November 27, 2013

The Honorable Mayor Edwin Lee
The Honorable Members of the Board of Supervisors
Residents of the 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 year ended June 30, 2013, with the independent auditor’s report. The report is submitted in compliance with City Charter sections 2.115 and 3.105, and California Government Code Sections 25250 and 25253. The Office of the Controller prepared the CAFR in conformance with the principles and standards for accounting and financial reporting set forth by the Governmental Accounting Standards Board (GASB).

The City is responsible for the accuracy of the data and for the completeness and fairness of its presentation. The existing comprehensive structure of internal accounting controls in the City provides reasonable assurance that the financial statements are free of any material misstatements. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. I believe that the reported data is accurate in all material respects and that its presentation fairly depicts the City’s financial position and changes in its financial position as measured by the financial activity of its various funds. I am confident that the included disclosures provide the reader with an understanding of the City’s financial affairs.

The City’s Charter requires an annual audit of the Controller’s records. The records have been audited by Macias Gini & O’Connell LLP and are presented in the Basic Financial Statements in this CAFR. The CAFR also incorporates financial statements of various City enterprise funds and component units, including the San Francisco International Airport, the San Francisco Water Enterprise, Hetch Hetchy Water and Power, the Municipal Transportation Agency, the San Francisco Wastewater Enterprise, the Port of San Francisco, the City of San Francisco Market Corporation, the City and County of San Francisco Finance Corporation, the San Francisco County Transportation Authority, the City and County of San Francisco Health Service System, the San Francisco City and County Employees’ Retirement System, and the Successor Agency to the San Francisco Redevelopment Agency.

This letter of transmittal is designed to complement the Management’s Discussion and Analysis (MD&A) section of the CAFR. The MD&A provides a narrative overview and analysis of the Basic Financial Statements and is presented after the independent auditor’s report.

**KEY FINANCIAL REPORT SECTIONS:**

The **Introductory Section** includes information about the organizational structure of the City, the City’s economy, major initiatives, status of City services, and cash management.

The **Financial Section** includes the MD&A, Basic Financial Statements, notes to the Basic Financial Statements, and required supplementary information. The Basic Financial Statements include the government-wide financial statements that report on all City financial operations, and also include fund financial statements that present information for all City funds. The independent auditor’s report on the Basic Financial Statements is also included.
The financial statements of several enterprise activities and of all component units of government are included in this CAFR. Some component units’ financial statements are blended with the City’s, such as the San Francisco County Transportation Authority and the San Francisco Finance Corporation. The reason for this is that the primary government is financially accountable for the operations of these agencies. In other instances, namely, for the Treasure Island Development Authority, financial reporting is shown separately. Supplemental combining statements and schedules for nonmajor governmental funds, internal service funds and fiduciary funds are also presented in the financial section.

The Statistical Section includes up to ten years of historical financial data and miscellaneous social and economic information that conforms to GASB standards for reporting statistical information. This section may be of special interest to citizens and prospective investors in our bonds.

SAN FRANCISCO’S ECONOMY:

Overview of Recent Trends

Over the past fiscal year, San Francisco’s economic recovery has accelerated. Unemployment rates in fiscal year 2012-13 fell steadily, continuing a trend that began in fiscal year 2010-11. Average unemployment for fiscal year 2012-13 was 6.5%, down 1.5% from the previous fiscal year’s level of 8.0%. Unemployment began the period at 7.7% in July 2012, and closed at 5.8% in June 2013.

In comparison to the U.S. economy, San Francisco entered the recent recession late and emerged from it relatively early. The San Francisco Metropolitan Division, of which the City and County of San Francisco is the largest jurisdiction, began seeing year-over-year job growth in December 2010. Over the course of fiscal year 2012-13, the San Francisco Metropolitan Division experienced a total employment increase of 2.3%. In the period between March 2012 and March 2013, the latest data available, nearly every major sector of the City’s economy saw growth in employment, according to the Bureau of Labor Statistics.

