	<u>\$1,325,810</u>	<u>\$ 181,351</u>	<u>\$ 63,830</u>	<u>\$1,443,331</u>
Proprietary Debt				
Revenue bonds.....	\$4,038,367	\$ 253,707	\$ 50,377	\$4,241,697
General obligation bonds.....	6,430	-	2,030	4,400
State of California-Revolving fund loans...	167,730	23,700	11,135	180,295
Capital leases payable.....	5,254	1,442	2,425	4,271
Commercial paper.....	199,775	144,425	72,550	271,650
Notes, loans, and other payables.....	11,492	414	1,278	10,628
Total proprietary debt.....	<u>\$4,429,048</u>	<u>\$ 423,688</u>	<u>\$ 139,795</u>	<u>\$4,712,941</u>
Component Unit Obligations				
Redevelopment Agency				
Bonds, notes, and loans payable.....	<u>\$ 744,741</u>	<u>\$ 37,628</u>	<u>\$ 30,320</u>	<u>\$ 752,049</u>

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

General Long-Term Obligations

The following provides a brief description of the current year additions to general long-term obligations.

General Obligation Bonds

The following table outlines the changes in the General Obligation Bonds during the fiscal year ending June 30, 2000:

General Obligation Bonds	
(in thousands)	
Authorized and unissued as of June 30, 1999.....	\$ 528,275
New authorization:	
Laguna Honda Hospital Bonds.....	299,000
Bonds issued:	
Series 1999 D, Asian Art Museum Relocation.....	(16,730)
Series 2000 A, Community College District.....	(29,605)
Series 2000 B, Zoo Facilities.....	(17,440)
Series 2000 C, Neighborhood Recreation and Park Facilities.....	(6,180)
Net authorized and unissued as of June 30, 2000.....	<u>\$ 757,320</u>

In October 1999, the City issued \$16.7 million General Obligation Bonds to fund a portion of the construction and/or reconstruction of certain improvements necessary for relocating the Asian Art Museum to the Old Main Library. Interest rates range from 4.5% to 7.00%. The bonds mature from June 2000 to June 2019.

In June 2000, the City issued \$53.2 million General Obligation Bonds consisting of the Community College District Educational Facilities Bonds, Series 2000A in the amount of \$29.6 million, the Zoo Facilities Bonds, Series 2000B in the amount of \$17.4 million, and the Neighborhood Recreation and Park Facilities Improvement Bonds, Series 2000C in the amount of \$6.2 million. Interest rates range from 5.00% to 6.5%. The bonds mature from June 2001 to June 2020. These bonds were sold to finance the acquisition, construction and/or reconstruction of educational facilities used or to be used by the City College of San Francisco, of the San Francisco Zoo facilities, and of certain improvements to recreation and park facilities in the City.

The bond proceeds are recorded in the Capital Projects Fund. Debt service payments are funded through ad valorem taxes on property.

Lease Revenue Bonds

In the June 5, 1990 election, the San Francisco Finance Corporation (Finance Corporation) was authorized to issue lease revenue bonds up to \$20.0 million, plus 5% increase per fiscal year to finance the acquisition of equipment for City departments. The amount of authorized growth during the fiscal year ended June 30, 2000 was \$1.5 million. In November 1999, the Finance Corporation issued Lease Revenue Bonds, Series 1999A in the amount of \$8.3 million. Interest rates range from 4.5% to 4.6%. The bonds mature in October 2005. The bonds were issued to finance the acquisition and installation of certain equipment to be leased to the City. As of June 30, 2000, the cumulative amount authorized was \$31.0 million of which \$28.5 million principal amount remained outstanding.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

In 1993, the Finance Corporation was authorized to issue lease revenue bonds of up to \$50 million for the acquisition and construction of a citywide emergency radio communication system. As of June 30, 2000, the total authorized amount of \$50 million has been issued.

In 1994, the Finance Corporation was authorized to issue lease revenue bonds of up to \$60 million for the acquisition and construction of a combined dispatch center for the City's emergency 911 communication system. As of June 30, 2000, the amount authorized and unissued was \$13.4 million.

The City's electorate has also approved the following lease revenue bond propositions for which the bonds have not yet been issued. When issued, these voter-approved lease revenue bonds will be repaid from lease payments made by the City's General Fund.

In 1989, the voters authorized the City to lease finance the construction of new parking facilities including garages and surface lots in eight of the City's neighborhoods. The City will issue the first series of bonds in the fiscal year 2000-2001 to finance the construction of a 220-car garage in the North Beach area.

In 1996, the voters approved the issuance of up to \$157.5 million in lease revenue bonds for the expansion of the Moscone Convention Center. It is contemplated that the expansion will consist of a 300,000 square foot, three level meeting and exhibit facility to be located in close proximity to the existing convention facilities. The City anticipates issuing bonds for the project in the fiscal year 2000-2001.

In June 1997, the voters approved the issuance of up to \$100 million in lease revenue bonds for the construction of a new football stadium at Candlestick Point, the home of the San Francisco 49ers Football Team. The existing stadium, 3Com Park, is considered to be antiquated and in need of substantial repairs. The \$100 million lease revenue bonds shall be the City's contribution toward the total cost of the stadium project. The 49ers will be responsible for paying the remaining cost of the stadium construction project.

Certificates of Participation

In August 1999, the City issued Certificates of Participation, Series 1999 for 555-7th Street property with a principal amount of \$8.4 million. Interest rates range from 4.5% to 5.3%. The Certificates mature in 2024 and were issued to finance the acquisition of certain real property located at 555-7th Street.

Proprietary Debt

The following provides a brief description of the current year additions to proprietary long-term obligations.

Airport

During the fiscal year ended June 30, 2000, the Airport issued Second Series Revenue Bond Issues 24 and 25 as follows:

<u>Issue</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>
24	\$132.5 million	4.75-6.00%	2030
25	\$117.5 million	4.75-6.00%	2030

The Second Series Revenue Bonds were issued to provide funds to finance capital improvements in accordance with the Airport Master Plan (note 10(a)) and to refund existing bonds. Certain of the Second Series Revenue Bonds are subject to optional and mandatory redemption under certain conditions. All bonds are secured by a pledge of, lien on, and security interest in net revenues of the Airport.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

During 1998, the Airport obtained a \$300 million standby letter of credit and commenced issuing commercial paper as a means of interim financing. Rates vary from 2.9% to 3.9%. The Airport intends to refinance the commercial paper with Airport Revenue Bonds when the timing is appropriate. The amount of commercial paper outstanding at June 30, 2000 totaled \$251.7 million.

Water Department/Hetchy Hetchy Project

In November 1997, the San Francisco voters approved Propositions A & B, authorizing up to \$304 million in Water Revenue Bonds to fund capital improvements for the Water Enterprise. In May and June 1999, the Public Utilities Commission and the Board of Supervisors respectively approved a commercial paper program to provide short-term financing for capital improvement projects funded under the \$304 million Water Revenue Bond Program. Under the enabling ordinance approved by the Board of Supervisors, the maximum amount of commercial paper that may be outstanding at any given time is \$150 million. As of June 30, 2000, the amount of outstanding commercial paper is \$20 million.

Clean Water Program

For the year ended June 30, 2000, the Clean Water Program received two State Revolving fund loans in the amount of \$23.7 million. Of that amount, \$12.0 million is added to the Rankin Street Pump Station Loan, and \$11.7 million is added to the Islais Creek Loan.

Component Unit Debt - Redevelopment Agency

The current year debt transactions of the Redevelopment Agency are discussed in note 11.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Summary of Long-Term Obligations

General, proprietary and component unit long-term obligations at June 30, 2000 are as follows (in thousands):

GENERAL LONG-TERM OBLIGATIONS

	Final Maturity Date	Remaining Interest Rates	Amount
GENERAL OBLIGATION BONDS (a):			
Schools.....	2020	4.0 to 10.0%	\$ 151,430
Fire protection.....	2016	4.5 to 10.0%	20,010
Police facilities.....	2001	5.6 to 10.0%	1,214
Library facilities.....	2001	5.6 to 5.7%	3,595
Correctional facilities.....	2001	6.2 to 10.0%	740
Mental health facilities.....	2001	6.1 to 6.2%	1,035
Public safety improvements.....	2016	4.5 to 10.0%	89,126
Parks and playgrounds	2020	4.0 to 7.25%	58,335
Seismic safety loan program.....	2014	6.95 to 7.65%	29,345
City hall improvement project.....	2011	4.5 to 6.1%	33,025
Museums.....	2019	4.5 to 7.0%	26,180
Affordable housing.....	2019	6.0 to 8.0%	38,495
Refunding.....	2016	4.0 to 5.75%	425,310
Zoo Facilities.....	2020	4.0 to 6.5%	<u>33,785</u>
Subtotal			<u>911,625</u>
NON - PROFIT CORPORATION AND GARAGE LEASE REVENUE BONDS:			
San Francisco Finance Corporation (e).....	2024	3.375 to 5.5%	116,850
San Francisco Parking Authority (d)	2020	6.75 to 7.0%	25,490
San Francisco Social Services Corporation (c)	2003	6.25 to 7.75%	2,520
Moscone Convention Center Garage (c)	2008	2.9 to 4.0%	<u>6,305</u>
Subtotal			<u>151,165</u>
OTHER LONG - TERM OBLIGATIONS:			
Certificates of participation (d)	2024	4.0 to 8.5%	91,926
Loans (d)	2008	4.5 to 6.7%	17,313
Capital leases payable (c)	2002	5.52 to 8.05%	124
Estimated claims payable (c)			112,106
Accrued workers' compensation (c)			103,368
Accrued vacation and sick leave pay (c)			<u>55,704</u>
Subtotal			<u>380,541</u>
Total General Long-Term Obligations			<u><u>\$ 1,443,331</u></u>

Debt service payments are made from the following sources:

- (a) Property tax recorded in the Debt Service Fund.
- (b) Hotel taxes and other revenues recorded in the General Fund.
- (c) Revenues recorded in the General Fund.
- (d) Revenues recorded in their respective Special Revenue Fund.
- (e) Lease rental revenues from "lessee" departments in General Fund and Enterprise Funds.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

PROPRIETARY DEBT

	<u>Final Maturity Date</u>	<u>Remaining Interest Rates</u>	<u>Amount</u>
San Francisco International Airport:			
Revenue bonds.....	2030	4.0 to 8.0%	\$ 3,478,258
Commercial paper.....	2001	2.9 to 3.9%	251,650
Port of San Francisco:			
General Obligation Bonds:			
City and County of San Francisco.....	2005	4.5 to 6.3%	4,400
Revenue bonds.....	2010	4.7 to 9.0%	39,386
Notes, loans and other payables.....	2028	Variable	10,395
Capital lease.....	2005	6.31%	183
Clean Water Program:			
Revenue bonds.....	2026	4.7 to 6.5%	475,722
State of California-Revolving fund loans....	2016	2.9 to 3.5%	180,295
Water Department/Hetch Hetchy Project:			
Revenue bonds.....	2026	5.0 to 7.4 %	229,217
Commercial paper.....	2001	3.21 to 4.69 %	20,000
San Francisco General Hospital:			
Capital lease.....	2002	3.7 to 7.0%	881
Laguna Honda Hospital:			
Capital lease.....	2003	4.50%	824
Nonprofit Parking Corporations:			
Downtown Parking - revenue bonds.....	2018	5.55 to 6.65%	13,514
Ellis-O'Farrell - revenue bonds.....	2017	Variable, 4.25 to 7.125%	5,600
Portsmouth Plaza - notes, loans and other payables.....	2003	9.00%	<u>233</u>
Total Enterprise Debt			4,710,558
Internal Service Debt			
Capital lease.....	2004	-	<u>2,383</u>
Total Proprietary Debt			<u>\$ 4,712,941</u>

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

COMPONENT UNIT OBLIGATIONS

	Final Maturity Date	Remaining Interest Rates	Amount
SAN FRANCISCO REDEVELOPMENT AGENCY AND FINANCING AUTHORITY:			
Lease Revenue Bonds:			
Moscone Convention Center (a).....	2024	5.5 to 8.5%	322,374
Hotel Tax Revenue Bonds (d).....	2025	3.5 to 6.75%	79,095
Financing Authority Bonds:			
Tax Allocation Revenue Bonds (c).....	2025	3.0 to 9.0%	318,080
Yerba Buena Gardens Refunding Notes (b).....	2005	Variable (4.15% at 6/30/00)	10,000
California Department of Boating and Waterways Loan (e).....			
	2036	4.50%	8,000
South Beach Harbor Variable Rate Refunding Bonds (f).....			
	2016	Variable (4.15 % at 6/30/00)	<u>14,500</u>
Total Component Unit Obligations.....			<u>\$ 752,049</u>

Debt service payments are made from the following sources:

- (a) Hotel taxes and operating revenues recorded in the Convention Facilities Special Revenue Fund and existing debt service/escrow trust funds.
- (b) General Agency revenues and proceeds from sales of specified Agency owned land parcels in the Yerba Buena Center Project Area.
- (c) Property taxes allocated to the Redevelopment Agency based on increased assessed valuations in project areas (note 11) and existing debt service/escrow trust funds.
- (d) Hotel taxes from hotels located in the Redevelopment Project Areas.
- (e) South Beach Harbor Project revenues (subordinated to Refunding Bonds).
- (f) South Beach Harbor Project cash reserves, property tax increment and project revenues.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

The annual requirements to amortize all bonds, loans and capital leases outstanding as of June 30, 2000 are as follows (in thousands):

	2001	2002	2003	2004	2005	There- after	Total	Less: Interest	June 30, 2000 Liability
General Long-Term Debt*									
General obligation bonds.....	\$ 96,593	\$ 96,550	\$ 100,335	\$ 100,409	\$ 93,522	\$ 844,392	\$ 1,331,801	\$ (420,176)	\$ 911,625
Revenue bonds.....	21,036	22,524	21,007	15,513	14,435	113,183	207,698	(56,533)	151,165
Certificates of participation.....	8,147	8,686	8,765	29,081	6,800	82,438	143,917	(51,991)	91,926
Loans payable.....	3,306	3,385	3,251	2,195	2,121	8,030	22,288	(4,975)	17,313
Capital leases payable.....	60	64	-	-	-	-	124	-	124
Total requirements.....	<u>\$ 129,142</u>	<u>\$ 131,209</u>	<u>\$ 133,358</u>	<u>\$ 147,198</u>	<u>\$ 116,878</u>	<u>\$ 1,048,043</u>	<u>\$ 1,705,828</u>	<u>\$ (533,675)</u>	<u>\$ 1,172,153</u>
Proprietary Debt**									
Revenue bonds.....	96,454	105,890	125,203	131,327	150,407	4,093,422	4,702,703	(461,006)	4,241,697
General obligation bonds.....	1,434	1,373	1,312	450	425	-	4,994	(594)	4,400
State of California - Revolving fund loans.....	31,379	31,399	31,824	32,264	32,718	242,506	402,090	(221,795)	180,295
Capital leases payable.....	2,199	1,243	941	275	25	-	4,683	(412)	4,271
Notes, loans and other payables.....	1,972	1,874	1,913	1,745	1,654	4,463	13,621	(2,993)	10,628
Total requirements.....	<u>\$ 133,438</u>	<u>\$ 141,779</u>	<u>\$ 161,193</u>	<u>\$ 166,061</u>	<u>\$ 185,229</u>	<u>\$ 4,340,391</u>	<u>\$ 5,128,091</u>	<u>\$ (686,800)</u>	<u>\$ 4,441,291</u>
Component Unit Debt*									
Bonds, notes and loans.....	<u>\$ 54,233</u>	<u>\$ 55,669</u>	<u>\$ 60,128</u>	<u>\$ 56,326</u>	<u>\$ 57,015</u>	<u>\$ 1,142,911</u>	<u>\$ 1,426,282</u>	<u>\$ (674,233)</u>	<u>\$ 752,049</u>

* It is not practicable to determine the specific year for payment of estimated claims payable, accrued workers' compensation, or accrued vacation and sick leave pay.

** It is not practicable to determine the payment stream for principal and interest on commercial paper because the timing of the issuance and payment is based on project expenditures.

Prior Year's Defeasance of Debt

In prior years, the City defeased certain general obligation bonds by placing the proceeds in an irrevocable trust to provide for debt service payments of the refunded portion of the bonds until they are called. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2000, \$113.9 million of general obligation bonds outstanding are considered defeased.

Debt Compliance

There are a number of limitations and restrictions contained in the various bond indentures. The City believes it is in compliance with all significant limitations and restrictions.

Legal Debt Limit and Legal Debt Margin

As of June 30, 2000, the City's debt limit (3% of valuation subject to taxation) was \$2,053.8 million. The total amount of debt applicable to the debt limit was \$909.9 million, net of assets in the General Fund Obligation Bonds Fund and other deductions allowed by law. The resulting legal debt margin was \$1,143.9 million.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

Arbitrage

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after August 31, 1986 is subject to arbitrage rebate requirements. The requirements stipulate, in general, the earnings from the investment of tax exempt bond proceeds that exceed related interest expenditures on the bonds must be remitted to the Federal government on every fifth anniversary of each bond issue. The City has evaluated each general obligation bond issue subject to the arbitrage rebate requirements and has deferred recognition of interest income of \$2.7 million as of June 30, 2000. This arbitrage liability is recorded in deferred credits and other liabilities in the Capital Projects Fund. In addition, an analysis of the liability related to certificates of participation and lease revenue bonds has been performed pursuant to the tax certificates. Each Enterprise Fund has performed a similar analysis of the debt the respective Enterprise has issued which is subject to arbitrage rebate requirements. Any material arbitrage liability related to the debt of the Enterprise Funds has been recorded as a liability in the respective fund. In addition, the Redevelopment Agency records any arbitrage liability in deferred credits and other liabilities.

Assessment District

During June 1996, the City issued \$1 million of Limited Obligation Improvement Bonds for the Bayshore Hester Assessment District No. 95-1. These bonds were issued pursuant the Improvement Bond Act of 1915. The proceeds are to be used to finance the construction of a new public right-of-way. The bonds began to mature during the fiscal year ended June 30, 1999 and continue through 2026 bearing interest from 6.0% to 6.85%. These bonds do not represent obligations of the City. Neither the faith and credit nor the taxing power of the City is pledged to the payment of the bonds. Accordingly, the debt has not been included in the General Long-Term Debt Account Group. Assessments collected for repayment of this debt are received in the Tax Collection Agency Fund. Unpaid assessments constitute fixed liens on the lots and parcels assessed within Bayshore Hester Assessment District and do not constitute a personal indebtedness of the respective owners of such lots and parcels.

Mortgage Revenue Bonds

In order to facilitate affordable housing, the City has issued mortgage revenue bonds with an outstanding aggregate balance of \$98 million as of June 30, 2000. These obligations are secured by the related mortgage indebtedness and, in the opinion of management, are not obligations of the City.

(8) Employee Benefit Programs

(a) Retirement Plans

The City maintains a single-employer, defined benefit pension plan (Retirement System) which covers most of its employees, and the employees of the San Francisco Community College District and Unified School District. Some City employees participate in the California Public Employees Retirement System (PERS), an agent multiple-employer, public employee pension plan which covers certain employees in public safety functions, the Port, the Airport and the Redevelopment Agency.

Employees' Retirement System

Plan Description - The City has a single-employer defined benefit retirement plan (Plan) which is administered by the Retirement System. Substantially all full-time employees of the City participate in the Plan. The Plan provides basic service retirement, disability and death benefits based on specified percentages of defined final average monthly salary and provides annual cost-of-living adjustments after retirement. The Plan also provides pension continuation benefits to qualified survivors. The San Francisco City and County Charter and Administrative Code is the authority which establishes and

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

amends the benefit provisions and employer obligations of the Plan. The retirement related payroll for employees covered by the Retirement System for the year ended June 30, 2000 was \$1,591 million; the City's total payroll was \$1,685 million. The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to the San Francisco City and County Employees' Retirement System, 30 Van Ness, Suite 3000, San Francisco, CA 94102 or by calling (415) 487-7020.

Membership

Membership of the Retirement System at July 1, 1999, as used in the latest actuarial valuation, consisted of the following:

	<u>Police</u>	<u>Fire</u>	<u>Others</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits	1,880	1,690	13,612	17,182
Active members:				
Vested	1,542	1,249	15,866	18,657
Nonvested	<u>603</u>	<u>483</u>	<u>9,069</u>	<u>10,155</u>
Subtotal	2,145	1,732	24,935	28,812
Total	<u>4,025</u>	<u>3,422</u>	<u>38,547</u>	<u>45,994</u>

Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Funding Policy - Contributions are made to the basic plan by both the City and the participating employees. Employee contributions are mandatory. Employee contribution rates for fiscal year 1999-2000 varied from 7.00% to 8.00% as a percentage of gross salary. The City is required to contribute at an actuarially determined rate. Based on the actuarial report, there were no required employer contributions for fiscal year 1999-2000.

Employer contributions and member contributions made by the employer to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions.

Annual Pension Cost - The annual required contribution for the current year was determined as part of an actuarial valuation performed as of July 1, 1999. The actuarial method used was the entry age normal cost method. The significant actuarial assumptions include: (1) annual rate of return on investments of 8.25%; (2) inflation element in wage increase of 3.5%; (3) salary merit increases of 1.0%; and (4) post retirement benefit increase of 2%. Unfunded liabilities are amortized using the level percentage of payroll method. Changes in actuarial gains and loss assumptions and purchasable services are amortized over 15 years. Plan amendments are amortized over 20 years.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Three-year trend information is as follows (amounts in thousands):

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/1998	\$0	N/A	\$0
6/30/1999	\$0	N/A	\$0
6/30/2000	\$0	N/A	\$0

California Public Employees' Retirement System

Various City public safety, Port, Airport and all Redevelopment Agency employees are eligible to participate in PERS. Disclosures for the Redevelopment Agency are included in the separately issued financial statements.

Plan Description - The City and County of San Francisco contributes to PERS, an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

Funding Policy - Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate. The fiscal year 1999-2000 fiscal year contribution rates were 0% for miscellaneous employees and 0% for safety employees, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost - The City's annual pension cost for PERS for fiscal year 1999-2000 was equal to the City's required and actual contributions which was determined as part of the June 30, 1998, actuarial valuation using the entry age normal actuarial cost method. The most recent actuarial valuation was performed as of June 30, 1998. The assumptions included in the June 30, 1998 actuarial valuation were: (a) 8.25% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 3.75% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.5%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments. Changes in unfunded liability/(excess assets) due to changes in actuarial methods or assumptions or changes in plan benefits are amortized over 20 years from the date the change is recognized. Actuarial gains and losses are first offset against one another and then 10% of the net unamortized gain/loss is recognized.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Three-year trend information is as follows (amounts in thousands):

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/1998	\$ 8,392	100%	\$0
6/30/1999	\$ 0	N/A	\$0
6/30/2000	\$ 0	N/A	\$0

(b) Deferred Compensation Plan

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code (IRC) Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees or other beneficiaries until termination, retirement, death, or unforeseeable emergency.

The City has no administrative involvement and does not perform the investing function. The City has no fiduciary accountability for the plan and, accordingly, the plan assets and related liabilities to plan participants are not included in the general purpose financial statements.

(c) Health Service System

The Health Service System was established in 1937. Health care benefits of employees, retired employees and surviving spouses are financed by beneficiaries and by the City through the Health Service System. The employers' contribution, which includes the San Francisco Community College District and Unified School District, amounted to approximately \$186.7 million in fiscal year 1999-2000. The employers' contribution is mandated and determined by Charter provision based on similar contributions made by the ten most populous counties in California. Included in this amount is \$24.0 million to provide postretirement health care benefits for 17,373 retired employees. The City's liability for both current employee and postretirement health care benefits is limited to its annual contribution. The City's contribution is paid out of current available resources and funded on a pay-as-you-go basis.

(9) SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

The San Francisco County Transportation Authority (Authority) was established in 1989 by the voters of the City and County of San Francisco. The purpose of the Authority is to impose the voter-approved transactions and use tax of one-half of one percent to fund essential traffic and transportation projects, as set forth in the San Francisco County Transportation Expenditure Plan, for a period not to exceed 20 years. The principal focus of the Authority's Expenditure Plan is to define a program of prioritized projects to ensure that funding is allocated across major transportation categories.

In June 1992, the Authority was designated by the Board of Supervisors as the overall program manager for the Local Guarantee share of transportation funds available through the "Transportation Fund for Clean Air" Program (AB 434) which is administered by the Bay Area Air Quality Management District. The source of funds is a \$4.00 surcharge on the vehicle registration fee.

The Authority also receives funding from the Metropolitan Transportation Commission in accordance with the Federal Surface Transportation Program for congestion management activities.

In April 1998, the Authority signed a memorandum of understanding with the State of California Department of Transportation (Caltrans) to serve as the lead agency for the environmental impact

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

research and study and the preliminary design for the Doyle Drive Replacement Project for which Caltrans was awarded \$6 million in federal grant funds.

Following is a summary of the Authority's financial position and results of operations as of and for the year ended June 30, 2000 (in thousands).

ASSETS		OPERATIONS	
Deposits and investments.....	\$ 200,946	Revenues:	
Receivables.....	23,500	Sales tax.....	\$ 72,736
Total assets.....	<u>\$ 224,446</u>	Interest and investment income.....	10,480
		Intergovernmental.....	<u>2,540</u>
			85,756
LIABILITIES AND FUND BALANCE		Expenditures and other financing uses:	
Due to other funds.....	\$ 27,021	Public works, transportation, and commerce.....	52,285
Other liabilities.....	529	Transfer to Muni Railway, Department of	
Total liabilities.....	27,550	Public Works and City Planning.....	<u>42,815</u>
Fund balance:			95,100
Reserved for assets not available for		Deficiency of revenues under expenditures	
appropriation.....	3,527	and other financing uses.....	(9,344)
Reserved for encumbrances.....	118,377	Fund balance at beginning of year.....	<u>206,240</u>
Reserved for appropriation carryforward.....	46,390	Fund balance at end of year.....	<u>\$ 196,896</u>
Unreserved.....	28,602		
Total fund balance.....	<u>196,896</u>		
Total liabilities and fund balance.....	<u>\$ 224,446</u>		

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

(10) SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains Enterprise Funds that provide water, sewage treatment, airport, public transportation, hospital, parking and harbor services and facilities which are largely financed by user charges. Segment information for the year ended June 30, 2000 follows (in thousands):

	San Francisco International Airport	Port of San Francisco	Water Dept./ Hetch Hetchy Project	Municipal Railway	Laguna Honda Hospital	General Hospital Medical Center	Clean Water Program	Parking Garages/ Other	Total
Operating revenues.....	\$ 363,152	\$ 46,029	\$ 234,684	\$ 111,215	\$ 94,944	\$ 269,768	\$ 145,495	\$ 33,842	\$ 1,299,129
Depreciation.....	62,122	6,728	31,612	45,908	1,176	6,292	38,169	882	192,889
Operating income (loss).....	102,596	10,249	24,719	(329,742)	(35,593)	(94,565)	30,222	2,527	(289,587)
Operating grants.....	962	-	1,795	189,841	-	70,193	352	-	263,143
Operating transfers in.....	-	-	849	100,984	33,638	78,682	-	-	214,153
Operating transfers out.....	(22,399)	-	(40,699)	(2,400)	-	(64,249)	-	-	(129,747)
Interest and other non- operating revenues (expenses).....	(31,480)	1,278	(120)	8,440	23,115	5,761	(14,394)	(818)	(8,218)
Net income (loss).....	49,679	11,527	(13,456)	(32,877)	21,160	(4,178)	16,180	1,709	49,744
Contributed capital - beginning, as previously reported.....	177,711	77,164	1,736	985,582	8,448	87,562	607,964	-	1,946,167
Prior period adjustment.....	40,996	-	-	-	-	-	-	-	40,996
Contributed capital - beginning, as restated.....	218,707	77,164	1,736	985,582	8,448	87,562	607,964	-	1,987,163
Capital contributions.....	44,423	5,481	5,135	158,875	-	-	-	-	213,914
Depreciation on contributed assets.....	-	(567)	(79)	(42,339)	-	(1,021)	(12,761)	-	(56,767)
Contributed capital - ending.....	263,130	82,078	6,792	1,102,118	8,448	86,541	595,203	-	2,144,310
Fixed assets additions.....	797,212	15,158	69,197	164,106	2,452	1,452	23,094	5,141	1,077,812
Fixed assets deletions.....	13,911	-	155	1,222	-	-	-	-	15,288
Net working capital (deficit).....	249,461	43,795	90,267	25,766	19,689	(6,026)	37,284	5,443	465,679
Total assets.....	4,598,213	301,487	886,598	1,364,500	49,891	130,432	1,635,649	95,496	9,062,266
Total liabilities.....	3,932,383	74,233	318,517	160,716	26,644	80,818	681,253	37,014	5,311,578
Fund equity.....	665,830	227,254	568,081	1,203,784	23,247	49,614	954,396	58,482	3,750,688
Retained earnings (deficit).....	402,700	145,176	561,289	101,666	14,799	(36,927)	359,193	58,482	1,606,378
Total debt outstanding.....	\$ 3,729,908	\$ 54,364	\$ 249,217	\$ -	\$ 824	\$ 881	\$ 656,017	\$ 19,347	\$ 4,710,558

(a) San Francisco International Airport

The Airport commenced operation on June 7, 1927. The Airport is the principal commercial service airport for the San Francisco Bay Area. A five-member Airport Commission is responsible for the operation, development, and maintenance activities of the Airport.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

On November 3, 1992, the Airport Commission approved the Master Plan which is designed to improve the efficiency and increase the capacity of various facilities, including terminals, gates, ground transportation and various support facilities. In connection with the Master Plan, the Commission approved the issuance of up to \$2.8 billion in bonds to provide funds for refunding of existing bonds and to finance near-term master plan projects. In addition, the Airport Commission authorized bonds for certain infrastructure projects. As of June 30, 2000, the near-term Master Plan projects and the infrastructure projects have a current budget to completion totaling approximately \$4.4 billion.

In anticipation of tenant relocations during the Master Plan construction, the Airport Commission and the Airport tenants engaged in significant environmental investigation, remediation, demolition and abatement activities. Remediation, environmental investigation, planning and monitoring costs were expensed when incurred; demolition costs were capitalized. The total anticipated environmental costs remaining are approximately \$1.0 million over the near term master plan period ending in December 2000.

In 1997, the Airport sued tenants who failed to clean up their sites seeking approximately \$18.0 million for costs directly incurred by the Airport through May 1998 for which the tenants were responsible. In the fiscal year 1999-2000, the Airport recovered \$11.9 million of claimed costs from these tenants. These recoveries are recorded as an offset to environmental cleanup expenses within other operating expenses in the Airport Enterprise Fund statement of revenue, expenses and change in retained earnings (deficit).

Pursuant to an agreement with certain airlines, the Airport makes an annual payment to the City's General Fund equal to 15% of concession revenue, but not less than \$5 million per fiscal year. The amount transferred to the General Fund during fiscal year 1999-2000 was \$22.4 million.

The Airport has entered into an agreement with the City of South San Francisco to provide \$10 million for noise mitigation. To date, the Airport has spent approximately \$10 million. In addition, the Airport has agreed in principle to expend up to \$120 million for aircraft noise insulation in the cities that are located near the Airport. On June 1, 1996, the Airport issued Second Series Revenue Bond Issue 11 in the amount of \$82.3 million to provide financing for the noise insulation. The Airport expects to meet its commitment for the noise insulation program from the proceeds of Bond Issue 11, anticipated federal grant reimbursements to the local communities, and operating and other internally generated funds. If these funds are not sufficient, the Airport may issue additional bonds to satisfy the commitment. As of June 30, 2000, approximately \$100 million has been disbursed to the communities under this project.

Purchase commitments for construction, materials and services at June 30, 2000 were approximately \$189.6 million.

During fiscal year 1998, the San Francisco International Airport (Airpot) issued \$125 million in Special Facilities Lease Revenue Bonds on behalf of the SFO Fuel Company LLC (SFO Fuel). SFO Fuel is a consortium of airlines created for the purpose of acquiring, constructing, modifying, expanding, and installing certain jet fuel system at the Airport. SFO Fuel is required to pay facilities rent to the Airport in an amount equal to the debt service payments and required bond reserve account deposits on the bonds. The principal and interest on the bonds will be paid solely from the facilities rent payable by SFO Fuel to the Airport. The Airport has assigned its right to receive the facilities rent to the bond trustee to pay and secure the payment of the bonds. Neither the Airport nor the City is obligated in any manner for the repayment of these obligations and, as such, they are not reported in the accompanying general purpose financial statements.

Under the terms of the Special Facilities Lease Revenue Bonds, legal title to the improvements, additions and replacements to the jet fuel system passes to the Airport from SFO Fuel. The jet fuel system has been recorded in the Airport's financial statements as contributed capital. The general purpose financial statements reflect a correction of the Airport's fiscal year 1999-2000 beginning contributed capital for

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

\$41.0 million for contributions made during previous years. This correction increased contributed capital and fixed assets of the Airport Enterprise Fund.

(b) Port of San Francisco

A five-member Port Commission is responsible for the operation, development, and maintenance activities of the Port of San Francisco (Port). Prior to 1969, the Port was owned by the State of California. At that time the Port was transferred in trust to the City under the terms and conditions of legislation as ratified by the electorate of the City. The State retains the right to amend, modify or revoke the transfer of lands in trust provided that it assumes all lawful obligations related to such lands.

In previous years, the Port was granted \$27.7 million in Federal and State emergency assistance for damage suffered in the Loma Prieta earthquake. As of June 30, 2000, all the funded earthquake-related repair projects were completed and total financial assistance of \$25 million has been received. The final reimbursement payments receivable of \$2.7 million were subsequently received in July 2000.

In 1996, the DPT entered into an Annual Payment Agreement with the Port to resolve a dispute concerning the City's collection of parking fine revenues from Port property. DPT agreed to pay the Port a guaranteed annual payment of \$1.2 million for twenty years commencing on July 1, 1997, for past parking fine revenues collected from Port property. Thereafter, amounts remitted to the Port will be based on actual ticket collections, net of administrative costs.

On November 26, 1996, a fire at the east end of Pier 48 destroyed the interconnecting wood frame structure and caused substantial structural damage to the steel frames, walls, and roof at the easterly end of Sheds A and B on the pier. On July 14, 1998, a fire damaged the historic ferry slip arch structure at Pier 43 and the one-story auxiliary building connected to the arch's west tower. Insurance was in force to cover fire damage to the Port's property at both piers. As of June 30, 2000, the Port had received interim insurance payments of \$5.5 million for Pier 48 and \$0.25 million for Pier 43. Receivables at June 30, 2000 include \$0.73 million for approved construction repairs at Pier 48 and \$0.25 million at Pier 43. The gain reported as other income in the general purpose financial statements represents additional proceeds recognized in the current year for construction repair of the structures on the piers.

