

Basic Financial Statements

CITY AND COUNTY OF SAN FRANCISCO

Statement of Net Assets

June 30, 2010

(In Thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	San Francisco Redevelopment Agency	Treasure Island Development Authority
ASSETS AND DEFERRED OUTFLOWS					
Assets:					
Current assets:					
Deposits and investments with City Treasury.....	\$ 1,187,714	\$ 1,042,117	\$ 2,229,831	\$ -	\$ 1,452
Deposits and investments outside City Treasury.....	144,989	9,247	154,236	275,850	-
Receivables (net of allowance for uncollectible amounts of \$104,838 for the primary government):					
Property taxes and penalties.....	66,324	-	66,324	4,813	-
Other local taxes.....	184,587	-	184,587	-	-
Federal and state grants and subventions.....	279,967	56,398	336,365	-	-
Charges for services.....	48,382	235,701	284,083	-	1,128
Interest and other.....	33,521	49,392	82,913	1,593	2
Capital lease receivable from primary government.....	-	-	-	22,023	-
Due from component unit	5,764	-	5,764	-	-
Inventories.....	-	65,522	65,522	-	-
Deferred charges and other assets.....	10,237	8,278	18,515	1,031	-
Restricted assets:					
Deposits and investments with City Treasury.....	-	170,352	170,352	-	-
Deposits and investments outside City Treasury.....	-	113,186	113,186	150,839	-
Grants and other receivables.....	-	9,175	9,175	1,698	-
Total current assets.....	<u>1,961,485</u>	<u>1,759,368</u>	<u>3,720,853</u>	<u>457,847</u>	<u>2,582</u>
Noncurrent assets:					
Loans receivable (net of allowance for uncollectible amounts of \$519,720 and \$295,621 for the primary government and component unit, respectively).....	72,294	-	72,294	4,603	-
Advance to component units.....	17,923	4,227	22,150	-	-
Capital lease receivable from primary government.....	-	-	-	129,776	-
Deferred charges and other assets.....	24,141	63,389	87,530	13,418	-
Restricted assets:					
Deposits and investments with City Treasury.....	-	1,123,195	1,123,195	-	-
Deposits and investments outside City Treasury.....	89,553	661,888	751,441	4,141	-
Grants and other receivables.....	-	25,944	25,944	-	-
Property held for resale	-	-	-	3,633	-
Capital assets:					
Land and other assets not being depreciated.....	484,686	2,136,147	2,620,833	166,188	-
Facilities, infrastructure, and equipment, net of depreciation.....	2,693,136	7,920,023	10,613,159	132,341	-
Total capital assets.....	<u>3,177,822</u>	<u>10,056,170</u>	<u>13,233,992</u>	<u>298,529</u>	<u>-</u>
Total noncurrent assets.....	<u>3,381,733</u>	<u>11,934,813</u>	<u>15,316,546</u>	<u>454,100</u>	<u>-</u>
Total assets.....	<u>5,343,218</u>	<u>13,694,181</u>	<u>19,037,399</u>	<u>911,947</u>	<u>2,582</u>
Deferred outflows on derivative instruments.....	-	89,505	89,505	-	-
Total assets and deferred outflows.....	<u>\$ 5,343,218</u>	<u>\$ 13,783,686</u>	<u>\$ 19,126,904</u>	<u>\$ 911,947</u>	<u>\$ 2,582</u>

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO

Statement of Net Assets (continued)

June 30, 2010

(In Thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	San Francisco Redevelopment Agency	Treasure Island Development Authority
LIABILITIES					
Current liabilities:					
Accounts payable.....	\$ 260,269	\$ 167,718	\$ 427,987	\$ 8,390	\$ 383
Accrued payroll.....	95,946	75,003	170,949	127	-
Accrued vacation and sick leave pay.....	76,591	52,177	128,768	1,137	-
Accrued workers' compensation.....	39,582	25,533	65,115	-	-
Estimated claims payable.....	47,754	42,243	89,997	-	-
Bonds, loans, capital leases, and other payables.....	321,492	220,030	541,522	44,552	-
Capital lease payable to component unit.....	22,023	-	22,023	-	-
Accrued interest payable.....	12,680	22,982	35,662	36,004	-
Unearned grant and subvention revenues.....	13,346	-	13,346	-	-
Due to primary government.....	-	-	-	5,764	-
Internal balances.....	9,103	(9,103)	-	-	-
Deferred credits and other liabilities.....	189,205	214,922	404,127	1,469	544
Liabilities payable from restricted assets:					
Bonds, loans, capital leases, and other payables.....	-	159,877	159,877	-	-
Accrued interest payable.....	-	29,406	29,406	-	-
Other.....	-	138,257	138,257	-	-
Total current liabilities.....	<u>1,087,991</u>	<u>1,139,045</u>	<u>2,227,036</u>	<u>97,443</u>	<u>927</u>
Noncurrent liabilities:					
Accrued vacation and sick leave pay.....	66,113	38,473	104,586	1,116	-
Accrued workers' compensation.....	177,117	122,747	299,864	-	-
Other postemployment benefits obligation.....	477,633	348,287	825,920	643	-
Estimated claims payable.....	92,091	58,491	150,582	-	-
Bonds, loans, capital leases, and other payables.....	2,157,736	7,088,228	9,245,964	992,928	-
Advance from primary government.....	-	-	-	10,856	11,294
Capital lease payable to component unit.....	129,776	-	129,776	-	-
Accrued interest payable.....	-	-	-	50,146	-
Deferred credits and other liabilities.....	1,776	77,683	79,459	2,988	-
Derivative instruments liabilities.....	-	94,838	94,838	-	-
Total noncurrent liabilities.....	<u>3,102,242</u>	<u>7,828,747</u>	<u>10,930,989</u>	<u>1,058,677</u>	<u>11,294</u>
Total liabilities.....	<u>4,190,233</u>	<u>8,967,792</u>	<u>13,158,025</u>	<u>1,156,120</u>	<u>12,221</u>
NET ASSETS					
Invested in capital assets, net of related debt, Note 2(k)....	1,833,733	4,240,971	5,699,016	157,347	-
Restricted for:					
Reserve for rainy day.....	39,582	-	39,582	-	-
Debt service.....	34,308	71,128	105,436	61,205	-
Capital projects, Note 2(k).....	63,323	188,102	238,731	-	-
Community development.....	66,251	-	66,251	-	-
Transportation Authority activities.....	1,966	-	1,966	-	-
Building inspection programs.....	21,837	-	21,837	-	-
Children and families activities.....	40,886	-	40,886	-	-
Grants and other purposes.....	113,917	18,854	132,771	-	-
Unrestricted (deficit), Note 2(k).....	<u>(1,062,818)</u>	<u>296,839</u>	<u>(377,597)</u>	<u>(462,725)</u>	<u>(9,639)</u>
Total net assets (deficit).....	<u>\$ 1,152,985</u>	<u>\$ 4,815,894</u>	<u>\$ 5,968,879</u>	<u>\$ (244,173)</u>	<u>\$ (9,639)</u>

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO

Statement of Activities
Year Ended June 30, 2010
(In Thousands)