Other local economic indicators were also positive during this past fiscal year. Housing prices, residential and commercial rent, hotel revenues, and retail sales all showed significant signs of recovery.

San Francisco's taxable sales have been growing rapidly, with fiscal year 2012-13 sales tax revenue up 4.9% over fiscal year 2011-12. For the last two fiscal years, San Francisco has seen record high taxable sales growth, exceeding pre-recession revenue levels in fiscal year 2011-12.

The hotel sector, which is a key barometer of San Francisco’s travel and tourism industry, saw significant growth in fiscal year 2012-13 over the previous year. Hotel room average occupancy rose to 84.3% for the fiscal year, a significant increase from the prior year and approaching a historical high. Average daily room rates grew significantly in fiscal year 2012-13, jumping 7.4% from $197 per room-night in fiscal year 2011-12 to $212 per room-night.

Key indicators of the City’s real estate market reflect similar strength during fiscal year 2012-13. Commercial and residential rents and median home prices increased. The average residential rent for apartments in San Francisco rose 6.6% during fiscal year 2012-13, from $2,640 to $2,813. Commercial rents saw a 14.8% increase in fiscal year 2012-13 compared to fiscal year 2011-12. The average median home price in fiscal year 2012-13 was at $765,583, up 18.4% from the previous fiscal year.

The strength of San Francisco’s current recovery is a testament to the strength of its economic fundamentals – the education and creativity of its workforce, its environment, technological base, and cultural amenities. These fundamentals are among the strongest of any city in North America, and are likely to secure the City’s long-term prosperity.
SAN FRANCISCO GOVERNMENT:

Profile of San Francisco Government

The City and County of San Francisco was established by Charter in 1850, and is the only legal subdivision of the State of California with the governmental powers of both a city and a county. The City’s legislative power is exercised through a Board of Supervisors, while its executive power is vested upon a Mayor and other appointed and elected officials. Key public services provided by the City include public safety and protection, public transportation, water and sewer, parks and recreation, public health, social services and land-use and planning regulation. The heads of most of these departments are appointed by the Mayor and advised by commissions and boards appointed by City elected officials.

Elected officials include the Mayor, Members of the Board of Supervisors, Assessor-Recorder, City Attorney, District Attorney, Public Defender, Sheriff, Superior Court Judges, and Treasurer. Since November 2000, the eleven-member Board of Supervisors has been elected through district elections. The eleven district elections are staggered for five and six seats at a time, and held in even-numbered years. Board members serve four-year terms and vacancies are filled by Mayoral appointment.

San Francisco’s Budgetary Process

The budget is adopted at the character level of expenditure within each department, and the department level and fund is the legal level of budgetary control. Note 2(c) to the Basic Financial Statements summarizes the budgetary roles of City officials and the timetable for their various budgetary actions according to the City Charter.

The City has historically adopted annual budgets for all governmental funds and typically adopts project-length budgets for capital projects and certain debt service funds. The voters adopted amendments to the Charter in November 2009 designed to further strengthen the City’s long-range financial planning. As a result of these changes, the City for the first time adopted a two-year budget for all funds for fiscal years 2012-13 and 2013-14 in July 2012. The Charter requires that the City adopt a “rolling” two-year budget each year unless the Board of Supervisors authorizes a “fixed” two-year budget appropriation for a given fund, in which case authorization occurs every two years.

As further required by these amendments, the Board of Supervisors and Mayor are required to adopt a five-year financial plan every two years. The most recent plan was adopted in April 2013. Additionally, these Charter changes provided a mechanism for the Controller to propose, and the Board to adopt, various binding financial policies, which can only be suspended by a supermajority of the Board. Financial policies have now been adopted under these provisions governing the City’s budget reserve practices, the use of non-recurring revenues, and limits on the use of debt paid from the General Fund.