In July 1997, the Port entered into a ten year subordinate commercial loan agreement with a bank for \$12 million to finance certain capital projects. The loan is subordinate to all bonds payable of the Port. The loan interest rate, which was 7.09% at June 30, 2000, adjusts with the LIBOR rate. The Port purchased an interest rate cap, which mitigates the interest rate risk associated with a variable rate loan. The maximum the Port will pay is 8.5%. The loan is secured by a lien on and security interest in Net Revenue as defined in the loan agreement. Covenants of the loan agreement include that the Port will maintain its business operations, and establish, and maintain rentals, rates, fees, and charges for the use of the Port area and for services rendered by the Port so that Net Revenue, as defined in the loan agreement, less the annual debt service on the Revenue and City bonds in each fiscal year will be at least equal to 115% of aggregate annual debt service for such fiscal year. For the year ended June 30, 2000, the Port was in compliance with such covenants.

The Port has been ordered by the California Regional Water Quality Control Board to remediate certain landfills. Under an agreement with the Bay Conservation Development Commission, one of the pier sites has been developed as a park and wetland area. The Port estimates the cost to close the landfills to be in the range of \$3.5 million to \$4.5 million. The landfills do not meet the definition of a municipal solid waste landfill which would require accrual of the current estimates of the ultimate costs of closure. In addition, the Port has identified certain other environmental issues related to Port property, including asbestos removal, fuel tank removal and oil contamination clean up. The Port may be required to perform certain clean up work if it intends to develop or lease the property, or at such time as required by the City or State. The Port estimates such costs to be in the range of \$1 million to \$2 million.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

The Port is presently planning various development projects which involve a commitment to expend significant funds. Purchase commitments at June 30, 2000 were \$15.7 million for capital projects and \$0.9 million for general operating costs.

(c) Water Department/Hetch Hetchy Project

The segment data presented reflects the combined statements of the San Francisco Water Department and the Hetch Hetchy Project (Water/Hetch Hetchy). Water/Hetch Hetchy was established in 1930 and is engaged in the collection, transmission and distribution of water and electricity to the City and certain suburban areas. The Hetch Hetchy Project is a system of reservoirs and hydroelectric generating stations and the related distribution systems; it provides the Water Department with its water for San Francisco and other municipalities and sells electric power to City departments and other public agencies. The Public Utilities Commission was established in 1932 and consists of a five-member commission responsible for providing operational oversight of the public utility enterprises of the City which include Water/Hetch Hetchy and the Clean Water Program (note 10(g)).

Effective April 1, 1998, the California electric market changed into a competitive market which permitted customers of investor-owned utilities to be eligible for direct access. The deregulation of the California electric industry resulted from the passage of Assembly Bill 1890 (AB-1890), which strongly encourages public agency-owned utilities to elect to participate in the competitive framework of the California electric market. AB-1290 provided electric utilities with a basis for recovery of certain costs. In anticipation of this restructured market, Hetch Hetchy Project has developed a strategic plan that will guide its electric utility's transition efforts into the new environment.

In June 1998, the San Francisco voters passed Proposition H, which froze the water rates at the level in effect as of January 1, 1998 until July 1, 2006 subject to certain limited exceptions such as to cover the debt service for the 1997 Revenue Bonds approved by voters, but unissued.

Water sales to suburban resale customers in fiscal year 1999-2000 were \$70 million. As of June 30, 2000, the suburban resale customers under the Suburban Water Rate Agreement owed Water/Hetch Hetchy approximately \$2.5 million.

Charges for services in fiscal year 1999-2000 include sales of power by Hetch Hetchy to other City departments of \$43.7 million. Income from Water/Hetch Hetchy is available for certain operations of the City. During the year ended June 30, 2000, \$39.9 million was transferred from the Hetch Hetchy Project to the General Fund.

Hetch Hetchy serves as an intermediary agency between Pacific Gas & Electric (PG&E) and all City departments for the design and construction of various electrical components and other related systems needed to deliver electricity. As of June 30, 2000, various City departments were indebted to Hetch Hetchy for construction costs incurred by Hetch Hetchy on their behalf of approximately \$4.1 million which is included in the receivables. Hetch Hetchy receives title to the underlying assets of certain completed projects on behalf of the City and assumes responsibility for their maintenance, repair and replacement following their initial year of operation.

The Public Utilities Commission has contracted with PG&E to provide transmission capacity on PG&E's system where needed to deliver Hetch Hetchy's power to its customers. In addition, the PG&E agreement provides backup power and other support services to Hetch Hetchy. The PG&E agreement allows PG&E to review past billings paid by Hetch Hetchy and to retroactively adjust these payments to actual backup power, transmission, and other charges as finally determined by PG&E. During fiscal year 1999-2000, Hetch Hetchy purchased \$14.4 million of transmission services, backup power, and other support services from PG&E under the terms of the agreement.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

To meet certain requirements of the Don Pedro Reservoir operating license, the City entered into an agreement with the Modesto and Turlock Irrigation Districts (the Districts) in which the Districts would be responsible for an increase in water flow releases from the reservoir in exchange for annual payments of \$3.5 million from the City. The payments are to be made for the duration of the license, but may be terminated with one year's prior written notice after 2001. The City and the Districts have also agreed to monitor the fisheries in the lower Tuolumne River for the duration of the license. A maximum monitoring expense of \$1.4 million is to be shared between the City and the Districts over the term of the license. The City's share of the monitoring costs is 52% while the Districts are responsible for 48% of the costs.

As of June 30, 2000, Water/Hetch Hetchy had outstanding commitments for various capital projects and for materials and supplies in the amount of \$52 million.

In July 1999, the California Regional Water Quality Control Board issued a directive instructing the Water Department to develop a remedial action plan that addresses environmental contamination located at certain real property owned by the Water Department. In response to the directive, the Commission is currently in the process of developing such a plan for submission. While the ultimate clean-up cost to be borne by the Department is not currently determinable, it is estimated that the cost would range from \$1.6 to \$11.2 million and that the project would be completed over a period of one to five years. Since the ultimate cost of clean-up is not currently determinable, no such amount has been accrued in the accompanying general purpose financial statements.

(d) Municipal Railway

The San Francisco Municipal Railway (Muni) is the City's public transit agency. Muni was established in 1912. During the fiscal year 1999-2000, the Municipal Transit Agency created by Proposition E, a Charter amendment approved by the San Francisco voters, replaced the San Francisco Public Transportation Commission to run Muni. The segment data reflects the combined operations of Muni and the San Francisco Municipal Railway Improvement Corporation (SFMRIC). SFMRIC is a nonprofit corporation established to provide capital financial assistance for the modernization of Muni by acquiring, constructing, and financing improvements to the City's public transportation system.

The City's Annual Appropriation Ordinance provides funds to subsidize Muni's operating deficits as determined under the City's budgetary accounting procedures, subject to the appropriation process. The amount of the fiscal year 1999-2000 General Fund Subsidy to Muni was \$90.7 million.

Net loss of Muni and SFMRIC on a GAAP basis	\$(32,877)
Net income of SFMRIC before capital assistance to Muni on a GAAP basis	(194)
Operating subsidy from City General Fund	<u>(90,720)</u>
Net loss of Muni (excluding SFMRIC) on a GAAP basis before operating subsidy	(123,791)
Expenses which require budgetary funding but are not GAAP basis expenses:	
Capitalized services and other asset purchases	(168,126)
Change in encumbrances and appropriation carryforwards	(16,535)
Expenses which do not require budgetary funding but are GAAP basis expenses:	
Assets acquired with funding from capital grants and contributions	158,875
Depreciation expense	45,908
Other expenses	<u>12,949</u>
Net loss of Muni requiring subsidy on a budget basis	<u><u>\$(90,720)</u></u>

The operating subsidy reflected above includes a transfer in of \$4 million to fund additional interest expense that was recorded relating to an overdraft with the City Treasurer.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

Muni receives capital grants from various federal, state, and local agencies to finance transit related property and equipment purchases. As of June 30, 2000, the Municipal Railway had approved capital grants with unused balances amounting to \$432 million. Capital grants receivable as of June 30, 2000 totaled \$28.4 million.

Muni also receives operating assistance from various federal, state, and local sources, including Transit Development Act funds and sales tax allocations. As of June 30, 2000, the Municipal Railway had various operating grants receivable of \$20.9 million.

The capital and operating grants identified above include funds received from the Authority. During the year ended June 30, 2000, new capital grants were approved by the Authority the amount of \$60.8 million and payments received by Muni for capital grants totaled \$47.9 million. As of June 30, 2000, Muni had funds due from the Authority for capital grants in the amount of \$11.1 million. Similarly, Muni receives operating grants from the Authority. During the year ended June 30, 2000, the Authority approved new operating grants in the amount of \$13 million and payments received by Muni totaled \$12.8 million. As of June 30, 2000, Muni had funds due from the Authority for operating grants in the amount of \$2.3 million.

The State Public Utilities Code requires that fare revenues must equal or exceed 33% of operating costs in order to qualify for allocation of certain sales tax revenues available for public transit. Transit operators may add local support to fare revenues in order to calculate the fare recovery ratio. The City provides significant local support to Muni from parking revenues and the General Fund.

Muni has outstanding contract commitments of approximately \$205 million with third parties for various capital projects. Grant funding is available for a majority of this amount. Muni also has outstanding commitments of approximately \$10.5 million for non-capital expenditures. Various local funding sources are used to finance these expenditures. Muni is committed to numerous capital projects for which it anticipates that federal and state grants will be the primary source of funding. SMFRIC's Board of Directors has authorized SMFRIC to extend financial guarantees to Muni for certain projects totaling \$3.7 million.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

(e) Laguna Honda Hospital

The Laguna Honda Hospital (LHH) is a skilled nursing facility which specializes in serving elderly and disabled residents. The operations of LHH are subsidized by the City. It is the City's policy to fund operating deficits of the enterprise on a budgetary basis; however, the amount of operating subsidy provided is limited to the amount budgeted by the City. Accordingly, depreciation and certain non-current accrued expenses are not funded, resulting in continuing deficits. In those circumstances, the City allows the enterprise to show a deficit on a budget basis. For the year ended June 30, 2000, the subsidy for LHH was \$33.3 million.

Net income of Laguna Honda on a GAAP basis	\$ 21,160
Tobacco claims settlement*	(23,278)
Net loss on specific/donor restricted funds	267
Operating subsidy from City General Fund	<u>(33,265)</u>
Net loss of Laguna Honda	
on a GAAP basis before operating subsidy	(35,116)
Expenses which require budgetary funding but are not GAAP basis expenses:	
Capitalized services and other asset purchases	(1,685)
Change in encumbrances and appropriation carryforwards	409
Expenses which do not require budgetary funding but are GAAP basis expenses:	
Depreciation and other expenses	<u>3,127</u>
Net loss of Laguna Honda requiring subsidy on a budget basis	<u><u>\$(33,265)</u></u>

*As of June 30, 2000, LHH received approximately \$23.3 million of the tobacco settlement funds. As a result, LHH's retained earnings on a GAAP basis does not show a deficit.

LHH has agreements with third-party payors that provide for reimbursement to LHH at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the hospital's established rate for services and amounts reimbursed by third-party payors. Medicare and Medi-Cal are the major third-party payors with whom such agreements have been established. During the year ended June 30, 2000, Medicare and Medi-Cal charges for services amounted to approximately \$3.3 million and \$85 million, respectively. As of June 30, 2000, LHH had net patient receivables from Medicare of \$1.2 million and net patient receivables from Medi-Cal of \$10 million.

In November 1999, San Francisco voters approved Proposition A, a ballot measure authorizing the City to finance the acquisition, improvement, construction and/or reconstruction of a new health care, assisted living and/or other type of continuing care facility or facilities to replace Laguna Honda Hospital. Proposition A stipulates that approximately \$100 million of tobacco settlement funds received by the City, excluding \$1 million set aside each year for smoking education and prevention programs, may be used to pay for construction of a replacement facility for LHH. As of June 30, 2000, approximately \$23 million of the tobacco settlement funds were received by LHH.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

(f) General Hospital Medical Center

The San Francisco General Hospital Medical Center (SFGH) is an acute care hospital. The operations of SFGH are subsidized by the City. It is the City's policy to fully fund enterprise operations on a budgetary basis; however, the amount of operating subsidy provided is limited to the amount budgeted by the City. Accordingly, depreciation and certain non-current accrued expenses are not funded, resulting in continuing deficits. In those circumstances, the City allows the enterprise to show a deficit on a budget basis. For the year ended June 30, 2000, the subsidy for SFGH was \$57.2 million.

Loss before operating transfers of SFGH on a GAAP basis	\$(18,611)
Reimbursement to City General Fund for SB 855 matching program	(63,914)
Net gain on specific/donor restricted funds	(299)
Operating transfers from City General Fund to support SFGH on:	
Short Doyle program	8,188
Operation of Mental Health Rehabilitation Facility	8,453
Other Program Support	243
Interest expense on the overdraft funds with the City Treasury	4,300
Expenses which require budgetary funding but are not GAAP basis expenses:	
Capitalized services and other asset purchases	(2,240)
Change in encumbrances and appropriation carryforwards	(345)
Expenses which do not require budgetary funding but are GAAP basis expenses	
Depreciation expense	6,292
Other expenses	<u>770</u>
Net loss of SFGH requiring subsidy from General Fund on a budget basis	<u><u>\$(57,163)</u></u>

SFGH has agreements with third-party payors that provide for reimbursement to SFGH at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between SFGH's established rates and amounts reimbursed by third-party payors. Major third-party payors with whom such agreements have been established are Medicare, Medi-Cal, the State of California through Senate Bills 855 and 1255 and the Short-Doyle mental health program, the federal Medi-Cal Medical Education Program and Administrative Claiming System, and a managed care agreement signed with a health maintenance organization (HMO).

During the year ended June 30, 2000, Medicare and Medi-Cal revenue accounted for \$49.0 million and \$48.8 million of net patient service revenue respectively. As of June 30, 2000, SFGH had net patient receivables from Medicare of \$12 million and net patient receivables from Medi-Cal of \$31 million.

State of California Senate Bill 855 (SB-855) was passed by the state legislature in July 1991 to provide additional funding to hospitals which provide a significant portion of their services to Medi-Cal recipients. In order to receive additional funds, the City must transfer funds to the State Medi-Cal program so that the funds may be matched by federal funds. Gross patient revenue recorded by SFGH for SB-855 totaled \$91.4 million for the fiscal year ended June 30, 2000. This revenue was offset by a reduction in the General Fund operating subsidy of \$63.9 million for net SB 855 revenues of \$27.5 million for the year ended June 30, 2000.

In addition, SFGH receives funding from the State of California under Senate Bill 1255 (SB-1255) which establishes a funding pool through public and private sector contributions with matching federal

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

participation. For the year ended June 30, 2000, SFGH recognized gross patient revenue in the amount of \$21.7 million without any offset of reduction in the contribution.

Under the Medi-Cal Medical Education program, SFGH is reimbursed for medical education costs incurred for services rendered to Medi-Cal beneficiaries. For the year ended June 30, 2000, SFGH recognized net patient service revenue in the amount of \$1.3 million.

As of June 30, 2000, SFGH had Medi-Cal supplemental reimbursement receivables for SB-855, SB-1255, and other federal and state settlement payments of approximately \$12 million.

The State of California provides support to SFGH through a realignment of funding provided from vehicle license fees and sales tax and allocated to California's counties. SFGH recognized \$58.7 million as non-operating state revenue for the year ended June 30, 2000 from realignment funding.

In addition, SFGH was reimbursed by the State of California, under the Short-Doyle program, for mental health services provided to qualifying residents based on an established rate per unit of service, not to exceed an annual negotiated contract amount. During the year ended June 30, 2000, reimbursement under the Short-Doyle program amounted to approximately \$8.2 million and is included in operating transfer in.

State of California Proposition 99, the Tobacco Tax Initiative, allocates funds to counties for health care services to indigent persons and others who are unable to pay for health care services. Proposition 99 funds allocated to SFGH for the year ended June 30, 2000 amounted to \$6.1 million and are included in non-operating state revenue.

SFGH provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its charity care policy. Charges foregone based on established rates were \$114 million and estimated costs and expenses to provide charity care were \$89 million in fiscal year 1999-2000.

The City contracts on a year-to-year basis on behalf of SFGH with the University of California (UC). Under the contract, SFGH serves as a teaching facility for UC professional staff, medical students, residents, and interns who in turn provide medical and surgical specialty services to SFGH's patients. The total amount for services rendered under the contract for the year ended June 30, 2000 was approximately \$41.0 million.

(g) Clean Water Program

The CWP was established in 1977 pursuant to bond resolutions to account for the City's municipal sewage treatment and disposal system. The CWP is part of the Public Utilities Commission (note 10 (c)).

In June 1998, the San Francisco voters passed Proposition H, which froze the sewer rates at the level in effect as of January 1, 1998 until July 1, 2006 subject to certain limited exceptions such as to cover new revenue bonds approved by the voters to finance sewer system improvements.

CWP's revenue, which consists mainly of sewer service charges, is pledged for the payment of principal and interest on the various Sewer Revenue Bonds.

CWP has entered into several loan contracts with the California State Water Resources Control Board under which CWP borrowed monies to finance the construction of certain facilities. As of June 30, 2000, the Clean Water Program had \$180.3 million principal outstanding.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

In 1995, CWP entered into a forward purchase and sale agreement with a financial institution. Under the agreement, CWP received an upfront fee of \$8.9 million from the financial institution. In exchange, CWP will use its debt service payments not yet due to bondholders to purchase short-term U.S. Treasury bills at face value. Revenue is being recognized over the life of the agreement based on the present value of the future earnings. The fee was recorded as deferred revenue and the unamortized balance as of June 30, 2000 was \$3.3 million.

Purchase commitments for construction and for materials and services totaled \$16.5 million at June 30, 2000.

(h) Parking Garages/Other

The segment data reflects the operations of five parking garages operated by separate nonprofit corporations organized by the City. This segment data also includes the San Francisco Market Corporation, a nonprofit corporation organized to acquire, construct, finance and operate a produce market.

(11) SAN FRANCISCO REDEVELOPMENT AGENCY

The Agency is a public body, corporate and politic, organized and existing under the Community Redevelopment Law of the State of California. Since the organization of the Agency in 1948, the Agency has completed four redevelopment project areas and eleven redevelopment project areas are now underway. In addition, the Agency is undertaking feasibility studies for three new redevelopment survey areas, designated by the Board of Supervisors of the City and County of San Francisco.

The Agency acts as the lead Agency in administering the Housing Opportunities for Persons with AIDS program which is funded by a grant from the U.S. Department of Housing and Urban Development. The Agency has also undertaken community economic adjustment activities under a grant with the Office of Economic Adjustment on behalf of the U.S. Department of Defense for planning the reuse of Hunters Point Naval Shipyard.

In October and November 1998, the Board of Supervisors approved ordinances and resolutions adopting the Mission Bay North and South Redevelopment Plans, Interagency Cooperation Agreements, and Tax Allocation Agreements. The two project areas total 303 acres. Mission Bay North consists of approximately 65 acres adjacent to the Pacific Bell Park. Mission Bay South includes approximately 238 acres of land. The Agency has entered into an Owner Participation Agreement with the owner/developer to provide for development of the project areas. The proposed development in the north includes 3,000 housing units, 20% of which will be affordable units, 350,000 square feet of urban entertainment retail space, 100,000 square feet of City-serving retail space, 55,000 square feet of neighborhood-serving retail space and six acres of public open space. The proposed development in the south will include 3,090 housing units, 20% of which will be affordable units, a 43-acre UCSF research campus, a 500 room hotel, 210,000 square feet of City-serving and neighborhood-serving retail space, five million square feet of commercial industrial space, and a 500-student public school on land to be donated by UCSF. Mission Bay is expected to create over 31,000 new permanent jobs. The Mission Bay development will take place over 20 to 30 years and will require investment of over \$145 million in new public infrastructure. Total development costs for the two project areas are expected to exceed \$4 billion.

The Agency has no direct taxing power and does not have the power to pledge the general credit or taxing power of the City, the State of California or any political subdivision thereof. However, California's Health and Safety Code allows redevelopment agencies with appropriate approvals of the local legislative bodies to recover costs of financing public improvements from increased tax revenues (tax increment) associated

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

with increased property values of individual project areas. During the year, the Agency received \$31.9 million in property tax increment and recognized \$31.5 million as revenue including amounts deferred in the prior year.

During fiscal year 1999-2000, the SFRFA issued \$11.2 million and \$7.0 million of 2000 Series A Tax Allocation Revenue Bonds and 2000 Series B Taxable Tax Allocation Revenue Bonds, respectively. The proceeds of the bonds will be used to finance redevelopment activities in Embarcadero-Lower Market (Golden Gateway) Redevelopment Project Areas, Federal Office Building Project Areas, South of Market Earthquake Recovery Project Area, Rincon Point-South Beach Redevelopment Project Area and Western Addition Redevelopment Project Area A-2.

Outstanding bond issues had interest accretion of approximately \$19.4 million during the current year. Interest accretion is included in the outstanding principal balance of the related bonds in the general purpose financial statements.

In order to facilitate construction and rehabilitation within the project areas, various construction loan notes, promissory notes and mortgage revenue bonds with an aggregate outstanding balance of approximately \$545 million at June 30, 2000, have been issued. When these obligations are issued, they are secured by the related mortgage indebtedness and in the opinion of management, are not considered obligations of the Agency or the City and therefore not included in the general purpose financial statements. Debt service payments will be made by developers or property owners.

California Health and Safety Code Section 33334.3 requires the Agency to set aside 20% of the proceeds from its incremental property tax revenues for expenditures for low and moderate income housing. Related interest earned must also be set aside for such purposes. The Agency established the Low and Moderate Income Housing Fund to account for this commitment and has reserved \$130 million for such expenditures. The Agency has expended \$87 million for low and moderate income housing since its inception.

The Agency has commitments under contracts for capital improvements of approximately \$19.6 million at June 30, 2000.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Following is a summary of the Agency's financial position and results of operations as of and for the year ended June 30, 2000 (in thousands).

ASSETS		OPERATIONS	
Deposits and investments.....	\$ 349,615	Revenues and other financing sources:	
Receivables.....	11,821	Property taxes.....	\$ 31,526
Property held for resale.....	11,106	Other local taxes.....	5,913
Fixed assets (net).....	208,793	Interest and investment income.....	14,358
Amount available in Debt Service Funds.....	204,708	Rents and concessions.....	26,771
Amount to be provided for long-term obligations.....	<u>525,686</u>	Intergovernmental.....	10,359
Total assets.....	<u><u>\$ 1,311,729</u></u>	Other.....	17,711
		Proceeds from issuance of long-term obligations.....	<u>18,089</u>
			124,727
LIABILITIES AND FUND EQUITY		Expenditures and other financing uses:	
Due to primary government	\$ 34,128	Debt service.....	54,460
Deferred tax, grant, and subvention revenues.....	23,856	Capital outlay.....	<u>50,084</u>
Bonds, loans, capital leases, and other payables.....	752,049		104,544
Other liabilities.....	<u>10,956</u>	Excess of revenues and other financing sources under expenditures and other financing uses.....	20,183
Total liabilities.....	<u>820,989</u>	Net income from proprietary activities.....	3
Investment in general fixed assets.....	192,761	Fund balance at beginning of year.....	291,686
Retained deficit.....	(4,001)	Decrease in property held for resale.....	(13,893)
Fund balance:		Fund balance at end of year.....	<u><u>\$ 297,979</u></u>
Reserved.....	215,814		
Unreserved.....	<u>86,166</u>		
Total fund equity.....	<u>490,740</u>		
Total liabilities and fund equity.....	<u><u>\$ 1,311,729</u></u>		

(12) TREASURE ISLAND DEVELOPMENT AUTHORITY

The TIDA is a nonprofit public benefit corporation. The TIDA was authorized in accordance with the Treasure Island Conversion Act of 1997 and designated as a redevelopment agency pursuant to Community Redevelopment Law of the State of California. The TIDA is governed by seven commissioners who are appointed by the Mayor, subject to confirmation by the City's Board of Supervisors. The specific purpose of the TIDA is to promote the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the property known as Naval Station Treasure Island for the public interest, convenience, welfare and common benefit of the inhabitants of the City.

The mission of TIDA is to redevelop the former Naval Station Treasure Island and to manage its integration with the City in compliance with federal, state and City guidelines (including the California Tidelands Trust) to maximize revenues to the City's General Fund; to create new job opportunities for San Francisco residents, including assuring job opportunities for homeless and economically disadvantaged residents; to increase recreational and bay access venues for San Francisco and Bay Area residents; and to promote the welfare and well being of the citizens of San Francisco.

The services provided by TIDA include negotiating the acquisition of former Naval Station Treasure Island with the U.S. Navy and establishing the Treasure Island Redevelopment Project; renting Treasure Island facilities leased from the U.S. Navy to generate revenues sufficient to cover operating costs; maintaining Treasure Island facilities owned by the U.S. Navy which are not leased to the TIDA or the City; providing

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

facilities for special events, film production and other commercial business uses; providing 1,000 housing units; and overseeing the U.S. Navy's toxic remediation activities on the former naval base.

During fiscal year 1999-2000, TIDA's primary sources of revenues included revenues from facility rentals and federal grant funding from the U.S. Navy under a cooperative agreement. Under the cooperative agreement, the TIDA provides caretaker services for areas of Treasure and Yerba Buena Islands owned by the U.S Navy which are not leased to the Authority.

During fiscal year 1999-2000, the TIDA submitted to the U.S. Navy an application for the economic conveyance of the former naval station. In fiscal year 2000-2001, the TIDA will negotiate the conveyance with the Navy; and will establish the Treasure Island Redevelopment Project. The TIDA also will issue a Request for Qualifications for a Primary Developer and complete the developer selection process.

During fiscal year 1998-1999, an agreement was signed for the rehabilitation of 766 housing units. In addition, TIDA has a contract with the Treasure Island Homeless Development Initiative to assist with the implementation of the Homeless component of the Treasure Island Reuse Plan focusing on the rehabilitation of 222 units for economically disadvantaged persons. In fiscal year 2000-2001, the TIDA will complete the rehabilitation of all remaining housing units and offer these units for rent through its lessee, The John Stewart Company.

Following is a summary of the TIDA's financial position and results of operations as of and for the year ended June 30, 2000 (in thousands).

ASSETS		OPERATIONS	
Receivables:		Revenues:	
Federal and state grants.....	\$ 1,429	Rents and concessions.....	\$ 2,494
Charges for services.....	382	Intergovernmental - federal.....	<u>2,441</u>
Total assets.....	<u>\$ 1,811</u>	Expenditures:	
		Human welfare and neighborhood	
		development.....	<u>5,234</u>
		Deficiency of revenues under expenditures...	(299)
		Operating transfer in.....	15
		Fund deficit at end of year.....	<u>\$ (284)</u>
LIABILITIES AND FUND BALANCE			
Due to primary government.....	\$ 1,831		
Other liabilities.....	264		
Total liabilities.....	<u>2,095</u>		
Reserved for encumbrances.....	500		
Unreserved (deficit).....	<u>(784)</u>		
Total fund deficit.....	<u>(284)</u>		
Total liabilities and fund deficit.....	<u>\$ 1,811</u>		

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

(13) DUE FROM AND DUE TO BALANCES

Due from or due to amounts at June 30, 2000 are as follows (in thousands):

	Other Funds		Primary Government		Component Unit	
	Due From	Due To	Due From	Due To	Due From	Due To
General Fund.....	\$ 61,631	\$ -	\$ -	\$ -	\$ 1,831	\$ -
Special Revenue Funds:						
Community/Neighborhood Development Fund.....	-	-	-	-	446	-
Community Health Services Fund.....	-	5,555	-	-	-	-
Human Welfare Fund.....	-	7,293	-	-	-	-
Public Works, Transportation & Commerce Fund.....	106	-	-	-	-	-
San Francisco County Transportation Authority.....	-	27,021	-	-	-	-
	<u>106</u>	<u>39,869</u>	<u>-</u>	<u>-</u>	<u>446</u>	<u>-</u>
Capital Projects Fund:						
City Facilities Improvement Fund.....	-	679	-	-	-	-
Moscone Convention Center Fund.....	-	-	-	-	33,682	-
Public Library Improvement Fund.....	-	353	-	-	-	-
Street Improvement Fund.....	-	15,490	-	-	-	-
	<u>-</u>	<u>16,522</u>	<u>-</u>	<u>-</u>	<u>33,682</u>	<u>-</u>
Enterprise Funds:						
San Francisco International Airport.....	-	3,099	-	-	-	-
Water Department/Hetch Hetchy Project.....	4,132	-	-	-	-	-
Municipal Railway.....	13,382	-	-	-	-	-
Laguna Honda Hospital.....	-	846	-	-	-	-
General Hospital Medical Center.....	-	14,971	-	-	-	-
	<u>17,514</u>	<u>18,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Trust and Agency Funds:						
Tax Collection Fund.....	-	3,944	-	-	-	-
	<u>-</u>	<u>3,944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Component Units:						
San Francisco Redevelopment Agency.....	-	-	-	34,128	-	-
Treasure Island Development Authority.....	-	-	-	1,831	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,959</u>	<u>-</u>	<u>-</u>
Total.....	<u>\$ 79,251</u>	<u>\$ 79,251</u>	<u>\$ -</u>	<u>\$ 35,959</u>	<u>\$ 35,959</u>	<u>\$ -</u>

“Due to” and “due from” balances have primarily been recorded when funds overdraw their share of pooled cash or when there are transactions between entities where one or both entities do not participate in the City’s pooled cash.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

(14) COMMITMENTS AND CONTINGENT LIABILITIES

(a) Grants and Subventions

Receipts from federal and state grants and other similar programs are subject to audit to determine if the monies were expended in accordance with appropriate statutes, grant terms and regulations. The City believes that no significant liabilities will result.

(b) Operating Leases

The City has operating leases for certain buildings and data processing equipment which, require the following minimum annual payments (in thousands):

<u>Fiscal Years</u>	<u>Total Primary Government</u>	<u>Component Unit Redevelopment Agency</u>	<u>Total Reporting Entity</u>
2001.....	\$ 29,189	\$ 1,564	\$ 30,753
2002.....	25,912	1,938	27,850
2003.....	19,929	2,097	22,026
2004.....	12,656	2,147	14,803
2005.....	11,415	2,210	13,625
Thereafter.....	<u>37,365</u>	<u>34,093</u>	<u>71,458</u>
Total.....	<u>\$136,466</u>	<u>\$ 44,049</u>	<u>\$180,515</u>

Several City departments and the Agency lease land and various facilities to tenants and concessionaires who will provide the following minimum annual payments (in thousands):

<u>Fiscal Years</u>	<u>Total Primary Government</u>	<u>Component Unit Redevelopment Agency</u>	<u>Total Reporting Entity</u>
2001.....	\$ 68,593	\$ 2,747	\$ 71,340
2002.....	62,369	2,567	64,936
2003.....	58,211	2,492	60,703
2004.....	40,560	2,454	43,014
2005.....	19,540	2,530	22,070
Thereafter.....	<u>259,161</u>	<u>84,969</u>	<u>344,130</u>
Total.....	<u>\$ 508,434</u>	<u>\$ 97,759</u>	<u>\$ 606,193</u>

(c) Other Lease Commitments

The City is making lease payments to the Agency for the Moscone Convention Center in the amount of approximately \$20 million per year through the year 2024. The lease payments are intended to approximate the debt service on Series 1988 Lease Revenue Bonds which are recorded as a long term obligation of the Agency.

(d) Other Commitments

Other commitments related to the Enterprise Funds are discussed in the segment information of the individual funds (note 10).

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

The Retirement System has commitments to contribute capital for real estate and venture capital investments in the aggregate amount of approximately \$1.3 billion at June 30, 2000.

The City is a participant in the Peninsula Corridor Joint Powers Board ("PCJPB"), which was formed in 1991 to plan, administer and operate the Peninsula CalTrain rail service. The City, on behalf of Muni, is responsible for 11.6% of the net operating costs and administrative expenses of the PCJPB for operating and capital needs. During the fiscal year ended June 30, 2000, the City contributed approximately \$4.8 million to the PCJPB.

(15) RISK MANAGEMENT

Risk Retention Program Description

The City is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; business interruption; errors and omissions; automobile liability and accident claims (primarily for Muni Railway); medical malpractice; natural disasters; for employee health benefit claim payments for direct provider care (collectively referred to herein as estimated claims payable); and injuries to employees (workers' compensation). With certain exceptions, it is the policy of the City not to purchase commercial insurance for the risks of losses to which it is exposed. Instead, the City believes it is more economical to manage its risks internally and set aside funds as needed for estimated current claim settlements and unfavorable judgments through annual appropriations and supplemental appropriations.

The City maintains limited excess coverage for certain facilities. The Airport carries liability insurance coverage of \$500 million and commercial property insurance coverage for full replacement value on all facilities owned by the Airport. The Airport does not carry insurance for losses due to seismic activity. The Airport is self-insured for general liability up to the first \$10,000 and for any amounts in excess of \$10,000 the Airport carries liability insurance. The Port carries commercial insurance for all general liability, property and casualty risks of loss. Additionally, limited insurance coverage is maintained by the City for the Moscone Convention Center property, personal liability, and for art at City-owned museums.

The Agency is a member of the Bay Cities Joint Powers Authority which provides coverage for its general liability, automobile liability, and public officials errors and omissions risks with combined single limits of \$15,000,000 per occurrence and a deductible of \$50,000 self-insurance retention per occurrence.

Claims relating to the construction of the George R. Moscone Convention Center, if any, are indemnified by the City by an agreement between the Agency and the City.

Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

Expenditures and liabilities for all workers' compensation claims and other estimated claims payable are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other legal and economic factors. The recorded liabilities have not been discounted.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Estimated Claims Payable

Numerous lawsuits related to the governmental fund types are pending or threatened against the City. The City's liability as of June 30, 2000 has been actuarially determined and includes an estimate of incurred but not reported losses. In addition, various businesses in the City have filed suit in California Superior Court challenging the constitutionality of the City gross receipts and payroll expense tax ordinances. These suits are being vigorously contested and the City Attorney has retained outside counsel to help defend against the claims. As of the date of the report, the City has received claims totalling approximately \$220 million. If the claims are successful, the actual loss could be significantly higher. While not conceding on the merits of the cases, the City believe that the ultimate outcome could involve paying an amount substantially less than \$100 million and that payment could be made over a period of up to 10 years. The estimated amount as of June 30, 2000 is included in the total shown as estimated claims payable in the General Long-Term Debt Account Group.