Net (Expense) Revenue and Changes in Net Assets									
		Program Revenues			Primary Government			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total	San Francisco Redevelop- ment Agency	Treasure Island Development Authority
Functions/Programs	Expenses								
Primary government:									
Governmental activities:									
Public protection.....	\$ 1,089,309	\$ 58,980	\$ 124,076	\$ -	\$ (906,253)	\$ -	\$ (906,253)	\$ -	\$ -
Public works, transportation and commerce.....	225,589	71,288	57,967	43,899	(52,435)	-	(52,435)	-	-
Human welfare and neighborhood development...	933,039	25,813	528,289	-	(378,937)	-	(378,937)	-	-
Community health.....	599,741	65,756	276,106	163	(257,716)	-	(257,716)	-	-
Culture and recreation.....	310,063	81,855	3,301	6,287	(218,620)	-	(218,620)	-	-
General administration and finance.....	221,471	35,190	2,697	-	(183,584)	-	(183,584)	-	-
General City responsibilities..	80,246	37,806	4,655	-	(37,785)	-	(37,785)	-	-
Unallocated interest on long-term debt.....	102,635	-	-	-	(102,635)	-	(102,635)	-	-
Total governmental activities.....	3,562,093	376,688	997,091	50,349	(2,137,965)	-	(2,137,965)	-	-
Business-type activities:									
Airport.....	661,044	576,738	-	44,204	-	(40,102)	(40,102)	-	-
Transportation.....	897,500	303,117	112,383	114,133	-	(367,867)	(367,867)	-	-
Port.....	73,573	66,579	898	5,518	-	(578)	(578)	-	-
Water.....	325,242	265,218	1,506	-	-	(58,518)	(58,518)	-	-
Power.....	119,109	128,590	197	-	-	9,678	9,678	-	-
Hospitals.....	842,488	606,276	67,403	16,398	-	(152,411)	(152,411)	-	-
Sewer.....	201,403	209,843	185	-	-	8,625	8,625	-	-
Market.....	1,119	1,681	-	-	-	562	562	-	-
Total business-type activities.....	3,121,478	2,158,042	182,572	180,253	-	(600,611)	(600,611)	-	-
Total primary government.....	\$ 6,683,571	\$ 2,534,730	\$ 1,179,663	\$ 230,602	(2,137,965)	(600,611)	(2,738,576)	-	-
Component units:									
San Francisco Redevelopment									
Agency.....	\$ 262,699	\$ 26,358	\$ 21,471	\$ -				(214,870)	-
Treasure Island Development									
Authority.....	15,903	8,663	-	-				-	(7,240)
Total component units.....	\$ 278,602	\$ 35,021	\$ 21,471	\$ -				(214,870)	(7,240)
General Revenues:									
Taxes:									
Property taxes.....					1,345,040	-	1,345,040	86,443	-
Business taxes.....					354,019	-	354,019	-	-
Sales and use tax.....					164,769	-	164,769	-	-
Hotel room tax.....					186,849	-	186,849	5,896	-
Utility users tax.....					94,537	-	94,537	-	-
Other local taxes.....					194,070	-	194,070	-	-
Interest and investment income.....					27,877	44,471	72,348	1,885	49
Other.....					54,410	176,064	230,474	7,291	1,831
Transfers - internal activities of primary government.....					(435,824)	435,824	-	-	-
Total general revenues and transfers.....					1,985,747	656,359	2,642,106	101,515	1,880
Change in net assets.....					(152,218)	55,748	(96,470)	(113,355)	(5,360)
Net assets (deficit) - beginning.....					1,305,203	4,760,146	6,065,349	(130,818)	(4,279)
Net assets (deficit) - ending.....					\$ 1,152,985	\$ 4,815,894	\$ 5,968,879	\$ (244,173)	\$ (9,639)

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO

Balance Sheet – Governmental Funds

June 30, 2010

(with comparative total financial information as of June 30, 2009)

(In Thousands)

	General Fund		Other Governmental Funds		Total Governmental Funds	
	2010	2009	2010	2009	2010	2009
ASSETS						
Deposits and investments with City Treasury.....	\$ 237,888	\$ 264,893	\$ 920,171	\$ 703,064	\$ 1,158,059	\$ 967,957
Deposits and investments outside City Treasury.....	203	337	144,786	208,684	144,989	209,021
Receivables (net of allowance for uncollectible amounts of \$77,793 in 2010; \$67,904 in 2009):						
Property taxes and penalties.....	57,785	62,351	8,539	11,364	66,324	73,715
Other local taxes.....	171,464	206,884	13,123	11,464	184,587	218,348
Federal and state grants and subventions.....	132,112	115,406	147,855	105,332	279,967	220,738
Charges for services.....	36,099	35,440	12,216	11,025	48,315	46,465
Interest and other.....	28,313	10,684	4,277	5,860	32,590	16,544
Due from other funds	36,930	24,387	11,410	4,174	48,340	28,561
Due from / advance to component unit	13,486	7,220	10,201	4,518	23,687	11,738
Loans receivable (net of allowance for uncollectible amounts of \$519,720 in 2010; \$510,133 in 2009)....	-	-	72,294	69,413	72,294	69,413
Deferred charges and other assets.....	5,437	5,868	3,983	3,739	9,420	9,607
Total assets.....	<u>\$ 719,717</u>	<u>\$ 733,470</u>	<u>\$ 1,348,855</u>	<u>\$ 1,138,637</u>	<u>\$ 2,068,572</u>	<u>\$ 1,872,107</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable.....	\$ 117,339	\$ 112,475	\$ 132,449	\$ 85,844	\$ 249,788	\$ 198,319
Accrued payroll.....	75,254	72,927	18,785	16,279	94,039	89,206
Deferred tax, grant and subvention revenues.....	117,925	106,811	70,043	41,179	187,968	147,990
Due to other funds.....	881	1,003	46,897	43,857	47,778	44,860
Deferred credits and other liabilities.....	216,540	138,579	118,339	118,141	334,879	256,720
Bonds, loans, capital leases, and other payables....	-	-	155,035	150,000	155,035	150,000
Total liabilities.....	<u>527,939</u>	<u>431,795</u>	<u>541,548</u>	<u>455,300</u>	<u>1,069,487</u>	<u>887,095</u>
Fund balances:						
Reserved for rainy day.....	39,582	98,297	-	-	39,582	98,297
Reserved for assets not available for appropriation...	14,874	11,307	28,997	19,781	43,871	31,088
Reserved for debt service.....	-	-	68,466	75,886	68,466	75,886
Reserved for encumbrances.....	69,562	65,902	210,060	167,169	279,622	233,071
Reserved for appropriation carryforward.....	60,935	91,075	662,674	501,006	723,609	592,081
Reserved for subsequent years' budgets.....	8,875	6,891	13,041	11,245	21,916	18,136
Unreserved (deficit), reported in:						
General fund.....	(2,050)	28,203	-	-	(2,050)	28,203
Special revenue funds.....	-	-	(134,178)	(69,468)	(134,178)	(69,468)
Capital projects funds.....	-	-	(43,798)	(26,153)	(43,798)	(26,153)
Permanent fund.....	-	-	2,045	3,871	2,045	3,871
Total fund balances.....	<u>191,778</u>	<u>301,675</u>	<u>807,307</u>	<u>683,337</u>	<u>999,085</u>	<u>985,012</u>
Total liabilities and fund balances.....	<u>\$ 719,717</u>	<u>\$ 733,470</u>	<u>\$ 1,348,855</u>	<u>\$ 1,138,637</u>	<u>\$ 2,068,572</u>	<u>\$ 1,872,107</u>

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2010
(In Thousands)

Fund balances – total governmental funds	\$ 999,085
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,172,297
Bond issue costs are not financial resources and, therefore, are not reported in the funds.	19,343
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(3,155,814)
Interest on long-term debt is not accrued in the funds, but rather is recognized as an expenditure when due.	(10,745)
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current period expenditures. Those assets are offset by deferred revenue in the funds.	322,840
Internal service funds are used by management to charge the costs of capital lease financing, fleet management, printing and mailing services, and information systems to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.	<u>(194,021)</u>
Net assets of governmental activities	<u>\$ 1,152,985</u>

CITY AND COUNTY OF SAN FRANCISCO
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds
Year Ended June 30, 2010
(with comparative total financial information for the year ended June 30, 2009)
(In Thousands)