Internal and Budgetary Controls

In developing and evaluating the City’s accounting system, consideration is given 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 maintains budgetary controls to ensure that legal provisions of the annual budget are in compliance and expenditures do not exceed budgeted amounts. Controls are exercised by integrating the budgetary accounts in fund ledgers for all budgeted funds. An encumbrance system is also used to account for purchase orders and other contractual commitments. Encumbered balances of appropriations at year-end are carried forward and are not reappropriated in the following year’s budget.
Cash Management

The City’s pooled deposits and investments are invested pursuant to policy established by the Treasurer working with the City’s Treasury Oversight Committee. The City’s investment policy seeks the preservation of capital, liquidity and a market rate of return, in that order. The policy addresses the safekeeping and custody practices with financial institutions in which the City deposits funds, types of investments permitted, and the percentage of the portfolio which may be invested in certain instruments with longer terms to maturity. The earned income yield of fiscal year 2012-13 was 0.95%. Certain investments, including a portion of those of the Successor Agency to the Redevelopment Agency, were held by the Treasurer in separately managed accounts.

Risk Management

With certain exceptions, it is the policy of the City not to purchase commercial insurance against property or liability risk. 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 and supplemental appropriations. The City maintains limited coverage for certain facilities, primarily property of San Francisco International Airport; Port of San Francisco; Municipal Transportation Agency; Hetch Hetchy, Water Department; and art at City-owned museums. Additionally, various types of liability insurance are maintained by the City for the Port and the Airport. 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 are reported on the financial statements. They have been actuarially determined and include an estimate of incurred but not reported losses.

Pension and Retiree Health Trust Fund Operations

The City has a defined benefit retirement plan in which a substantial majority of full-time employees participate. The plan’s most recent actuarial calculations, as of July 1, 2012, estimate the plan is 82.6% funded, down from 87.7% as of that date in 2011. This decrease is primarily due to an unfunded increase in the actuarial liability as a result of economic assumptions changes approved by the Retirement Board and investment returns for the July 1, 2012 actuarial valuation being significantly lower than the assumed 7.58% investment return. The results of the July 1, 2012 actuarial valuation reflect the impact of recent wide fluctuations in financial markets on the value of plan assets. Member contributions to the plan increased 30.6% from the prior year as a result of the employee cost-sharing provisions of Proposition C, which went into effect on July 1, 2012, and plan deductions increased 5.4%.

The City’s retiree health benefit liability has been calculated at $4.42 billion as of July 1, 2010. In 2009, the City and employees began to pre-fund prospective obligations through contributions of 3% of salary for employees hired on or after January 10, 2009. These contributions are held in an irrevocable trust, the Retiree Health Care Trust Fund. Beginning July 1, 2016, employees hired before January 10, 2009 will also start contributing to the Trust Fund with an employer match, starting at a combined 0.5% of salary, and rising to 2% of salary on July 1, 2019. As of June 30, 2013, the Trust Fund had a net position of $31 million, an increase of 73% versus the prior year. Given increasing pay-as-you-go and prefunding contributions and reductions in the benefit level for recently-hired employees, the City expects to fund the Annual Required Contribution (ARC) by fiscal year 2019-20.

General Fund Financial Position Highlights

Total GAAP-basis General Fund balance, which includes funds reserved for continuing appropriations and reserves, ended fiscal year 2012-13 at $541 million, up $85 million from the prior year level, and now equaling the prior peak of $541 million as of June 30, 2007.

The General Fund’s cash position also reflects a strong improvement in fiscal year 2012-13, rising to a new year-end peak of $720 million, up $190 million from June 30, 2012.
Strong revenue growth and the implementation of new reserves policies have caused General Fund rainy
day and budget stabilization reserves to grow to $148 million as of June 30, 2013, a $40 million increase
from the prior year ending balance of $108 million. These reserve balances now exceed the pre-
recession peak of $134 million in fiscal year 2007-08.

Key Government Initiatives

San Francisco’s economy depends on investments in infrastructure and services that benefit City
residents, workers, visitors, and businesses. These economic foundations range from housing and
commercial development, to transportation infrastructure, investments in health and human services, and
the City’s quality of life. The City is taking steps to strengthen this infrastructure, to support San
Francisco’s economic recovery and long-term prosperity. Some important initiatives are described below:

Improving the City’s Public Transportation Systems

San Francisco is ideally situated to serve the Bay Area’s need to rapidly bring a large numbers of workers
into a transit-accessible employment center, and efficiently navigate the dense City on foot, mass transit,
taxi or bicycle.