Changes in the reported estimated claims payable since June 30, 1998, resulted from the following activity (in thousands):

	<u>Beginning Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Fiscal Year Liability</u>
1998-1999	\$ 111,770	\$ 59,162	\$ (50,084)	\$ 120,848
1999-2000	\$ 120,848	\$ 102,026	\$ (33,447)	\$ 189,427

Breakdown of the estimated claims payable at June 30, 2000 is as follows (in thousands):

Government Fund Payables:

Current portion of estimated claims payable, reported in the General Fund.....	\$ 15,644
Long term portion of estimated claims payable, reported in the General Long-Term Debt Account Group...	112,106

Enterprise Fund Payables:

Muni Railway estimated claims payable	30,298
Other Enterprise estimated claims payable.....	20,336

Internal Service Fund Payables:

Health Service Fund estimated claims payable (see also note 8 (c)).....	11,043
Total	\$ 189,427

The Retirement System is involved in five class action type lawsuits which are collectively referred to as "Final Compensation" cases. These lawsuits allege that the Retirement System should include additional "pay types" in pension calculations. The most significant pay types common to all members of the Retirement System are lump sum payments after termination of employment for sick leave and vacation. The police, fire, and transit employees have additional claims for special pay types specific to those employee groups. These cases are being vigorously contested. The City Attorney has sought outside counsel to help defend the claims. The possible loss to the Retirement System should these cases be successful, while difficult to estimate, could range between \$530 million and \$725 million. The actual loss could exceed this range.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

Workers' Compensation

The City self-insures for workers' compensation coverage. The City's liability as of June 30, 2000 has been actuarially determined and includes an estimate of incurred but not reported losses. The total amount estimated to be payable for claims incurred as of June 30, 2000 was \$234.6 million which is reported in the appropriate individual funds and the General Long-Term Debt Account Group in accordance with the City's accounting policies (note 2).

Changes in the reported accrued workers' compensation since June 30, 1998, resulted from the following activity (in thousands):

	Beginning Fiscal Year Liability	Year Claims and Changes in Estimates	Claim Payments	Ending Fiscal Year Liability
1998-1999	\$ 174,806	\$ 94,515	\$ (54,256)	\$ 215,065
1999-2000	215,065	75,143	(55,592)	234,616

(16) SUBSEQUENT EVENTS

Long Term Debt

In July 2000, the City issued \$20 million General Obligation Bonds, Series 2000D at interest rates of 4.4% to 7.375%. The bonds mature in 2020. These bonds were issued to finance the development of housing affordable to low-income households and downpayment assistance to low- and moderate-income first-time home buyers in the City.

In July 2000, the Parking Authority of the City and County of San Francisco issued \$8.2 million Lease Revenue Bonds, Series 2000A at interest rates of 4.3% to 6%. The bonds mature in 2022. These bonds were issued to finance the design and construction of an approximately 200-space, four level parking garage.

In August 2000, the City issued Certificates of Participation, Series 2000 for San Bruno Jail Replacement Project in the amount of \$137.2 million. The interest rates range from 4% to 5.25%. The Certificates mature in 2021. These Certificates were issued to finance the design and construction of a maximum-security jail and related facilities on property owned by the City in the County of San Mateo.

On October 10, 2000, the Public Utilities Commission authorized the expansion of up to \$250 million of commercial paper outstanding at any time. The commercial paper is sized to be adequate to fund the fiscal years 2000 & 2001 Water Enterprise capital appropriations. On October 30, 2000, the Board of Supervisors adopted a resolution approving such expansion.

In November 2000, the San Francisco Finance Corporation issued \$157.5 million Lease Revenue Bonds consisting of series 2000-1, 2000-2, and 2000-3. During the initial period, the bonds will bear interest at fixed rates to be determined. After the initial period, each Series of the bonds will bear interest at different variable rates or a fixed rate. The bonds mature in 2030. These bonds were issued to finance a portion of the costs of acquiring, constructing and improving an expansion to the City's George R. Moscone Convention Center.

CITY AND COUNTY OF SAN FRANCISCO

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS *(Continued)*

Election

On November 7, 2000, the San Francisco voters approved the following propositions that will have fiscal impact to the City:

Proposition A – authorizes the issuance of General Obligation Bonds up to \$105.9 million to finance the acquisition, renovation, and construction of branch libraries and additional library facilities.

Proposition C – amends the City's Charter to authorize the increase of retirement benefits for City employees who are hired after 1976 and are referred to in the Charter as "miscellaneous" employees. The City estimates retirement benefits will increase by approximately \$34 million per year for 20 years and then drop to approximately \$17 million per year. However, the City does not expect to have to make a contribution to the Retirement System for at least the next 15 years. According to the actuary, the City's Retirement System still has a significant surplus.

Proposition D – amends the City's Charter to continue the Children's Fund until 2016 and increase the portion of property tax set aside for the Fund to 3 cents for each \$100 of assessed property value. As a result, the annual allocation of property taxes dedicated to children services will be increased by approximately \$3.7 million. There will be a corresponding \$3.7 million decrease of property tax revenue available for general city purposes.

Proposition E – amends the City's Charter to authorize the increase of City contributions for health coverage to retired employees and their surviving spouses and surviving domestic partners. As a result, the City's estimated cost of retiree health benefits will be increased by approximately \$9.0 million annually.

Required Supplementary Information

CITY AND COUNTY OF SAN FRANCISCO

Required Supplementary Information - Historical Pension Data (Unaudited)

Employees' Retirement System - Analysis of Funding Progress

Historical trend information is presented.

Schedule of funding progress for the Employees' Retirement System (amounts in thousands):

<u>Actuarial Valuation Date</u>	<u>Actuarial Asset Value</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Over-funded AAL (OAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>OAAL as a % of Covered Payroll</u>
7/1/95	\$ 6,131,696	\$ 5,620,413	\$ 511,283	109.1%	\$ 1,193,814	42.8%
7/1/96	6,663,504	5,813,808	849,696	114.6%	1,320,652	64.3%
7/1/97	7,245,195	6,162,138	1,083,057	117.6%	1,384,666	78.2%
7/1/98	7,945,707	6,351,397	1,594,310	125.1%	1,474,007	108.2%
7/1/99	8,862,168	6,430,740	2,431,428	137.8%	1,591,240	152.8%

California Public Employees' Retirement System - Analysis of Funding Progress

Historical trend information is presented.

Schedule of progress for PERS (amounts in thousands):

<u>Actuarial Valuation Date</u>	<u>Actuarial Asset Value</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Over-funded AAL (OAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>OAAL as a % of Covered Payroll</u>
06/30/95:						
Misc.	\$ 19,629	\$ 19,556	\$ 73	100.4%	\$ 1,463	5.0%
Safety	181,384	175,469	5,915	103.4%	54,904	10.8%
Total	<u>\$ 201,013</u>	<u>\$ 195,025</u>	<u>\$ 5,988</u>	103.1%	<u>\$ 56,367</u>	10.6%
06/30/96:						
Misc.	\$ 20,901	\$ 19,615	\$ 1,286	106.6%	\$ 1,171	109.8%
Safety	214,416	196,124	18,292	109.3%	54,673	33.5%
Total	<u>\$ 235,317</u>	<u>\$ 215,739</u>	<u>\$ 19,578</u>	109.1%	<u>\$ 55,844</u>	35.1%
06/30/97:						
Misc.	\$ 25,017	\$ 19,882	\$ 5,135	125.8%	\$ 1,119	458.9%
Safety	275,556	219,726	55,830	125.4%	54,708	102.1%
Total	<u>\$ 300,573</u>	<u>\$ 239,608</u>	<u>\$ 60,965</u>	125.4%	<u>\$ 55,827</u>	109.2%
06/30/98:						
Misc.	\$ 28,215	\$ 20,914	\$ 7,301	134.9%	\$ 1,149	635.4%
Safety	337,060	260,893	76,167	129.2%	57,834	131.7%
Total	<u>\$ 365,275</u>	<u>\$ 281,807</u>	<u>\$ 83,468</u>	129.6%	<u>\$ 58,983</u>	141.5%

**Combining, Individual Fund and
Individual Account Group Financial
Statements and Schedules**

CITY AND COUNTY OF SAN FRANCISCO

GENERAL FUND

The General Fund, the general operating fund of the City, accounts for all financial resources except those required to be accounted for in another fund.

**CITY AND COUNTY OF SAN FRANCISCO
GENERAL FUND**

Comparative Balance Sheet

June 30, 2000 and 1999

(In Thousands)

	ASSETS	2000	1999
Deposits and investments with City Treasury.....		\$ 293,605	\$ 189,103
Deposits and investments outside City Treasury.....		363	477
Receivables (net of allowance for uncollectible amounts of \$ 14,800 in 2000):			
Property taxes and penalties.....		23,143	25,535
Other local taxes.....		150,309	131,058
Federal and state grants and subventions.....		40,844	28,310
Charges for services.....		18,982	15,444
Interest and other.....		7,844	16,313
Due from other funds.....		61,631	123,042
Due from component unit.....		1,831	1,911
Loans receivable.....		183	183
Deferred charges and other assets.....		5,030	4,499
Total assets.....		<u>\$ 603,765</u>	<u>\$ 535,875</u>
LIABILITIES			
Accounts payable.....		\$ 68,089	\$ 54,417
Accrued payroll.....		58,169	44,863
Accrued vacation and sick leave pay.....		48,917	47,270
Accrued workers' compensation.....		31,719	33,719
Estimated claims payable.....		15,644	17,556
Deferred tax, grant and subvention revenues.....		30,937	43,205
Deferred credits and other liabilities.....		74,650	53,982
Total liabilities.....		<u>328,125</u>	<u>295,012</u>
FUND EQUITY			
Fund balances:			
Reserved for cash requirements.....		83,927	75,878
Reserved for emergencies.....		4,198	4,198
Reserved for assets not available for appropriation.....		5,576	5,163
Reserved for encumbrances.....		32,808	43,602
Reserved for appropriation carryforward.....		74,051	50,284
Reserved for subsequent years' budgets.....		29,990	26,013
Unreserved		45,090	35,725
Total fund equity		<u>275,640</u>	<u>240,863</u>
Total liabilities and fund equity.....		<u>\$ 603,765</u>	<u>\$ 535,875</u>

CITY AND COUNTY OF SAN FRANCISCO
GENERAL FUND
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balance
Years ended June 30, 2000 and 1999
(In Thousands)

	<u>2000</u>	<u>1999</u>
Revenues:		
Property taxes.....	\$ 405,560	\$ 388,222
Business taxes.....	267,197	229,171
Other local taxes.....	411,082	359,973
Licenses, permits and franchises.....	16,106	15,673
Fines, forfeitures and penalties.....	9,113	14,204
Interest and investment income.....	18,792	17,617
Rents and concessions.....	20,395	19,373
Intergovernmental:		
Federal.....	129,014	114,920
State.....	485,995	405,660
Other.....	309	-
Charges for services.....	86,591	78,025
Other.....	9,706	11,034
Total revenues.....	<u>1,859,860</u>	<u>1,653,872</u>
Expenditures:		
Operating expenditures:		
Public protection.....	597,949	555,777
Public works, transportation and commerce.....	85,655	67,120
Human welfare and neighborhood development.....	383,305	336,751
Community health.....	355,720	369,174
Culture and recreation.....	87,373	81,536
General administration and finance.....	140,211	113,589
General City responsibilities.....	45,194	48,093
Total expenditures.....	<u>1,695,407</u>	<u>1,572,040</u>
Excess of revenues over expenditures.....	<u>164,453</u>	<u>81,832</u>
Other financing sources (uses):		
Operating transfers in.....	156,984	169,405
Operating transfers out.....	<u>(286,660)</u>	<u>(230,742)</u>
Total other financing uses.....	<u>(129,676)</u>	<u>(61,337)</u>
Excess of revenues and other sources over expenditures and other uses.....	<u>34,777</u>	<u>20,495</u>
Fund balance at beginning of year.....	240,863	220,550
Residual equity transfer out.....	-	(182)
Fund balance at end of year.....	<u>\$ 275,640</u>	<u>\$ 240,863</u>

CITY AND COUNTY OF SAN FRANCISCO

GENERAL FUND

**Schedule of Expenditures by Department -
Budget and Actual - Budget Basis**

Year ended June 30, 2000

(In Thousands)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Public Protection				
Administrative Services - Animal Care and Control.....	\$ 2,755	\$ 2,705	\$ 2,641	\$ 64
Administrative Services - Consumer Assurance.....	1,339	1,359	1,297	62
Administrative Services - Medical Examiner.....	3,756	3,755	3,429	326
Administrative Services - Public Administrator/Guardian...	3,479	3,518	3,518	-
Adult Probation.....	8,113	8,120	8,120	-
District Attorney.....	34,164	35,835	34,385	1,450
Fire Department.....	163,711	170,679	170,679	-
Juvenile Probation.....	26,596	27,487	27,487	-
Police Department.....	223,798	225,945	225,945	-
Public Defender.....	12,168	12,196	11,883	313
Sheriff.....	70,683	76,582	76,582	-
Superior Courts.....	-	-	-	-
Trial Courts.....	32,119	32,682	31,983	699
	<u>582,681</u>	<u>600,863</u>	<u>597,949</u>	<u>2,914</u>
Public Works Transportation and Commerce				
Board of Appeals.....	348	334	332	2
Business and Economic Development.....	16,268	2,756	2,401	355
Clean Water.....	201	201	157	44
Department of Public Works.....	22,129	21,007	20,696	311
Emergency Communications.....	22,522	22,038	21,794	244
Light, Heat and Power.....	2,650	2,542	2,542	-
Municipal Transportation Agency.....	-	-	-	-
Parking and Traffic Commission.....	36,634	35,602	35,314	288
Telecommunications and Information Services	2,638	2,524	2,419	105
	<u>103,390</u>	<u>87,004</u>	<u>85,655</u>	<u>1,349</u>
Human Welfare and Neighborhood Development				
Adult and Aging Services.....	280	-	-	-
Children, Youth and Their Families.....	5,066	4,354	4,173	181
Commission on the Status of Women.....	2,415	2,506	2,374	132
Environment.....	563	414	409	5
Human Rights Commission.....	1,726	1,963	1,951	12
Human Services.....	398,385	402,747	374,398	28,349 (1)
	<u>408,435</u>	<u>411,984</u>	<u>383,305</u>	<u>28,679</u>
Community Health				
Community Health Network.....	59,171	59,700	58,705	995
Public Health.....	337,933	324,924	297,015	27,909 (1)
	<u>397,104</u>	<u>384,624</u>	<u>355,720</u>	<u>28,904</u>
Culture and Recreation				
Academy of Sciences.....	2,047	2,077	2,077	-
Administrative Services - Convention Facilities.....	3,656	3,543	3,438	105
Art Commission.....	5,834	6,367	5,656	711
Asian Art Museum.....	1,763	1,845	1,845	-
County Education Office.....	1,706	1,720	1,720	-
Fine Arts Museum.....	6,229	6,234	6,222	12
Law Library.....	394	399	399	-
Recreation and Park Commission.....	68,432	66,033	66,016	17
	<u>90,061</u>	<u>88,218</u>	<u>87,373</u>	<u>845</u>

(Continued)

**CITY AND COUNTY OF SAN FRANCISCO
GENERAL FUND**

**Schedule of Expenditures by Department -
Budget and Actual - Budget Basis (Continued)**

Year ended June 30, 2000

(In Thousands)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
General Administration and Finance				
Administrative Services.....	7,580	14,390	14,288	102
Administrative Services - Purchasing.....	-	-	-	-
Administrative Services - Real Estate.....	-	-	-	-
Assessor/Recorder.....	10,464	11,449	11,449	-
Board of Supervisors.....	8,487	8,734	8,222	512
City Attorney.....	12,114	14,395	14,395	-
City Planning.....	11,171	10,429	10,123	306
Civil Service.....	644	665	541	124
Controller.....	18,860	18,038	18,038	-
Elections.....	4,455	6,334	6,333	1
Ethics Commission.....	611	591	580	11
Human Resources.....	16,075	18,141	17,324	817
Mayor.....	24,661	25,380	23,512	1,868
Retirement Services.....	150	99	99	-
Treasurer/Tax Collector.....	14,973	14,650	14,650	-
	<u>130,245</u>	<u>143,295</u>	<u>139,554</u>	<u>3,741</u>
General City Responsibilities				
General City Responsibilities*.....	32,995	49,739	47,460	2,279
Total General Fund	<u>\$ 1,744,911</u>	<u>\$ 1,765,727</u>	<u>\$ 1,697,016</u>	<u>\$ 68,711</u>

* Includes general claims liability and post retirement benefits.

Notes:

- (1) The variance between the revised budget and actual expenditures pertains to lower than anticipated grant funded expenditures of the respective department for which there is a corresponding decrease in the reimbursement from federal and/or state programs.

CITY AND COUNTY OF SAN FRANCISCO

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Building Inspection Fund -- Accounts for the revenues and expenditures of the Bureau of Building Inspection which provides enforcement and implementation of laws regulating the use, occupancy, location and maintenance of buildings.

Children and Families Fund -- Accounts for property tax revenues, tobacco tax funding from Proposition 10 and interest earnings designated by Charter provision. Monies in this fund are used as specified in the Charter and Proposition 10 to provide services to children less than eighteen years old, and to promote, support and improve the early development of children from the prenatal stage to five years of age.

Community/Neighborhood Development Fund -- Accounts for various grants primarily from the Department of Housing and Urban Development to provide for community development of rundown areas; to promote new housing, child care centers and public recreation areas; to provide a variety of social programs for the underprivileged and provide loans for various community development activities. This fund also includes proceeds from a bond issuance to benefit the Seismic Safety Loan Program which provides loans for seismic strengthening of privately-owned unreinforced masonry buildings in the City.

Community Health Services Fund -- Accounts for state and federal grants used to promote public health and mental health programs.

Convention Facilities Fund -- Accounts for operating revenues of the convention facilities: Moscone Center, Brooks Hall and Civic Auditorium. In addition to transfers for lease payments of the Moscone Center, this fund provides for operating costs of the various convention facilities and the San Francisco Convention and Visitors Bureau.

Court's Fund -- Accounts for a portion of revenues from court filing fees that are specifically dedicated for Courthouse costs.

Culture and Recreation Fund -- Accounts for revenues received from a variety of cultural and recreational funds such as Public Arts, Youth Arts and Yacht Harbor with revenues used for certain specified operating costs.

Gasoline Tax Fund -- Accounts for the subventions received from state gas taxes under the provision of the Streets and Highways Code and for operating transfers from other funds which are used for the same purposes. State subventions are restricted to uses related to local streets and highways, acquisitions of real property, construction and improvements, and maintenance and repairs.

General Services Fund -- Accounts for the activities of several non-grant activities, generally established by administrative action.

Human Welfare Fund -- Accounts for state and federal grants used to promote education and discourage domestic violence.

Off-Street Parking Fund -- Accounts for revenues from garages and parking meters and financing for the San Francisco off-street parking program and other parking related projects, including construction, administration, maintenance and operation of neighborhood parking lots and garages. On-street meter revenues are pledged for debt service on Parking Authority Revenue Bonds.

Open Space and Park Fund -- Accounts for property tax revenues designated by Charter provision, interest earnings and miscellaneous service charges and gifts. Monies in this fund are used as specified in the Charter for acquisition and development of parks and open space parcels, for renovation of existing parks and recreation facilities, for maintenance of properties acquired and for after-school recreation programs.

(Continued)

CITY AND COUNTY OF SAN FRANCISCO

SPECIAL REVENUE FUNDS *(Continued)*

Public Library Fund -- Accounts for property tax revenues and interest earnings designated by Charter provision. Monies in this fund are to be expended or used exclusively by the library department to provide library services and materials and to operate library facilities.

Public Protection Fund -- Accounts for grants received and revenues and expenditures of 21 special revenue funds including fingerprinting, vehicle theft crimes, peace officer training and other activities related to public protection.

Public Works, Transportation and Commerce Fund -- Accounts for the revenues and expenditures of 13 special revenue funds including construction inspection, engineering inspection and other activities related to public works projects. In addition, the fund accounts for various grants from federal and state agencies expended for specific purposes, activities or facilities related to transportation and commerce.

Real Property Fund -- Accounts for the lease revenue from real property purchased with the proceeds from certificates of participation. The lease revenue is used for operations and to pay for debt service of the certificates of participation. Sales and disposals of real property are also accounted for in this fund.

San Francisco County Transportation Authority Fund -- Accounts for the proceeds of a one-half of one percent increase in local sales tax authorized by the voters for mass transit and other traffic and transportation purposes.

Senior Citizens' Program Fund -- Accounts for revenues from the allocation of one-fifth of the parking tax receipts and for grants from the state to be used to promote the well-being of San Francisco senior citizens.

War Memorial Fund -- Accounts for the costs of maintaining, operating and caring for the War Memorial buildings and grounds.

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2000
With comparative totals as of June 30, 1999
(In Thousands)

ASSETS

	Building Inspection Fund	Children and Families Fund	Community/ Neighborhood Development Fund	Community Health Services Fund	Convention Facilities Fund	Court's Fund
Deposits and investments with City Treasury.....	\$ 24,266	\$ 20,380	\$ 76,063	\$ -	\$ 30,809	\$ 6,420
Deposits and investments outside City Treasury..	-	-	11,979	-	-	-
Receivables (net of allowance for uncollectible amounts of \$1,023):						
Property taxes and penalties.....	-	96	-	-	-	-
Other local taxes.....	-	-	-	-	-	-
Federal and state grants and subventions.....	-	1,377	9,508	16,694	-	33
Charges for services.....	-	-	-	6	-	-
Interest and other.....	235	183	848	12	-	61
Due from other funds.....	-	-	-	-	-	-
Due from component unit.....	-	-	446	-	-	-
Loans receivable.....	1,050	-	193,898	-	33,687	-
Deferred charges and other assets.....	1	-	1	3	-	-
Total assets.....	<u>\$ 25,552</u>	<u>\$ 22,036</u>	<u>\$ 292,743</u>	<u>\$ 16,715</u>	<u>\$ 64,496</u>	<u>\$ 6,514</u>

LIABILITIES

Accounts payable.....	\$ 138	\$ 2,353	\$ 1,903	\$ 3,630	\$ 2,760	\$ 18
Accrued payroll.....	1,198	141	476	1,268	149	5
Accrued vacation and sick leave pay.....	-	-	-	-	-	-
Deferred tax, grant and subvention revenues.....	-	54	7	992	-	-
Due to other funds.....	-	-	-	5,555	-	-
Deferred credits and other liabilities.....	10,150	1,172	188,617	23	35,381	-
Total liabilities.....	<u>11,486</u>	<u>3,720</u>	<u>191,003</u>	<u>11,468</u>	<u>38,290</u>	<u>23</u>

FUND EQUITY

Fund balances:						
Reserved for assets						
not available for appropriation.....	1	-	18,143	3	1,012	-
Reserved for encumbrances.....	830	2,512	7,851	19,831	8,407	311
Reserved for appropriation carryforward.....	6,480	1,550	78,448	619	15,613	192
Reserved for subsequent years' budgets.....	-	-	-	-	-	-
Unreserved (deficit).....	6,755	14,254	(2,702)	(15,206)	1,174	5,988
Total fund equity.....	<u>14,066</u>	<u>18,316</u>	<u>101,740</u>	<u>5,247</u>	<u>26,206</u>	<u>6,491</u>
Total liabilities and fund equity.....	<u>\$ 25,552</u>	<u>\$ 22,036</u>	<u>\$ 292,743</u>	<u>\$ 16,715</u>	<u>\$ 64,496</u>	<u>\$ 6,514</u>

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Combining Balance Sheet (Continued)
June 30, 2000
With comparative totals as of June 30, 1999
(In Thousands)

ASSETS

	<u>Cultural and Recreation Fund</u>	<u>Gasoline Tax Fund</u>	<u>General Services Fund</u>	<u>Human Welfare Fund</u>	<u>Off-street Parking Fund</u>	<u>Open Space and Park Fund</u>
Deposits and investments with City Treasury.....	\$ 2,855	\$ 5,964	\$ 3,565	\$ -	\$ 6,189	\$ 23,831
Deposits and investments outside City Treasury.....	-	-	-	-	2	-
Receivables (net of allowance for uncollectible amounts of \$1,023):						
Property taxes and penalties.....	-	-	-	-	-	348
Other local taxes.....	-	-	-	-	-	-
Federal and state grants and subventions.....	54	744	164	8,530	-	-
Charges for services.....	102	1,268	1,325	-	565	-
Interest and other.....	33	37	17	-	8	329
Due from other funds.....	-	-	-	-	-	-
Due from component unit.....	-	-	-	-	-	-
Loans receivable.....	-	-	-	-	-	-
Deferred charges and other assets.....	1	-	-	-	-	-
Total assets.....	<u>\$ 3,045</u>	<u>\$ 8,013</u>	<u>\$ 5,071</u>	<u>\$ 8,530</u>	<u>\$ 6,764</u>	<u>\$ 24,508</u>

LIABILITIES

Accounts payable.....	\$ 108	\$ 348	\$ 680	\$ 578	\$ 500	\$ 102
Accrued payroll.....	99	1,012	83	-	240	352
Accrued vacation and sick leave pay.....	-	-	-	-	-	-
Deferred tax, grant and subvention revenues.....	10	-	-	6	-	-
Due to other funds.....	-	-	-	7,293	-	-
Deferred credits and other liabilities.....	54	4	12	-	1,291	1,681
Total liabilities.....	<u>271</u>	<u>1,364</u>	<u>775</u>	<u>7,877</u>	<u>2,031</u>	<u>2,135</u>

FUND EQUITY

Fund balances:

Reserved for assets not available for appropriation.....	1	-	-	-	2	-
Reserved for encumbrances.....	129	585	724	6,948	446	768
Reserved for appropriation carryforward.....	187	4,417	2,388	321	2,625	19,488
Reserved for subsequent years' budgets.....	1,860	-	-	-	1,660	-
Unreserved (deficit).....	597	1,647	1,184	(6,616)	-	2,117
Total fund equity.....	<u>2,774</u>	<u>6,649</u>	<u>4,296</u>	<u>653</u>	<u>4,733</u>	<u>22,373</u>
Total liabilities and fund equity.....	<u>\$ 3,045</u>	<u>\$ 8,013</u>	<u>\$ 5,071</u>	<u>\$ 8,530</u>	<u>\$ 6,764</u>	<u>\$ 24,508</u>

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Combining Balance Sheet (Continued)
June 30, 2000
With comparative totals as of June 30, 1999
(In Thousands)

ASSETS

	Public Library Fund	Public Protection Fund	Public Works, Transportation and Commerce Fund	Real Property Fund	San Francisco County Transportation Authority Fund
Deposits and investments with City Treasury.....	\$ 9,310	\$ 34,461	\$ 11,158	\$ 8,156	\$ 197,419
Deposits and investments outside City Treasury.....	-	415	-	452	3,527
Receivables (net of allowance for uncollectible amounts of \$1,023):					
Property taxes and penalties.....	89	-	-	-	-
Other local taxes.....	-	-	-	-	19,190
Federal and state grants and subventions.....	-	4,568	2,282	-	-
Charges for services.....	-	-	153	-	-
Interest and other.....	81	312	-	6	4,310
Due from other funds.....	-	-	106	-	-
Due from component unit.....	-	-	-	-	-
Loans receivable.....	-	-	-	148	-
Deferred charges and other assets.....	1	51	707	-	-
Total assets.....	\$ 9,481	\$ 39,807	\$ 14,406	\$ 8,762	\$ 224,446

LIABILITIES

Accounts payable.....	\$ 1,300	\$ 2,287	\$ 606	\$ 122	\$ 491
Accrued payroll.....	1,984	1,238	6	107	12
Accrued vacation and sick leave pay.....	-	-	-	-	26
Deferred tax, grant and subvention revenues.....	36	6,900	-	-	-
Due to other funds.....	-	-	-	-	27,021
Deferred credits and other liabilities.....	1,170	129	325	148	-
Total liabilities.....	4,490	10,554	937	377	27,550

FUND EQUITY

Fund balances:					
Reserved for assets					
not available for appropriation.....	1	466	9	702	3,527
Reserved for encumbrances.....	1,895	11,420	4,966	113	118,377
Reserved for appropriation carryforward.....	1,098	16,493	13,959	6,005	46,390
Reserved for subsequent years' budgets.....	-	-	-	-	-
Unreserved (deficit).....	1,997	874	(5,465)	1,565	28,602
Total fund equity.....	4,991	29,253	13,469	8,385	196,896
Total liabilities and fund equity.....	\$ 9,481	\$ 39,807	\$ 14,406	\$ 8,762	\$ 224,446

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Combining Balance Sheet (Continued)
June 30, 2000
With comparative totals as of June 30, 1999
(In Thousands)

ASSETS

	Senior Citizens' Program Fund	War Memorial Fund	Total	
			2000	1999
Deposits and investments with City Treasury.....	\$ 2,578	\$ 12,816	\$ 476,240	\$ 465,745
Deposits and investments outside City Treasury.....	-	1	16,376	9,282
Receivables (net of allowance for uncollectible amounts of \$1,023):				
Property taxes and penalties.....	-	-	533	839
Other local taxes.....	-	-	19,190	16,563
Federal and state grants and subventions.....	1,254	-	45,208	44,224
Charges for services.....	-	-	3,419	3,641
Interest and other.....	-	-	6,472	7,245
Due from other funds.....	-	-	106	454
Due from component unit.....	-	-	446	446
Loans receivable.....	-	-	228,783	206,871
Deferred charges and other assets.....	2	1	768	55
Total assets.....	<u>\$ 3,834</u>	<u>\$ 12,818</u>	<u>\$ 797,541</u>	<u>\$ 755,365</u>

LIABILITIES

Accounts payable.....	\$ 749	\$ 80	\$ 18,753	\$ 23,406
Accrued payroll.....	81	335	8,786	7,864
Accrued vacation and sick leave pay.....	246	250	522	331
Deferred tax, grant and subvention revenues.....	-	-	8,005	4,529
Due to other funds.....	-	-	39,869	33,283
Deferred credits and other liabilities.....	-	-	240,157	209,880
Total liabilities.....	<u>1,076</u>	<u>665</u>	<u>316,092</u>	<u>279,293</u>

FUND EQUITY

Fund balances:				
Reserved for assets				
not available for appropriation.....	2	2	23,871	17,273
Reserved for encumbrances.....	2,274	104	188,491	236,581
Reserved for appropriation carryforward.....	2,200	6,304	224,777	172,439
Reserved for subsequent years' budgets.....	-	-	3,520	1,660
Unreserved (deficit).....	<u>(1,718)</u>	<u>5,743</u>	<u>40,790</u>	<u>48,119</u>
Total fund equity.....	<u>2,758</u>	<u>12,153</u>	<u>481,449</u>	<u>476,072</u>
Total liabilities and fund equity.....	<u>\$ 3,834</u>	<u>\$ 12,818</u>	<u>\$ 797,541</u>	<u>\$ 755,365</u>

**CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

	Building Inspection Fund	Children and Families Fund	Community/ Neighborhood Development Fund	Community Health Services Fund	Convention Facilities Fund	Court's Fund
Revenues:						
Property taxes.....	\$ -	\$ 17,063	\$ -	\$ -	\$ -	\$ -
Business taxes.....	-	-	721	-	-	-
Other local taxes.....	-	-	-	-	44,717	-
Licenses, permits and franchises.....	2,919	-	-	-	-	-
Fines, forfeitures and penalties.....	-	-	-	1,564	-	61
Interest and investment income.....	1,018	443	4,685	188	1,800	265
Rents and concessions.....	-	-	-	-	11,794	-
Intergovernmental:						
Federal.....	-	156	31,845	61,904	-	733
State.....	-	12,992	236	12,529	-	-
Other.....	-	-	-	-	-	-
Charges for services.....	21,147	-	15,158	1,793	4,056	4,849
Other.....	-	-	2,938	235	-	-
Total revenues.....	25,084	30,654	55,583	78,213	62,367	5,908
Expenditures:						
Public protection.....	-	151	-	-	-	4,489
Public works, transportation and commerce.....	27,493	-	-	-	7,119	-
Human welfare and neighborhood development....	-	16,050	59,679	-	-	-
Community health.....	-	324	387	76,537	-	-
Culture and recreation.....	-	618	-	-	43,755	3
General administration and finance.....	-	-	-	-	4,993	-
Total expenditures.....	27,493	17,143	60,066	76,537	55,867	4,492
Excess (deficiency) of revenues over (under) expenditures.....	(2,409)	13,511	(4,483)	1,676	6,500	1,416
Other financing sources (uses):						
Operating transfers in.....	-	115	3,613	10,354	16,856	-
Operating transfers out.....	(861)	(865)	(3,312)	(6,887)	(30,171)	-
Proceeds from issuance of bonds and loans.....	-	-	8,150	-	-	-
Total other financing sources (uses).....	(861)	(750)	8,451	3,467	(13,315)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	(3,270)	12,761	3,968	5,143	(6,815)	1,416
Fund balances at beginning of year.....	17,336	5,555	97,772	104	33,021	5,075
Residual equity transfer in	-	-	-	-	-	-
Fund balances at end of year.....	\$ 14,066	\$ 18,316	\$ 101,740	\$ 5,247	\$ 26,206	\$ 6,491

(Continued)

**CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

	Culture and Recreation Fund	Gasoline Tax Fund	General Services Fund	Human Welfare Fund	Off- street Parking Fund	Open Space and Park Fund
Revenues:						
Property taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,809
Business taxes.....	-	-	-	-	-	-
Other local taxes.....	-	-	-	-	-	-
Licenses, permits and franchises.....	145	373	255	195	-	-
Fines, forfeitures and penalties.....	-	-	-	-	-	-
Interest and investment income.....	173	246	84	-	194	1,516
Rents and concessions.....	200	-	672	-	9,147	-
Intergovernmental:						
Federal.....	75	-	82	9,575	-	-
State.....	124	23,077	585	-	-	167
Other.....	-	-	632	-	-	-
Charges for services.....	4,860	684	9,046	195	38	-
Other.....	5	26	3	-	12	-
Total revenues.....	5,582	24,406	11,359	9,965	9,391	18,492
Expenditures:						
Public protection.....	-	-	618	-	-	-
Public works, transportation and commerce.....	-	32,262	1,517	-	11,469	-
Human welfare and neighborhood development....	-	-	-	9,639	-	-
Community health.....	-	-	-	-	-	-
Culture and recreation.....	4,844	-	603	-	-	12,197
General administration and finance.....	175	-	9,548	5	-	-
Total expenditures.....	5,019	32,262	12,286	9,644	11,469	12,197
Excess (deficiency) of revenues over (under) expenditures.....	563	(7,856)	(927)	321	(2,078)	6,295
Other financing sources (uses):						
Operating transfers in.....	11	4,735	474	358	1,322	-
Operating transfers out.....	(905)	(992)	(59)	(26)	(425)	(16,736)
Proceeds from issuance of bonds and loans.....	-	-	-	-	-	-
Total other financing sources (uses).....	(894)	3,743	415	332	897	(16,736)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	(331)	(4,113)	(512)	653	(1,181)	(10,441)
Fund balances at beginning of year.....	3,105	10,762	4,808	-	5,914	32,814
Residual equity transfer in	-	-	-	-	-	-
Fund balances at end of year.....	\$ 2,774	\$ 6,649	\$ 4,296	\$ 653	\$ 4,733	\$ 22,373

(Continued)

**CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

	<u>Public Library Fund</u>	<u>Public Protection Fund</u>	<u>Public Works Transportation and Commerce Fund</u>	<u>Real Property Fund</u>	<u>San Francisco County Transportation Authority Fund</u>
Revenues:					
Property taxes.....	\$ 17,101	\$ -	\$ -	\$ -	\$ -
Business taxes.....	-	-	-	-	-
Other local taxes.....	-	-	-	-	72,736
Licenses, permits and franchises.....	-	1,032	-	-	-
Fines, forfeitures and penalties.....	-	1,916	2	-	-
Interest and investment income.....	209	1,260	842	348	10,480
Rents and concessions.....	27	-	625	3,577	-
Intergovernmental:					
Federal.....	260	9,621	341	-	1,826
State.....	1,754	11,149	2,038	-	-
Other.....	-	73	-	-	714
Charges for services.....	747	25,080	9,220	1,799	-
Other.....	790	-	183	-	-
Total revenues.....	<u>20,888</u>	<u>50,131</u>	<u>13,251</u>	<u>5,724</u>	<u>85,756</u>
Expenditures:					
Public protection.....	-	29,309	-	-	-
Public works, transportation and commerce.....	-	8,556	5,614	-	52,285
Human welfare and neighborhood development.....	-	392	-	57	-
Community health.....	-	480	-	-	-
Culture and recreation.....	44,502	-	58	-	-
General administration and finance.....	-	3,032	3,844	12,758	-
Total expenditures.....	<u>44,502</u>	<u>41,769</u>	<u>9,516</u>	<u>12,815</u>	<u>52,285</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(23,614)</u>	<u>8,362</u>	<u>3,735</u>	<u>(7,091)</u>	<u>33,471</u>
Other financing sources (uses):					
Operating transfers in.....	25,241	2,869	1,608	504	-
Operating transfers out.....	(2,099)	(1,647)	(1,046)	(331)	(42,815)
Proceeds from issuance of bonds and loans.....	-	-	-	7,858	-
Total other financing sources (uses).....	<u>23,142</u>	<u>1,222</u>	<u>562</u>	<u>8,031</u>	<u>(42,815)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	<u>(472)</u>	<u>9,584</u>	<u>4,297</u>	<u>940</u>	<u>(9,344)</u>
Fund balances at beginning of year.....	5,463	19,669	9,172	7,445	206,240
Residual equity transfer in	-	-	-	-	-
Fund balances at end of year.....	<u>\$ 4,991</u>	<u>\$ 29,253</u>	<u>\$ 13,469</u>	<u>\$ 8,385</u>	<u>\$ 196,896</u>

(Continued)

CITY AND COUNTY OF SAN FRANCISCO

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

	Senior Citizens' Program Fund	War Memorial Fund	Total	
			2000	1999
Revenues:				
Property taxes.....	\$ -	\$ -	\$ 50,973	\$ 46,967
Business taxes.....	-	-	721	734
Other local taxes.....	10,093	8,842	136,388	121,389
Licenses, permits and franchises.....	-	-	4,919	5,012
Fines, forfeitures and penalties.....	-	-	3,543	5,593
Interest and investment income.....	18	555	24,324	22,225
Rents and concessions.....	-	1,436	27,478	22,532
Intergovernmental:				
Federal.....	3,523	-	119,941	125,274
State.....	2,539	-	67,190	48,193
Other.....	-	-	1,419	1,036
Charges for services.....	-	247	98,919	82,515
Other.....	-	-	4,192	7,988
Total revenues.....	16,173	11,080	540,007	489,458
Expenditures:				
Public protection.....	-	-	34,567	26,683
Public works, transportation and commerce.....	-	-	146,315	167,404
Human welfare and neighborhood development.....	16,079	-	101,896	98,263
Community health.....	-	-	77,728	83,389
Culture and recreation.....	-	7,605	114,185	114,472
General administration and finance.....	-	-	34,355	34,851
Total expenditures.....	16,079	7,605	509,046	525,062
Excess (deficiency) of revenues over (under) expenditures.....	94	3,475	30,961	(35,604)
Other financing sources (uses):				
Operating transfers in.....	2,222	-	70,282	56,487
Operating transfers out.....	(645)	(2,052)	(111,874)	(46,602)
Proceeds from issuance of bonds and loans.....	-	-	16,008	20,200
Total other financing sources (uses).....	1,577	(2,052)	(25,584)	30,085
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	1,671	1,423	5,377	(5,519)
Fund balances at beginning of year.....	1,087	10,730	476,072	478,494
Residual equity transfer in	-	-	-	3,097
Fund balances at end of year.....	\$ 2,758	\$ 12,153	\$ 481,449	\$ 476,072

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances -
Budget and Actual - Budget Basis
Year ended June 30, 2000
(In Thousands)

	Building Inspection Fund				Children and Families Fund			
	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Property taxes.....	\$ -	\$ -	\$ -	\$ -	\$ 16,558	\$ 16,558	\$ 17,063	\$ 505
Business taxes.....	-	-	-	-	-	-	-	-
Other local taxes.....	-	-	-	-	-	-	-	-
Licenses, permits, and franchises.....	3,150	3,150	2,919	(231)	-	-	-	-
Fines, forfeitures, and penalties.....	-	-	-	-	-	-	-	-
Interest and investment income.....	815	815	1,060	245	50	53	499	446
Rents and concessions.....	-	-	-	-	-	-	-	-
Intergovernmental:								
Federal.....	-	-	-	-	-	156	156	-
State.....	-	-	-	-	267	267	12,992	12,725
Other.....	-	-	-	-	-	-	-	-
Charges for services.....	23,710	23,710	21,147	(2,563)	-	-	-	-
Other revenues.....	-	-	-	-	-	-	-	-
Total revenues.....	<u>27,675</u>	<u>27,675</u>	<u>25,126</u>	<u>(2,549)</u>	<u>16,875</u>	<u>17,034</u>	<u>30,710</u>	<u>13,676</u>
Expenditures:								
Public protection.....	-	-	-	-	194	381	151	230
Public works, transportation and commerce.....	28,320	27,508	27,493	15	-	-	-	-
Human welfare and neighborhood development.....	-	-	-	-	16,732	16,078	16,050	28
Community health.....	-	-	-	-	582	583	324	259
Culture and recreation.....	-	-	-	-	679	679	618	61
General administration and finance.....	-	-	-	-	-	-	-	-
Total expenditures.....	<u>28,320</u>	<u>27,508</u>	<u>27,493</u>	<u>15</u>	<u>18,187</u>	<u>17,721</u>	<u>17,143</u>	<u>578</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(645)</u>	<u>167</u>	<u>(2,367)</u>	<u>(2,534)</u>	<u>(1,312)</u>	<u>(687)</u>	<u>13,567</u>	<u>14,254</u>
Other financing sources (uses):								
Operating transfers in.....	-	-	-	-	-	115	115	-
Operating transfers out.....	(308)	(772)	(771)	1	(253)	(865)	(865)	-
Proceeds from issuance of bonds and loans.....	-	-	-	-	-	-	-	-
Budget reserves and designations.....	-	-	-	-	-	-	-	-
Total other financing sources (uses)....	<u>(308)</u>	<u>(772)</u>	<u>(771)</u>	<u>1</u>	<u>(253)</u>	<u>(750)</u>	<u>(750)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	<u>(953)</u>	<u>(605)</u>	<u>(3,138)</u>	<u>(2,533)</u>	<u>(1,565)</u>	<u>(1,437)</u>	<u>12,817</u>	<u>14,254</u>
Fund balances at beginning of year.....	953	17,336	17,336	-	1,565	5,555	5,555	-
Fund balances at end of year.....	<u>\$ -</u>	<u>\$ 16,731</u>	<u>\$ 14,198</u>	<u>\$ (2,533)</u>	<u>\$ -</u>	<u>\$ 4,118</u>	<u>\$ 18,372</u>	<u>\$ 14,254</u>

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances -
Budget and Actual - Budget Basis (Continued)
Year ended June 30, 2000
(In Thousands)

	Community/Neighborhood Development Fund				Community Health Services Fund			
	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Property taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business taxes.....	600	600	721	121	-	-	-	-
Other local taxes.....	-	-	-	-	-	-	-	-
Licenses, permits, and franchises.....	-	-	-	-	-	-	-	-
Fines, forfeitures, and penalties.....	-	-	-	-	711	711	1,564	853
Interest and investment income.....	-	1,314	5,082	3,768	50	210	188	(22)
Rents and concessions.....	-	-	-	-	-	-	-	-
Intergovernmental:								
Federal.....	28,960	31,845	31,845	-	54,722	61,905	61,904	(1)
State.....	-	235	236	1	17,393	12,529	12,529	-
Other.....	-	-	-	-	-	1	-	(1)
Charges for services.....	3,182	3,157	15,158	12,001	115	1,801	1,793	(8)
Other revenues.....	-	1,995	2,938	943	-	715	235	(480)
Total revenues.....	32,742	39,146	55,980	16,834	72,991	77,872	78,213	341
Expenditures:								
Public protection.....	-	-	-	-	-	-	-	-
Public works, transportation and commerce.....	2,445	-	-	-	-	-	-	-
Human welfare and neighborhood development.....	30,701	58,284	58,284	-	-	-	-	-
Community health.....	-	387	387	-	72,991	76,062	76,062	-
Culture and recreation.....	-	-	-	-	-	-	-	-
General administration and finance.....	-	-	-	-	-	-	-	-
Total expenditures.....	33,146	58,671	58,671	-	72,991	76,062	76,062	-
Excess (deficiency) of revenues over (under) expenditures.....	(404)	(19,525)	(2,691)	16,834	-	1,810	2,151	341
Other financing sources (uses):								
Operating transfers in.....	-	3,613	3,613	-	-	9,880	9,880	-
Operating transfers out.....	(21)	(6,124)	(4,707)	1,417	-	(6,887)	(6,887)	-
Proceeds from issuance of bonds and loans.....	-	23,450	8,150	(15,300)	-	-	-	-
Budget reserves and designations.....	-	-	-	-	-	-	-	-
Total other financing sources (uses).....	(21)	20,939	7,056	(13,883)	-	2,993	2,993	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	(425)	1,414	4,365	2,951	-	4,803	5,144	341
Fund balances at beginning of year.....	425	97,772	97,772	-	-	104	104	-
Fund balances at end of year.....	\$ -	\$ 99,186	\$ 102,137	\$ 2,951	\$ -	\$ 4,907	\$ 5,248	\$ 341

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances -
Budget and Actual - Budget Basis (Continued)
Year ended June 30, 2000
(In Thousands)

	Convention Facilities Fund				Court's Fund			
	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Property taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business taxes.....	-	-	-	-	-	-	-	-
Other local taxes.....	42,831	41,031	44,717	3,686	-	-	-	-
Licenses, permits, and franchises.....	-	-	-	-	-	-	-	-
Fines, forfeitures, and penalties.....	-	-	-	-	21	21	61	40
Interest and investment income.....	-	-	-	-	228	240	303	63
Rents and concessions.....	8,916	8,916	11,794	2,878	-	-	-	-
Intergovernmental:								
Federal.....	-	-	-	-	181	732	733	1
State.....	-	-	-	-	-	-	-	-
Other.....	-	-	-	-	-	-	-	-
Charges for services.....	3,898	3,898	4,056	158	4,286	4,286	4,849	563
Other revenues.....	-	-	-	-	-	-	-	-
Total revenues.....	55,645	53,845	60,567	6,722	4,716	5,279	5,946	667
Expenditures:								
Public protection.....	-	-	-	-	4,646	5,893	4,489	1,404
Public works, transportation and commerce.....	-	7,344	7,119	225	-	-	-	-
Human welfare and neighborhood development.....	-	-	-	-	-	-	-	-
Community health.....	-	-	-	-	-	-	-	-
Culture and recreation.....	48,388	44,873	44,327	546	-	5	3	2
General administration and finance.....	6,010	6,578	4,992	1,586	-	-	-	-
Total expenditures.....	54,398	58,795	56,438	2,357	4,646	5,898	4,492	1,406
Excess (deficiency) of revenues over (under) expenditures.....	1,247	(4,950)	4,129	9,079	70	(619)	1,454	2,073
Other financing sources (uses):								
Operating transfers in.....	-	16,856	16,856	-	-	-	-	-
Operating transfers out.....	(12,800)	(27,800)	(27,800)	-	-	-	-	-
Proceeds from issuance of bonds and loans.....	-	-	-	-	-	-	-	-
Budget reserves and designations.....	-	-	-	-	(70)	-	-	-
Total other financing sources (uses).....	(12,800)	(10,944)	(10,944)	-	(70)	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	(11,553)	(15,894)	(6,815)	9,079	-	(619)	1,454	2,073
Fund balances at beginning of year.....	11,553	33,021	33,021	-	-	5,075	5,075	-
Fund balances at end of year.....	\$ -	\$ 17,127	\$ 26,206	\$ 9,079	\$ -	\$ 4,456	\$ 6,529	\$ 2,073

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances -
Budget and Actual - Budget Basis (Continued)
Year ended June 30, 2000
(In Thousands)

	Culture and Recreation Fund				Gasoline Tax Fund			
	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Property taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business taxes.....	-	-	-	-	-	-	-	-
Other local taxes.....	-	-	-	-	-	-	-	-
Licenses, permits, and franchises.....	156	156	145	(11)	379	426	373	(53)
Fines, forfeitures, and penalties.....	-	-	-	-	-	-	-	-
Interest and investment income.....	125	125	168	43	255	255	271	16
Rents and concessions.....	130	130	200	70	-	-	-	-
Intergovernmental:								
Federal.....	-	75	75	-	-	-	-	-
State.....	45	124	124	-	22,299	22,299	23,077	778
Other.....	-	-	-	-	-	-	-	-
Charges for services.....	3,639	4,146	4,860	714	272	771	684	(87)
Other revenues.....	113	119	5	(114)	7	7	26	19
Total revenues.....	<u>4,208</u>	<u>4,875</u>	<u>5,577</u>	<u>702</u>	<u>23,212</u>	<u>23,758</u>	<u>24,431</u>	<u>673</u>
Expenditures and encumbrances:								
Public protection.....	-	-	-	-	-	-	-	-
Public works, transportation and commerce.....	-	-	-	-	32,810	33,217	32,262	955
Human welfare and neighborhood development.....	-	-	-	-	-	-	-	-
Community health.....	-	-	-	-	-	-	-	-
Culture and recreation.....	2,548	5,143	4,844	299	-	-	-	-
General administration and finance.....	98	176	176	-	-	-	-	-
Total expenditures.....	<u>2,646</u>	<u>5,319</u>	<u>5,020</u>	<u>299</u>	<u>32,810</u>	<u>33,217</u>	<u>32,262</u>	<u>955</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>1,562</u>	<u>(444)</u>	<u>557</u>	<u>1,001</u>	<u>(9,598)</u>	<u>(9,459)</u>	<u>(7,831)</u>	<u>1,628</u>
Other financing sources (uses):								
Operating transfers in.....	-	11	11	-	9,598	9,598	4,735	(4,863)
Operating transfers out.....	-	(883)	(883)	-	-	(990)	(990)	-
Proceeds from issuance of bonds and loans.....	-	-	-	-	-	-	-	-
Budget reserves and designations.....	(1,860)	-	-	-	-	-	-	-
Total other financing sources (uses).....	<u>(1,860)</u>	<u>(872)</u>	<u>(872)</u>	<u>-</u>	<u>9,598</u>	<u>8,608</u>	<u>3,745</u>	<u>(4,863)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	<u>(298)</u>	<u>(1,316)</u>	<u>(315)</u>	<u>1,001</u>	<u>-</u>	<u>(851)</u>	<u>(4,086)</u>	<u>(3,235)</u>
Fund balances at beginning of year.....	298	3,105	3,105	-	-	10,762	10,762	-
Fund balances at end of year.....	<u>\$ -</u>	<u>\$ 1,789</u>	<u>\$ 2,790</u>	<u>\$ 1,001</u>	<u>\$ -</u>	<u>\$ 9,911</u>	<u>\$ 6,676</u>	<u>\$ (3,235)</u>

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances -
Budget and Actual - Budget Basis (Continued)
Year ended June 30, 2000
(In Thousands)

	General Services Fund				Human Welfare Fund			
	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Property taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business taxes.....	-	-	-	-	-	-	-	-
Other local taxes.....	-	-	-	-	-	-	-	-
Licenses, permits, and franchises.....	177	177	255	78	200	200	195	(5)
Fines, forfeitures, and penalties.....	-	-	-	-	-	-	-	-
Interest and investment income.....	-	-	93	93	-	-	-	-
Rents and concessions.....	-	672	672	-	-	-	-	-
Intergovernmental:								
Federal.....	240	81	82	1	2,150	9,576	9,576	-
State.....	356	585	585	-	-	-	-	-
Other.....	-	632	632	-	-	-	-	-
Charges for services.....	2,968	9,935	9,046	(889)	-	-	195	195
Other revenues.....	-	-	3	3	-	-	-	-
Total revenues.....	<u>3,741</u>	<u>12,082</u>	<u>11,368</u>	<u>(714)</u>	<u>2,350</u>	<u>9,776</u>	<u>9,966</u>	<u>190</u>
Expenditures:								
Public protection.....	945	619	619	-	-	-	-	-
Public works, transportation and commerce.....	1,869	1,517	1,517	-	-	-	-	-
Human welfare and neighborhood development.....	-	-	-	-	2,334	9,282	9,282	-
Community health.....	-	-	-	-	-	-	-	-
Culture and recreation.....	-	603	603	-	-	-	-	-
General administration and finance.....	2,264	9,127	9,074	53	-	5	5	-
Total expenditures.....	<u>5,078</u>	<u>11,866</u>	<u>11,813</u>	<u>53</u>	<u>2,334</u>	<u>9,287</u>	<u>9,287</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(1,337)</u>	<u>216</u>	<u>(445)</u>	<u>(661)</u>	<u>16</u>	<u>489</u>	<u>679</u>	<u>190</u>
Other financing sources (uses):								
Operating transfers in.....	-	-	-	-	-	-	-	-
Operating transfers out.....	(59)	(59)	(59)	-	(16)	(26)	(26)	-
Proceeds from issuance of bonds and loans.....	-	-	-	-	-	-	-	-
Budget reserves and designations.....	-	-	-	-	-	-	-	-
Total other financing sources (uses).....	<u>(59)</u>	<u>(59)</u>	<u>(59)</u>	<u>-</u>	<u>(16)</u>	<u>(26)</u>	<u>(26)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	<u>(1,396)</u>	<u>157</u>	<u>(504)</u>	<u>(661)</u>	<u>-</u>	<u>463</u>	<u>653</u>	<u>190</u>
Fund balances at beginning of year.....	1,396	4,808	4,808	-	-	-	-	-
Fund balances at end of year.....	<u>\$ -</u>	<u>\$ 4,965</u>	<u>\$ 4,304</u>	<u>\$ (661)</u>	<u>\$ -</u>	<u>\$ 463</u>	<u>\$ 653</u>	<u>\$ 190</u>

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances -
Budget and Actual - Budget Basis (Continued)
Year ended June 30, 2000
(In Thousands)

	Off-Street Parking Fund				Open Space and Park Fund			
	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Property taxes.....	\$ -	\$ -	\$ -	\$ -	\$ 16,558	\$ 16,558	\$ 16,809	\$ 251
Business taxes.....	-	-	-	-	-	-	-	-
Other local taxes.....	-	-	-	-	-	-	-	-
Licenses, permits, and franchises.....	-	-	-	-	-	-	-	-
Fines, forfeitures, and penalties.....	-	-	-	-	-	-	-	-
Interest and investment income.....	-	-	-	-	1,248	1,268	1,664	396
Rents and concessions.....	9,437	9,462	9,147	(315)	-	-	-	-
Intergovernmental:								
Federal.....	-	-	-	-	-	-	-	-
State.....	-	-	-	-	170	170	167	(3)
Other.....	-	-	-	-	-	-	-	-
Charges for services.....	-	38	38	-	-	-	-	-
Other revenues.....	-	-	13	13	-	-	-	-
Total revenues.....	9,437	9,500	9,198	(302)	17,976	17,996	18,640	644
Expenditures:								
Public protection.....	-	-	-	-	-	-	-	-
Public works, transportation and commerce.....	10,759	11,480	11,480	-	-	-	-	-
Human welfare and neighborhood development.....	-	-	-	-	-	-	-	-
Community health.....	-	-	-	-	-	-	-	-
Culture and recreation.....	-	-	-	-	17,976	13,141	12,197	944
General administration and finance.....	-	3	-	3	-	-	-	-
Total expenditures.....	10,759	11,483	11,480	3	17,976	13,141	12,197	944
Excess (deficiency) of revenues over (under) expenditures.....	(1,322)	(1,983)	(2,282)	(299)	-	4,855	6,443	1,588
Other financing sources (uses):								
Operating transfers in.....	1,322	1,322	1,322	-	-	-	-	-
Operating transfers out.....	-	(217)	(217)	-	-	(16,737)	(16,736)	1
Proceeds from issuance of bonds and loans.....	-	-	-	-	-	-	-	-
Budget reserves and designations.....	-	-	-	-	-	-	-	-
Total other financing sources (uses).....	1,322	1,105	1,105	-	-	(16,737)	(16,736)	1
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	-	(878)	(1,177)	(299)	-	(11,882)	(10,293)	1,589
Fund balances at beginning of year.....	-	5,914	5,914	-	-	32,814	32,814	-
Fund balances at end of year.....	\$ -	\$ 5,036	\$ 4,737	\$ (299)	\$ -	\$ 20,932	\$ 22,521	\$ 1,589

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances -
Budget and Actual - Budget Basis (Continued)

Year ended June 30, 2000
(In Thousands)

	Public Library Fund				Public Protection Fund			
	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Property taxes.....	\$ 16,558	\$ 17,008	\$ 17,101	\$ 93	\$ -	\$ -	\$ -	\$ -
Business taxes.....	-	-	-	-	-	-	-	-
Other local taxes.....	-	-	-	-	-	-	-	-
Licenses, permits, and franchises.....	-	-	-	-	643	995	1,032	37
Fines, forfeitures, and penalties.....	-	-	-	-	3,511	3,511	1,916	(1,595)
Interest and investment income.....	-	-	104	104	-	922	1,213	291
Rents and concessions.....	28	28	27	(1)	-	-	-	-
Intergovernmental:								
Federal.....	-	260	260	-	5,639	9,621	9,621	-
State.....	1,088	1,751	1,754	3	6,487	11,149	11,149	-
Other.....	-	-	-	-	-	73	73	-
Charges for services.....	594	594	747	153	14,128	21,706	25,080	3,374
Other revenues.....	-	763	790	27	-	-	-	-
Total revenues.....	<u>18,268</u>	<u>20,404</u>	<u>20,783</u>	<u>379</u>	<u>30,408</u>	<u>47,977</u>	<u>50,084</u>	<u>2,107</u>
Expenditures:								
Public protection.....	-	-	-	-	16,585	29,311	29,309	2
Public works, transportation and commerce.....	-	-	-	-	14,450	8,556	8,556	-
Human welfare and neighborhood development.....	-	-	-	-	-	392	392	-
Community health.....	-	-	-	-	-	480	480	-
Culture and recreation.....	45,484	46,345	44,502	1,843	-	-	-	-
General administration and finance.....	-	-	-	-	2,336	3,031	3,031	-
Total expenditures.....	<u>45,484</u>	<u>46,345</u>	<u>44,502</u>	<u>1,843</u>	<u>33,371</u>	<u>41,770</u>	<u>41,768</u>	<u>2</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(27,216)</u>	<u>(25,941)</u>	<u>(23,719)</u>	<u>2,222</u>	<u>(2,963)</u>	<u>6,207</u>	<u>8,316</u>	<u>2,109</u>
Other financing sources (uses):								
Operating transfers in.....	26,270	26,270	25,241	(1,029)	-	2,869	2,869	-
Operating transfers out.....	-	(1,952)	(1,952)	-	(460)	(1,429)	(1,429)	-
Proceeds from issuance of bonds and loans.....	-	-	-	-	-	-	-	-
Budget reserves and designations.....	-	-	-	-	-	-	-	-
Total other financing sources (uses).....	<u>26,270</u>	<u>24,318</u>	<u>23,289</u>	<u>(1,029)</u>	<u>(460)</u>	<u>1,440</u>	<u>1,440</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	<u>(946)</u>	<u>(1,623)</u>	<u>(430)</u>	<u>1,193</u>	<u>(3,423)</u>	<u>7,647</u>	<u>9,756</u>	<u>2,109</u>
Fund balances at beginning of year.....	946	5,463	5,463	-	3,423	19,669	19,669	-
Fund balances at end of year.....	<u>\$ -</u>	<u>\$ 3,840</u>	<u>\$ 5,033</u>	<u>\$ 1,193</u>	<u>\$ -</u>	<u>\$ 27,316</u>	<u>\$ 29,425</u>	<u>\$ 2,109</u>

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances -
Budget and Actual - Budget Basis (Continued)

Year ended June 30, 2000

(In Thousands)

	Public Works, Transportation and Commerce Fund				Real Property Fund			
	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Property taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business taxes.....	-	-	-	-	-	-	-	-
Other local taxes.....	-	-	-	-	-	-	-	-
Licenses, permits, and franchises.....	-	-	-	-	-	-	-	-
Fines, forfeitures, and penalties.....	-	1	2	1	-	-	-	-
Interest and investment income.....	-	-	-	-	-	29	60	31
Rents and concessions.....	-	-	625	625	2,386	3,573	3,577	4
Intergovernmental:								
Federal.....	-	340	341	1	-	-	-	-
State.....	-	2,056	2,038	(18)	-	-	-	-
Other.....	491	-	-	-	-	-	-	-
Charges for services.....	3,992	8,640	9,220	580	1,400	1,400	1,799	399
Other revenues.....	-	183	183	-	-	-	-	-
Total revenues.....	<u>4,483</u>	<u>11,220</u>	<u>12,409</u>	<u>1,189</u>	<u>3,786</u>	<u>5,002</u>	<u>5,436</u>	<u>434</u>
Expenditures:								
Public protection.....	-	-	-	-	-	-	-	-
Public works, transportation and commerce.....	-	5,263	5,263	-	3,110	-	-	-
Human welfare and neighborhood development.....	-	-	-	-	-	57	57	-
Community health.....	-	-	-	-	-	-	-	-
Culture and recreation.....	-	59	58	1	-	-	-	-
General administration and finance.....	4,483	3,845	3,844	1	4,290	12,758	12,758	-
Total expenditures.....	<u>4,483</u>	<u>9,167</u>	<u>9,165</u>	<u>2</u>	<u>7,400</u>	<u>12,815</u>	<u>12,815</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures.....	-	2,053	3,244	1,191	(3,614)	(7,813)	(7,379)	434
Other financing sources (uses):								
Operating transfers in.....	-	1,256	1,256	-	504	504	504	-
Operating transfers out.....	-	(203)	(203)	-	-	(40)	(40)	-
Proceeds from issuance of bonds and loans.....	-	-	-	-	-	7,858	7,858	-
Budget reserves and designations.....	-	-	-	-	-	-	-	-
Total other financing sources (uses).....	-	1,053	1,053	-	504	8,322	8,322	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	-	3,106	4,297	1,191	(3,110)	509	943	434
Fund balances at beginning of year.....	-	9,172	9,172	-	3,110	7,445	7,445	-
Fund balances at end of year.....	<u>\$ -</u>	<u>\$ 12,278</u>	<u>\$ 13,469</u>	<u>\$ 1,191</u>	<u>\$ -</u>	<u>\$ 7,954</u>	<u>\$ 8,388</u>	<u>\$ 434</u>

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances -
Budget and Actual - Budget Basis (Continued)
Year ended June 30, 2000
(In Thousands)

	San Francisco County Transportation Authority Fund				Senior Citizens' Program Fund			
	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Property taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business taxes.....	-	-	-	-	-	-	-	-
Other local taxes.....	-	62,000	72,736	10,736	9,206	9,206	10,093	887
Licenses, permits, and franchises.....	-	-	-	-	-	-	-	-
Fines, forfeitures, and penalties.....	-	-	-	-	-	-	-	-
Interest and investment income.....	-	10,000	11,657	1,657	-	-	-	-
Rents and concessions.....	-	74	-	(74)	-	-	-	-
Intergovernmental:								
Federal.....	-	-	1,826	1,826	3,378	3,378	3,523	145
State.....	-	-	-	-	1,710	2,539	2,539	-
Other.....	-	-	714	714	-	-	-	-
Charges for services.....	-	-	-	-	-	-	-	-
Other revenues.....	-	2,000	-	(2,000)	-	-	-	-
Total revenues.....	-	74,074	86,933	12,859	14,294	15,123	16,155	1,032
Expenditures:								
Public protection.....	-	-	-	-	-	-	-	-
Public works, transportation and commerce.....	-	52,303	52,303	-	-	-	-	-
Human welfare and neighborhood development.....	-	-	-	-	15,278	15,880	15,880	-
Community health.....	-	-	-	-	-	-	-	-
Culture and recreation.....	-	-	-	-	-	-	-	-
General administration and finance.....	-	-	-	-	-	-	-	-
Total expenditures.....	-	52,303	52,303	-	15,278	15,880	15,880	-
Excess (deficiency) of revenues over (under) expenditures	-	21,771	34,630	12,859	(984)	(757)	275	1,032
Other financing sources (uses):								
Operating transfers in.....	-	-	-	-	1,612	2,222	2,222	-
Operating transfers out.....	-	(42,815)	(42,815)	-	(628)	(628)	(628)	-
Proceeds from issuance of bonds and loans.....	-	-	-	-	-	-	-	-
Budget reserves and designations.....	-	-	-	-	-	-	-	-
Total other financing sources (uses)..	-	(42,815)	(42,815)	-	984	1,594	1,594	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	-	(21,044)	(8,185)	12,859	-	837	1,869	1,032
Fund balances at beginning of year.....	-	206,284	206,284	-	-	1,135	1,135	-
Fund balances at end of year.....	\$ -	\$ 185,240	\$ 198,099	\$ 12,859	\$ -	\$ 1,972	\$ 3,004	\$ 1,032

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances -
Budget and Actual - Budget Basis (Continued)
Year ended June 30, 2000
(In Thousands)

	War Memorial Fund				Total			
	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:								
Property taxes.....	\$ -	\$ -	\$ -	\$ -	\$ 49,674	\$ 50,124	\$ 50,973	\$ 849
Business taxes.....	-	-	-	-	600	600	721	121
Other local taxes.....	8,413	8,413	8,842	429	60,450	120,650	136,388	15,738
Licenses, permits, and franchises.....	-	-	-	-	4,705	5,104	4,919	(185)
Fines, forfeitures, and penalties.....	-	-	-	-	4,243	4,244	3,543	(701)
Interest and investment income.....	-	-	-	-	2,771	15,231	22,362	7,131
Rents and concessions.....	1,095	1,314	1,436	122	21,992	24,169	27,478	3,309
Intergovernmental:								
Federal.....	-	-	-	-	95,270	117,969	119,942	1,973
State.....	-	-	-	-	49,815	53,704	67,190	13,486
Other.....	-	-	-	-	491	706	1,419	713
Charges for services.....	200	237	247	10	62,384	84,319	98,919	14,600
Other revenues.....	-	-	-	-	120	5,782	4,193	(1,589)
Total revenues.....	<u>9,708</u>	<u>9,964</u>	<u>10,525</u>	<u>561</u>	<u>352,515</u>	<u>482,602</u>	<u>538,047</u>	<u>55,445</u>
Expenditures:								
Public protection.....	-	-	-	-	22,370	36,204	34,568	1,636
Public works, transportation and commerce.....	-	-	-	-	93,763	147,188	145,993	1,195
Human welfare and neighborhood development.....	-	-	-	-	65,045	99,973	99,945	28
Community health.....	-	-	-	-	73,573	77,512	77,253	259
Culture and recreation.....	8,746	8,507	7,595	912	123,821	119,355	114,747	4,608
General administration and finance.....	-	-	-	-	19,481	35,523	33,880	1,643
Total expenditures.....	<u>8,746</u>	<u>8,507</u>	<u>7,595</u>	<u>912</u>	<u>398,053</u>	<u>515,755</u>	<u>506,386</u>	<u>9,369</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>962</u>	<u>1,457</u>	<u>2,930</u>	<u>1,473</u>	<u>(45,538)</u>	<u>(33,153)</u>	<u>31,661</u>	<u>64,814</u>
Other financing sources (uses):								
Operating transfers in.....	-	-	-	-	39,306	74,516	68,624	(5,892)
Operating transfers out.....	-	(1,994)	(1,496)	498	(14,545)	(110,421)	(108,504)	1,917
Proceeds from issuance of bonds and loans.....	-	-	-	-	-	31,308	16,008	(15,300)
Budget reserves and designations.....	(962)	-	-	-	(2,892)	-	-	-
Total other financing sources (uses).....	<u>(962)</u>	<u>(1,994)</u>	<u>(1,496)</u>	<u>498</u>	<u>21,869</u>	<u>(4,597)</u>	<u>(23,872)</u>	<u>(19,275)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	-	(537)	1,434	1,971	(23,669)	(37,750)	7,789	45,539
Fund balances at beginning of year.....	-	10,969	10,969	-	23,669	476,403	476,403	-
Fund balances at end of year.....	<u>\$ -</u>	<u>\$ 10,432</u>	<u>\$ 12,403</u>	<u>\$ 1,971</u>	<u>\$ -</u>	<u>\$ 438,653</u>	<u>\$ 484,192</u>	<u>\$ 45,539</u>