	General Fund		Other Governmental Funds		Total Governmental Funds	
	2010	2009	2010	2009	2010	2009
Revenues:						
Property taxes.....	\$ 1,044,740	\$ 999,528	\$ 287,217	\$ 272,857	\$ 1,331,957	\$ 1,272,385
Business taxes.....	353,471	387,313	548	1,340	354,019	388,653
Sales and use tax.....	96,605	101,662	68,164	71,132	164,769	172,794
Hotel room tax.....	135,521	161,714	51,328	52,746	186,849	214,460
Utility users tax.....	94,537	89,801	-	-	94,537	89,801
Other local taxes.....	194,070	126,017	-	-	194,070	126,017
Licenses, permits and franchises.....	24,249	24,750	9,376	7,403	33,625	32,153
Fines, forfeitures and penalties.....	17,279	5,618	4,976	4,076	22,255	9,694
Interest and investment income.....	7,900	9,193	19,138	24,354	27,038	33,547
Rents and concessions.....	18,733	19,096	59,794	57,918	78,527	77,014
Intergovernmental:						
Federal.....	211,017	172,162	237,873	190,420	448,890	362,582
State.....	440,021	473,187	112,620	102,587	552,641	575,774
Other.....	36	16	7,361	15,170	7,397	15,186
Charges for services.....	138,615	135,926	104,513	144,481	243,128	280,407
Other	21,856	11,199	29,167	19,119	51,023	30,318
Total revenues.....	<u>2,798,650</u>	<u>2,717,182</u>	<u>992,075</u>	<u>963,603</u>	<u>3,790,725</u>	<u>3,680,785</u>
Expenditures:						
Current:						
Public protection.....	948,772	889,594	72,733	109,924	1,021,505	999,518
Public works, transportation and commerce.....	40,225	61,812	203,229	186,349	243,454	248,161
Human welfare and neighborhood development.....	632,713	630,112	285,588	256,574	918,301	886,686
Community health.....	473,280	487,638	108,112	91,190	581,392	578,828
Culture and recreation.....	94,895	97,415	208,239	216,027	303,134	313,442
General administration and finance.....	169,980	170,109	17,241	20,571	187,221	190,680
General City responsibilities.....	86,256	72,893	242	254	86,498	73,147
Debt service:						
Principal retirement.....	979	938	153,072	125,563	154,051	126,501
Interest and fiscal charges.....	32	73	89,914	74,393	89,946	74,466
Bond issuance costs.....	-	-	2,145	4,746	2,145	4,746
Capital outlay.....	-	-	182,448	152,473	182,448	152,473
Total expenditures.....	<u>2,447,132</u>	<u>2,410,584</u>	<u>1,322,963</u>	<u>1,238,064</u>	<u>3,770,095</u>	<u>3,648,648</u>
Excess (deficiency) of revenues over (under) expenditures..	<u>351,518</u>	<u>306,598</u>	<u>(330,888)</u>	<u>(274,461)</u>	<u>20,630</u>	<u>32,137</u>
Other financing sources (uses):						
Transfers in.....	94,115	136,195	208,675	216,498	302,790	352,693
Transfers out.....	(559,263)	(550,910)	(181,086)	(195,268)	(740,349)	(746,178)
Issuance of bonds and loans:						
Face value of bonds issued.....	-	-	393,010	456,935	393,010	456,935
Face value of loans issued.....	-	-	599	-	599	-
Premium on issuance of bonds.....	-	-	16,647	12,875	16,647	12,875
Payment to refunded bond escrow agent	-	-	-	(120,000)	-	(120,000)
Other financing sources-capital leases.....	3,733	4,157	17,013	20,724	20,746	24,881
Total other financing sources (uses).....	<u>(461,415)</u>	<u>(410,558)</u>	<u>454,858</u>	<u>391,764</u>	<u>(6,557)</u>	<u>(18,794)</u>
Net change in fund balances.....	<u>(109,897)</u>	<u>(103,960)</u>	<u>123,970</u>	<u>117,303</u>	<u>14,073</u>	<u>13,343</u>
Fund balances at beginning of year.....	301,675	405,635	683,337	566,034	985,012	971,669
Fund balances at end of year.....	<u>\$ 191,778</u>	<u>\$ 301,675</u>	<u>\$ 807,307</u>	<u>\$ 683,337</u>	<u>\$ 999,085</u>	<u>\$ 985,012</u>

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities**

Year Ended June 30, 2010

(In Thousands)

Net change in fund balances – total governmental funds	\$ 14,073
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and loss on disposal of capital assets in the current period.	149,745
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the amount by which the increase in certain liabilities reported in the statement of net assets of the previous year exceeded expenses reported in the statement of activities that do not require the use of current financial resources.	(134,155)
Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	13,083
Some other revenues that do not provide current financial resources are not reported as revenues in the governmental funds but are recognized in the statement of activities.	41,382
Governmental funds report expenditures pertaining to the establishment of certain deferred credits related to long-term loans made. These deferred credits are not reported on the statement of net assets and, therefore, the corresponding expense is not reported on the statement of activities.	2,871
Lease payments on the Moscone Convention Center (including both principal and interest) are reported as expenditures in the governmental funds when paid. For the City as a whole, however, the principal portion of the payments serves to reduce the liability in the statement of net assets. This is the amount of property rent payments expended in the governmental funds that were reclassified as capital lease principal and interest payments in the current period.	18,562
Bond issue costs are reported in the governmental funds when paid, and are capitalized and amortized in the statement of activities. This is the amount by which current year bond issue costs exceed amortization expense in the current period.	937
The issuance of long-term debt and capital leases provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and capital leases consume the current financial resources of governmental funds. These transactions, however, have no effect on net assets. This is the amount by which bond and other debt proceeds exceeded principal retirement in the current period.	(239,558)
Bond premiums are reported in the governmental funds when the bonds are issued, and are capitalized and amortized in the statement of net assets. This is the amount of bond premiums capitalized during the current period.	(16,647)
Interest expense in the statement of activities differs from the amount reported in the governmental funds because of additional accrued and accreted interest; amortization of bond discounts, premiums and refunding losses; and change in the accrual of arbitrage liabilities.	(5,851)
The net revenues of certain activities of internal service funds are reported with governmental activities.	<u>3,340</u>
Change in net assets of governmental activities	<u>\$ (152,218)</u>

CITY AND COUNTY OF SAN FRANCISCO
Budgetary Comparison Statement – General Fund
Year Ended June 30, 2010
(In Thousands)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
Budgetary Fund Balance, July 1	\$ 173,747	\$ 390,512	\$ 390,512	\$ -
Resources (Inflows):				
Property taxes.....	1,058,060	1,021,015	1,060,281	39,266
Business taxes.....	371,848	371,848	353,471	(18,377)
Other local taxes:				
Sales tax.....	98,233	98,233	96,605	(1,628)
Hotel room tax.....	117,546	116,503	135,521	19,018
Utility users tax.....	86,956	86,956	94,537	7,581
Parking tax.....	64,123	64,123	66,489	2,366
Real property transfer tax.....	90,325	90,325	127,581	37,256
Licenses, permits, and franchises:				
Licenses and permits.....	8,818	8,818	9,155	337
Franchise tax.....	16,320	16,320	15,093	(1,227)
Fines, forfeitures, and penalties.....	3,761	11,662	17,279	5,617
Interest and investment income.....	11,582	10,984	8,387	(2,597)
Rents and concessions:				
Garages - Recreation and Park.....	9,146	9,146	8,795	(351)
Rents and concessions - Recreation and Park.....	8,550	8,800	8,158	(642)
Other rents and concessions.....	1,738	1,938	1,781	(157)
Intergovernmental:				
Federal grants and subventions.....	235,615	231,504	212,381	(19,123)
State subventions:				
Social service subventions.....	97,370	96,857	108,431	11,574
Health / mental health subventions.....	127,325	124,114	110,647	(13,467)
Health and welfare realignment.....	147,270	147,270	139,319	(7,951)
Public safety sales tax.....	65,088	65,088	65,767	679
Motor vehicle in-lieu - county.....	1,412	1,412	2,339	927
Other grants and subventions.....	1,912	19,727	27,600	7,873
Other.....	86	86	36	(50)
Charges for services:				
General government service charges.....	42,261	42,261	38,900	(3,361)
Public safety service charges.....	26,193	26,193	21,923	(4,270)
Recreation charges - Recreation and Park.....	9,587	9,759	11,373	1,614
Medi-Cal, Medicare and health service charges.....	68,973	68,467	68,970	503
Other financing sources:				
Transfers from other funds.....	85,574	94,678	92,188	(2,490)
Repayment of loan from Component Unit.....	1,725	1,725	304	(1,421)
Other resources (inflows).....	20,963	21,713	19,482	(2,231)
Subtotal - Resources (Inflows)	2,878,360	2,867,525	2,922,793	55,268
Total amounts available for appropriation.....	3,052,107	3,258,037	3,313,305	55,268