Plans for a multi-modal transit hub located in the City’s core – the Transbay Transit Center – are targeted
to meet this regional need. The center is designed to provide expanded bus, commuter train, and
ultimately high-speed rail connections into the City from within the region and state, and to provide
pedestrian connections to nearby intracity subway, surface rail, and bus services within the City. The
former terminal at the site has been demolished with completion of the new center targeted for fiscal year
2017-18. The $1.9 billion transit center, managed by a financially independent authority, is funded
through a host of revenue sources, including federal stimulus funding, tax increment, local sales tax, and
other revenues generated from planned dense, mixed-use development adjacent to the site.

The City has begun preliminary construction work on the Central Subway project, the second phase of a
program designed to create a light-rail line running from Chinatown, under the heart of downtown, and
connecting to the most-recent extension of the light-rail system to the Southeast portion of the City. The
subway will connect to Bay Area Rapid Transit (BART) and Caltrain, the region’s two largest regional
commuter rail services. The Central Subway project, with an estimated budget of $1.6 billion and a
targeted completion date of 2018, is estimated to provide approximately 35,000 daily boardings at four
stations along the new 1.7 mile line. Once completed, the project will reduce travel times and congestion
along some of the most congested vehicular and public transit routes in California.

The City is also implementing a street repair and improvement program, funded with a $248 million
general obligation bond, state and local revenue sources. Under this program, 2,540 blocks will be
repaved or sealed, 1,900 curb ramps for disabled access will be constructed and over 125,000 square
feet of public sidewalk will be repaired. In commercial corridors, and along busy arterials, the program will
allow the City to build complete streets that enhance pedestrian and bicycle safety and enhance the
vibrancy of urban neighborhoods. The bond also provides funds to rehabilitate existing traffic signal
infrastructure and allow transit signal priority along key transit routes, improving transit efficiency and
relieving traffic congestion. Now a third of the way through the program, the City projects it will meet or
exceed its performance goals.

The City continued to invest in improvements at San Francisco International Airport (SFO) in fiscal year
2012-13 as part of an approved capital plan of $2.1 billion over the next five years. Projects under
construction during the fiscal year include runway safety area improvements, a new air traffic control
tower, renovations to Terminal 3, improvements to baggage handling and checked baggage inspection
systems, and a new West Field cargo facility. The plan also includes funds for programming, planning,
and construction of the initial phases of the Terminal 1 Renovation Program, which has a projected cost of
$2.1 billion and anticipated phased completion dates through 2023. These projects are necessitated
by the continued growth in passenger volumes at SFO, which accounts for 96% of international air travel
and 71% of all air travel into the Bay Area.
Completing Critical Infrastructure Upgrades for Water, Power, and Sewer Services

The City is approximately 75% complete with a $4.6 billion program to upgrade the City’s local and regional water system, known as the Water System Improvement Program (WSIP). The program consists of 35 local projects located within San Francisco and 47 regional projects spread over 7 counties from the Sierra foothills to San Francisco. The WSIP delivers capital improvements that enhance the system’s ability to provide reliable, affordable, high-quality drinking water to the system’s wholesale and regional retail customers in Alameda, Santa Clara and San Mateo counties, collectively serving some 1.8 million people outside of San Francisco, as well as another 800,000 retail customers in San Francisco. The program is structured to cost effectively meet water quality requirements, improve seismic and delivery reliability, and meet long-term water supply objectives. Completion of the two remaining in-city projects is expected by 2015, followed by the remaining regional projects by 2019.