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Schedule of Expenditures by Department
Budget and Actual - Budget Basis
Year ended June 30, 2000
(In Thousands)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
BUILDING INSPECTION FUND				
Public Works, Transportation and Commerce				
Building Inspection.....	\$ 28,320	\$ 27,508	\$ 27,493	\$ 15
Total Building Inspection Fund.....	<u>28,320</u>	<u>27,508</u>	<u>27,493</u>	<u>15</u>
CHILDREN AND FAMILIES FUND				
Public Protection				
Juvenile Probation.....	194	381	151	230
Human Welfare and Neighborhood Development				
Children, Youth and Their Families.....	16,732	16,078	16,050	28
Community Health				
Community Health Network.....	258	258	-	258
Public Health.....	324	325	324	1
	<u>582</u>	<u>583</u>	<u>324</u>	<u>259</u>
Culture and Recreation				
Public Library.....	432	432	371	61
Recreation and Park Commission.....	247	247	247	-
	<u>679</u>	<u>679</u>	<u>618</u>	<u>61</u>
Total Children's Fund.....	<u>18,187</u>	<u>17,721</u>	<u>17,143</u>	<u>578</u>
COMMUNITY/NEIGHBORHOOD DEVELOPMENT FUND				
Public Works, Transportation and Commerce				
Business and Economic Development.....	2,445	-	-	-
Human Welfare and Neighborhood Development				
Children, Youth and Their Families.....	-	18	18	-
Human Rights Commission.....	92	-	-	-
Mayor's Office.....	27,522	55,088	55,088	-
Rent Arbitration Board.....	3,087	3,178	3,178	-
	<u>30,701</u>	<u>58,284</u>	<u>58,284</u>	<u>-</u>
Community Health				
Public Health.....	-	387	387	-
Total Community/Neighborhood Development Fund.....	<u>33,146</u>	<u>58,671</u>	<u>58,671</u>	<u>-</u>
COMMUNITY HEALTH SERVICES FUND				
Community Health				
Community Health Network.....	726	683	683	-
Public Health.....	72,265	75,379	75,379	-
	<u>72,991</u>	<u>76,062</u>	<u>76,062</u>	<u>-</u>
Total Community Health Services Fund.....	<u>72,991</u>	<u>76,062</u>	<u>76,062</u>	<u>-</u>
CONVENTION FACILITIES FUND				
Public Works, Transportation and Commerce				
Parking and Traffic Commission.....	-	10	9	1
Public Works.....	-	7,334	7,110	224
	<u>-</u>	<u>7,344</u>	<u>7,119</u>	<u>225</u>
Culture and Recreation				
Administrative Services - Convention Facilities.....	48,388	44,587	44,041	546
Arts Commission.....	-	286	286	-
	<u>48,388</u>	<u>44,873</u>	<u>44,327</u>	<u>546</u>
General Administration and Finance				
Mayor's Office.....	6,010	6,578	4,992	1,586
Total Convention Facilities Fund.....	<u>54,398</u>	<u>58,795</u>	<u>56,438</u>	<u>2,357</u>

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Schedule of Expenditures by Department
Budget and Actual - Budget Basis (Continued)
Year ended June 30, 2000
(In Thousands)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
COURT'S FUND				
Public Protection				
Trial Courts.....	4,646	5,893	4,489	1,404
Culture and Recreation				
Arts Commission.....	-	5	3	2
Total Court's Fund.....	<u>4,646</u>	<u>5,898</u>	<u>4,492</u>	<u>1,406</u>
CULTURE AND RECREATION FUND				
Culture and Recreation				
Arts Commission.....	408	867	867	-
Asian Art Museum.....	-	284	284	-
Fine Arts Museums.....	182	2,397	2,397	-
Recreation and Park Commission.....	1,958	1,595	1,296	299
	<u>2,548</u>	<u>5,143</u>	<u>4,844</u>	<u>299</u>
General Administration and Finance				
Mayor's Office.....	98	176	176	-
Total Culture and Recreation Fund.....	<u>2,646</u>	<u>5,319</u>	<u>5,020</u>	<u>299</u>
GASOLINE TAX FUND				
Public Works, Transportation and Commerce				
Public Works.....	23,247	23,622	23,386	236
Parking and Traffic Commission.....	9,563	9,595	8,876	719
Total Gasoline Tax Fund.....	<u>32,810</u>	<u>33,217</u>	<u>32,262</u>	<u>955</u>
GENERAL SERVICES FUND				
Public Protection				
Administrative Services - Cosumer Assurance.....	356	193	193	-
District Attorney.....	240	70	70	-
Trial Courts.....	349	356	356	-
	<u>945</u>	<u>619</u>	<u>619</u>	<u>-</u>
Public Works, Transportation and Commerce				
Telecommunications and Information Services.....	1,869	1,517	1,517	-
Culture and Recreation				
Fine Arts Museum.....	-	603	603	-
General Administration and Finance				
Administrative Services.....	-	176	176	-
Assessor/Recorder.....	846	859	859	-
Board of Supervisors.....	118	193	193	-
City Attorney.....	1,300	835	835	-
City Planning.....	-	209	209	-
Human Resources.....	-	6,524	6,471	53
Mayor's Office.....	-	331	331	-
	<u>2,264</u>	<u>9,127</u>	<u>9,074</u>	<u>53</u>
Total General Services Fund.....	<u>5,078</u>	<u>11,866</u>	<u>11,813</u>	<u>53</u>
HUMAN WELFARE FUND				
Human Welfare and Neighborhood Development				
Commission on Status of Women.....	184	220	220	-
Human Services.....	2,150	9,062	9,062	-
	<u>2,334</u>	<u>9,282</u>	<u>9,282</u>	<u>-</u>
General Administration and Finance				
Mayor's Office.....	-	5	5	-
Total Human Welfare Fund.....	<u>2,334</u>	<u>9,287</u>	<u>9,287</u>	<u>-</u>

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Schedule of Expenditures by Department
Budget and Actual - Budget Basis (Continued)
Year ended June 30, 2000
(In Thousands)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
OFF-STREET PARKING FUND				
Public Works, Transportation and Commerce				
Parking and Traffic Commission.....	10,759	11,480	11,480	-
General Administration and Finance				
Mayor's Office.....	-	3	-	3
Total Off-Street Parking Fund.....	<u>10,759</u>	<u>11,483</u>	<u>11,480</u>	<u>3</u>
OPEN SPACE AND PARK FUND				
Culture and Recreation				
Arts Commission.....	-	42	42	-
Recreation and Park Commission.....	17,976	13,099	12,155	944
	<u>17,976</u>	<u>13,141</u>	<u>12,197</u>	<u>944</u>
Total Open Space and Park Fund.....	<u>17,976</u>	<u>13,141</u>	<u>12,197</u>	<u>944</u>
PUBLIC LIBRARY FUND				
Culture and Recreation				
Public Library.....	45,484	46,345	44,502	1,843
Total Public Library Fund.....	<u>45,484</u>	<u>46,345</u>	<u>44,502</u>	<u>1,843</u>
PUBLIC PROTECTION FUND				
Public Protection				
Adult Probation.....	1,356	1,479	1,479	-
District Attorney.....	4,357	4,450	4,450	-
Juvenile Probation.....	218	994	994	-
Police Commission.....	8,539	18,032	18,032	-
Public Defender.....	52	379	377	2
Sheriff.....	2,063	3,977	3,977	-
	<u>16,585</u>	<u>29,311</u>	<u>29,309</u>	<u>2</u>
Public Works, Transportation and Commerce				
Emergency Communications Department.....	14,450	8,556	8,556	-
Human Welfare and Neighborhood Development				
Children, Youth and Their Families.....	-	166	166	-
Human Services.....	-	226	226	-
	<u>-</u>	<u>392</u>	<u>392</u>	<u>-</u>
Community Health				
Public Health.....	-	480	480	-
General Administration and Finance				
Mayor's Office.....	2,336	3,031	3,031	-
Total Public Protection Fund.....	<u>33,371</u>	<u>41,770</u>	<u>41,768</u>	<u>2</u>
PUBLIC WORKS TRANSPORTATION AND COMMERCE FUND				
Public Works, Transportation and Commerce				
Parking and Traffic Commission.....	-	271	271	-
Public Works.....	-	4,992	4,992	-
	<u>-</u>	<u>5,263</u>	<u>5,263</u>	<u>-</u>
Culture and Recreation				
Public Library.....	-	59	58	1
General Administration and Finance				
Administrative Services	3,992	3,393	3,393	-
City Planning.....	491	452	451	1
	<u>4,483</u>	<u>3,845</u>	<u>3,844</u>	<u>1</u>
Total Public Works Transportation and Commerce Fund.....	<u>4,483</u>	<u>9,167</u>	<u>9,165</u>	<u>2</u>

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
SPECIAL REVENUE FUNDS
Schedule of Expenditures by Department
Budget and Actual - Budget Basis (Continued)
Year ended June 30, 2000
(In Thousands)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
REAL PROPERTY FUND				
Public Works, Transportation and Commerce				
Public Works.....	3,110	-	-	-
Human Welfare and Neighborhood Development				
Rent Arbitration Board.....	-	57	57	-
General Administration and Finance				
Administrative Services.....	4,290	12,758	12,758	-
Total Real Property Fund.....	<u>7,400</u>	<u>12,815</u>	<u>12,815</u>	<u>-</u>
SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY FUND				
Public Works, Transportation and Commerce				
San Francisco Transportation Authority.....	-	52,303	52,303	-
Total San Francisco County Transportation Authority.....	<u>-</u>	<u>52,303</u>	<u>52,303</u>	<u>-</u>
SENIOR CITIZENS' PROGRAM FUND				
Human Welfare and Neighborhood Development				
Adult and Aging Services.....	15,278	15,880	15,880	-
Total Senior Citizens' Program Fund.....	<u>15,278</u>	<u>15,880</u>	<u>15,880</u>	<u>-</u>
WAR MEMORIAL FUND				
Culture and Recreation				
War Memorial.....	8,746	8,507	7,595	912
Total War Memorial Fund.....	<u>8,746</u>	<u>8,507</u>	<u>7,595</u>	<u>912</u>
Total Special Revenue Funds.....	<u>\$ 398,053</u>	<u>\$ 515,755</u>	<u>\$ 506,386</u>	<u>\$ 9,369</u>

CITY AND COUNTY OF SAN FRANCISCO

DEBT SERVICE FUNDS

The Debt Service Funds account for the accumulation of property taxes and other revenues for periodic payment of interest and principal on general obligation and certain lease revenue bonds and related authorized costs.

General Obligation Bond Fund -- Accounts for property taxes and other revenues for periodic payment of interest and principal of general obligation bonds and related costs. Provisions are made in the general property tax levy for monies sufficient to meet these requirements in accordance with Article XIII of the State Constitution (Proposition 13).

Finance Corporation Lease Revenue Bond Fund -- Accounts for financing activities of a nonprofit public benefit corporation organized for the purpose of providing financial assistance to the City by acquiring, improving and installing certain real and personal property for use, benefit and enjoyment of the public.

Certificates of Participation (COP) Funds -- Accounts for transfers of Base Rental payments from the various COP Special Revenue Funds which provide for periodic payments of interest and principal. The COPs are being sold to provide funds to finance the acquisition of existing office buildings and certain improvements thereto, or the construction of City buildings such as the Courthouse, to be leased to the City for use of certain City departments as office space.

Other Bond Funds -- Accounts for funds and debt service of two nonprofit corporations (Social Services Corporation and San Francisco Stadium, Inc.), the Parking Authority's Parking Meter Revenue Bonds, and the Moscone Center Parking Garage.

CITY AND COUNTY OF SAN FRANCISCO
DEBT SERVICE FUNDS
Combining Balance Sheet
June 30, 2000
With comparative totals as of June 30, 1999
(In Thousands)

ASSETS

	General Obligation Bond Fund	Finance Corporation Lease Revenue Bond Fund	Certificates of Participation Funds	Other Bond Funds	Total	
					2000	1999
Deposits and investments with City Treasury.....	\$ 14,149	\$ -	\$ 34	\$ -	\$ 14,183	\$ 14,630
Deposits and investments outside City Treasury.....	-	11,957	8,894	785	21,636	24,603
Receivables (net of allowance for uncollectible amounts of \$ 1,976 in 2000):						
Property taxes and penalties.....	1,547	-	-	-	1,547	2,053
Interest and other.....	-	-	-	4	4	9
Total assets.....	<u>\$ 15,696</u>	<u>\$ 11,957</u>	<u>\$ 8,928</u>	<u>\$ 789</u>	<u>\$ 37,370</u>	<u>\$ 41,295</u>

LIABILITIES

Accounts payable.....	\$ 486	\$ -		\$ -	\$ 486	\$ -
Due to other funds.....	-	-	-	-	-	2
Deferred credits and other liabilities.....	8,644	-	-	148	8,792	6,109
Bond interest payable.....	398	-	-	-	398	399
Total liabilities.....	<u>9,528</u>	<u>-</u>	<u>-</u>	<u>148</u>	<u>9,676</u>	<u>6,510</u>

FUND EQUITY

Fund balances - reserved for debt service.....	<u>6,168</u>	<u>11,957</u>	<u>8,928</u>	<u>641</u>	<u>27,694</u>	<u>34,785</u>
Total liabilities and fund equity.....	<u>\$ 15,696</u>	<u>\$ 11,957</u>	<u>\$ 8,928</u>	<u>\$ 789</u>	<u>\$ 37,370</u>	<u>\$ 41,295</u>

CITY AND COUNTY OF SAN FRANCISCO
DEBT SERVICE FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year ended June 30, 2000
With comparative totals for the year ended June 30, 1999
(In Thousands)

	General Obligation Bond Fund	Finance Corporation Lease Revenue Bond Fund	Certificates of Participation Funds	Other Bond Funds	Total	
					2000	1999
Revenues:						
Property taxes.....	\$ 87,677	\$ -	\$ -	\$ -	\$ 87,677	\$ 91,987
Interest and investment income.....	1,362	698	497	1,459	4,016	2,624
Rents and concessions.....	-	13,336	6,780	4,391	24,507	19,458
Intergovernmental:						
State.....	855	-	-	-	855	988
Total revenues.....	<u>89,894</u>	<u>14,034</u>	<u>7,277</u>	<u>5,850</u>	<u>117,055</u>	<u>115,057</u>
Expenditures:						
Debt service:						
Principal retirement.....	44,590	12,011	3,375	3,620	63,596	52,715
Interest and fiscal charges.....	47,734	4,874	4,648	3,394	60,650	56,823
Total expenditures.....	<u>92,324</u>	<u>16,885</u>	<u>8,023</u>	<u>7,014</u>	<u>124,246</u>	<u>109,538</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(2,430)</u>	<u>(2,851)</u>	<u>(746)</u>	<u>(1,164)</u>	<u>(7,191)</u>	<u>5,519</u>
Other financing sources (uses):						
Operating transfers in.....	486	12	40	-	538	3,628
Operating transfers out.....	(2,211)	-	-	-	(2,211)	(8,516)
Proceeds from issuance of bonds.....	-	1,172	601	-	1,773	4,555
Proceeds of refunding bonds.....	-	-	-	-	-	29,152
Payment to refunded bond escrow agent.....	-	-	-	-	-	(28,229)
Total other financing sources (uses).....	<u>(1,725)</u>	<u>1,184</u>	<u>641</u>	<u>-</u>	<u>100</u>	<u>590</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	<u>(4,155)</u>	<u>(1,667)</u>	<u>(105)</u>	<u>(1,164)</u>	<u>(7,091)</u>	<u>6,109</u>
Fund balances at beginning of year.....	<u>10,323</u>	<u>13,624</u>	<u>9,033</u>	<u>1,805</u>	<u>34,785</u>	<u>28,676</u>
Fund balances at end of year.....	<u>\$ 6,168</u>	<u>\$ 11,957</u>	<u>\$ 8,928</u>	<u>\$ 641</u>	<u>\$ 27,694</u>	<u>\$ 34,785</u>

CITY AND COUNTY OF SAN FRANCISCO

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition of land or acquisition and construction of major facilities other than those financed in the proprietary fund types.

City Facilities Improvement Fund -- Accounts for bond proceeds, capital lease financing, federal and local funds and transfers from other funds which are designated for various buildings and general improvements. Expenditures for acquisition and construction of public buildings and improvements are made in accordance with bond requirements and appropriation ordinances.

Citywide Communication Fund -- Accounts for the proceeds of bond issuances related to equipment purchases for a citywide radio communication system. Expenditures for design, administration and other such costs are made in accordance with bond requirements and appropriation ordinances.

Earthquake Safety Improvement Fund -- Accounts for bond proceeds, Federal/State grants and private gifts which are designated for earthquake facilities improvements to various City buildings and facilities. Expenditures for construction are made in accordance with bond requirements and grant regulations.

Finance Corporation Fund -- Accounts for the acquisition, improvement and installation of certain real and personal property lease-purchased for the City.

Fire Protection Systems Improvement Fund -- Accounts for bond proceeds which are designated for improvements in fire protection facilities. Expenditures for construction are made in accordance with bond requirements.

Moscone Convention Center Fund -- Accounts for proceeds from Moscone Convention Center Lease Revenue Bonds and transfers from the General Fund and Convention Facilities Special Revenue Fund. Expenditures are for construction of the George R. Moscone Convention Center and for related administrative costs.

Public Library Improvement Fund -- Accounts for bond proceeds and private gifts which are designated for construction of public library facilities including a new main library. Expenditures for construction are made in accordance with bond requirements and private funds agreements.

Recreation and Park Projects Fund -- Accounts for bond proceeds, Federal and state grants, gifts and transfers from other funds which are designated for various recreation and park additions and development. Expenditures for acquisition and construction of recreation and park facilities are made in accordance with bond requirements and appropriation ordinances.

Street Improvement Fund -- Accounts for gas tax subventions, bond fund proceeds and other revenues which are designated for general street improvements. Expenditures for land acquisition and construction of designated improvements are made in accordance with applicable state codes, City charter provisions and bond requirements.

CITY AND COUNTY OF SAN FRANCISCO

CAPITAL PROJECTS FUNDS

Combining Balance Sheet

June 30, 2000

With comparative totals as of June 30, 1999

(In Thousands)

ASSETS

	City Facilities Improve- ment Fund	Citywide Communication Fund	Earthquake Safety Improve- ment Fund	Finance Corporation Fund	Fire Protection Systems Improvement Fund
Deposits and investments with City Treasury.....	\$ 86,397	\$ 16,913	\$ 33,220	\$ -	\$ 22,104
Deposits and investments outside City Treasury.....	5,341	2,756	-	6,254	-
Receivables:					
Federal and state grants and subventions.....	-	-	13,045	-	349
Charges for services.....	-	-	355	-	-
Interest and other.....	709	118	304	-	252
Due from other funds.....	-	-	-	-	-
Due from component unit.....	-	-	-	-	-
Deferred charges and other assets.....	-	-	-	-	-
Total assets.....	<u>\$ 92,447</u>	<u>\$ 19,787</u>	<u>\$ 46,924</u>	<u>\$ 6,254</u>	<u>\$ 22,705</u>

LIABILITIES

Accounts payable.....	\$ 6,160	\$ 3,148	\$ 7,496	\$ -	\$ 567
Accrued payroll.....	127	-	54	-	52
Deferred tax, grant and subvention revenues.....	-	-	-	-	-
Due to other funds.....	679	-	-	-	-
Deferred credits and other liabilities.....	1,436	76	3,387	-	145
Total liabilities.....	<u>8,402</u>	<u>3,224</u>	<u>10,937</u>	<u>-</u>	<u>764</u>

FUND EQUITY

Fund balances:					
Reserved for assets not available for appropriation.....	5,341	2,756	-	6,254	-
Reserved for encumbrances.....	37,543	7,061	6,013	-	940
Reserved for appropriation carryforward.....	19,882	1,651	13,278	-	11,892
Unreserved (deficit).....	21,279	5,095	16,696	-	9,109
Total fund equity.....	<u>84,045</u>	<u>16,563</u>	<u>35,987</u>	<u>6,254</u>	<u>21,941</u>
Total liabilities and fund equity.....	<u>\$ 92,447</u>	<u>\$ 19,787</u>	<u>\$ 46,924</u>	<u>\$ 6,254</u>	<u>\$ 22,705</u>

CITY AND COUNTY OF SAN FRANCISCO

CAPITAL PROJECTS FUNDS

Combining Balance Sheet (Continued)

June 30, 2000

With comparative totals as of June 30, 1999

(In Thousands)

ASSETS

	Moscone Convention Center Fund	Public Library Improvement Fund	Recreation and Park Projects Fund	Street Improvement Fund
Deposits and investments with City Treasury.....	\$ 39,023	\$ 5,048	\$ 34,899	\$ -
Deposits and investments outside City Treasury.....	-	-	-	-
Receivables:				
Federal and state grants and subventions.....	-	-	-	21,262
Charges for services.....	-	-	-	70
Interest and other.....	231	49	273	-
Due from other funds.....	-	-	-	-
Due from component unit.....	33,682	-	-	-
Deferred charges and other assets.....	-	-	-	25
Total assets.....	<u>\$ 72,936</u>	<u>\$ 5,097</u>	<u>\$ 35,172</u>	<u>\$ 21,357</u>

LIABILITIES

Accounts payable.....	\$ 825	\$ 10	\$ 3,998	\$ 4,202
Accrued payroll.....	-	23	344	743
Deferred tax, grant and subvention revenues.....	-	-	-	93
Due to other funds.....	-	353	-	15,490
Deferred credits and other liabilities.....	-	183	980	829
Total liabilities.....	<u>825</u>	<u>569</u>	<u>5,322</u>	<u>21,357</u>

FUND EQUITY

Fund balances:				
Reserved for assets not available for appropriation.....	33,682	-	-	-
Reserved for encumbrances.....	897	257	14,177	11,297
Reserved for appropriation carryforward.....	37,459	497	15,673	-
Unreserved (deficit).....	73	3,774	-	(11,297)
Total fund equity.....	<u>72,111</u>	<u>4,528</u>	<u>29,850</u>	<u>-</u>
Total liabilities and fund equity.....	<u>\$ 72,936</u>	<u>\$ 5,097</u>	<u>\$ 35,172</u>	<u>\$ 21,357</u>

(Continued)

CITY AND COUNTY OF SAN FRANCISCO

CAPITAL PROJECTS FUNDS

Combining Balance Sheet (Continued)

June 30, 2000

With comparative totals as of June 30, 1999

(In Thousands)

ASSETS

	Total	
	<u>2000</u>	<u>1999</u>
Deposits and investments with City Treasury.....	\$ 237,604	\$ 232,582
Deposits and investments outside City Treasury.....	14,351	19,848
Receivables:		
Federal and state grants and subventions.....	34,656	33,681
Charges for services.....	425	-
Interest and other.....	1,936	2,360
Due from other funds.....	-	1,024
Due from component unit.....	33,682	16,405
Deferred charges and other assets.....	25	25
Total assets.....	<u>\$ 322,679</u>	<u>\$ 305,925</u>

LIABILITIES

Accounts payable.....	\$ 26,406	\$ 13,311
Accrued payroll.....	1,343	1,303
Deferred tax, grant and subvention revenues.....	93	296
Due to other funds.....	16,522	16,888
Deferred credits and other liabilities.....	7,036	6,094
Total liabilities.....	<u>51,400</u>	<u>37,892</u>

FUND EQUITY

Fund balances:		
Reserved for assets not available for appropriation.....	48,033	36,253
Reserved for encumbrances.....	78,185	94,721
Reserved for appropriation carryforward.....	100,332	104,401
Unreserved (deficit).....	44,729	32,658
Total fund equity.....	<u>271,279</u>	<u>268,033</u>
Total liabilities and fund equity.....	<u>\$ 322,679</u>	<u>\$ 305,925</u>

CITY AND COUNTY OF SAN FRANCISCO
CAPITAL PROJECTS FUND
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

	City Facilities Improve- ment <u>Fund</u>	Citywide Communication <u>Fund</u>	Earthquake Safety Improve- ment <u>Fund</u>	Finance Corporation <u>Fund</u>	Fire Protection Systems Improvement <u>Fund</u>
Revenues:					
Interest and investment income.....	\$ 3,167	\$ 1,623	\$ 2,319	\$ 425	\$ 1,180
Rents and concessions.....	-	-	-	42	-
Intergovernmental:					
Federal.....	-	-	20,437	-	673
State.....	-	-	1,710	-	-
Other.....	-	-	-	-	-
Charges for services.....	-	-	355	-	-
Other.....	-	-	-	-	-
Total revenues.....	<u>3,167</u>	<u>1,623</u>	<u>24,821</u>	<u>467</u>	<u>1,853</u>
Expenditures:					
Intergovernmental.....	29,605	-	-	-	-
Capital outlay.....	20,955	24,429	13,120	8,462	5,085
Total expenditures.....	<u>50,560</u>	<u>24,429</u>	<u>13,120</u>	<u>8,462</u>	<u>5,085</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(47,393)</u>	<u>(22,806)</u>	<u>11,701</u>	<u>(7,995)</u>	<u>(3,232)</u>
Other financing sources (uses):					
Operating transfers in.....	24,303	-	1,247	-	508
Operating transfers out.....	(13,035)	-	(12,000)	(12)	(40)
Proceeds from issuance of bonds.....	63,805	-	-	7,143	-
Total other financing sources (uses).....	<u>75,073</u>	<u>-</u>	<u>(10,753)</u>	<u>7,131</u>	<u>468</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	27,680	(22,806)	948	(864)	(2,764)
Fund balances at beginning of year.....	56,365	39,369	35,039	7,118	24,705
Fund balances at end of year.....	<u>\$ 84,045</u>	<u>\$ 16,563</u>	<u>\$ 35,987</u>	<u>\$ 6,254</u>	<u>\$ 21,941</u>

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
CAPITAL PROJECTS FUND
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances (Continued)
Year ended June 30, 2000
With comparative totals for the year ended June 30, 1999
(In Thousands)

	Moscone Convention Center Fund	Public Library Improvement Fund	Recreation and Park Projects Fund	Street Improvement Fund
Revenues:				
Interest and investment income.....	\$ 2,631	\$ 156	\$ 1,260	\$ -
Rents and concessions.....	-	-	-	-
Intergovernmental:				
Federal.....	-	-	-	18,448
State.....	-	-	-	-
Other.....	-	-	-	2,967
Charges for services.....	-	-	-	816
Other.....	-	-	-	125
Total revenues.....	<u>2,631</u>	<u>156</u>	<u>1,260</u>	<u>22,356</u>
Expenditures:				
Intergovernmental.....	-	-	-	-
Capital outlay.....	19,305	1,834	33,225	62,378
Total expenditures.....	<u>19,305</u>	<u>1,834</u>	<u>33,225</u>	<u>62,378</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(16,674)</u>	<u>(1,678)</u>	<u>(31,965)</u>	<u>(40,022)</u>
Other financing sources (uses):				
Operating transfers in.....	28,371	1,952	22,812	33,838
Operating transfers out.....	(651)	-	(331)	(780)
Proceeds from issuance of bonds.....	-	-	6,180	-
Total other financing sources (uses).....	<u>27,720</u>	<u>1,952</u>	<u>28,661</u>	<u>33,058</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	11,046	274	(3,304)	(6,964)
Fund balances at beginning of year.....	<u>61,065</u>	<u>4,254</u>	<u>33,154</u>	<u>6,964</u>
Fund balances at end of year.....	<u>\$ 72,111</u>	<u>\$ 4,528</u>	<u>\$ 29,850</u>	<u>\$ -</u>

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
CAPITAL PROJECTS FUND
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances (Continued)
Year ended June 30, 2000
With comparative totals for the year ended June 30, 1999
(In Thousands)

	<u>Total</u>	
	<u>2000</u>	<u>1999</u>
Revenues:		
Interest and investment income.....	\$ 12,761	\$ 13,052
Rents and concessions.....	42	-
Intergovernmental:		
Federal.....	39,558	20,502
State.....	1,710	14,127
Other.....	2,967	1,437
Charges for services.....	1,171	951
Other.....	125	-
Total revenues.....	<u>58,334</u>	<u>50,069</u>
Expenditures:		
Intergovernmental.....	29,605	81,512
Capital outlay.....	188,793	244,070
Total expenditures.....	<u>218,398</u>	<u>325,582</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(160,064)</u>	<u>(275,513)</u>
Other financing sources (uses):		
Operating transfers in.....	113,031	45,685
Operating transfers out.....	(26,849)	(3,615)
Proceeds from issuance of bonds.....	77,128	146,543
Total other financing sources (uses).....	<u>163,310</u>	<u>188,613</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	3,246	(86,900)
Fund balances at beginning of year.....	<u>268,033</u>	<u>354,933</u>
Fund balances at end of year.....	<u>\$ 271,279</u>	<u>\$ 268,033</u>

CITY AND COUNTY OF SAN FRANCISCO

ENTERPRISE FUNDS

Enterprise Funds account for operations and activities which render services on a user charge basis to the general public. The various Enterprise Funds are:

San Francisco International Airport -- This Enterprise Fund is authorized by City Charter Section 4.115 to 3.694. An Airport Commission was created with powers and duties in the management and control of the Airport.

Port of San Francisco -- In 1968, the City voters approved a proposition to accept the transfer of the Harbor of San Francisco from the State of California under the terms and conditions set forth in California Statutes of 1968, Chapter 1333. A Port of San Francisco Enterprise Fund was established in 1969, under the direction of a Port Commission.

Water Department/Hetch Hetchy Project -- Water/Hetch Hetchy was established in 1930 and is engaged in the collection, transmission and distribution of water and electricity to the City and certain suburban areas. The Hetch Hetchy Project is a system of reservoirs and hydroelectric generating stations and the related distribution systems; it provides the Water Department with its water for San Francisco and other municipalities and sells electric power to City departments and to public and private agencies.

Municipal Railway -- The San Francisco Municipal Railway is the City's public transit agency. The Municipal Railway financial operations include the activities of the San Francisco Municipal Railway Improvement Corporation, a nonprofit corporation organized to acquire and finance improvements to the City's public transportation system.

Laguna Honda Hospital -- This Enterprise Fund was established by the Controller at the request of hospital management. Full enterprise operations began July 1, 1983 after having been previously included in the General Fund. Accounting and reporting systems are in compliance with the Hospital Disclosure Act, Health and Safety Code Sections 440-442.10.

General Hospital Medical Center -- This Enterprise Fund was established on July 1, 1980, pursuant to the Board of Supervisor's Resolution No. 865-81. The accounting and reporting system for the San Francisco General Hospital Medical Center is in accordance with Government Code Section 25261 and the Hospital Disclosure Act, Health and Safety Code Sections 440-442.10.

Clean Water Program -- This Enterprise Fund was created after voters approved a proposition in 1976, authorizing the City to issue \$240 million in bonds for the purpose of acquiring, constructing, improving and financing improvements to the City municipal sewage treatment and disposal system. Board of Supervisors Resolution No. 973-77 required the Controller to keep separate records and accounts of the enterprise beginning July 1, 1977.