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO
Budgetary Comparison Statement – General Fund (continued)
Year Ended June 30, 2010
(In Thousands)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
Charges to Appropriations (Outflows):				
Public Protection				
Adult Probation.....	\$ 12,213	\$ 11,495	\$ 11,076	\$ 419
District Attorney.....	32,097	32,597	32,597	-
Emergency Communications.....	41,056	43,122	40,910	2,212
Fire Department.....	253,081	251,754	250,870	884
Juvenile Probation.....	33,388	30,731	30,731	-
Police Department.....	381,414	388,211	384,497	3,714
Public Defender.....	23,328	24,362	24,260	102
Sheriff.....	144,200	136,262	136,117	145
Superior Court.....	30,188	36,282	35,931	351
Subtotal - Public Protection	950,965	954,816	946,989	7,827
Public Works, Transportation and Commerce				
Board of Appeals.....	834	818	770	48
Business and Economic Development.....	7,279	8,158	7,600	558
General Services Agency - Public Works.....	25,300	35,150	31,582	3,568
Hetch Hetchy.....	-	35	34	1
Municipal Transportation Agency.....	-	105	91	14
Water Department.....	-	10	10	-
Subtotal - Public Works, Transportation and Commerce	33,413	44,276	40,087	4,189
Human Welfare and Neighborhood Development				
Children, Youth and Their Families.....	23,785	25,024	25,021	3
Commission on the Status of Women.....	3,274	3,256	3,256	-
County Education Office.....	80	80	80	-
Environment.....	1,106	1,469	1,336	133
Human Rights Commission.....	776	871	869	2
Human Services.....	613,790	619,873	595,675	24,198
Mayor - Housing/Neighborhoods.....	1,260	6,701	6,475	226
Subtotal - Human Welfare and Neighborhood Development	644,071	657,274	632,712	24,562
Community Health				
Public Health.....	488,330	481,805	473,280	8,525
Culture and Recreation				
Academy of Sciences.....	4,288	4,169	4,065	104
Art Commission.....	7,673	7,398	7,345	53
Asian Art Museum.....	6,570	6,551	6,485	66
Fine Arts Museum.....	10,842	10,839	10,832	7
Law Library.....	706	706	563	143
Recreation and Park Commission.....	65,035	64,092	63,877	215
Subtotal - Culture and Recreation	95,114	93,755	93,167	588

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO
Budgetary Comparison Statement – General Fund (continued)
Year Ended June 30, 2010
(In Thousands)

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
General Administration and Finance				
Assessor/Recorder.....	\$ 14,765	\$ 14,187	\$ 13,647	\$ 540
Board of Supervisors.....	10,612	10,765	10,239	526
City Attorney.....	8,375	8,259	8,236	23
City Planning.....	19,651	19,102	18,298	804
Civil Service.....	496	501	501	-
Controller.....	13,223	16,092	15,662	430
Elections.....	12,170	11,539	11,200	339
Ethics Commission.....	5,454	2,636	2,592	44
General Services Agency - Administrative Services.....	50,231	48,137	47,686	451
General Services Agency - Telecomm. and Info. Services	1,264	2,625	2,508	117
Human Resources.....	12,501	12,111	11,424	687
Mayor.....	4,756	5,959	5,959	-
Retirement Services.....	565	476	476	-
Treasurer/Tax Collector.....	21,557	22,518	21,443	1,075
Subtotal - General Administration and Finance	<u>175,620</u>	<u>174,907</u>	<u>169,871</u>	<u>5,036</u>
General City Responsibilities				
General City Responsibilities.....	90,244	94,081	85,699	8,382
Other financing uses:				
Debt Service.....	5,567	2,255	1,011	1,244
Transfers to other funds.....	528,509	564,945	558,449	6,496
Budgetary reserves and designations.....	40,274	16,653	-	16,653
Total charges to appropriations.....	<u>3,052,107</u>	<u>3,084,767</u>	<u>3,001,265</u>	<u>83,502</u>
Total Sources less Current Year Uses	<u>\$ -</u>	<u>\$ 173,270</u>	<u>\$ 312,040</u>	<u>\$ 138,770</u>
Budgetary fund balance, June 30 before reserves and designations			\$ 312,040	
Reserves and designations made from budgetary fund balance, June 30			206,712	
Net Available Budgetary Fund Balance, June 30			<u>\$ 105,328</u>	

Explanation of differences between budgetary inflows and outflows, and GAAP revenues and expenditures:

Sources/inflows of resources	
Actual amounts (budgetary basis) "available for appropriation"	\$ 3,313,305
Difference - budget to GAAP:	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.....	(390,512)
Property tax revenue - Teeter Plan.....	(15,540)
Change in unrealized gain/(loss) on investments.....	2,999
Interest earnings / charges from other funds assigned to General Fund as interest adjustment.....	(3,487)
Interest earnings from other funds assigned to General Fund as other revenues.....	2,374
Grants, subventions and other receivables received after 120-day recognition period	(17,997)
Loan repayment from component unit.....	(304)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.....	(92,188)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - General Fund.....	<u>\$ 2,798,650</u>
Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations"	\$ 3,001,265
Difference - budget to GAAP:	
Capital asset purchases funded under capital leases with Finance Corporation and other vendors.....	3,733
Recognition of expenditures for advances and imprest cash.....	583
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.....	(558,449)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - General Fund.....	<u>\$ 2,447,132</u>

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO

Statement of Net Assets – Proprietary Funds (Continued) June 30, 2010 (with comparative total financial information as of June 30, 2009) (In Thousands)