Large-scale sewer improvements are also underway as part of the Sewer System Improvement Program (SSIP), a $6.9 billion, three-phased 20-year program. The first phase, totaling $2.7 billion, includes $1.7 billion in improvements to the Southeast Treatment Plant and funding for other green infrastructure and urban watershed assessment projects to minimize stormwater impact on the sewer system. The SSIP will upgrade the City’s wastewater system, which was predominantly built out over the past century. Although significant investment occurred in the mid-1970s through the mid-1990s to comply with the Clean Water Act, today many of the existing facilities are in need of upgrade and major improvement to prepare San Francisco for the future.

The City’s power enterprise, Hetch Hetchy Power, is in the fifth year of a 20-year rehabilitation program for its aging reservoirs, powerhouses, switchyards and pipelines and tunnels. Funding for the program is $33.6 million and $49.1 million in fiscal years 2012-13 and 2013-14, respectively.

Expanding Access to Healthcare

Public health and human services are important to the long-term health and well-being of City residents, and to the overall productivity of the City’s workforce. The City offers a host of health and safety net services, including operation of two public hospitals, the administration of federal, state, and local entitlement programs, and a vast array of community-based health and human services.

The City continues preparation for implementation of the Affordable Care Act. In the current fiscal year, the City's Department of Public Health (DPH) created the San Francisco Health Network, which comprises the department's full continuum of direct health care services. The San Francisco Health Network is an integrated health care delivery system that will improve the department's ability to provide and manage care for insured patients that select our network, organize the elements of the delivery system, improve system efficiency, and improve the patient experience.

While the Affordable Care Act will extend health insurance to an estimated 35,000 uninsured San Franciscans, not everyone will have health insurance. There are an estimated 84,000 uninsured adults in San Francisco. Approximately 70% of them (60,000) are enrolled in Healthy San Francisco, the City's comprehensive access program for the uninsured. Based upon the City's experience with Healthy San Francisco, the department estimates that approximately 49,000 San Franciscans will remain residually uninsured after implementation. The residually uninsured will include those ineligible for the insurance expansions offered under Health Reform and those who are eligible but who, for a variety of reasons, do not enroll. The department will continue to be the safety net for these individuals.

Amidst these changes, the City is on schedule to replace and modernize the City’s two public hospitals. The voters approved a general obligation bond measure to fund the replacement of San Francisco General Hospital in November 2008. This $887 million project is required given changes to state law governing seismic requirements for hospitals. It will replace the current facility with a new nine-story building on the existing hospital campus. The hospital is the only trauma center in San Francisco, and also acts as the safety net hospital for our residents. Construction of the project is underway, with completion expected in fiscal year 2015-16. This project follows substantial completion of the reconstruction of the City’s skilled nursing facility, Laguna Honda Hospital, in fiscal year 2011-12.
Modernizing the City’s Parks and Libraries

San Francisco voters have approved a number of bond measures to fund capital improvements to the City’s parks and libraries during the past decade, including the most recent approval in November 2012 of a $195 million general obligation bond for improvements to neighborhood parks. Once implemented, the City will have completed substantial renovations of 13 recreation centers, 52 playgrounds, and 9 swimming pools during a ten year period.

A comprehensive capital improvement program intended to renovate the City’s branch library system is nearly complete, with planned improvements in 23 of the 24 branch libraries included within the capital program now finished. The $196 million program, funded with a mix of general obligation and lease-revenue bonds, and other local sources, focuses on seismic safety, accessibility, and modernization of facilities for current uses. Final completion of the improvement program is scheduled by fiscal year 2013-14.

Delivering Public and Private Waterfront Improvements

The Port of San Francisco celebrates its 150th anniversary in 2013. As custodian of over seven miles of waterfront property, the Port seeks public/private partnerships to rehabilitate aging port facilities for maximum public benefit. Significant waterfront improvements were completed during the past fiscal year, increasing public enjoyment during the race events of the 34th America’s Cup. Current completed projects include the first phase of a new cruise terminal facility at Pier 27 ($62 million), the Brannan Street Wharf ($26 million), the Pier 43 Bay Trail Link ($10 million) and the Jefferson Street Public Realm street improvements ($6 million). The Exploratorium, a twenty-first century learning laboratory, opened at Pier 15. Additionally, the City is currently negotiating public-private partnerships for several large development projects to further activate the waterfront. These opportunities include a potential state of the art multi-purpose facility for the Golden State Warriors basketball organization at Piers 30-32, a new mixed-use development adjacent to the Giants baseline stadium, and the rehabilitation of the Pier 70 area, which contemplates sustained ship repair usage, historic preservation, new waterfront parks, and over 3.7 million square feet of new and rehabilitated building space.