Parking Garages/Other -- Various nonprofit corporations and funds have been formed for the purpose of providing financial and other assistance to the City in the acquisition of land, construction of facilities, and management of various projects, as follows:

1. Downtown Parking Corporation
2. Uptown Parking Corporation
3. Japan Center Garage Corporation
4. Ellis-O'Farrell Parking Corporation
5. Portsmouth Plaza Parking Corporation
6. City of San Francisco Market Corporation

CITY AND COUNTY OF SAN FRANCISCO
ENTERPRISE FUNDS
Combining Balance Sheet
June 30, 2000
With comparative totals as of June 30, 1999
(In Thousands)

ASSETS

	San	Port of	Water	Municipal	Laguna	General	Clean	Parking	Total	
	Francisco	San	Dept./						Hospital	Hospital
	Internal	Francisco	Hetch	Railway	Hospital	Medical	Program	Other		
	Airport		Hetchy			Center				
Deposits and investments with City Treasury.....	\$ 258,560	\$ 43,233	\$ 130,298	\$ 26,717	\$ -	\$ -	\$ 58,300	\$ -	\$ 517,108	\$ 521,951
Deposits and investments outside City Treasury.....	10	5	50	100	1	10	-	2,506	2,682	4,355
Receivables (net of allowance for uncollectible amounts of \$ 10,400 in 2000):										
Federal and state grants and subventions.....	8,718	6,845	-	35,917	-	2,379	-	-	53,859	43,357
Charges for services.....	25,881	3,365	17,750	4,326	11,519	44,550	28,647	172	136,210	141,697
Interest and other.....	8,966	1,893	5,549	1,333	-	14,834	754	90	33,419	99,276
Due from other funds.....	-	-	4,132	13,382	-	-	-	-	17,514	19,149
Inventories.....	523	1,149	1,293	28,609	578	3,313	-	-	35,465	27,421
Restricted assets:										
Deposits and investments with City Treasury.....	594,256	5,227	45,414	60,889	25,590	907	122,739	-	855,022	1,122,246
Deposits and investments outside City Treasury.....	222,901	10,622	10,139	6,811	1,067	24	41,270	20,604	313,438	285,704
Grants and other receivables.....	4,319	116	1,066	5,312	166	-	1,173	-	12,152	17,099
Fixed assets (net of accumulated depreciation).....	3,426,394	220,176	669,074	1,181,080	10,970	64,414	1,379,755	71,703	7,023,566	6,183,541
Deferred charges and other assets.....	47,685	8,856	1,833	24	-	1	3,011	421	61,831	50,184
Total assets.....	\$4,598,213	\$301,487	\$886,598	\$1,364,500	\$ 49,891	\$ 130,432	\$1,635,649	\$ 95,496	\$9,062,266	\$8,515,980

LIABILITIES

Accounts payable.....	\$ 20,600	\$ 4,830	\$ 12,988	\$ 23,360	\$ 774	\$ 9,853	\$ 1,812	\$ 15,978	\$ 90,195	\$ 74,224
Accrued payroll.....	7,191	1,109	5,859	17,007	7,161	10,225	1,805	173	50,530	39,570
Accrued vacation and sick leave pay.....	9,248	1,584	7,721	19,139	6,839	14,121	3,215	17	61,884	58,190
Accrued workers' compensation.....	7,700	1,074	4,611	63,345	9,125	11,631	1,559	-	99,045	92,947
Estimated claims payable.....	450	250	19,203	30,298	-	-	433	-	50,634	33,025
Deferred tax, grants and subvention revenues.....	426	-	-	-	-	-	-	-	426	5,614
Due to other funds.....	3,099	-	-	-	846	14,971	-	-	18,916	89,567
Deferred credits and other liabilities.....	6,771	5,731	12,751	6,565	184	19,112	3,329	1,392	55,835	45,749
Bond interest payable.....	36,468	213	2,317	-	-	-	9,292	107	48,397	42,774
Bonds, loans, capital leases, and other payables.....	3,729,908	54,364	249,217	-	824	881	656,017	19,347	4,710,558	4,425,853
Liabilities payable from restricted assets.....	110,522	5,078	3,850	1,002	891	24	3,791	-	125,158	121,437
Total liabilities.....	3,932,383	74,233	318,517	160,716	26,644	80,818	681,253	37,014	5,311,578	5,028,950

FUND EQUITY

Contributed capital, net.....	263,130	82,078	6,792	1,102,118	8,448	86,541	595,203	-	2,144,310	1,987,163
Retained earnings:										
Reserved for contractual and other commitments.....	670,950	-	5,038	66,615	25,932	931	29,360	-	798,826	169,817
Unreserved (deficit).....	(268,250)	145,176	556,251	35,051	(11,133)	(37,858)	329,833	58,482	807,552	1,330,050
Total fund equity.....	665,830	227,254	568,081	1,203,784	23,247	49,614	954,396	58,482	3,750,688	3,487,030
Total liabilities and fund equity.....	\$4,598,213	\$301,487	\$886,598	\$1,364,500	\$ 49,891	\$ 130,432	\$1,635,649	\$ 95,496	\$9,062,266	\$8,515,980

**CITY AND COUNTY OF SAN FRANCISCO
ENTERPRISE FUNDS**

**Combining Statement of Revenues, Expenses
and Changes in Retained Earnings (Deficits)**

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

	San Francisco		Water Dept./ Hetch Hetchy Project	Laguna Municipal Railway	Honda Hospital	General Hospital Medical Center	Clean Water Program	Parking Garages/ Other	Total	
	International Airport	Port of San Francisco							2000	1999
Operating revenues:										
Charges for services.....	\$ 188,176	\$ 1,922	\$ 222,888	\$ 101,310	\$ 94,633	\$ 253,280	\$ 140,878	\$ 32,283	\$ 1,035,370	\$ 1,018,096
Rents and concessions.....	174,976	40,592	8,008	-	-	3,136	-	1,518	228,230	201,025
Other revenues.....	-	3,515	3,788	9,905	311	13,352	4,617	41	35,529	29,450
Total operating revenues.....	<u>363,152</u>	<u>46,029</u>	<u>234,684</u>	<u>111,215</u>	<u>94,944</u>	<u>269,768</u>	<u>145,495</u>	<u>33,842</u>	<u>1,299,129</u>	<u>1,248,571</u>
Operating expenses:										
Personal services.....	111,910	16,519	62,552	300,295	112,730	189,139	30,020	5,348	828,513	770,275
Contractual services.....	53,813	2,887	10,459	20,249	3,149	85,156	5,843	2,561	184,117	174,881
Light, heat and power.....	-	-	30,468	-	-	-	-	-	30,468	21,018
Materials and supplies.....	9,696	1,494	9,586	37,797	9,493	37,389	6,013	869	112,337	98,811
Depreciation and amortization.....	62,122	6,728	31,612	45,908	1,176	6,292	38,169	882	192,889	170,105
General and administrative.....	1,103	596	43,520	17,012	75	424	9,903	-	72,633	67,682
Services provided by other department.....	23,931	7,034	11,552	14,278	3,084	18,581	16,142	686	95,288	78,630
Bad debt expense.....	258	485	-	-	800	27,083	-	-	28,626	23,028
Other.....	(2,277)	37	10,216	5,418	30	269	9,183	20,969	43,845	46,699
Total operating expenses.....	<u>260,556</u>	<u>35,780</u>	<u>209,965</u>	<u>440,957</u>	<u>130,537</u>	<u>364,333</u>	<u>115,273</u>	<u>31,315</u>	<u>1,588,716</u>	<u>1,451,129</u>
Operating income (loss).....	<u>102,596</u>	<u>10,249</u>	<u>24,719</u>	<u>(329,742)</u>	<u>(35,593)</u>	<u>(94,565)</u>	<u>30,222</u>	<u>2,527</u>	<u>(289,587)</u>	<u>(202,558)</u>
Nonoperating revenues										
(expenses):										
Operating grants:										
Federal.....	-	-	1,666	16,923	-	-	222	-	18,811	8,517
State / other.....	962	-	129	172,918	-	70,193	130	-	244,332	232,913
Interest and investment income...	40,129	3,098	10,928	4,334	317	746	8,674	839	69,065	64,938
Interest expense.....	(69,972)	(3,595)	(13,040)	(1,529)	(394)	(4,300)	(31,902)	(1,381)	(126,113)	(102,883)
Claims settlement.....	-	-	-	-	23,278	-	8,369	-	31,647	-
Other, net.....	(1,637)	1,775	1,992	5,635	(86)	9,315	465	(276)	17,183	2,889
Nonoperating revenues (expenses).....	<u>(30,518)</u>	<u>1,278</u>	<u>1,675</u>	<u>198,281</u>	<u>23,115</u>	<u>75,954</u>	<u>(14,042)</u>	<u>(818)</u>	<u>254,925</u>	<u>206,374</u>
Income (loss) before operating transfers.....	<u>72,078</u>	<u>11,527</u>	<u>26,394</u>	<u>(131,461)</u>	<u>(12,478)</u>	<u>(18,611)</u>	<u>16,180</u>	<u>1,709</u>	<u>(34,662)</u>	<u>3,816</u>
Operating transfers in.....	-	-	849	100,984	33,638	78,682	-	-	214,153	169,095
Operating transfers out.....	(22,399)	-	(40,699)	(2,400)	-	(64,249)	-	-	(129,747)	(161,405)
Net operating transfers.....	<u>(22,399)</u>	<u>-</u>	<u>(39,850)</u>	<u>98,584</u>	<u>33,638</u>	<u>14,433</u>	<u>-</u>	<u>-</u>	<u>84,406</u>	<u>7,690</u>
Net income (loss).....	<u>49,679</u>	<u>11,527</u>	<u>(13,456)</u>	<u>(32,877)</u>	<u>21,160</u>	<u>(4,178)</u>	<u>16,180</u>	<u>1,709</u>	<u>49,744</u>	<u>11,506</u>
Depreciation on fixed assets purchased with externally restricted sources that reduces contributed capital.....										
	-	567	79	42,339	-	1,021	12,761	-	56,767	43,873
Retained earnings (deficit) at beginning of year.....	<u>353,021</u>	<u>133,082</u>	<u>574,666</u>	<u>92,204</u>	<u>(6,361)</u>	<u>(33,770)</u>	<u>330,252</u>	<u>56,773</u>	<u>1,499,867</u>	<u>1,444,488</u>
Retained earnings (deficit) at end of year.....	<u>\$ 402,700</u>	<u>\$ 145,176</u>	<u>\$ 561,289</u>	<u>\$ 101,666</u>	<u>\$ 14,799</u>	<u>\$ (36,927)</u>	<u>\$ 359,193</u>	<u>\$ 58,482</u>	<u>\$ 1,606,378</u>	<u>\$ 1,499,867</u>

CITY AND COUNTY OF SAN FRANCISCO

ENTERPRISE FUNDS

Combining Statement of Cash Flows

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

	San Francisco	Port of San Francisco	Water Dept./ Hetch Hetchy Project	Municipal Railway	Laguna Honda Hospital	General Hospital Medical Center	Clean Water Program	Parking Garages/ Other	Total	
	Airport	Francisco	Project	Railway	Hospital	Center	Program	Other	2000	1999
Cash flows from operating activities:										
Cash received from customers, including cash deposits.....	\$ -	\$ 6,224	\$186,562	\$ -	\$ -	\$ -	\$144,747	\$32,329	\$ 369,862	\$ 332,794
Cash received from patients and third party payors.....	-	-	-	-	99,322	238,666	-	-	337,988	388,142
Cash received from tenants for rent.....	361,443	36,018	8,008	-	-	3,136	-	1,518	410,123	333,869
Cash received from passengers and service contracts.....	-	-	-	122,198	-	-	-	-	122,198	111,048
Cash received from quasi-external transactions....	-	3,490	43,704	-	-	-	(25,300)	-	21,894	41,241
Cash paid to employees for services.....	(109,174)	(16,297)	(61,154)	(295,110)	(117,009)	(187,272)	(29,016)	(5,347)	(820,379)	(742,804)
Cash paid to suppliers for goods and services.....	(59,091)	(3,837)	(67,828)	(79,909)	(13,105)	(122,288)	(20,512)	1,924	(364,646)	(348,108)
Cash paid for quasi-external transactions.....	(33,998)	(7,251)	(32,609)	(14,278)	(1,323)	(17,944)	-	(20,969)	(128,372)	(122,769)
Cash paid for judgements and claims.....	-	(303)	(2,456)	(3,657)	-	-	(1,196)	-	(7,612)	(19,843)
Net cash provided by (used in) operating activities.....	159,180	18,044	74,227	(270,756)	(32,115)	(85,702)	68,723	9,455	(58,944)	(26,430)
Cash flows from noncapital financing activities:										
Operating grants.....	1,388	50	1,233	190,050	-	67,820	352	-	260,893	248,308
Operating transfers in.....	-	-	849	100,984	33,265	74,382	-	-	209,480	160,159
Operating transfers out.....	(22,399)	-	(40,699)	(2,400)	-	(64,249)	-	-	(129,747)	(161,405)
Cost allocation charges received.....	-	-	-	-	-	8,896	-	-	8,896	2,290
Transit Impact Development fees received.....	-	-	-	4,817	-	-	-	-	4,817	40
Claims settlement proceeds.....	-	-	-	-	-	-	8,369	-	8,369	-
Other noncapital increases.....	-	1,329	-	1,131	135	419	-	-	3,014	222
Other noncapital decreases.....	-	(1,962)	-	(171)	(333)	-	-	-	(2,466)	(1,892)
Net cash provided by (used in) noncapital financing activities.....	(21,011)	(583)	(38,617)	294,411	33,067	87,268	8,721	-	363,256	247,722
Cash flows from capital financing activities:										
Capital grants.....	6,815	1,735	-	161,349	-	-	-	-	169,899	136,261
Bond sale proceeds and loans received.....	229,263	413	-	68	-	-	23,700	-	253,444	967,363
Proceeds from sale of fixed assets.....	-	16	9,967	-	-	-	-	-	9,983	12,090
Proceeds from commercial paper borrowings.....	119,233	-	20,000	-	-	-	-	-	139,233	122,190
Transfer from other funds for debt service.....	-	-	-	-	-	-	-	-	-	4,753
Claims settlement proceeds.....	-	-	-	-	23,278	-	-	-	23,278	-
Acquisition of fixed assets.....	(620,269)	(11,992)	(58,984)	(164,106)	(1,503)	(1,278)	(22,957)	(4,897)	(885,986)	(1,016,041)
Payment to escrow for bond refunding.....	-	-	-	-	-	-	-	-	-	(260,862)
Retirement of capital leases, bonds and loans.....	(19,835)	(5,347)	(7,470)	-	-	(940)	(31,845)	(645)	(66,082)	(67,871)
Retirement of commercial paper borrowings.....	(72,550)	-	-	-	-	-	-	-	(72,550)	(25,480)
Bond issue costs paid.....	(926)	-	-	-	-	-	-	-	(926)	(9,009)
Interest paid on long term debt.....	(178,507)	(3,477)	(14,012)	-	(21)	-	(32,395)	(1,408)	(229,820)	(210,845)
Other capital financing increases.....	-	-	-	-	-	-	-	-	-	2,642
Other capital financing decreases.....	(31)	(3,765)	-	-	-	-	-	(276)	(4,072)	(30)
Net cash provided by (used in) capital financing activities.....	(536,807)	(22,417)	(50,499)	(2,689)	21,754	(2,218)	(63,497)	(7,226)	(663,599)	(344,839)
Cash flows from investing activities:										
Purchases of investments with trustees.....	(913,649)	-	(20,558)	-	-	-	(45,993)	(4,710)	(984,910)	(1,308,064)
Proceeds from sale of investments with trustees...	909,604	5,361	20,074	-	-	-	44,381	-	979,420	1,243,424
Purchases of restricted deposits and investments.	(565,094)	-	(25,000)	(41,307)	-	-	(3,890)	-	(635,291)	(1,507,463)
Proceeds from sale of restricted deposits and investments.....	1,039,183	-	40,458	49,829	-	-	3,890	-	1,133,360	1,651,191
Interest income received.....	65,361	3,450	11,973	2,790	335	746	8,830	839	94,324	103,819
Repayment of advances.....	-	-	-	-	-	-	-	-	-	12,500
Other investing activities.....	-	-	2,044	-	-	-	1,125	-	3,169	2,386
Net cash provided by (used in) investing activities.....	535,405	8,811	28,991	11,312	335	746	8,343	(3,871)	590,072	197,793
Net increase (decrease) in cash and cash equivalents.....										
	136,767	3,855	14,102	32,278	23,041	94	22,290	(1,642)	230,785	74,246
Cash and cash equivalents-beginning of year.....	485,414	54,549	138,590	62,239	1,817	819	161,332	4,148	908,908	834,662
Cash and cash equivalents-end of year.....	\$ 622,181	\$ 58,404	\$152,692	\$ 94,517	\$ 24,858	\$ 913	\$183,622	\$ 2,506	\$1,139,693	\$ 908,908

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
ENTERPRISE FUNDS
Combining Statement of Cash Flows (Continued)
Year ended June 30, 2000
With comparative totals for the year ended June 30, 1999
(In Thousands)

	San Francisco Internation- al Airport	Port of San Francisco	Water Dept./ Hetch Hetchy Project	Municipal Railway	Laguna Honda Hospital	General Hospital Medical Center	Clean Water Program	Parking Garages/ Other	Total	
									2000	1999
Reconciliation of operating income (loss) to net cash used for operating activities:										
Operating income (loss).....	\$ 102,596	\$ 10,249	\$ 24,719	\$(329,742)	\$ (35,593)	\$(94,565)	\$ 30,222	\$ 2,527	\$ (289,587)	\$ (202,558)
Adjustments for non-cash activities:										
Depreciation and amortization.....	62,122	6,728	31,612	45,908	1,176	6,292	38,169	882	192,889	170,105
Provision for uncollectibles.....	258	485	-	(18)	800	27,083	-	-	28,608	22,971
Other.....	1,259	(532)	-	-	-	202	-	-	929	5,657
Changes in assets/liabilities:										
Receivables, net.....	(1,234)	(842)	(147)	294	4,378	43,952	(748)	5	45,658	(56,185)
Due from other funds.....	-	-	613	-	-	-	-	-	613	(2,700)
Inventories.....	(280)	77	(199)	(7,563)	(57)	(22)	-	-	(8,044)	(552)
Deferred charges and other assets.....	(7,679)	699	3,984	-	-	(1,729)	-	75	(4,650)	(163)
Accounts payable.....	1,657	(673)	(1,976)	7,900	(301)	770	527	5,472	13,376	3,988
Accrued payroll.....	1,909	223	1,564	4,179	2,014	1,382	(312)	1	10,960	5,429
Accrued vacation and sick leave pay.....	1,205	130	(638)	1,006	190	485	1,316	-	3,694	3,807
Accrued workers' compensation.....	(88)	284	798	2,280	1,761	637	426	-	6,098	18,792
Estimated claims payable.....	161	50	13,429	4,846	-	-	(877)	-	17,609	(2,792)
Due to other funds.....	(612)	-	-	-	(6,483)	(63,555)	-	-	(70,650)	18,174
Deferred credits and other liabilities.....	(2,094)	1,166	468	154	-	(6,634)	-	493	(6,447)	(10,403)
Total adjustments.....	56,584	7,795	49,508	58,986	3,478	8,863	38,501	6,928	230,643	176,128
Net cash provided by (used in) operating activities.....	\$ 159,180	\$ 18,044	\$ 74,227	\$(270,756)	\$ (32,115)	\$(85,702)	\$ 68,723	\$ 9,455	\$ (58,944)	\$ (26,430)
Reconciliation of cash and cash equivalents to the balance sheet:										
Deposits and investments with City Treasury:										
Unrestricted.....	\$ 258,560	\$ 43,233	\$ 130,298	\$ 26,717	\$ -	\$ -	\$ 58,300	\$ -	\$ 517,108	\$ 521,951
Restricted.....	594,256	5,227	45,414	60,889	25,590	907	122,739	-	855,022	1,122,246
Unrestricted deposits and investments outside City Treasury.....	10	5	50	100	1	10	-	2,506	2,682	4,355
Total deposits and investments.....	852,826	48,465	175,762	87,706	25,591	917	181,039	2,506	1,374,812	1,648,552
Add: Restricted deposits outside City Treasury meeting the definition of cash equivalents.....	-	9,939	841	6,811	1,067	-	2,583	-	21,241	6,142
Less: Deposits and investments not meeting the definition of cash equivalents.....	(230,645)	-	(23,911)	-	(1,800)	(4)	-	-	(256,360)	(745,786)
Cash and cash equivalents at end of year on statement of cash flows.....	\$ 622,181	\$ 58,404	\$ 152,692	\$ 94,517	\$ 24,858	\$ 913	\$ 183,622	\$ 2,506	\$ 1,139,693	\$ 908,908
Non-cash investing, capital and financing activities:										
Acquisition of fixed assets under capital lease agreements.....	\$ -	\$ 200	\$ -	\$ -	\$ 824	\$ -	\$ -	\$ -	\$ 1,024	\$ -
Tenant improvements financed by rent credits.....	-	446	-	-	-	-	-	-	446	528
Donated assets.....	-	-	-	-	125	-	-	-	125	-
Depreciation on contributed capital.....	-	567	79	42,339	-	1,021	12,761	-	56,767	43,873
Contributed improvements by tenants.....	34,648	-	-	-	-	-	-	-	34,648	26,759
Acquisition of fixed assets on accounts payable....	-	2,890	-	-	-	-	-	-	2,890	9,130
	\$ 34,648	\$ 4,103	\$ 79	\$ 42,339	\$ 949	\$ 1,021	\$ 12,761	\$ -	\$ 95,900	\$ 80,290

CITY AND COUNTY OF SAN FRANCISCO

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies on a cost reimbursement basis.

Central Shops Fund -- Accounts for Central Shops equipment (primarily vehicle) maintenance service charges and the related billings to various departments.

Health Service Fund -- Accounts for the contributions from active and retired employees, and surviving spouses, City contributions and the earnings and profits from investment of monies. Disbursements are made for medical expenses and to various health plans of the beneficiaries.

Reproduction Fund -- Accounts for printing, design and mail services required by various City departments and agencies.

Telecommunications and Information Fund -- Accounts for centralized telecommunications activities in the City's Wide Area Network, radio communication and telephone systems. In addition, it accounts for application support provided to many department-specific and citywide systems, management of the City's Web site, operations of the City's mainframe computers and technology training provided to city personnel. It also accounts for the related billings to various departments for specific services performed and operating support from the General Fund.

CITY AND COUNTY OF SAN FRANCISCO

INTERNAL SERVICE FUNDS

Combining Balance Sheet

June 30, 2000

With comparative totals as of June 30, 1999

(In Thousands)

A S S E T S

	Central Shops Fund	Health Service Fund	Reproduction Fund	Telecommu- nications and Information Fund	Total	
					2000	1999
Deposits and investments with City Treasury.....	\$ 941	\$ 48,479	\$ 785	\$ 1,498	\$ 51,703	\$ 42,581
Receivables:						
Charges for services.....	-	9,380	-	-	9,380	8,219
Interest and other.....	-	489	-	-	489	927
Due from other funds.....	-	-	-	-	-	2,042
Fixed assets (net of accumulated depreciation).....	312	-	727	1,961	3,000	4,773
Deferred charges and other assets.....	-	345	-	15	360	273
Total assets.....	<u>\$ 1,253</u>	<u>\$ 58,693</u>	<u>\$ 1,512</u>	<u>\$ 3,474</u>	<u>\$ 64,932</u>	<u>\$ 58,815</u>

L I A B I L I T I E S

Accounts payable.....	\$ 527	\$ 11,381	\$ 287	\$ 1,619	\$ 13,814	\$ 16,427
Accrued payroll.....	413	-	80	1,421	1,914	1,566
Accrued vacation and sick leave pay.....	504	-	-	1,934	2,438	2,242
Accrued workers' compensation.....	-	-	-	484	484	345
Estimated claims payable.....	-	11,043	-	-	11,043	18,703
Deferred credits and other liabilities.....	-	19,653	-	-	19,653	15,599
Capital leases payable.....	-	-	-	2,383	2,383	3,117
Total liabilities.....	<u>1,444</u>	<u>42,077</u>	<u>367</u>	<u>7,841</u>	<u>51,729</u>	<u>57,999</u>

F U N D E Q U I T Y

Retained earnings:						
Reserved for contractual and other commitments.....	-	16,616	-	-	16,616	812
Unreserved (deficit).....	<u>(191)</u>	<u>-</u>	<u>1,145</u>	<u>(4,367)</u>	<u>(3,413)</u>	<u>4</u>
Total retained earnings (deficit).....	<u>(191)</u>	<u>16,616</u>	<u>1,145</u>	<u>(4,367)</u>	<u>13,203</u>	<u>816</u>
Total liabilities and retained earnings (deficit).....	<u>\$ 1,253</u>	<u>\$ 58,693</u>	<u>\$ 1,512</u>	<u>\$ 3,474</u>	<u>\$ 64,932</u>	<u>\$ 58,815</u>

CITY AND COUNTY OF SAN FRANCISCO
INTERNAL SERVICE FUNDS
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings (Deficits)

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

	Central Shops Fund	Health Service Fund	Reproduction Fund	Telecommu- nications and Information Fund	Total	
					2000	1999
Operating revenues:						
Charges for services.....	\$ 15,099	\$ 227,750	\$ 5,932	\$ 63,318	\$ 312,099	\$ 288,112
Total operating revenues.....	15,099	227,750	5,932	63,318	312,099	288,112
Operating expenses:						
Personal services.....	7,287	-	1,281	25,141	33,709	29,038
Contractual services.....	1,773	168,334	3,180	27,426	200,713	172,344
Materials and supplies.....	5,806	-	705	8,884	15,395	10,010
Depreciation and amortization.....	69	-	292	2,194	2,555	1,778
General and administrative.....	43	-	11	11	65	51
Services provided by other departments.....	351	-	295	2,127	2,773	2,509
Benefit payments.....	-	43,213	-	-	43,213	77,865
Other.....	-	2,578	-	3,120	5,698	5,369
Total operating expenses.....	15,329	214,125	5,764	68,903	304,121	298,964
Operating income (loss).....	(230)	13,625	168	(5,585)	7,978	(10,852)
Nonoperating revenues:						
Interest and investment income.....	-	2,179	-	20	2,199	1,415
Interest expense.....	(147)	-	(39)	(937)	(1,123)	(1,115)
Other, net.....	-	-	-	19	19	28
Net nonoperating revenues (expenses).....	(147)	2,179	(39)	(898)	1,095	328
Income (loss) before operating transfers.....	(377)	15,804	129	(6,483)	9,073	(10,524)
Operating transfers in.....	147	-	39	3,187	3,373	2,593
Operating transfers out.....	-	-	-	(59)	(59)	(286)
Net operating transfers.....	147	-	39	3,128	3,314	2,307
Net income (loss).....	(230)	15,804	168	(3,355)	12,387	(8,217)
Retained earnings (deficit) at beginning of year, as previously reported.....	39	6,012	977	(1,012)	6,016	14,233
Prior period adjustment.....	-	(5,200)	-	-	(5,200)	(5,200)
Retained earnings (deficit) at beginning of year, as restated.....	39	812	977	(1,012)	816	9,033
Retained earnings (deficit) at end of year.....	\$ (191)	\$ 16,616	\$ 1,145	\$ (4,367)	\$ 13,203	\$ 816

CITY AND COUNTY OF SAN FRANCISCO

INTERNAL SERVICE FUNDS

Combining Statement of Cash Flows

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

	Central Shops Fund	Health Service Fund	Reproduction Fund	Telecommu- nications and Information Fund	Total	
					2000	1999
Cash flows from operating activities:						
Cash received from quasi-external transactions.....	\$ 15,099	\$ 229,928	\$ 5,932	\$ 66,526	\$ 317,485	\$ 292,419
Cash paid to employees for services.....	(7,223)	-	(1,251)	(24,691)	(33,165)	(28,578)
Cash paid to suppliers for goods and services.....	(7,766)	(173,085)	(3,927)	(39,706)	(224,484)	(192,100)
Cash paid for quasi-external transactions.....	(351)	-	(295)	(1,988)	(2,634)	(78,584)
Cash paid for judgements and claims.....	-	(50,873)	-	-	(50,873)	-
Net cash provided by (used in) operating activities..	(241)	5,970	459	141	6,329	(6,843)
Cash flows from noncapital financing activities:						
Operating transfers in.....	147	-	39	3,187	3,373	2,593
Operating transfers out.....	-	-	-	(59)	(59)	(286)
Net cash provided by noncapital financing activities.....	147	-	39	3,128	3,314	2,307
Cash flows from capital financing activities:						
Acquisition of fixed assets.....	(117)	-	(352)	-	(469)	(549)
Retirement of capital lease obligation.....	-	-	-	(1,047)	(1,047)	(817)
Interest paid on long term debt.....	-	-	-	(937)	(937)	(1,048)
Net cash used in capital financing activities.....	(117)	-	(352)	(1,984)	(2,453)	(2,414)
Cash flows from investing activities:						
Interest income received.....	-	2,079	-	20	2,099	1,459
Other investing activity increases.....	-	-	-	19	19	28
Other investing activity decreases.....	(147)	-	(39)	-	(186)	(67)
Net cash provided by (used in) investing activities.....	(147)	2,079	(39)	39	1,932	1,420
Net increase (decrease) in cash and cash equivalents.....	(358)	8,049	107	1,324	9,122	(5,530)
Cash and cash equivalents - beginning of year.....	1,299	40,430	678	174	42,581	48,111
Cash and cash equivalents - end of year.....	\$ 941	\$ 48,479	\$ 785	\$ 1,498	\$ 51,703	\$ 42,581

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
INTERNAL SERVICE FUNDS
Combining Statement of Cash Flows (Continued)
Year ended June 30, 2000
With comparative totals for the year ended June 30, 1999
(In Thousands)

	<u>Central Shops Fund</u>	<u>Health Service Fund</u>	<u>Reproduction Fund</u>	<u>Telecommu- nications and Information Fund</u>	<u>Total</u>	
					<u>2000</u>	<u>1999</u>
Reconciliation of operating income (loss) to net cash used in operating activities:						
Operating income (loss).....	\$ (230)	\$ 13,625	\$ 168	\$ (5,585)	\$ 7,978	\$ (10,852)
Adjustments for non-cash activities:						
Depreciation and amortization.....	69	-	292	2,194	2,555	1,778
Changes in assets/liabilities:						
Receivables, net.....	-	(1,802)	-	1,179	(623)	2,936
Due from other funds.....	-	-	-	2,042	2,042	(2,042)
Deferred charges and other assets.....	-	(74)	-	(13)	(87)	800
Accounts payable.....	(144)	(2,173)	(31)	(265)	(2,613)	(4,325)
Accrued payroll.....	65	-	30	253	348	274
Accrued vacation and sick leave pay.....	(1)	-	-	197	196	186
Accrued workers' compensation.....	-	-	-	139	139	345
Estimated claims payable.....	-	(7,660)	-	-	(7,660)	1,445
Deferred credits and other liabilities.....	-	4,054	-	-	4,054	2,612
Total adjustments	<u>(11)</u>	<u>(7,655)</u>	<u>291</u>	<u>5,726</u>	<u>(1,649)</u>	<u>4,009</u>
Net cash provided by (used in) operating activities.....	<u>\$ (241)</u>	<u>\$ 5,970</u>	<u>\$ 459</u>	<u>\$ 141</u>	<u>\$ 6,329</u>	<u>\$ (6,843)</u>

CITY AND COUNTY OF SAN FRANCISCO

FIDUCIARY FUNDS

Fiduciary Funds include all Trust and Agency Funds which account for assets held by the City as a trustee or as an agent for individuals, other governmental units and/or other funds.

Pension Trust Fund

Employees' Retirement System -- Accounts for the contributions from employees, City contributions and the earnings and profits from investments of monies. Disbursements are made for retirements, withdrawal, disability, and death benefits of the employees as well as administrative expenses.

Investment Trust Fund

Investment Trust Fund -- Accounts for the external portion of the Treasurer's Office investment pool. The funds of the San Francisco Community College District, San Francisco Unified School District, and the Trial Courts are accounted for within the Investment Trust Fund. Pursuant to the California Education Code, receipts for college districts and school districts must be deposited with the appropriate County. The Trial Courts were previously a part of the City's financial reporting entity; however, State Assembly Bill 233 shifted the primary responsibility for the Trial Courts to the State.

Expendable Trust Funds

Expendable Trust Funds are trust funds whose resources, including both principal and earnings, may be expended.

Bequest Fund -- Accounts for income and disbursements of bequests accepted by the City. Disbursements are made in accordance with terms of the bequests.

Gift Fund -- Accounts for certain cash gifts which have been accepted by the Board of Supervisors on behalf of the City. Disbursements are made by departments, boards and commissions in accordance with the purposes, if any, specified by the donor. Activities are controlled by project accounting procedures maintained by the Controller.

Other Expendable Trust Funds -- Account for operations of two smaller funds that cannot properly be grouped into the Gift Fund or the Bequest Fund because of their specific terms.

Agency Funds

Agency Funds are custodial in nature and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time.

Assistance Program Fund -- Accounts for collections and advances received as an agent under various human welfare and community health programs. Monies are disbursed in accordance with legal requirements and program regulations.

Deposits Fund -- Accounts for all deposits under the control of the City departments. Dispositions of the deposits are governed by the terms of the statutes and ordinances establishing the deposit requirement.

(Continued)

CITY AND COUNTY OF SAN FRANCISCO

FIDUCIARY FUNDS (Continued)

State Revenue Collection Fund -- Accounts for various fees, fines and penalties collected by City departments for the State of California which are passed through to the State.

Tax Collection Fund -- Accounts for monies received for current and delinquent taxes which must be held pending authority for distribution. Included are prepaid taxes, disputed taxes, duplicate payment of taxes, etc. This fund also accounts for monies deposited by third parties pending settlement of litigation and claims. Upon final settlement, monies are disbursed as directed by the courts or by parties to the dispute.

Transit Fund -- Accounts for the quarter of one percent sales tax collected by the State Board of Equalization and deposited with the County of origin for local transportation support. The Metropolitan Transportation Commission, the regional agency responsible for administration of these monies, directs their use and distribution.

Other Agency Funds -- Accounts for monies held as agent for a variety of purposes.