	Business-type Activities - Enterprise Funds													
	Major Funds								Other Fund					
	San Francisco International Airport	San Francisco Water Enterprise	Hetch Hetchy Water and Power	Municipal Transportation Agency	General Hospital Medical Center	San Francisco Waste-water Enterprise	Port of San Francisco	Laguna Honda Hospital	San Francisco Market Corporation	Total		Governmental Activities-Internal Service Funds		
										2010	2009	2010	2009	
ASSETS AND DEFERRED OUTFLOWS														
Assets:														
Current Assets:														
Deposits and investments with City Treasury.....	\$ 326,281	\$ 113,472	\$ 173,861	\$ 232,862	\$ 53,946	\$ 49,902	\$ 91,793	\$ -	\$ -	\$ 1,042,117	\$ 970,347	\$ 29,655	\$ 16,309	
Deposits and investments outside City Treasury....	10	89	10	3,843	10	89	5	1	5,190	9,247	8,041	-	-	
Receivables (net of allowance for uncollectible amounts of \$27,045 and \$24,717 in 2010 and 2009, respectively):														
Federal and state grants and subventions.....	-	998	170	46,843	-	101	8,286	-	-	56,398	36,359	-	-	
Charges for services.....	30,902	75,880	13,098	4,849	47,275	35,288	-	28,401	8	235,701	223,036	67	89	
Interest and other.....	1,180	1,117	5,345	3,409	38,225	31	85	-	-	49,392	38,808	931	853	
Loans receivable.....	-	-	-	-	-	-	-	-	-	-	-	19,455	21,100	
Due from other funds.....	-	10,347	13,900	7,904	-	36	-	7,953	-	40,140	40,088	-	-	
Inventories.....	86	1,791	287	51,671	6,201	3,246	1,013	1,227	-	65,522	63,768	-	-	
Deferred charges and other assets.....	2,911	-	2,650	2,689	-	-	-	-	28	8,278	7,376	-	-	
Restricted assets:														
Deposits and investments with City Treasury.....	50,515	-	-	-	-	-	51,633	68,204	-	170,352	111,256	-	-	
Deposits and investments outside City Treasury.	65,999	43,866	-	-	-	-	3,300	-	21	113,186	52,034	-	-	
Grants and other receivables.....	9,175	-	-	-	-	-	-	-	-	9,175	1,257	-	-	
Total current assets.....	487,059	247,560	209,321	354,070	145,657	88,693	156,115	105,786	5,247	1,799,508	1,552,370	50,108	38,351	
Noncurrent assets:														
Deferred charges and other assets.....	37,155	17,371	205	1,883	-	5,246	1,529	-	-	63,389	51,526	4,199	4,233	
Loans receivable.....	-	-	-	-	-	-	-	-	-	-	-	265,321	272,191	
Advance to component unit.....	-	-	4,227	-	-	-	-	-	-	4,227	4,427	-	-	
Restricted assets:														
Deposits and investments with City Treasury.....	359,958	620,347	-	9,293	-	133,597	-	-	-	1,123,195	205,715	-	-	
Deposits and investments outside City Treasury.	297,915	251,415	18,717	11,295	21,674	59,659	-	935	278	661,888	306,583	89,553	96,050	
Grants and other receivables.....	21,453	273	-	4,081	-	77	-	60	-	25,944	26,410	-	-	
Capital assets:														
Land and other assets not being depreciated.....	336,099	805,753	41,527	207,551	17,174	100,836	119,684	506,084	1,439	2,136,147	1,509,611	88	-	
Facilities, infrastructure, and equipment, net of depreciation.....	3,375,692	1,058,600	244,243	1,761,406	35,155	1,296,776	141,355	2,903	3,893	7,920,023	7,951,283	5,437	6,363	
Total capital assets.....	3,711,791	1,864,353	285,770	1,968,957	52,329	1,397,612	261,039	508,987	5,332	10,056,170	9,460,894	5,525	6,363	
Total noncurrent assets.....	4,428,272	2,753,759	308,919	1,995,509	74,003	1,596,191	262,568	509,982	5,610	11,934,813	10,055,555	364,598	378,837	
Total assets.....	4,915,331	3,001,319	518,240	2,349,579	219,660	1,684,884	418,683	615,768	10,857	13,734,321	11,607,925	414,706	417,188	
Deferred outflows on derivative instruments.....	89,505	-	-	-	-	-	-	-	-	89,505	57,157	-	-	
Total assets and deferred outflows.....	5,004,836	3,001,319	518,240	2,349,579	219,660	1,684,884	418,683	615,768	10,857	13,823,826	11,665,082	414,706	417,188	

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO
Statement of Net Assets – Proprietary Funds (Continued)
June 30, 2010
(with comparative total financial information as of June 30, 2009)
(In Thousands)

	Business-type Activities - Enterprise Funds													
	Major Funds								Other Fund		Total		Governmental Activities-Internal Service Funds	
	San Francisco International Airport	San Francisco Water Enterprise	Hetch Hetchy Water and Power	Municipal Transportation Agency	General Hospital Medical Center	San Francisco Waste-water Enterprise	Port of San Francisco	Laguna Honda Hospital	San Francisco Market Corporation					
	2010	2009	2010	2009										
LIABILITIES														
Current liabilities:														
Accounts payable.....	\$ 27,625	\$ 10,161	\$ 17,253	\$ 64,531	\$ 29,841	\$ 3,912	\$ 5,047	\$ 9,092	\$ 256	\$ 167,718	\$ 155,388	\$ 10,481	\$ 8,963	
Accrued payroll.....	9,416	7,560	2,074	25,307	18,377	3,775	1,477	7,017	-	75,003	68,576	1,907	1,904	
Accrued vacation and sick leave pay.....	7,955	6,366	1,520	16,873	10,545	2,747	1,100	5,071	-	52,177	51,058	1,675	1,790	
Accrued workers' compensation.....	995	1,468	380	15,506	3,832	724	423	2,205	-	25,533	26,899	160	161	
Estimated claims payable.....	8,978	8,719	759	20,349	-	2,708	730	-	-	42,243	26,634	-	-	
Due to other funds.....	-	24	4,560	1,015	1,411	6,599	796	16,632	-	31,037	20,648	9,665	3,141	
Deferred credits and other liabilities.....	61,399	5,565	843	76,527	58,437	1,502	9,935	652	62	214,922	200,520	82,861	96,201	
Accrued interest payable.....	-	16,071	164	119	-	5,605	1,023	-	-	22,982	12,881	1,935	2,090	
Bonds, loans, capital leases, and other payables....	146,183	27,795	422	3,260	793	40,968	585	24	-	220,030	499,564	17,580	19,128	
Liabilities payable from restricted assets:														
Bonds, loans, capital leases, and other payables.	159,877	-	-	-	-	-	-	-	-	159,877	122,566	-	-	
Accrued interest payable.....	29,406	-	-	-	-	-	-	-	-	29,406	29,296	-	-	
Other.....	53,271	74,607	-	4,407	-	4,980	-	992	-	138,257	75,027	-	-	
Total current liabilities.....	505,105	158,336	27,975	227,894	123,236	73,520	21,116	41,685	318	1,179,185	1,289,057	126,264	133,378	
Noncurrent liabilities:														
Accrued vacation and sick leave pay.....	6,373	5,461	1,059	11,457	7,333	2,312	861	3,617	-	38,473	39,042	1,531	1,593	
Accrued workers' compensation.....	4,044	6,626	1,688	76,491	18,242	3,422	2,532	9,702	-	122,747	119,112	804	866	
Other postemployment benefits obligation.....	46,281	45,598	8,472	99,993	89,626	16,078	8,268	33,971	-	348,287	247,647	10,614	7,885	
Estimated claims payable.....	1,035	21,021	1,112	26,572	-	8,401	350	-	-	58,491	52,109	-	-	
Deferred credits and other liabilities.....	-	4,713	-	26,843	-	375	45,632	-	120	77,683	75,948	-	-	
Bonds, loans, capital leases, and other payables....	4,058,628	2,343,880	21,564	46,848	23,137	555,440	38,719	12	-	7,088,228	5,019,406	267,980	274,910	
Derivative instruments liabilities.....	94,838	-	-	-	-	-	-	-	-	94,838	62,615	-	-	
Total noncurrent liabilities.....	4,211,199	2,427,299	33,895	288,204	138,338	586,028	96,362	47,302	120	7,828,747	5,615,879	280,929	285,254	
Total liabilities.....	4,716,304	2,585,635	61,870	516,098	261,574	659,548	117,478	88,987	438	9,007,932	6,904,936	407,193	418,632	
NET ASSETS														
Invested in capital assets, net of related debt.....	(71,205)	319,581	282,698	1,918,849	50,048	970,526	256,191	508,951	5,332	4,240,971	4,204,644	5,051	5,651	
Restricted:														
Debt service.....	54,170	12,073	-	3,408	-	1,477	-	-	-	71,128	58,716	-	-	
Capital projects.....	81,471	3,868	-	-	-	22,801	12,989	66,973	-	188,102	140,932	-	-	
Other purposes.....	-	-	-	16,854	-	-	-	1,701	299	18,854	31,459	-	-	
Unrestricted (deficit).....	224,096	80,162	173,672	(105,630)	(91,962)	30,532	32,025	(50,844)	4,788	296,839	324,395	2,462	(7,095)	
Total net assets (deficit).....	\$ 288,532	\$ 415,684	\$ 456,370	\$ 1,833,481	\$ (41,914)	\$ 1,025,336	\$ 301,205	\$ 526,781	\$ 10,419	\$ 4,815,894	\$ 4,760,146	\$ 7,513	\$ (1,444)	