Planning for the City’s Growth

San Francisco’s economic recovery has stimulated the demand for new residential and commercial space. After years of planning, development continued to pick up during fiscal year 2012-13 in several areas of the City. At the end of the fiscal year, over 53,600 housing units and 22.1 million square feet of commercial space was in the planning or construction stages. About 5,100 housing units were under construction, along with 1.86 million square feet of commercial space. In recent years the City completed major area planning efforts in the Eastern Neighborhoods, Market-Octavia, and the Transit Center District. It also adopted or approved large-scale development projects in Candlestick Point/Hunters Point Shipyard, Treasure Island, and Park Merced. While private construction slowed in San Francisco during the recession, development activity is accelerating and may well surpass what was seen during the previous upswing in the business cycle.

Other Long-Term Challenges Remain

Notwithstanding the City’s strong economic and financial performance during the recent recovery and despite significant initiatives outlined above, several long-term financial challenges and risks remain unresolved.

While significant investments are proposed in the City’s adopted ten-year capital plan, identified resources remain below those necessary to maintain and enhance the City’s physical infrastructure. As a result, over $14 billion in capital needs are deferred from the plan’s horizon. Over two-thirds of these unfunded needs are for the City’s transportation and waterfront infrastructure, where core maintenance investments have lagged for decades. Mayor Edwin Lee has convened a taskforce to recommend funding mechanisms to bridge a portion of the gaps in the City’s transportation needs, but it is likely that significant funding gaps will remain even assuming the identification of significant new funding sources for these needs.
The City has taken significant steps to address long-term unfunded liabilities for employee pension and other post employment benefits, including retiree health obligations, yet significant liabilities remain. The most recent actuarial analyses estimate unfunded actuarial liabilities of almost $8 billion for these benefits, comprised of $4.4 billion for retiree health obligations and $3.4 billion for employee pension benefits. In recent years, the City and voters have adopted significant changes that should mitigate these unfunded liabilities over time, including adoption of lower-cost benefit tiers, increases to employee and employer contribution requirements, and establishment of a trust fund to set-aside funding for future retiree health costs. The financial benefit from these changes will phase in over time, however, leaving ongoing financial challenges for the City in the shorter term.

Lastly, while the City has adopted a number of measures to better position the City’s operating budget for future economic downturns, further progress is needed. Economic stabilization reserves have grown significantly during the last three fiscal years and now exceed pre-recession peaks, but remain below adopted target levels of 10% of discretionary General Fund revenues. Further progress towards targeted level in future fiscal years will allow the City to better weather inevitable negative variances that will be driven by future economic volatility.

OTHER INFORMATION:

Independent Audit

The City’s Charter requires an annual audit of the Controller’s records. These records, represented in the basic financial statements included in the CAFR have been audited by the nationally recognized certified public accounting firm, Macias Gini & O’Connell LLP. The various enterprise funds, the Health Service System, the Employees’ Retirement System, the San Francisco County Transportation Authority, the San Francisco Finance Corporation, and the Successor Agency to the San Francisco Redevelopment Agency have been separately audited. The Independent Auditor’s Report on our current year’s financial statements is presented in the Financial Section.

Award for Financial Reporting

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, 2012. This was the 31st consecutive year, beginning with the fiscal year ended June 30, 1982, that the City has achieved this prestigious award. A Certificate of Achievement is valid for a period of one year only. 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 (GAAP) and applicable legal requirements.

Acknowledgements

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 Macias Gini & O’Connell 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,

Ben Rosenfield
Controller