CITY AND COUNTY OF SAN FRANCISCO

FIDUCIARY FUNDS

Combining Balance Sheet

June 30, 2000

With comparative totals as of June 30, 1999

(In Thousands)

A S S E T S

	Pension and Investment Trust Funds	Expendable Trust Funds	Agency Funds	Total	
				2000	1999
Deposits and investments with City Treasury.....	\$ 199,988	\$ 11,694	\$ 77,470	\$ 289,152	\$ 335,974
Deposits and investments outside City Treasury.....	13,160,331	529	-	13,160,860	11,111,908
Receivables:					
Federal and state grants and subventions.....	-	254	-	254	140
Charges for services.....	-	399	-	399	627
Interest and other.....	410,374	78	65,375	475,827	348,558
Invested securities lending collateral.....	1,836,360	-	-	1,836,360	1,458,610
Deferred charges and other assets.....	-	-	5,302	5,302	3,228
Total assets.....	<u>\$ 15,607,053</u>	<u>\$ 12,954</u>	<u>\$ 148,147</u>	<u>\$ 15,768,154</u>	<u>\$ 13,259,045</u>

LIABILITIES

Accounts payable.....	\$ 13,643	\$ 211	\$ 5,256	\$ 19,110	\$ 19,094
Accrued payroll.....	-	53	-	53	43
Deferred tax, grant and subvention revenues.....	-	540	-	540	140
Due to other funds.....	-	-	3,944	3,944	5,971
Agency obligations.....	-	468	138,947	139,415	146,709
Obligations under fixed coupon dollar repurchase agreements.....	384,767	-	-	384,767	293,362
Payable to brokers.....	246,306	-	-	246,306	222,224
Securities lending collateral.....	1,836,360	-	-	1,836,360	1,458,610
Total liabilities.....	<u>2,481,076</u>	<u>1,272</u>	<u>148,147</u>	<u>2,630,495</u>	<u>2,146,153</u>

FUND EQUITY

Fund balances:					
Reserved for employees' retirement benefits.....	12,931,306	-	-	12,931,306	10,868,542
Reserved for external pool participants.....	194,671	-	-	194,671	233,419
Reserved for assets not available for appropriation.....	-	529	-	529	528
Reserved for encumbrances.....	-	492	-	492	956
Reserved for appropriation carryforward.....	-	5,578	-	5,578	5,871
Unreserved.....	-	5,083	-	5,083	3,576
Total fund equity.....	<u>13,125,977</u>	<u>11,682</u>	<u>-</u>	<u>13,137,659</u>	<u>11,112,892</u>
Total liabilities and fund equity.....	<u>\$ 15,607,053</u>	<u>\$ 12,954</u>	<u>\$ 148,147</u>	<u>\$ 15,768,154</u>	<u>\$ 13,259,045</u>

CITY AND COUNTY OF SAN FRANCISCO

FIDUCIARY FUNDS

**Combining Statement of Net Assets -
Pension and Investment Trust Funds**

June 30, 2000

With comparative totals as of June 30, 1999

(In Thousands)

A S S E T S

	Pension Trust Fund Employees' Retirement System	Investment Trust Fund	Total	
			2000	1999
Deposits and investments with City Treasury.....	\$ 4,761	\$ 195,227	\$ 199,988	\$ 241,172
Deposits and investments outside City Treasury.....	13,160,331	-	13,160,331	11,111,354
Interest and other receivables.....	408,543	1,831	410,374	280,676
Invested securities lending collateral.....	1,836,360	-	1,836,360	1,458,610
Total assets.....	<u>\$ 15,409,995</u>	<u>\$ 197,058</u>	<u>\$ 15,607,053</u>	<u>\$ 13,091,812</u>

LIABILITIES AND NET ASSETS

Accounts payable.....	\$ 11,256	\$ 2,387	\$ 13,643	\$ 15,655
Obligations under fixed coupon dollar repurchase agreements.....	384,767	-	384,767	293,362
Payable to brokers.....	246,306	-	246,306	222,224
Securities lending collateral.....	1,836,360	-	1,836,360	1,458,610
Total liabilities.....	<u>2,478,689</u>	<u>2,387</u>	<u>2,481,076</u>	<u>1,989,851</u>
Net assets held in trust.....	<u>\$ 12,931,306</u>	<u>\$ 194,671</u>	<u>\$ 13,125,977</u>	<u>\$ 11,101,961</u>

CITY AND COUNTY OF SAN FRANCISCO

FIDUCIARY FUNDS

**Combining Statement of Changes in Net Assets -
Pension and Investment Trust Funds**

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

	Pension Trust Fund Employees' Retirement System	Investment Trust Fund	Total	
			<u>2000</u>	<u>1999</u>
Additions:				
Employees' contributions.....	\$ 132,761	\$ -	\$ 132,761	\$ 120,851
Contributions on pooled investments.....	-	2,273,148	2,273,148	1,738,013
Total contributions.....	<u>132,761</u>	<u>2,273,148</u>	<u>2,405,909</u>	<u>1,858,864</u>
Investment income (expenses):				
Interest.....	227,118	7,807	234,925	210,371
Dividends.....	81,607	-	81,607	75,210
Net appreciation in fair value of investments.....	2,011,790	-	2,011,790	988,426
Securities lending income.....	97,092	-	97,092	81,766
Fixed coupon dollar repurchase agreement income.....	18,559	-	18,559	18,934
Investment expenses.....	(30,556)	-	(30,556)	(21,177)
Securities lending borrower rebates and expenses.....	(84,241)	-	(84,241)	(69,969)
Fixed coupon dollar repurchase finance charges and expenses.....	(16,838)	-	(16,838)	(18,300)
Investment income, net.....	<u>2,304,531</u>	<u>7,807</u>	<u>2,312,338</u>	<u>1,265,261</u>
Total additions.....	<u>2,437,292</u>	<u>2,280,955</u>	<u>4,718,247</u>	<u>3,124,125</u>
Deductions:				
Benefit payments.....	356,961	-	356,961	336,094
Refunds of contributions.....	7,285	-	7,285	5,095
Distributions from pooled investments.....	-	2,319,703	2,319,703	1,650,528
Administrative expenses.....	10,282	-	10,282	6,361
Total deductions.....	<u>374,528</u>	<u>2,319,703</u>	<u>2,694,231</u>	<u>1,998,078</u>
Net increase (decrease).....	2,062,764	(38,748)	2,024,016	1,126,047
Net assets held in trust at beginning of year.....	10,868,542	233,419	11,101,961	9,975,914
Net assets held in trust at end of year.....	<u>\$ 12,931,306</u>	<u>\$ 194,671</u>	<u>\$ 13,125,977</u>	<u>\$ 11,101,961</u>

CITY AND COUNTY OF SAN FRANCISCO

FIDUCIARY FUNDS

Combining Balance Sheet - Expendable Trust Funds

June 30, 2000

With comparative totals as of June 30, 1999

(In Thousands)

A S S E T S

	Bequest Fund	Gift Fund	Other Expendable Trust Funds	Total	
				2000	1999
Deposits and investments with City Treasury.....	\$ 5,058	\$ 6,244	\$ 392	\$ 11,694	\$ 11,770
Deposits and investments outside City Treasury.....	54	475	-	529	529
Receivables:					
Federal and state grants and subventions.....	-	254	-	254	140
Charges for services.....	-	399	-	399	627
Interest and other receivables.....	50	28	-	78	73
Total assets.....	<u>\$ 5,162</u>	<u>\$ 7,400</u>	<u>\$ 392</u>	<u>\$ 12,954</u>	<u>\$ 13,139</u>

L I A B I L I T I E S

Accounts payable.....	\$ -	\$ 211	\$ -	\$ 211	\$ 180
Accrued payroll.....	10	43	-	53	43
Deferred tax, grant and subvention revenues.....	-	540	-	540	140
Due to other funds.....	-	-	-	-	1,377
Agency obligations.....	40	391	37	468	468
Total liabilities.....	<u>50</u>	<u>1,185</u>	<u>37</u>	<u>1,272</u>	<u>2,208</u>

F U N D E Q U I T Y

Fund balances:					
Reserved for assets not available for appropriation.....	54	475	-	529	528
Reserved for encumbrances.....	-	492	-	492	956
Reserved for appropriation carryforward.....	309	5,248	21	5,578	5,871
Unreserved.....	4,749	-	334	5,083	3,576
Total fund equity.....	<u>5,112</u>	<u>6,215</u>	<u>355</u>	<u>11,682</u>	<u>10,931</u>
Total liabilities and fund equity.....	<u>\$ 5,162</u>	<u>\$ 7,400</u>	<u>\$ 392</u>	<u>\$ 12,954</u>	<u>\$ 13,139</u>

CITY AND COUNTY OF SAN FRANCISCO

FIDUCIARY FUNDS

**Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Expendable Trust Funds**

Year ended June 30, 2000

With comparative totals for the year ended June 30, 1999

(In Thousands)

	<u>Bequest Fund</u>	<u>Gift Fund</u>	<u>Other Expendable Trust Funds</u>	<u>Total</u>	
				<u>2000</u>	<u>1999</u>
Revenues:					
Fines, forfeitures and penalties.....	\$ -	\$ 2	\$ -	\$ 2	\$ 3
Interest and investment income.....	230	400	19	649	505
Rents and concessions.....	526	-	-	526	153
Intergovernmental:					
Federal.....	-	24	-	24	-
Other.....	-	-	-	-	89
Charges for services.....	-	52	-	52	198
Donations and other.....	1	4,810	-	4,811	3,555
Total revenues.....	<u>757</u>	<u>5,288</u>	<u>19</u>	<u>6,064</u>	<u>4,503</u>
Expenditures:					
Public protection.....	-	221	-	221	268
Public works, transportation and commerce.....	-	21	-	21	17
Human welfare and neighborhood development.....	-	201	-	201	868
Community health.....	-	938	-	938	962
Culture and recreation.....	334	2,189	-	2,523	1,029
General administration and finance.....	-	433	-	433	47
Total expenditures.....	<u>334</u>	<u>4,003</u>	<u>-</u>	<u>4,337</u>	<u>3,191</u>
Excess of revenues over expenditures	<u>423</u>	<u>1,285</u>	<u>19</u>	<u>1,727</u>	<u>1,312</u>
Other financing sources (uses):					
Operating transfers in.....	-	45	-	45	-
Operating transfers out.....	(17)	(985)	(19)	(1,021)	(1,164)
Total other financing uses.....	<u>(17)</u>	<u>(940)</u>	<u>(19)</u>	<u>(976)</u>	<u>(1,164)</u>
Excess of revenues over expenditures and other uses.....	<u>406</u>	<u>345</u>	<u>-</u>	<u>751</u>	<u>148</u>
Fund balances at beginning of year.....	<u>4,706</u>	<u>5,870</u>	<u>355</u>	<u>10,931</u>	<u>10,783</u>
Fund balances at end of year.....	<u>\$ 5,112</u>	<u>\$ 6,215</u>	<u>\$ 355</u>	<u>\$ 11,682</u>	<u>\$ 10,931</u>

CITY AND COUNTY OF SAN FRANCISCO

FIDUCIARY FUNDS

Combining Statement of Changes in Assets and Liabilities - Agency Funds

Year ended June 30, 2000

(In Thousands)

	<u>Balance June 30, 1999</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2000</u>
Assistance Program Fund				
ASSETS				
Deposits and investments with City Treasury.....	\$ 6,732	\$ 41,436	\$ 40,748	\$ 7,420
Deposits and investments outside City Treasury.....	25	-	25	-
Interest and other receivables.....	128	145	128	145
Total assets.....	<u>\$ 6,885</u>	<u>\$ 41,581</u>	<u>\$ 40,901</u>	<u>\$ 7,565</u>
LIABILITIES				
Accounts payable.....	\$ 16	\$ 152	\$ 156	\$ 12
Agency obligations.....	6,869	39,374	38,690	7,553
Total liabilities.....	<u>\$ 6,885</u>	<u>\$ 39,526</u>	<u>\$ 38,846</u>	<u>\$ 7,565</u>
 Deposits Fund				
ASSETS				
Deposits and investments with City Treasury.....	\$ 41,574	\$ 37,097	\$ 50,435	\$ 28,236
Interest and other receivables.....	1	-	-	1
Deferred charges and other assets.....	3,228	2,130	56	5,302
Total assets.....	<u>\$ 44,803</u>	<u>\$ 39,227</u>	<u>\$ 50,491</u>	<u>\$ 33,539</u>
LIABILITIES				
Accounts payable.....	\$ 1,247	\$ 38,917	\$ 39,462	\$ 702
Agency obligations.....	43,556	37,129	47,848	32,837
Total liabilities.....	<u>\$ 44,803</u>	<u>\$ 76,046</u>	<u>\$ 87,310</u>	<u>\$ 33,539</u>
 State Revenue Collection Fund				
ASSETS				
Deposits and investments with City Treasury.....	\$ -	\$ 6,890	\$ 6,414	\$ 476
Interest and other receivables.....	1,067	-	1,067	-
Total assets.....	<u>\$ 1,067</u>	<u>\$ 6,890</u>	<u>\$ 7,481</u>	<u>\$ 476</u>
LIABILITIES				
Accounts payable.....	\$ 164	\$ 5,718	\$ 5,730	\$ 152
Due to other funds.....	650	-	650	-
Agency obligations.....	253	5,715	5,644	324
Total liabilities.....	<u>\$ 1,067</u>	<u>\$ 11,433</u>	<u>\$ 12,024</u>	<u>\$ 476</u>

(Continued)

CITY AND COUNTY OF SAN FRANCISCO

FIDUCIARY FUNDS

**Combining Statement of Changes in Assets and Liabilities -
Agency Funds (Continued)**

Year ended June 30, 2000

(In Thousands)

	Balance June 30, 1999	Additions	Deductions	Balance June 30, 2000
Tax Collection Fund				
ASSETS				
Deposits and investments with City Treasury.....	\$ 29,087	\$ 1,114,441	\$ 1,110,125	\$ 33,403
Interest and other receivables.....	66,395	63,322	64,736	64,981
Total assets.....	<u>\$ 95,482</u>	<u>\$ 1,177,763</u>	<u>\$ 1,174,861</u>	<u>\$ 98,384</u>
LIABILITIES				
Accounts payable.....	\$ 153	\$ 17,653	\$ 17,547	\$ 259
Due to other funds.....	3,944	-	-	3,944
Agency obligations.....	91,385	1,083,650	1,080,854	94,181
Total liabilities.....	<u>\$ 95,482</u>	<u>\$ 1,101,303</u>	<u>\$ 1,098,401</u>	<u>\$ 98,384</u>
 Transit Fund				
ASSETS				
Deposits and investments with City Treasury.....	\$ 1,095	\$ 38,771	\$ 37,765	\$ 2,101
Interest and other receivables.....	80	528	529	79
Total assets.....	<u>\$ 1,175</u>	<u>\$ 39,299</u>	<u>\$ 38,294</u>	<u>\$ 2,180</u>
LIABILITIES				
Accounts payable.....	\$ 829	\$ 6,938	\$ 6,855	\$ 912
Agency obligations.....	346	38,697	37,775	1,268
Total liabilities.....	<u>\$ 1,175</u>	<u>\$ 45,635</u>	<u>\$ 44,630</u>	<u>\$ 2,180</u>
 Other Agency Funds				
ASSETS				
Deposits and investments with City Treasury.....	\$ 4,544	\$ 53,928	\$ 52,638	\$ 5,834
Interest and other receivables.....	138	171	140	169
Total assets.....	<u>\$ 4,682</u>	<u>\$ 54,099</u>	<u>\$ 52,778</u>	<u>\$ 6,003</u>
LIABILITIES				
Accounts payable.....	\$ 850	\$ 51,428	\$ 49,059	\$ 3,219
Agency obligations.....	3,832	50,895	51,943	2,784
Total liabilities.....	<u>\$ 4,682</u>	<u>\$ 102,323</u>	<u>\$ 101,002</u>	<u>\$ 6,003</u>

(Continued)

CITY AND COUNTY OF SAN FRANCISCO

FIDUCIARY FUNDS

**Combining Statement of Changes in Assets and Liabilities -
Agency Funds (Continued)**

Year ended June 30, 2000

(In Thousands)

	Balance June 30, <u>1999</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2000</u>
Total Agency Funds				
ASSETS				
Deposits and investments with City Treasury.....	\$ 83,032	\$ 1,292,563	\$ 1,298,125	\$ 77,470
Deposits and investments outside City Treasury.....	25	-	25	-
Interest and other receivables.....	67,809	64,166	66,600	65,375
Deferred charges and other assets.....	3,228	2,130	56	5,302
Total assets.....	<u>\$ 154,094</u>	<u>\$ 1,358,859</u>	<u>\$ 1,364,806</u>	<u>\$ 148,147</u>
LIABILITIES				
Accounts payable.....	\$ 3,259	\$ 120,806	\$ 118,809	\$ 5,256
Due to other funds.....	4,594	-	650	3,944
Agency obligations.....	146,241	1,255,460	1,262,754	138,947
Total liabilities.....	<u>\$ 154,094</u>	<u>\$ 1,376,266</u>	<u>\$ 1,382,213</u>	<u>\$ 148,147</u>

CITY AND COUNTY OF SAN FRANCISCO

DISCRETELY PRESENTED COMPONENT UNITS

Component units include those entities which are legally separate and for which the elected officials of the primary government are financially accountable or for which the nature and significance of its relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units that are legally separate from the primary government are typically discretely presented in a column separate from the financial data of the primary government to distinguish their separate legal standing from the primary government unless they meet certain criteria. The following legally separate component units are discretely presented from the primary government:

San Francisco Redevelopment Agency - The Agency is a public body, corporate and politic, organized and existing under the Community Redevelopment Law of the State of California. It is governed by seven commissioners who are appointed by the Mayor, subject to confirmation by the City's Board of Supervisors. The Agency has adopted as its mission the creation of affordable housing and economic development opportunities Citywide. Included in its financial data are the accounts of the San Francisco Redevelopment Financing Authority (SFRFA), a component unit of the Agency. The SFRFA is a separate joint powers authority formed between the Agency and the City to facilitate the long-term financing of Agency activities. The Agency's governing commission serves as the Board of Directors of the SFRFA.

Treasure Island Development Authority - The Treasure Island Development Authority (TIDA) is a nonprofit public benefit corporation. The TIDA was authorized in accordance with the Treasure Island Conversion Act of 1997 and designated as a redevelopment agency pursuant to Community Redevelopment Law of the State of California. The TIDA is governed by seven commissioners who are appointed by the Mayor, subject to confirmation by the City's Board of Supervisors. The specific purpose of the TIDA is to promote the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the property known as Naval Station Treasure Island for the public interest, convenience, welfare and common benefit of the inhabitants of the City.

**CITY AND COUNTY OF SAN FRANCISCO
DISCRETELY PRESENTED COMPONENT UNITS**

Combining Balance Sheet

June 30, 2000

With comparative totals as of June 30, 1999

(In Thousands)

ASSETS

	San Francisco Redevelopment Agency	Treasure Island Development Authority	Total	
			2000	1999
Deposits and investments outside City Treasury.....	\$ 106,362	\$ -	\$ 106,362	\$ 87,600
Receivables:				
Federal and state grants and subventions.....	713	1,429	2,142	2,591
Charges for services.....	-	382	382	-
Interest and other.....	3,984	-	3,984	2,975
Loans receivable.....	6,678	-	6,678	6,035
Restricted assets:				
Deposits and investments outside City Treasury....	243,253	-	243,253	227,218
Grants and other receivables.....	446	-	446	446
Property held for resale.....	11,106	-	11,106	24,999
Fixed assets (net of accumulated depreciation in proprietary fund types).....	208,793	-	208,793	207,920
Amount available in Debt Service Funds.....	204,708	-	204,708	204,433
Amount to be provided for long-term obligations.....	525,686	-	525,686	518,699
Total assets.....	<u>\$ 1,311,729</u>	<u>\$ 1,811</u>	<u>\$ 1,313,540</u>	<u>\$ 1,282,916</u>

LIABILITIES

Accounts payable.....	\$ 3,568	\$ 204	\$ 3,772	\$ 1,914
Accrued payroll.....	-	60	60	41
Accrued vacation and sick leave pay.....	1,627	-	1,627	1,770
Deferred tax, grant and subvention revenues.....	23,856	-	23,856	24,180
Due to primary government	34,128	1,831	35,959	18,762
Agency obligations.....	406	-	406	1,395
Deferred credits and other liabilities.....	1,519	-	1,519	2,121
Bond interest payable.....	1,785	-	1,785	2,465
Bonds, loans, capital leases, and other payables.....	752,049	-	752,049	744,741
Liabilities payable from restricted assets.....	2,051	-	2,051	2,360
Total liabilities.....	<u>820,989</u>	<u>2,095</u>	<u>823,084</u>	<u>799,749</u>

FUND EQUITY

Investment in general fixed assets.....	192,761	-	192,761	191,481
Retained earnings:				
Unreserved (deficit).....	(4,001)	-	(4,001)	(4,003)
Fund balances:				
Reserved for property held for resale.....	11,106	-	11,106	24,999
Reserved for debt service.....	204,708	-	204,708	204,433
Reserved for encumbrances.....	-	500	500	612
Unreserved (deficit).....	86,166	(784)	85,382	65,645
Total fund equity (deficit).....	<u>490,740</u>	<u>(284)</u>	<u>490,456</u>	<u>483,167</u>
Total liabilities and fund equity (deficit).....	<u>\$ 1,311,729</u>	<u>\$ 1,811</u>	<u>\$ 1,313,540</u>	<u>\$ 1,282,916</u>

CITY AND COUNTY OF SAN FRANCISCO
DISCRETELY PRESENTED COMPONENT UNITS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Deficits)
Year ended June 30, 2000
With comparative totals for the year ended June 30, 1999
(In Thousands)

	San Francisco Redevelopment Agency	Treasure Island Development Authority	Total	
			2000	1999
Revenues:				
Property taxes.....	\$ 31,526	\$ -	\$ 31,526	\$ 30,169
Other local taxes.....	5,913	-	5,913	5,859
Interest and investment income.....	14,358	-	14,358	15,882
Rents and concessions.....	26,771	2,494	29,265	26,215
Intergovernmental:				
Federal.....	10,359	2,441	12,800	19,696
Other.....	17,711	-	17,711	10,654
Total revenues.....	<u>106,638</u>	<u>4,935</u>	<u>111,573</u>	<u>108,475</u>
Expenditures:				
Human welfare and neighborhood development....	-	5,234	5,234	7,088
Debt service:				
Principal retirement.....	30,320	-	30,320	29,620
Interest and fiscal charges.....	24,140	-	24,140	27,096
Capital outlay.....	50,084	-	50,084	71,226
Total expenditures.....	<u>104,544</u>	<u>5,234</u>	<u>109,778</u>	<u>135,030</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>2,094</u>	<u>(299)</u>	<u>1,795</u>	<u>(26,555)</u>
Other financing sources (uses):				
Operating transfers in.....	-	15	15	-
Proceeds from issuance of bonds.....	18,089	-	18,089	-
Proceeds of refunding bonds.....	-	-	-	91,400
Payment to refunded bond escrow agent	-	-	-	(70,156)
Total other financing sources.....	<u>18,089</u>	<u>15</u>	<u>18,104</u>	<u>21,244</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses.....	<u>20,183</u>	<u>(284)</u>	<u>19,899</u>	<u>(5,311)</u>
Net income from proprietary activities.....	3	-	3	79
Fund balances at beginning of year.....	291,686	-	291,686	301,737
Decrease in property held for resale.....	(13,893)	-	(13,893)	(1,904)
Residual equity transfer out	-	-	-	(2,915)
Fund balances (deficit) at end of year.....	<u>\$ 297,979</u>	<u>\$ (284)</u>	<u>\$ 297,695</u>	<u>\$ 291,686</u>

CITY AND COUNTY OF SAN FRANCISCO

GENERAL FIXED ASSETS ACCOUNT GROUP

Accounts for recorded fixed assets other than those accounted for in the proprietary type funds and discretely presented component units.

The City does not include infrastructure in its General Fixed Assets Account Group. Examples of infrastructure are roads, curbs and gutters, streets and sidewalks and similar assets that are immovable and of value only to the City.

General Fixed Assets are not depreciated.

CITY AND COUNTY OF SAN FRANCISCO

GENERAL FIXED ASSETS ACCOUNT GROUP

Schedule of General Fixed Assets by Function and Type

June 30, 2000

(In Thousands)

Function	Land	Facilities and Improvements	Machinery and Equipment	Construction in Progress	Total
Public protection.....	\$ 9,168	\$ 276,758	\$ 178,863	\$ 140,585	\$ 605,374
Public works, transportation and commerce.....	18,316	213,762	61,205	421,618	714,901
Human welfare and neighborhood development.....	8,243	37,581	13,731	13	59,568
Community health.....	413	19,677	33,192	18,468	71,750
Culture and recreation.....	145,259	953,972	72,474	119,277	1,290,982
General administration and finance.....	19,858	113,045	90,510	1,266	224,679
Total general fixed assets.....	<u>\$ 201,257</u>	<u>\$ 1,614,795</u>	<u>\$ 449,975</u>	<u>\$ 701,227</u>	<u>\$ 2,967,254</u>

Schedule of Changes in General Fixed Assets by Function

Year ended June 30, 2000

(In Thousands)

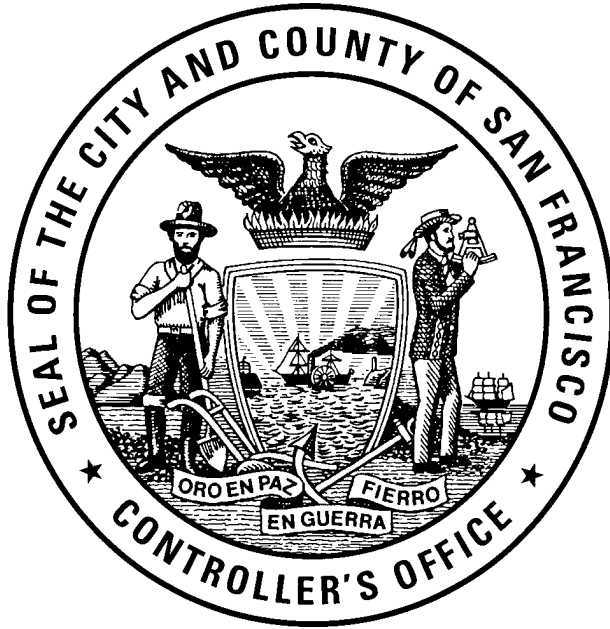
	Balance June 30, 1999	Additions	Balance June 30, 2000
Public protection.....	\$ 557,509	\$ 47,865	\$ 605,374
Public works, transportation and commerce.....	661,840	53,061	714,901
Human welfare and neighborhood development.....	56,207	3,361	59,568
Community health.....	70,240	1,510	71,750
Culture and recreation.....	1,205,456	85,526	1,290,982
General administration and finance.....	222,883	1,796	224,679
	<u>\$ 2,774,135</u>	<u>\$ 193,119</u>	<u>\$ 2,967,254</u>

Schedule of Funding Sources for General Fixed Assets

June 30, 2000

(In Thousands)

General investments in fixed assets acquired prior to July 1, 1987.....	\$ 715,421
Source of funding for general fixed assets acquired from July 1, 1987 through June 30, 2000:	
General fund revenues.....	67,620
Special revenue funds revenues.....	106,178
General obligation bond proceeds.....	785,692
Certificate of participation proceeds.....	67,945
Lease revenue bond proceeds.....	87,616
Federal and state grants.....	957,954
Other.....	178,828
Total general fixed assets.....	<u>\$ 2,967,254</u>



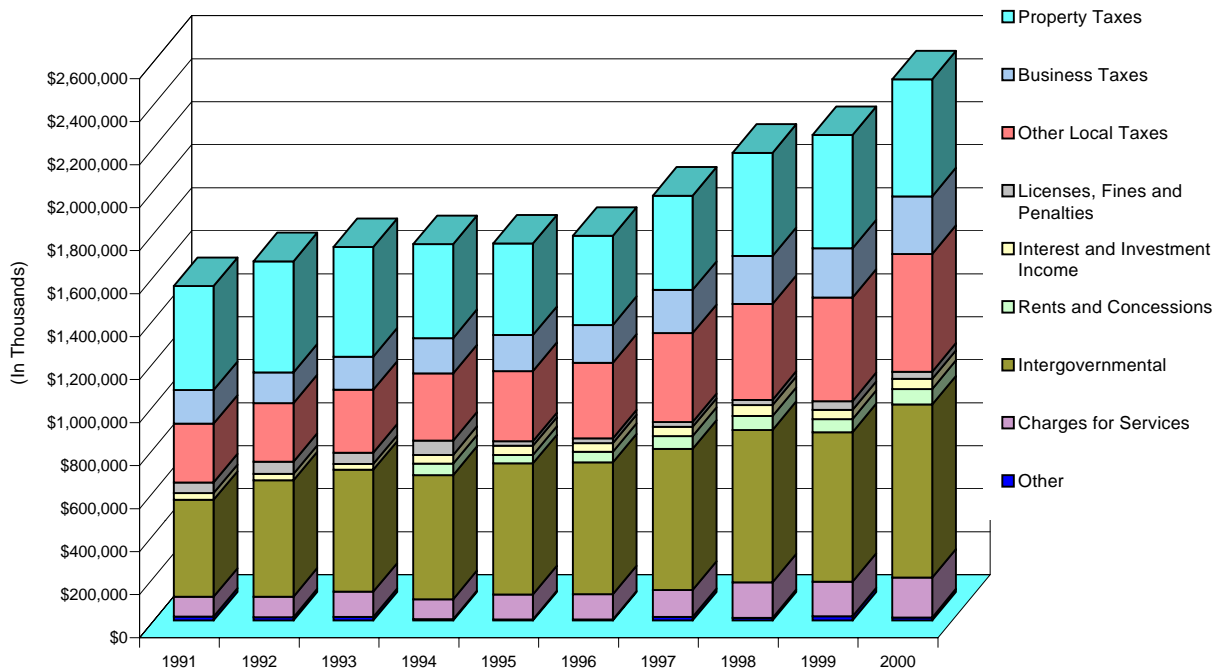
STATISTICAL SECTION

CITY AND COUNTY OF SAN FRANCISCO

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)(3)(4)(5)(6)

Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Property Taxes	Business Taxes	Other Local Taxes	Licenses, Fines and Penalties(4)	Interest and Investment Income	Rents and Concessions(5)	Intergovernmental(6)	Charges for Services	Other	Total
1991.....	\$ 483,887	\$ 156,771	\$ 272,577	\$ 50,222	\$ 31,534	\$ -	\$ 450,405	\$ 92,904	\$ 17,245	\$ 1,555,545
% of Total....	31.1	10.1	17.5	3.2	2.0	-	29.0	6.0	1.1	100.0
% Change....	5.7	3.0	19.0	(0.1)	(0.6)	-	1.5	2.1	34.8	5.9
1992.....	517,312	142,458	272,548	56,377	30,177	-	540,639	96,551	14,375	1,670,437
% of Total....	31.0	8.5	16.3	3.4	1.8	-	32.3	5.8	0.9	100.0
% Change....	6.9	(9.1)	-	12.3	(4.3)	-	20.0	3.9	(16.6)	7.4
1993.....	509,348	154,026	292,427	53,165	26,553	-	567,127	117,550	16,324	1,736,520
% of Total....	29.3	8.9	16.8	3.1	1.5	-	32.7	6.8	0.9	100.0
% Change....	(1.5)	8.1	7.3	(5.7)	(12.0)	-	4.9	21.7	13.6	4.0
1994.....	436,619	164,075	312,942	66,319	41,274	52,336	577,621	92,868	6,047	1,750,101
% of Total....	24.9	9.4	17.9	3.8	2.4	3.0	33.0	5.3	0.3	100.0
% Change....	(14.3)	6.5	7.0	24.7	55.4	100.0	1.9	(21.0)	(63.0)	0.8
1995.....	425,361	168,047	326,640	21,227	42,093	39,160	609,885	115,964	5,002	1,753,379
% of Total....	24.3	9.6	18.6	1.2	2.4	2.2	34.8	6.6	0.3	100.0
% Change....	(2.6)	2.4	4.4	(68.0)	2.0	(25.2)	5.6	24.9	(17.3)	0.2
1996.....	415,009	175,624	351,790	22,124	40,770	49,019	612,853	117,674	4,408	1,789,271
% of Total....	23.2	9.8	19.7	1.2	2.3	2.7	34.3	6.6	0.2	100.0
% Change....	(2.4)	4.5	7.7	4.2	(3.1)	25.2	0.5	1.5	(11.9)	2.0
1997.....	438,250	201,210	413,935	22,154	42,227	59,816	656,127	126,137	15,885	1,975,741
% of Total....	22.2	10.2	21.0	1.1	2.1	3.0	33.2	6.4	0.8	100.0
% Change....	5.6	14.6	17.7	0.1	3.6	22.0	7.1	7.2	260.4	10.4
1998.....	479,912	223,647	445,628	24,667	50,115	65,318	709,078	164,881	12,038	2,175,284
% of Total....	22.1	10.3	20.5	1.1	2.3	3.0	32.5	7.6	0.6	100.0
% Change....	9.5	11.2	7.7	11.3	18.7	9.2	8.1	30.7	(24.2)	10.1
1999.....	527,176	229,905	481,362	40,482	42,466	61,363	696,071	160,540	19,022	2,258,387
% of Total....	23.3	10.2	21.3	1.8	1.9	2.7	30.9	7.1	0.8	100.0
% Change....	9.8	2.8	8.0	64.1	(15.3)	(6.1)	(1.8)	(2.6)	58.0	3.8
2000.....	544,210	267,918	547,470	33,681	47,132	72,380	804,723	185,510	13,898	2,516,922
% of Total....	21.6	10.6	21.8	1.3	1.9	2.9	31.9	7.4	0.6	100.0
% Change....	3.2	16.5	13.7	(16.8)	11.0	18.0	15.6	15.6	(26.9)	11.4



(Notes on following page)

CITY AND COUNTY OF SAN FRANCISCO

GENERAL REVENUES BY SOURCE - CONSTANT DOLLAR VALUE(1)(2)(3)(4)(5)(6)(7)

Last Ten Fiscal Years

(In Thousands)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Business Taxes</u>	<u>Other Local Taxes</u>	<u>Licenses, Fines and Penalties(4)</u>	<u>Interest and Investment Income</u>	<u>Rents and Concessions(5)</u>	<u>Intergovernmental(6)</u>	<u>Charges for Services</u>	<u>Other</u>	<u>Total</u>
1991.....	\$ 483,887	\$ 156,771	\$ 272,577	\$ 50,222	\$ 31,534	\$ -	\$ 450,405	\$ 92,904	\$ 17,245	\$ 1,555,545
% of Total...	31.1	10.1	17.5	3.2	2.0	-	29.0	6.0	1.1	100.0
% Change...	-	-	-	-	-	-	-	-	-	-
1992.....	492,824	135,714	259,646	53,708	28,749	-	515,047	91,981	13,695	1,591,364
% of Total...	31.0	8.5	16.3	3.4	1.8	-	32.3	5.8	0.9	100.0
% Change...	1.8	(13.4)	(4.7)	6.9	(8.8)	-	14.4	(1.0)	(20.6)	2.3
1993.....	467,265	141,300	268,266	48,772	24,359	-	520,270	107,838	14,975	1,593,045
% of Total...	29.3	8.9	16.8	3.1	1.5	-	32.7	6.8	0.9	100.0
% Change...	(5.2)	4.1	3.3	(9.2)	(15.3)	-	1.0	17.2	9.3	0.1
1994.....	388,374	145,945	278,363	58,991	36,713	46,553	513,795	82,606	5,379	1,556,719
% of Total...	24.9	9.4	17.9	3.8	2.4	3.0	33.0	5.3	0.3	100.0
% Change...	(16.9)	3.3	3.8	21.0	50.7	100.0	(1.2)	(23.4)	(64.1)	(2.3)
1995.....	371,938	146,941	285,616	18,561	36,806	34,242	533,287	101,400	4,374	1,533,165
% of Total...	24.3	9.6	18.6	1.2	2.4	2.2	34.8	6.6	0.3	100.0
% Change...	(4.2)	0.7	2.6	(68.5)	0.3	-	3.8	22.8	(18.7)	(1.5)
1996.....	355,880	150,602	301,668	18,972	34,961	42,035	525,536	100,908	3,780	1,534,342
% of Total...	23.2	9.8	19.7	1.2	2.3	2.7	34.3	6.6	0.2	100.0
% Change...	(4.3)	2.5	5.6	2.2	(5.0)	22.8	(1.5)	(0.5)	(13.6)	0.1
1997.....	368,932	169,385	348,463	18,650	35,548	50,355	552,347	106,186	13,372	1,663,238
% of Total...	22.2	10.2	21.0	1.1	2.1	3.0	33.2	6.4	0.8	100.0
% Change...	3.7	12.5	15.5	(1.7)	1.7	19.8	5.1	5.2	253.8	8.4
1998.....	392,212	182,777	364,193	20,159	40,957	53,382	579,500	134,750	9,838	1,777,768
% of Total...	22.1	10.3	20.5	1.1	2.3	3.0	32.5	7.6	0.6	100.0
% Change...	6.3	7.9	4.5	8.1	15.2	6.0	4.9	26.9	(26.4)	6.9
1999.....	424,377	185,074	387,496	32,588	34,185	49,397	560,337	129,235	15,313	1,818,002
% of Total...	23.3	10.2	21.3	1.8	1.9	2.7	30.9	7.1	0.8	100.0
% Change...	8.2	1.3	6.4	61.7	(16.5)	(7.5)	(3.3)	(4.1)	55.7	2.3
2000.....	397,811	195,845	400,194	24,620	34,453	52,909	588,242	135,605	10,159	1,839,838
% of Total...	21.6	10.6	21.8	1.3	1.9	2.9	31.9	7.4	0.6	100.0
% Change...	(6.3)	5.8	3.3	(24.5)	0.8	7.1	5.0	4.9	(33.7)	1.2

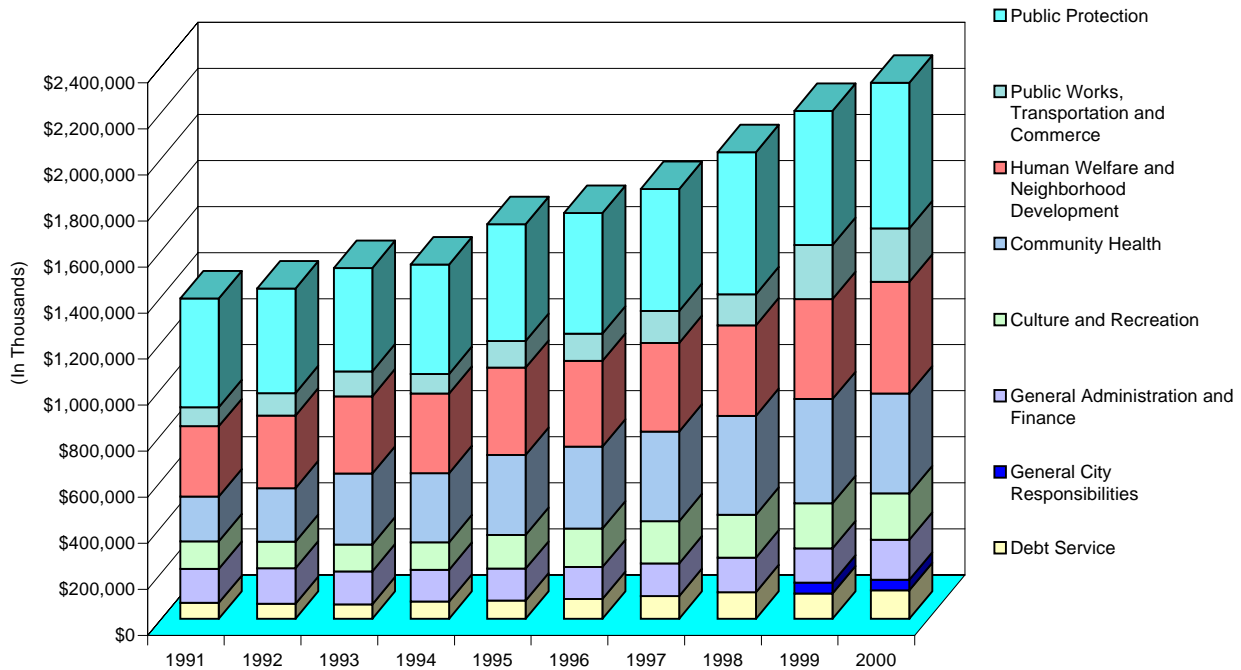
Notes:

- (1) Includes General, Special Revenue and Debt Service Funds.
- (2) The information for the years 1992 through 2000 has been adjusted to the 1991 value of the dollar, using the average Consumer Price Index - Urban for each year. This information has been provided for informational purposes as an indication of the true changes in the City's revenues since 1991.
- (3) The component unit, San Francisco Redevelopment Agency, is excluded beginning in 1993. Certain other 1994 information has been reclassified to conform to the 1995 presentation.
- (4) Under Proposition M, beginning in 1995, traffic fines of approximately \$46.7 million were directly allocated to Muni Railway.
- (5) Prior to 1994, rents and concessions were reported in charges for services.
- (6) Prior to 1994, intergovernmental revenues were reported as grants, subventions and other allocations.
- (7) Beginning in fiscal year 1997-98, the base year for the Consumer Price Index was changed from 1967 to 1982-84.