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO

Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds Year ended June 30, 2010 (with comparative total financial information for the year ended June 30, 2009) (In Thousands)

	Business-type Activities - Enterprise Funds												
	Major Funds								Other Fund		Governmental Activities-Internal Service Funds		
	San Francisco Internat- ional Airport	San Francisco Water Enterprise	Hetch Hetchy Water and Power	Municipal Transportation Agency	General Hospital Medical Center	San Francisco Waste- water Enterprise	Port of San Francisco	Laguna Honda Hospital	San Francisco Market Corporation	Total			
										2010			2009
	2010	2009	2010	2009									
Operating revenues:													
Aviation.....	\$ 330,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,846	\$ 315,777	\$ -	\$ -
Water and power service.....	-	248,369	128,345	-	-	-	-	-	-	376,714	362,692	-	-
Passenger fees.....	-	-	-	185,953	-	-	-	-	-	185,953	150,437	-	-
Net patient service revenue.....	-	-	-	-	472,122	-	-	123,263	-	595,385	556,470	-	-
Sewer service.....	-	-	-	-	-	202,363	-	-	-	202,363	199,332	-	-
Rents and concessions.....	104,457	8,584	245	5,737	2,477	-	51,690	-	-	173,190	172,557	-	48
Parking and transportation.....	82,876	-	-	92,352	-	-	11,958	-	-	187,186	172,988	-	-
Other charges for services.....	-	-	-	2,935	-	-	-	-	1,681	4,616	4,247	111,612	111,318
Other revenues.....	58,559	8,265	-	16,140	7,849	7,480	2,931	565	-	101,789	99,769	-	-
Total operating revenues.....	576,738	265,218	128,590	303,117	482,448	209,843	66,579	123,828	1,681	2,158,042	2,034,269	111,612	111,366
Operating expenses:													
Personal services.....	191,279	108,178	36,525	564,161	400,845	70,992	29,324	155,859	211	1,557,374	1,546,869	44,904	46,873
Contractual services.....	46,609	13,087	7,084	56,052	146,060	12,018	4,598	5,914	599	292,021	298,079	30,838	37,612
Light, heat and power.....	17,162	-	17,726	-	-	-	1,963	-	-	36,851	39,701	-	-
Materials and supplies.....	11,077	12,748	2,510	55,014	64,281	9,888	1,311	17,773	5	174,607	157,008	16,761	14,795
Depreciation and amortization.....	163,541	52,571	12,631	117,512	6,099	40,748	13,761	967	292	408,122	384,172	1,920	1,704
General and administrative.....	8,503	25,917	11,192	43,275	479	2,500	3,988	-	9	95,863	54,782	456	300
Services provided by other departments.....	10,567	47,574	5,011	55,585	36,100	32,305	16,021	7,668	-	210,831	200,373	5,706	8,245
Other.....	25,468	17,895	25,708	3,332	-	17,061	1,551	-	3	91,018	63,950	4,282	933
Total operating expenses.....	474,206	277,970	118,387	894,931	653,864	185,512	72,517	188,181	1,119	2,866,687	2,744,934	104,867	110,462
Operating income (loss).....	102,532	(12,752)	10,203	(591,814)	(171,416)	24,331	(5,938)	(64,353)	562	(708,645)	(710,665)	6,745	904
Nonoperating revenues (expenses):													
Operating grants:													
Federal.....	-	1,506	197	38,393	-	185	898	3,272	-	44,451	17,486	-	-
State / other.....	-	-	-	73,990	64,131	-	-	-	-	138,121	169,319	-	-
Interest and investment income.....	20,691	9,823	2,738	4,927	644	2,056	2,313	1,268	11	44,471	49,691	7,315	9,219
Interest expense.....	(186,838)	(47,272)	(722)	(2,569)	(153)	(15,891)	(1,056)	(290)	-	(254,791)	(253,144)	(6,838)	(8,975)
Other, net.....	66,657	2,572	977	104,379	-	4,051	(1,279)	(1,293)	-	176,064	181,759	-	23
Total nonoperating revenues (expenses).....	(99,490)	(33,371)	3,190	219,120	64,622	(9,599)	876	2,957	11	148,316	165,111	477	267
Income (loss) before capital contributions and transfers.....	3,042	(46,123)	13,393	(372,694)	(106,794)	14,732	(5,062)	(61,396)	573	(560,329)	(545,554)	7,222	1,171
Capital contributions.....	44,204	-	-	114,133	-	-	5,518	16,398	-	180,253	107,118	-	-
Transfers in.....	-	-	300	271,692	128,918	-	10,616	113,594	-	525,120	523,850	1,900	255
Transfers out.....	(28,100)	(493)	(1,700)	(8,988)	(47,925)	-	-	(2,090)	-	(89,296)	(130,591)	(165)	(29)
Change in net assets.....	19,146	(46,616)	11,993	4,143	(25,801)	14,732	11,072	66,506	573	55,748	(45,177)	8,957	1,397
Net asset at beginning of year, as previously reported.....	269,386	462,300	444,377	1,829,338	(16,113)	1,010,604	290,133	460,275	9,846	4,760,146	4,848,349	(1,444)	(2,841)
Restatements.....	-	-	-	-	-	-	-	-	-	-	(43,026)	-	-
Net assets (deficit) at beginning of year, as restated..	269,386	462,300	444,377	1,829,338	(16,113)	1,010,604	290,133	460,275	9,846	4,760,146	4,805,323	(1,444)	(2,841)
Net assets (deficit) at end of year.....	\$ 288,532	\$ 415,684	\$ 456,370	\$ 1,833,481	\$ (41,914)	\$ 1,025,336	\$ 301,205	\$ 526,781	\$ 10,419	\$ 4,815,894	\$ 4,760,146	\$ 7,513	\$ (1,444)

The notes to the financial statements are an integral part of this statement.