**CITY AND COUNTY OF SAN FRANCISCO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION(1)(3)(5)**

**Last Ten Fiscal Years
(In Thousands)**

<u>Fiscal Year</u>	<u>Public Protection</u>	<u>Public Works, Transportation and Commerce</u>	<u>Human Welfare and Neighborhood Development</u>	<u>Community Health</u>	<u>Culture and Recreation</u>	<u>General Administration and Finance</u>	<u>General City Responsibilities</u>	<u>Debt Service</u>	<u>Total</u>
1991.....	\$ 472,915	\$ 82,905	\$ 304,817	\$ 194,786	\$ 120,339	\$ 147,460	\$ -	\$ 68,983	\$ 1,392,205
% of Total...	34.0	6.0	21.9	14.0	8.6	10.6	-	4.9	100.0
% Change..	-	-	-	-	-	-	-	-	-
1992.....	455,007	96,931	316,645	232,352	115,369	154,389	-	64,827	1,435,520
% of Total...	31.6	6.8	22.1	16.2	8.0	10.8	-	4.5	100.0
% Change..	(3.8)	16.9	3.9	19.3	(4.1)	4.7	-	(6.0)	3.1
1993.....	448,308	109,258	335,406	307,698	116,907	142,997	-	63,060	1,523,634
% of Total...	29.4	7.2	22.0	20.2	7.7	9.4	-	4.1	100.0
% Change..	(1.5)	12.7	5.9	32.4	1.3	(7.4)	-	(2.7)	6.1
1994.....	475,844	85,776	345,523	300,036	119,274	138,784	-	74,627	1,539,864
% of Total...	30.9	5.6	22.4	19.6	7.7	9.0	-	4.8	100.0
% Change..	6.1	(21.5)	3.0	(2.5)	2.0	(2.9)	-	18.3	1.1
1995.....	507,231	116,426	378,922	347,234	146,990	137,913	-	79,924	1,714,640
% of Total...	29.6	6.8	22.1	20.2	8.6	8.0	-	4.7	100.0
% Change..	6.6	35.7	9.7	15.7	23.2	(0.6)	-	7.1	11.4
1996.....	524,499	118,007	372,763	356,080	167,379	138,616	-	86,088	1,763,432
% of Total...	29.7	6.7	21.1	20.2	9.5	7.9	-	4.9	100.0
% Change..	3.4	1.4	(1.6)	2.5	13.9	0.5	-	7.7	2.8
1997.....	529,302	139,021	384,519	390,226	182,505	142,287	-	99,016	1,866,876
% of Total...	28.4	7.4	20.6	20.9	9.8	7.6	-	5.3	100.0
% Change..	0.9	17.8	3.2	9.6	9.0	2.6	-	15.0	5.9
1998.....	617,595	134,557	393,003	430,087	186,733	149,636	-	115,552	2,027,163
% of Total...	30.5	6.6	19.4	21.2	9.2	7.4	-	5.7	100.0
% Change..	16.7	(3.2)	2.2	10.2	2.3	5.2	-	16.7	8.6
1999.....	582,460	234,524	435,014	452,563	196,008	148,440	48,093	109,538	2,206,640
% of Total...	26.4	10.6	19.7	20.5	8.9	6.7	2.2	5.0	100.0
% Change..	(5.7)	74.3	10.7	5.2	5.0	(0.8)	100.0	(5.2)	8.9
2000.....	632,516	231,970	485,201	433,448	201,558	174,566	45,194	124,246	2,328,699
% of Total...	27.2	10.0	20.8	18.6	8.7	7.5	1.9	5.3	100.0
% Change..	8.6	(1.1)	11.5	(4.2)	2.8	17.6	(6.0)	13.4	5.5



CITY AND COUNTY OF SAN FRANCISCO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION -
CONSTANT DOLLAR VALUE(1)(2)(3)(4)(5)
Last Ten Fiscal Years
(In Thousands)

<u>Fiscal Year</u>	<u>Public Protection</u>	<u>Public Works, Transportation and Commerce</u>	<u>Human Welfare and Neighborhood Development</u>	<u>Community Health</u>	<u>Culture and Recreation</u>	<u>General Administration and Finance</u>	<u>General City Responsibilities</u>	<u>Debt Service</u>	<u>Total</u>
1991.....	\$ 472,915	\$ 82,905	\$ 304,817	\$ 194,786	\$ 120,339	\$ 147,460	\$ -	\$ 68,983	\$ 1,392,205
% of Total....	34.0	6.0	21.9	14.0	8.6	10.6	-	4.9	100.0
% Change...	-	-	-	-	-	-	-	-	-
1992.....	433,468	92,343	301,656	221,353	109,908	147,081	-	61,758	1,367,567
% of Total....	31.6	6.8	22.1	16.2	8.0	10.8	-	4.5	100.0
% Change...	(8.3)	11.4	(1.0)	13.6	(8.7)	(0.3)	-	(10.5)	(1.8)
1993.....	411,268	100,231	307,694	282,276	107,248	131,182	-	57,850	1,397,749
% of Total....	29.4	7.2	22.0	20.2	7.7	9.4	-	4.1	100.0
% Change...	(5.1)	8.5	2.0	27.5	(2.4)	(10.8)	-	(6.3)	2.2
1994.....	423,265	76,298	307,344	266,883	106,095	123,449	-	66,381	1,369,715
% of Total....	30.9	5.6	22.4	19.6	7.7	9.0	-	4.8	100.0
% Change...	2.9	(23.9)	(0.1)	(5.5)	(1.1)	(5.9)	-	14.7	(2.0)
1995.....	443,526	101,804	331,332	303,623	128,529	120,592	-	69,886	1,499,292
% of Total....	29.6	6.8	22.1	20.2	8.6	8.0	-	4.7	100.0
% Change...	4.8	33.4	7.8	13.8	21.1	(2.3)	-	5.3	9.5
1996.....	449,770	101,194	319,653	305,347	143,531	118,866	-	73,822	1,512,183
% of Total....	29.7	6.7	21.1	20.2	9.5	7.9	-	4.9	100.0
% Change...	1.4	(0.6)	(3.5)	0.6	11.7	(1.4)	-	5.6	0.9
1997.....	445,582	117,032	323,700	328,504	153,638	119,781	-	83,355	1,571,592
% of Total....	28.4	7.4	20.6	20.9	9.8	7.6	-	5.3	100.0
% Change...	(0.9)	15.7	1.3	7.6	7.0	0.8	-	12.9	3.9
1998.....	504,735	109,968	321,185	351,492	152,609	122,291	-	94,436	1,656,716
% of Total....	30.5	6.6	19.4	21.2	9.2	7.4	-	5.7	100.0
% Change...	13.3	(6.0)	(0.8)	7.0	(0.7)	2.1	-	13.3	5.4
1999.....	468,880	188,792	350,186	364,313	157,786	119,494	38,715	88,178	1,776,344
% of Total....	26.4	10.6	19.7	20.5	8.9	6.7	2.2	5.0	100.0
% Change...	(7.1)	71.7	9.0	3.6	3.4	(2.3)	100.0	(6.6)	7.2
2000.....	462,361	169,567	354,676	316,845	147,336	127,606	33,036	90,822	1,702,249
% of Total....	27.2	10.0	20.8	18.6	8.7	7.5	1.9	5.3	100.0
% Change...	(1.4)	(10.2)	1.3	(13.0)	(6.6)	6.8	(14.7)	3.0	(4.2)

NOTES:

- (1) Includes General, Special Revenue and Debt Service Funds.
- (2) The information for the years 1992 through 2000 has been adjusted to the 1991 value of the dollar, using the average Consumer Price Index - Urban for each year. This information has been provided for informational purposes as an indication of the true changes in the expenditure level of the City since 1991.
- (3) The component unit, San Francisco Redevelopment Agency, is excluded beginning in 1993.
- (4) Beginning in fiscal year 1997-98, the base year for the Consumer Price Index was changed from 1967 to 1982-84.
- (5) Prior to fiscal year 1998-99, the General City Responsibilities were reported in the General Administration and Finance.

CITY AND COUNTY OF SAN FRANCISCO
PROPERTY TAX LEVIES AND COLLECTIONS (1) (2)

Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Annual Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Annual Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Annual Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Annual Tax Levy
1991.....	\$ 545,807	\$ 525,131	96.2	\$ 13,419	\$ 538,550	98.7	\$ 47,070	8.6
1992.....	595,403	565,295	94.9	18,011	583,306	98.0	57,543	9.7
1993.....	634,983	613,646	96.6	19,381	633,027	99.7	55,525	8.7
1994 (3).....	652,128	629,844	96.6	16,075	645,919	99.0	56,207	8.6
1995 (3).....	658,301	641,074	97.4	14,159	655,233	99.5	57,097	8.7
1996 (3).....	648,876	635,110	97.9	11,373	646,483	99.6	55,104	8.5
1997 (3).....	671,657	658,300	98.0	13,556	671,856	100.0	48,743	7.3
1998 (3).....	709,852	697,755	98.3	8,917	706,672	99.6	46,716	6.6
1999 (3).....	757,899	742,774	98.0	8,719	751,493	99.2	49,811	6.6
<u>2000 (3).....</u>	<u>799,385</u>	<u>784,984</u>	<u>98.2</u>	<u>6,153</u>	<u>791,137</u>	<u>99.0</u>	<u>47,751</u>	<u>6.0</u>

Source:

Controller, City and County of San Francisco

Notes:

- (1) Includes San Francisco Unified School District, San Francisco Community College District, Bay Area Rapid Transit District, Bay Area Air Quality Management District and San Francisco Redevelopment Agency.
- (2) Does not include SB-813 supplemental property taxes.
- (3) Delinquent tax collections and outstanding delinquent taxes reflect assessment appeals reduction.

CITY AND COUNTY OF SAN FRANCISCO
ASSESSED VALUE OF TAXABLE PROPERTY (1)

Last Ten Fiscal Years

(In Thousands)

Fiscal Year	Assessed Value			Exemptions (2)			Assessed Value Less Exemptions	Net Increase/ (Decrease)	
	Real Property	Personal Property	Total	Non-reimbursable	Reim-bursable	Redevelopment Tax Increments		Amount	Percentage
1991 (3)...	\$ 49,494,829	\$ 2,960,356	\$ 52,455,185	\$ 1,407,351	\$ 688,768	\$ 1,273,448	\$ 49,085,618	\$ 4,170,901	9.3
1992 (3)...	52,325,521	2,909,502	55,235,023	1,481,317	693,936	1,339,520	51,720,250	2,634,632	5.4
1993 (3)...	54,164,413	2,343,303	56,507,716	1,614,320	684,660	1,650,061	52,558,675	838,425	1.6
1994 (3)...	56,557,585	3,070,791	59,628,376	1,894,594	679,627	1,943,945	55,110,210	2,551,535	4.9
1995 (3)...	56,315,478	2,877,646	59,193,124	1,931,250	677,218	1,938,260	54,646,396	(463,814)	(0.8)
1996 (3)...	56,336,280	2,652,119	58,988,399	2,075,607	678,295	3,134,869	53,099,628	(1,546,768)	(2.8)
1997 (3)...	56,956,168	2,680,912	59,637,080	2,260,394	663,199	3,126,655	53,586,832	487,204	0.9
1998 (3)...	59,010,846	2,585,594	61,596,440	2,331,980	668,877	3,343,618	55,251,965	1,665,133	3.1
1999	61,700,799	4,010,092	65,710,891	2,663,293	668,010	2,672,017	59,707,571	4,455,606	8.1
<u>2000.....</u>	<u>66,859,683</u>	<u>4,384,155</u>	<u>71,243,838</u>	<u>2,783,904</u>	<u>666,747</u>	<u>2,844,489</u>	<u>64,948,698</u>	<u>5,241,127</u>	<u>8.8</u>

Source:

Controller, City and County of San Francisco

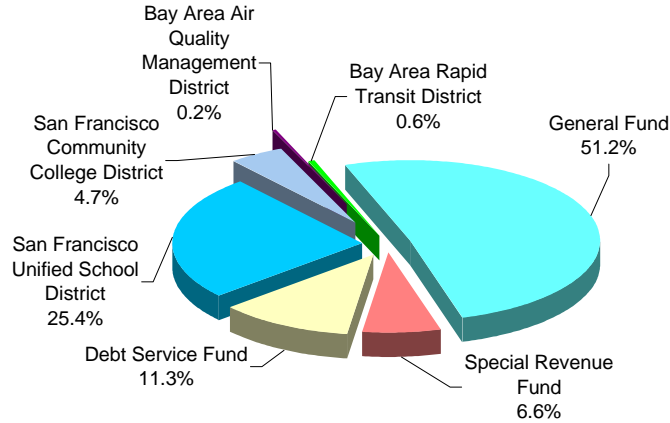
Notes:

- (1) Assessed value of taxable property represents all property within the City. The maximum tax rate is 1% of the full cash value or \$1/\$100 of the assessed value, excluding the tax rate for debt service.
- (2) Exemptions are summarized as follows:
 - (a) Non-reimbursable exemptions are revenues lost to the City because of provisions of California Constitution, Article XIII(3).
 - (b) Reimbursable exemptions arise from Article XII(25) which reimburses local governments for revenues lost through the homeowners' exemption in Article XIII(3) (k).
 - (c) Tax increments are allocations made to the San Francisco Redevelopment Agency under authority of California Constitution, Article XVI. Actual allocations are limited under an indebtedness agreement between the City and the Redevelopment Agency.
- (3) Based on certified assessed values.

CITY AND COUNTY OF SAN FRANCISCO
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Fiscal Year	City and County of San Francisco				San Francisco Unified School District	San Francisco Community College District	Bay Area Air Quality Management District	Bay Area Rapid Transit District	Total
	General Fund (1)	Special Revenue Fund (2)	Debt Service Fund	Total					
1991.....	\$0.87515654	\$0.025000	\$0.06063587	\$0.96079241	\$0.08135270	\$0.01444422	\$0.00208539	\$0.03132528	\$1.0900
1992.....	0.87515654	0.025000	0.09174070	0.99189724	0.08114787	0.01444422	0.00208539	0.03142528	1.1210
1993.....	0.75954944	0.037500	0.12002249	0.91707193	0.16801319	0.03070421	0.00208539	0.03212528	1.1500
1994.....	0.59799654	0.050000	0.12208013	0.77007667	0.29330281	0.05420985	0.00208539	0.03032528	1.1500
1995.....	0.58048654	0.075000	0.13536743	0.79085397	0.28720668	0.05302868	0.00208539	0.02982528	1.1630
1996.....	0.58048654	0.075000	0.13674375	0.79223029	0.28733036	0.05302868	0.00208539	0.02932528	1.1640
1997.....	0.58048654	0.075000	0.15637530	0.81186184	0.28719881	0.05302868	0.00208539	0.02882528	1.1830
1998.....	0.57836955	0.075000	0.16430174	0.81767129	0.28855551	0.05336253	0.00208539	0.02832528	1.1900
1999.....	0.57836955	0.075000	0.14493925	0.79830880	0.28823800	0.05336253	0.00208539	0.02300528	1.1650
2000.....	0.57836955	0.075000	0.12766122	0.78103077	0.28619603	0.05336253	0.00208539	0.00632528	1.1290

Fiscal Year 2000 Property Tax Percentage Breakdown



Source:

Controller, City and County of San Francisco

Notes:

(1) The General Fund shifted the following property tax rates to schools under State law:

FY 1993.....	\$0.103107
FY 1994.....	0.252160
FY 1995 through 1997.....	0.244670
FY 1998 through 2000.....	0.246787

(2) The Special Revenue Fund includes the following:

	Open Space Fund	Children's Fund	Library Preservation Fund	Total
FY 1990-1992.....	\$0.0250	-	-	\$0.0250
FY 1993.....	0.0250	0.0125	-	0.0375
FY 1994.....	0.0250	0.0250	-	0.0500
FY 1995 through 2000.....	0.0250	0.0250	0.0250	0.0750

The allocation to the Open Space Fund is required under Section 16.107 of the San Francisco Charter.

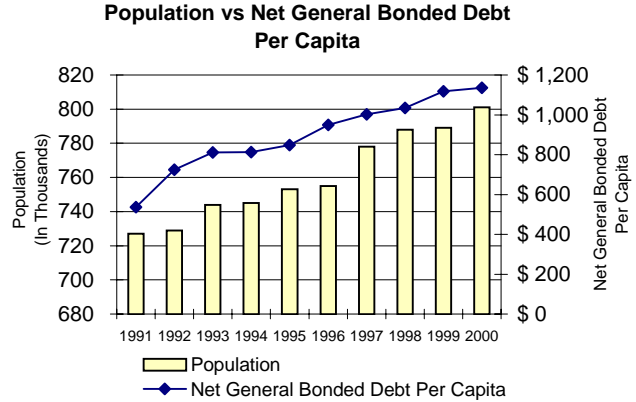
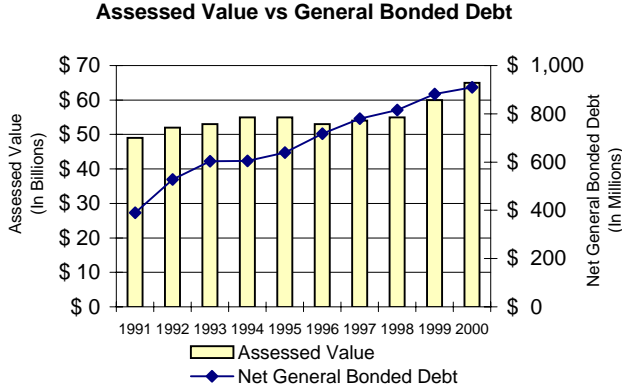
The allocation to the Children's Fund is required under Section 16.108 of the San Francisco Charter.

The allocation to the Library Preservation Fund is required under Section 16.109 of the San Francisco Charter.

CITY AND COUNTY OF SAN FRANCISCO

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO NET ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA

Last Ten Fiscal Years



Fiscal Year	Population (1)	Assessed Value (net of exemptions)		Gross Bonded Debt		Debt Service Monies Available		Debt Payable from Enterprise Revenue	Net General Bonded Debt	Ratio of Net General Bonded Debt to Net Assessed Value	Net General Bonded Debt Per Capita
		(2)	(4) (5)	(3) (4) (6)	(3) (4) (7)	(3) (4)	(4)	(3) (4)	(4)		
1991	726,710	\$ 49,085,618		\$ 1,462,569		\$ 226,679		\$ 845,598	\$ 390,292	0.80%	\$ 537.07
1992	728,730	51,720,250		1,860,214		296,214		1,035,811	528,189	1.02	724.81
1993	743,606	52,558,675		1,952,035		201,336		1,147,833	602,866	1.15	810.73
1994	744,543	55,110,210		2,038,579		211,811		1,221,675	605,093	1.10	812.70
1995	753,460	54,646,396		2,246,811		250,003		1,358,092	638,716	1.17	847.71
1996	755,315	53,099,628		3,109,276		242,680		2,149,998	716,598	1.35	948.74
1997	777,906	53,586,832		3,721,458		250,020		2,691,888	779,550	1.45	1,002.11
1998	788,297	55,251,965		4,362,727		209,948		3,336,715	816,064	1.48	1,035.22
1999	789,463	59,707,571		5,079,106		269,426		3,927,313	882,367	1.48	1,117.68
2000	800,606	64,948,698		5,134,208		290,121		3,934,230	909,857	1.40	1,136.46

Sources:

- (1) Department of Finance, State of California
- (2) Assessor, City and County of San Francisco
- (3) Controller, City and County of San Francisco

Notes:

- (4) In thousands.
- (5) See Statistical Section Table of Assessed Value of Taxable Property note (2) for exemptions.
- (6) Excludes San Francisco Redevelopment Agency revenue bonds and nonprofit corporation obligations. Amounts are net of bond discount or premium.
- (7) Includes monies restricted for debt service payments (principal and interest) and reserves set aside as required by bond indentures.

CITY AND COUNTY OF SAN FRANCISCO

COMPUTATION OF LEGAL DEBT MARGIN

June 30, 2000

(In Thousands)

Total assessed value (1).....		\$ 71,243,838
Less: Non-reimbursable exemptions (1).....		<u>2,783,904</u>
Basis of levy.....		<u>\$ 68,459,934</u>
Debt limit - 3 percent of valuation subject to taxation (3)		\$ 2,053,798
Amount of debt applicable to debt limit.....	\$ 916,025	
Less: Net assets in General Obligation Bonds Fund (2).....	<u>6,168</u>	
Total amount of debt applicable to debt limit.....		<u>909,857</u>
Legal debt margin.....		<u>\$ 1,143,941</u>

Sources:

- (1) Assessor, City and County of San Francisco
- (2) Controller, City and County of San Francisco

Note:

- (3) City's Administrative Code Section 2.60 Limitations on Bonded Indebtedness.
"There shall be a limit on outstanding general obligation bond indebtedness of three percent of the assessed value of all taxable real and personal property, located within the City and County."

CITY AND COUNTY OF SAN FRANCISCO

PER CAPITA DIRECT DEBT

June 30, 2000

Total General Debt Outstanding (100% applicable to City and County of San Francisco).....	\$ 911,625,000
Population - 2000 ⁽¹⁾	800,606
Per Capita Direct Debt.....	\$ 1,138.67

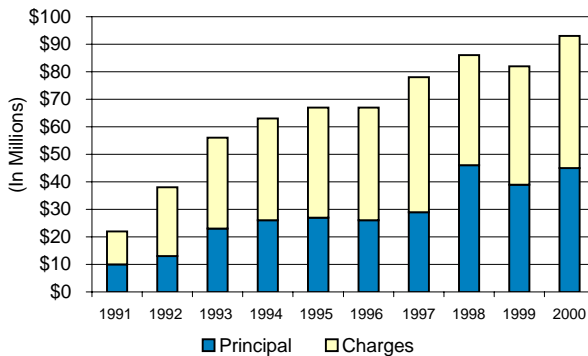
⁽¹⁾ Source: Department of Finance State of California

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES (1) (2) Last Ten Fiscal Years

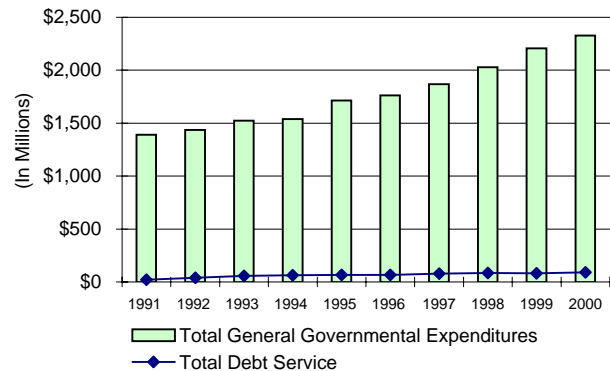
(In Thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Percent of Debt Service to Total General Governmental Expenditures</u>
1991	\$ 10,060	\$ 12,360	\$ 22,420	\$ 1,392,205	1.61%
1992	13,155	25,476	38,631	1,435,520	2.69
1993	23,340	33,072	56,412	1,523,634	3.70
1994	26,390	37,012	63,402	1,539,864	4.12
1995	26,585	40,187	66,772	1,714,640	3.89
1996	26,360	41,203	67,563	1,763,432	3.83
1997	29,400	49,190	78,590	1,866,876	4.21
1998	46,385	39,964	86,349	2,027,163	4.26
1999	38,800	42,844	81,644	2,206,640	3.70
2000	44,590	47,734	92,324	2,328,699	3.96

Debt Service Growth



Total General Governmental Expenditures vs Total Debt Service



Notes:

- (1) Includes General, Special Revenue and Debt Service Funds.
- (2) Amounts have been restated to exclude general obligation bonds of Water Department/Hetch Hetchy Project and Cleanwater that were previously reported as part of general bonded debt.

CITY AND COUNTY OF SAN FRANCISCO

**DEBT SERVICE COVERAGE BY ENTERPRISE REVENUES
AIRPORT, PORT, CLEAN WATER, MUNICIPAL RAILWAY AND
WATER/HETCH HETCHY**

Last Ten Fiscal Years

(In Thousands)

Fiscal Year	Gross Revenue (2)	Direct Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements (1)			Debt Service Coverage
				Principal	Interest	Total	
1991	\$ 739,147	\$ 601,318	\$ 137,829	\$ 30,930	\$ 82,048	\$ 112,978	1.22
1992	793,249	606,607	186,642	34,940	83,856	118,796	1.57
1993	828,271	658,930	169,341	37,440	106,276	143,716	1.18
1994	850,614	685,167	165,447	36,250	89,770	126,020	1.31
1995	870,999	662,290	208,709	36,340	87,778	124,118	1.68
1996	917,041	676,385	240,656	25,699	92,551	118,250	2.04
1997	961,133	706,977	254,156	56,284	139,175	195,459	1.30
1998 (4)	743,160	472,739	270,421	144,625 (5)	172,388 (5)	317,013	0.85
1999 (4)	790,883	499,710	291,173	52,865	204,032	256,897	1.13
2000 (4)	868,748	547,678	321,070	64,497	228,391	292,888	1.10

Notes:

- (1) Covers general obligation and revenue bonds for all indicated enterprise funds. Amounts have been restated to include general obligation bonds of Water Department/Hetch Hetchy Project and Cleanwater that were previously reported as part of general bonded debt.
- (2) Gross revenue includes operating revenues, non-operating revenues and operating transfers.
- (3) Direct operating expenses include operating expenses (except depreciation), non-operating expenses (except interest expense) and operating transfers out.
- (4) During FY 1996-97, Muni Railway made the final payment on their long-term debt. Accordingly, for FY 1997-98 through present, revenue and expenses do not reflect activity of Muni Railway.
- (5) Principal and interest for FY 1997-98 include \$100.6 million and \$5 million respectively relating to refunding of bonds by the Water Department.

CITY AND COUNTY OF SAN FRANCISCO

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Income (2)</u>	<u>Median Age (3)</u>	<u>Public School Enrollment (4)</u>	<u>Unemployment Rate % (5)</u>
1991.....	726,710	\$ 31,155	36.0	66,368	4.7
1992.....	728,730	32,791	36.2	66,589	6.1
1993.....	743,606	33,750	36.4	66,656	7.2
1994.....	744,543	33,733	36.7	66,035	7.1
1995.....	753,460	36,811	37.1	66,128	6.4
1996.....	755,315	39,249	37.4	66,343	5.6
1997.....	777,906	41,290	37.8	66,604	4.1
1998.....	788,297	44,518	37.9	66,679	3.9
1999.....	789,463	N/A	N/A	65,540	3.4
2000.....	800,606	N/A	N/A	65,519	2.6

Sources:

- (1) State of California Department of Finance
- (2) State of California Employment Development Department
- (3) Market Statistics - Demographics USA - County Edition
- (4) San Francisco Unified School District (includes Child Center, Juvenile Center, etc.)
- (5) State of California Department of Employment Development

N/A Not available

CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUE

Last Ten Fiscal Years

(All Dollar Figures in Thousands)

<u>Year Ended</u>	<u>Authorized New Dwelling Units (2)</u>	<u>Value of Building Permits (2)</u>			<u>Real Property Values (1)</u>		
		<u>Residential</u>	<u>Non-Residential</u>	<u>Bank Deposits (3)</u>	<u>Residential</u>	<u>Non-residential</u>	<u>Non-taxable</u>
1991.....	836	\$ 282,766	\$ 486,170	\$ 36,491,170	\$27,270,084	\$22,653,997	\$ 1,455,699
1992.....	1,037	260,061	493,894	36,262,404	28,429,764	22,758,379	1,423,645
1993.....	1,054	266,736	435,333	34,404,123	30,046,385	21,095,489	1,845,279
1994.....	633	140,216	358,534	33,761,314	30,046,385	21,095,489	1,845,279
1995.....	843	240,960	529,936	30,186,985	30,536,108	20,621,677	1,696,373
1996.....	956	108,932	637,100	38,847,726	31,117,350	19,658,750	2,025,771
1997.....	1,249	319,744	553,895	41,505,334	32,570,542	19,406,454	2,260,394
1998.....	2,411	478,929	531,172	44,416,996	33,577,176	19,787,009	2,311,636
1999.....	3,297	712,161	1,693,705	48,159,221	36,266,388	21,744,102	2,418,557
2000.....	3,058	305,828	623,257	N/A	40,299,182	23,151,611	2,424,640

- Sources: (1) Assessor, City and County of San Francisco (excludes unsecured roll and State Board Roll)
 (2) Department of Building Inspection, City and County of San Francisco (fiscal year basis)
 (3) State of California Banking Department through the year ended June 30, 1993; Federal Deposit Corporation for year ended June 30, 1994 through present. These figures include savings and loan deposits.

N/A - Not available

CITY AND COUNTY OF SAN FRANCISCO

PRINCIPAL TAXPAYERS

June 30, 2000

<u>Taxpayer</u>	<u>Type of Business</u>	2000 Assessed Valuation (In 000's)	Percentage of Total Assessed Valuation
Pacific Gas & Electric Company	Utilities	\$ 1,165,398	1.64
555 California Street Partners	Offices, Commercial	770,105	1.08
Pacific Bell	Utilities, Communications	759,807	1.07
Embarcadero Center Associates (Includes Hyatt Regency Hotel and Embarcadero West)	Offices, Commercial, Hotel	582,318	0.82
Marriott Corporation	Hotel	366,577	0.52
Strategic Hotel Capital Ltd PA	Hotel, Offices	295,137	0.41
Knickerbocker Properties	Offices	292,844	0.41
101 California Venture	Offices	251,144	0.35
ZML One Market Ltd Partnership	Offices, Commercial	244,288	0.34
Post-Montgomery Associates	Offices, Commercial	243,841	0.34
Ten largest taxpayers		4,971,459	6.98
All other taxpayers		66,160,066	93.02
Total assessed valuation - all taxpayers		<u>\$ 71,131,525</u>	<u>100.00</u>

Source:

Assessor, City and County of San Francisco

CITY AND COUNTY OF SAN FRANCISCO

MISCELLANEOUS STATISTICS

June 30, 2000

Date of incorporation	April 15, 1850
Form of government	Chartered City and County
Area	46.1 square miles
Miles of streets (1)	989
Number of street lights (2)	41,052
Fire protection (3):	
Number of stations.....	45
Number of firefighters	1,654
Police protection (4):	
Number of stations.....	10
Number of police officers.....	2,229
Public school education (5):	
Attendance centers.....	116
Number of classrooms.....	2,698
Number of teachers full time equivalent	2,671
Number of students	63,895
Municipal water department (2):	
Number of services.....	171,978
Average daily consumption.....	253.20 million gallons
Miles of water mains	1,440
Sewers (2):	
Collecting sewers.....	900 miles
Transport/storage sewers	16.5 miles
Recreation and culture:	
Number of parks (6).....	227
Number of libraries (7).....	27
Number of library volumes (7)	2.1 million
Employees (8):	
1999-2000 Paid full time equivalent.....	27,388

Sources:

- (1) Department of Public Works, City and County of San Francisco
- (2) Public Utilities Commission, City and County of San Francisco
- (3) Fire Commission, City and County of San Francisco
- (4) Police Commission, City and County of San Francisco
- (5) San Francisco Unified School District
- (6) Parks and Recreation Commission, City and County of San Francisco
- (7) Library Commission, City and County of San Francisco
- (8) Controller, City and County of San Francisco