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CITY AND COUNTY OF SAN FRANCISCO

Statement of Cash Flows – Proprietary Funds

Year ended June 30, 2010

(with comparative total financial information for the year ended June 30, 2009)

(In Thousands)

	Business-type Activities - Enterprise Funds										Governmental Activities-Internal Service Funds			
	Major Funds								Other Fund					
	San Francisco International Airport	San Francisco Water Enterprise	Hetch Hetchy Water and Power	Municipal Transportation Agency	General Hospital Medical Center	San Francisco Waste-water Enterprise	Port of San Francisco	Laguna Honda Hospital	San Francisco Market Corporation	Total				
										2010	2009	2010	2009	
Cash flows from operating activities:														
Cash received from customers, including cash deposits.....	\$ 589,593	\$ 246,684	\$ 124,818	\$ 441,625	\$ 471,080	\$ 209,252	\$ 9,588	\$ 123,487	\$ 1,683	\$ 2,217,810	\$ 2,102,434	\$ 134,361	\$ 143,646	
Cash received from tenants for rent.....	-	8,584	251	-	2,477	-	55,518	-	-	66,830	67,424	-	-	
Cash paid to employees for services.....	(176,049)	(91,035)	(33,208)	(535,125)	(370,813)	(65,615)	(26,764)	(146,504)	(256)	(1,445,369)	(1,409,092)	(42,412)	(43,837)	
Cash paid to suppliers for goods and services.....	(126,500)	(94,430)	(53,501)	(225,001)	(237,257)	(63,910)	(26,947)	(40,881)	(626)	(869,053)	(819,361)	(71,046)	(94,955)	
Cash paid for judgments and claims.....	-	(4,787)	(8,721)	(20,503)	-	(1,508)	-	-	-	(35,519)	(27,876)	-	-	
Net cash provided by (used in) operating activities.....	287,044	65,016	29,639	(339,004)	(134,513)	78,219	11,395	(63,898)	801	(65,301)	(86,471)	20,903	4,854	
Cash flows from noncapital financing activities:														
Operating grants.....	-	845	27	117,469	64,131	190	645	-	-	183,307	170,748	-	-	
Transfers in.....	-	-	300	252,904	128,918	-	-	54,168	-	436,290	438,460	1,900	255	
Transfers out.....	(28,100)	(493)	(1,700)	(8,513)	(47,925)	-	-	(2,090)	-	(88,821)	(109,462)	(165)	(29)	
Transit Impact Development fees received.....	-	-	-	484	-	-	-	-	-	484	3,687	-	-	
Other noncapital financing increases.....	2,022	-	6,016	-	-	1,648	-	18,240	-	27,926	25,058	-	-	
Other noncapital financing decreases.....	-	-	(5,332)	(5,648)	(216)	-	-	-	-	(11,196)	(2,669)	-	-	
Net cash provided by (used in) noncapital financing activities.....	(26,078)	352	(689)	356,696	144,908	1,838	645	70,318	-	547,990	525,822	1,735	226	
Cash flows from capital and related financing activities:														
Capital grants and other taxes restricted for capital purposes.....	35,298	-	-	107,608	-	-	1,067	16,488	-	160,461	120,602	-	-	
Transfers in	-	-	-	18,788	-	-	10,616	59,426	-	88,830	52,678	-	-	
Transfers out	-	-	-	-	-	-	-	-	-	-	(24,973)	-	-	
Bond sale proceeds and loans received.....	496,941	1,478,399	16,711	-	22,550	279,216	36,386	-	-	2,330,203	34,053	10,629	178,464	
Proceeds from sale/transfer of capital assets.....	-	23	26	20	-	-	2	736	-	807	29,885	-	-	
Proceeds from commercial paper borrowings.....	46,420	-	-	-	-	663,500	-	-	-	709,920	1,199,506	-	-	
Proceeds from passenger facility charges.....	73,196	-	-	-	-	-	-	-	-	73,196	70,435	-	-	
Acquisition of capital assets.....	(252,827)	(352,805)	(33,033)	(115,161)	(4,553)	(44,265)	(12,663)	(80,669)	(723)	(896,699)	(691,822)	(721)	(2,115)	
Retirement of capital leases, bonds and loans.....	(118,835)	(41,005)	(422)	(4,652)	(1,142)	(51,329)	(4,473)	(77)	-	(221,935)	(811,250)	(19,127)	(167,948)	
Retirement of commercial paper borrowings.....	-	(229,600)	-	-	-	(763,500)	-	-	-	(993,100)	(203,020)	-	-	
Bond issue costs paid.....	-	(12,759)	(150)	-	(71)	(2,861)	(548)	-	-	(16,389)	-	(211)	(1,016)	
Interest paid on debt.....	(198,597)	(74,468)	(593)	(2,550)	(82)	(18,302)	(212)	(290)	-	(295,094)	(256,384)	(6,942)	(9,456)	
Other capital financing increases.....	-	-	-	349	-	-	1,060	-	-	1,409	-	-	-	
Other capital financing decreases.....	-	(10,346)	-	-	-	-	(557)	-	-	(10,903)	(4,973)	-	-	
Net cash provided by (used in) capital and related financing activities.....	81,596	757,439	(17,461)	4,402	16,702	62,459	30,678	(4,386)	(723)	930,706	(485,263)	(16,372)	(2,071)	
Cash flows from investing activities:														
Purchases of investments with trustees.....	(2,504,072)	(340,412)	(4,218)	-	-	(66,912)	-	-	(262)	(2,915,876)	(3,435,539)	(34,098)	(23,716)	
Proceeds from sale of investments with trustees.....	2,429,039	252,781	4,218	681	-	58,549	-	-	260	2,745,528	3,416,796	44,499	48,328	
Interest and investment income.....	18,976	9,936	4,887	5,385	644	2,281	2,488	1,267	11	45,875	53,645	634	2,123	
Other investing activities.....	-	2,783	-	-	-	-	-	(3)	-	2,780	1,472	(50)	(132)	
Net cash provided by (used in) investing activities.....	(56,057)	(74,912)	4,887	6,066	644	(6,082)	2,488	1,264	9	(121,693)	36,374	10,985	26,603	
Net increase (decrease) in cash and cash equivalents.....	286,505	747,895	16,376	28,160	27,741	136,434	45,206	3,298	87	1,291,702	(9,538)	17,251	29,612	
Cash and cash equivalents-beginning of year.....	447,414	152,689	176,212	229,133	47,889	98,450	101,081	64,907	5,103	1,322,878	1,332,416	73,669	44,057	
Cash and cash equivalents-end of year.....	\$ 733,919	\$ 900,584	\$ 192,588	\$ 257,293	\$ 75,630	\$ 234,884	\$ 146,287	\$ 68,205	\$ 5,190	\$ 2,614,580	\$ 1,322,878	\$ 90,920	\$ 73,669	

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO

Statement of Cash Flows – Proprietary Funds (continued)

Year ended June 30, 2010

(with comparative total financial information for the year ended June 30, 2009)

(In Thousands)

	Business-type Activities - Enterprise Funds												
	Major Funds								Other Fund		Governmental Activities-Internal Service Funds		
	San Francisco Interna- tional Airport	San Francisco Water Enterprise	Hetch Hetchy Water and Power	Municipal Transportation Agency	General Hospital Medical Center	San Francisco Waste- water Enterprise	Port of San Francisco	Laguna Honda Hospital	San Francisco Market Corporation	Total			
										2010			2009
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:													
Operating income (loss).....	\$ 102,532	\$ (12,752)	\$ 10,203	\$ (591,814)	\$ (171,416)	\$ 24,331	\$ (5,938)	\$ (64,353)	\$ 562	\$ (708,645)	\$ (710,665)	\$ 6,745	\$ 904
Adjustments for non-cash activities:													
Depreciation and amortization.....	163,541	52,571	12,631	117,512	6,099	40,748	13,761	967	292	408,122	384,172	1,920	1,704
Provision for uncollectibles.....	73	834	-	-	-	1,374	520	-	-	2,801	(240)	-	-
Write-off of capital assets.....	-	7,043	12,455	-	-	10,790	-	-	-	30,288	7,627	-	-
Other.....	4,671	-	265	107,233	-	-	-	-	-	112,169	118,649	-	23
Changes in assets/liabilities:													
Receivables, net.....	(245)	(11,123)	(4,709)	(1,165)	(14,973)	(1,963)	244	(445)	2	(34,377)	(12,213)	18,708	23,527
Due from other funds.....	-	197	758	-	-	(5)	-	-	-	950	(717)	-	(54)
Inventories.....	(5)	58	(26)	(1,445)	(846)	340	148	23	-	(1,753)	(7,305)	-	-
Deferred charges and other assets.....	(4,323)	-	828	(2,414)	-	3	(123)	-	-	(6,029)	(3,683)	-	6
Accounts payable.....	8,999	(4,617)	2,778	8,968	10,508	(3,979)	291	(9,549)	(55)	13,344	18,908	1,841	962
Accrued payroll.....	904	714	256	1,229	2,178	277	108	279	-	5,945	6,080	3	(49)
Accrued vacation and sick leave pay.....	446	373	39	(312)	361	(19)	(41)	(297)	-	550	3,486	(177)	(627)
Accrued workers' compensation.....	(175)	(523)	(237)	1,912	389	(267)	648	522	-	2,269	(1,265)	(63)	(27)
Other postemployment benefits obligation.....	14,055	14,631	2,673	26,208	27,104	4,665	2,452	8,852	-	100,640	127,264	2,729	3,738
Estimated claims payable.....	-	20,099	(8,440)	(544)	-	749	180	-	-	12,044	(14,023)	-	-
Due to other funds.....	-	1	-	(780)	-	217	124	-	-	(438)	2,285	(131)	225
Deferred credits and other liabilities.....	(3,429)	(2,490)	165	(3,592)	6,083	958	(979)	103	-	(3,181)	(4,831)	(10,672)	(25,478)
Total adjustments.....	184,512	77,768	19,436	252,810	36,903	53,888	17,333	455	239	643,344	624,194	14,158	3,950
Net cash provided by (used in) operating activities.....	\$ 287,044	\$ 65,016	\$ 29,639	\$ (339,004)	\$ (134,513)	\$ 78,219	\$ 11,395	\$ (63,898)	\$ 801	\$ (65,301)	\$ (86,471)	\$ 20,903	\$ 4,854
Reconciliation of cash and cash equivalents to the statement of net assets:													
Deposits and investments with City Treasury:													
Unrestricted.....	\$ 326,281	\$ 113,472	\$ 173,861	\$ 232,862	\$ 53,946	\$ 49,902	\$ 91,793	\$ -	\$ -	\$ 1,042,117	\$ 970,347	\$ 29,655	\$ 16,309
Restricted.....	410,473	620,347	-	9,293	-	133,597	51,633	68,204	-	1,293,547	316,971	-	-
Deposits outside of City Treasury:													
Unrestricted.....	10	89	10	3,843	10	89	5	1	5,190	9,247	8,041	-	-
Restricted.....	363,914	295,281	18,717	11,295	21,674	59,659	3,300	935	299	775,074	358,617	89,553	96,050
Total deposits and investments.....	1,100,678	1,029,189	192,588	257,293	75,630	243,247	146,731	69,140	5,489	3,119,985	1,653,976	119,208	112,359
Less: Investments outside of City Treasury not meeting the definition of cash equivalents.....	(366,759)	(128,605)	-	-	-	(8,363)	(444)	(935)	(299)	(505,405)	(331,098)	(28,288)	(38,690)
Cash and cash equivalents at end of year on statement of cash flows.....	\$ 733,919	\$ 900,584	\$ 192,588	\$ 257,293	\$ 75,630	\$ 234,884	\$ 146,287	\$ 68,205	\$ 5,190	\$ 2,614,580	\$ 1,322,878	\$ 90,920	\$ 73,669
Non-cash capital and related financing activities:													
Acquisition of capital assets on accounts payable and capital lease.....	\$ 58,822	\$ 74,607	\$ 5,926	\$ 14,228	\$ -	\$ 4,980	\$ 1,731	\$ -	\$ 125	\$ 160,419	\$ 86,149	\$ 9,715	\$ 4,264
Tenant improvements financed by rent credits.....	-	-	-	-	-	-	2,015	-	-	2,015	1,315	-	-
Land acquired through real property exchange.....	-	-	-	-	-	-	-	-	-	-	500	-	-
Net capitalized interest.....	17,672	36,131	-	-	-	3,790	-	-	-	57,593	-	-	-
Improvements acquired from early termination of lease.....	-	-	-	-	-	-	11	-	-	11	-	-	-
Bond refunding.....	1,283,685	-	-	-	-	-	-	-	-	1,283,685	293,753	-	-
Interfund loan.....	-	-	4,560	-	-	5,787	-	-	-	10,347	-	-	-
Donated inventory.....	-	-	-	-	1,594	-	-	-	-	1,594	-	-	-

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO

Statement of Fiduciary Net Assets – Fiduciary Funds June 30, 2010 (In Thousands)

	Pension and Other Employee Benefit Trust Funds	Investment Trust Fund	Agency Funds
ASSETS			
Deposits and investments with City Treasury.....	\$ 69,193	\$ 585,010	\$ 76,162
Deposits and investments outside City Treasury:			
Cash and deposits.....	12,834	105	-
Short-term investments.....	583,208	-	-
Alternative investments.....	1,763,500	-	-
Debt securities.....	4,058,835	-	-
Equity securities.....	5,733,593	-	-
Real estate.....	1,009,001	-	-
Foreign currency contracts, net.....	6,387	-	-
Receivables:			
Employer and employee contributions.....	40,056	-	51,604
Brokers, general partners and others.....	155,528	-	-
Interest and other.....	45,123	344	195,340
Invested in securities lending collateral.....	964,858	-	-
Deferred charges and other assets.....	-	-	28,424
Total assets.....	<u>14,442,116</u>	<u>585,459</u>	<u>\$ 351,530</u>
LIABILITIES			
Accounts payable.....	43,043	2,854	\$ 78,230
Estimated claims payable.....	12,424	-	-
Agency obligations.....	-	-	273,300
Payable to brokers.....	219,697	-	-
Deferred Retirement Option Program liabilities.....	8,653	-	-
Payable to borrowers of securities.....	966,502	-	-
Deferred credits and other liabilities.....	40,785	-	-
Total liabilities.....	<u>1,291,104</u>	<u>2,854</u>	<u>\$ 351,530</u>
NET ASSETS			
Held in trust for pension and other employee benefits and external pool participants...	<u>\$ 13,151,012</u>	<u>\$ 582,605</u>	

The notes to the financial statements are an integral part of this statement.

CITY AND COUNTY OF SAN FRANCISCO

Statement of Changes in Fiduciary Net Assets – Fiduciary Funds
Year ended June 30, 2010
(In Thousands)

	Pension and Other Employee Benefit Trust Funds	Investment Trust Fund
Additions:		
Employees' contributions.....	\$ 301,866	\$ -
Employer contributions.....	771,799	-
Contributions to pooled investments.....	-	3,117,306
Total contributions.....	<u>1,073,665</u>	<u>3,117,306</u>
Investment income/loss:		
Interest.....	195,676	9,079
Dividends.....	139,161	-
Net appreciation in fair value of investments.....	1,334,684	-
Securities lending income.....	34,730	-
Total investment income	<u>1,704,251</u>	<u>9,079</u>
Less investment expenses:		
Securities lending borrower rebates and expenses.....	(4,007)	-
Other investment expenses.....	(44,206)	-
Total investment expenses.....	<u>(48,213)</u>	<u>-</u>
Total additions, net.....	<u>2,729,703</u>	<u>3,126,385</u>
Deductions:		
Benefit payments.....	1,452,990	-
Refunds of contributions.....	11,997	-
Distribution from pooled investments.....	-	3,109,161
Administrative expenses.....	13,833	-
Total deductions.....	<u>1,478,820</u>	<u>3,109,161</u>
Change in net assets.....	1,250,883	17,224
Net assets at beginning of year.....	11,900,129	565,381
Net assets at end of year.....	<u><u>\$ 13,151,012</u></u>	<u><u>\$ 582,605</u></u>

The notes to the financial statements are an integral part of this statement.