

Basic Financial Statements

CITY AND COUNTY OF SAN FRANCISCO

Statement of Net Assets

June 30, 2005

(In Thousands)

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Total	San Francisco Redevelopment Agency	Treasure Island Development Authority
ASSETS					
Current assets:					
Deposits and investments with City Treasury.....	\$ 1,238,350	\$ 651,311	\$ 1,889,661	\$ -	\$ 1,516
Deposits and investments outside City Treasury.....	62,157	8,017	70,174	157,675	-
Receivables (net of allowance for uncollectible amounts of \$51,982 for the primary government):					
Property taxes and penalties.....	33,031	-	33,031	-	-
Other local taxes.....	161,532	-	161,532	-	-
Federal and state grants and subventions.....	150,971	52,907	203,878	-	-
Charges for services.....	14,248	148,463	162,711	-	-
Interest and other.....	8,589	42,255	50,844	5,615	9
Loans receivable.....	-	130	130	163	-
Capital lease receivable from primary government.....	-	-	-	14,476	-
Due from component unit.....	537	-	537	-	-
Inventories.....	-	52,874	52,874	-	-
Deferred charges and other assets.....	9,333	3,644	12,977	-	-
Restricted assets:					
Deposits and investments with City Treasury.....	-	45,285	45,285	-	-
Deposits and investments outside City Treasury.....	-	51,750	51,750	60,704	186
Grants and other receivables.....	-	1,115	1,115	985	-
Total current assets.....	1,678,748	1,057,751	2,736,499	239,618	1,711
Noncurrent assets:					
Loans (net of allowance for uncollectible amounts of \$165,273 and \$144,983 for the primary government and component units, respectively) receivable.....	242,902	587	243,489	9,047	-
Advance to component unit.....	2,838	-	2,838	-	-
Capital lease receivable from primary government.....	-	-	-	183,751	-
Deferred charges and other assets.....	17,938	65,054	82,992	9,120	-
Restricted assets:					
Deposits and investments with City Treasury.....	-	383,439	383,439	-	-
Deposits and investments outside City Treasury.....	-	216,687	216,687	30,199	-
Grants and other receivables.....	-	33,596	33,596	-	-
Property held for resale.....	-	-	-	13,634	-
Capital assets:					
Land and other assets not being depreciated.....	435,680	915,349	1,351,029	127,260	-
Facilities, infrastructure, and equipment, net of depreciation.....	1,936,046	7,502,464	9,438,510	139,627	-
Total capital assets.....	2,371,726	8,417,813	10,789,539	266,887	-
Total noncurrent assets.....	2,635,404	9,117,176	11,752,580	512,638	-
Total assets.....	\$ 4,314,152	\$ 10,174,927	\$14,489,079	\$ 752,256	\$ 1,711

(Continued)

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, 2005

(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.....	\$ 143,096	\$ 123,029	\$ 266,125	\$ 7,598	\$ 3,727
Accrued payroll.....	49,926	40,412	90,338	352	-
Accrued vacation and sick leave pay.....	63,098	41,624	104,722	1,092	-
Accrued workers' compensation.....	44,624	38,005	82,629	-	-
Estimated claims payable.....	37,487	22,503	59,990	-	-
Bonds, loans, capital leases, and other payables.....	249,815	185,612	435,427	28,581	-
Capital lease payable to component unit.....	14,476	-	14,476	-	-
Accrued interest payable.....	7,599	11,631	19,230	17,448	-
Unearned grant and subvention revenues.....	3,571	-	3,571	-	-
Due to primary government.....	-	-	-	537	-
Internal balances.....	36,498	(36,498)	-	-	-
Deferred credits and other liabilities.....	145,386	84,043	229,429	887	-
Liabilities payable from restricted assets:					
Bonds, loans, capital leases, and other payables.....	-	16,578	16,578	-	-
Accrued interest payable.....	-	32,240	32,240	-	-
Other.....	-	28,416	28,416	-	186
Total current liabilities.....	<u>795,576</u>	<u>587,595</u>	<u>1,383,171</u>	<u>56,495</u>	<u>3,727</u>
Noncurrent liabilities:					
Accrued vacation and sick leave pay.....	61,939	33,694	95,633	1,609	-
Accrued workers' compensation.....	170,181	138,618	308,799	-	-
Estimated claims payable.....	46,050	46,215	92,265	-	-
Bonds, loans, capital leases, and other payables.....	1,555,573	5,061,917	6,617,490	670,389	-
Advance from primary government.....	-	-	-	2,838	-
Capital lease payable to component unit.....	183,751	-	183,751	-	-
Accrued interest payable.....	-	-	-	75,597	-
Deferred credits and other liabilities.....	-	39,409	39,409	6,339	-
Total noncurrent liabilities.....	<u>2,017,494</u>	<u>5,319,853</u>	<u>7,337,347</u>	<u>756,772</u>	<u>-</u>
Total liabilities.....	<u>2,813,070</u>	<u>5,907,448</u>	<u>8,720,518</u>	<u>813,267</u>	<u>3,913</u>
NET ASSETS					
Invested in capital assets, net of related debt.....	1,159,696	3,391,450	4,551,146	67,426	-
Restricted for:					
Reserve for rainy day.....	48,139	-	48,139	-	-
Debt service.....	46,575	202,006	248,581	47,067	-
Capital projects.....	25,101	161,231	186,332	-	-
Community development.....	208,532	-	208,532	-	-
Transportation Authority activities.....	75,282	-	75,282	-	-
Other purposes.....	138,224	66,753	204,977	13,634	-
Unrestricted (deficit).....	<u>(200,467)</u>	<u>446,039</u>	<u>245,572</u>	<u>(189,138)</u>	<u>(2,202)</u>
Total net assets (deficit).....	<u>\$ 1,501,082</u>	<u>\$ 4,267,479</u>	<u>\$ 5,768,561</u>	<u>\$ (61,011)</u>	<u>\$ (2,202)</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, 2005**

(In Thousands)

Functions/Programs	Expenses	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 Redevelopment Agency	Treasure Island Development Authority
Primary government:									
Governmental activities:									
Public protection.....	\$ 738,688	\$ 54,805	\$ 105,522	\$ -	\$ (578,361)	\$ -	\$ (578,361)	\$ -	\$ -
Public works, transportation and commerce.....	213,335	95,081	17,415	46,032	(54,807)	-	(54,807)	-	-
Human welfare and neighborhood development...	619,753	21,375	435,176	-	(163,202)	-	(163,202)	-	-
Community health.....	503,259	44,850	264,833	-	(193,576)	-	(193,576)	-	-
Culture and recreation.....	256,336	64,614	3,390	9,403	(178,929)	-	(178,929)	-	-
General administration and finance.....	152,850	41,348	3,186	-	(108,316)	-	(108,316)	-	-
General City responsibilities....	59,024	28,956	5,085	-	(24,983)	-	(24,983)	-	-
Unallocated Interest on long-term debt.....	89,690	-	-	-	(89,690)	-	(89,690)	-	-
Total governmental activities.....	<u>2,632,935</u>	<u>351,029</u>	<u>834,607</u>	<u>55,435</u>	<u>(1,391,864)</u>	<u>-</u>	<u>(1,391,864)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Airport.....	628,445	477,314	-	34,893	-	(116,238)	(116,238)	-	-
Transportation.....	711,733	187,913	111,603	45,330	-	(366,887)	(366,887)	-	-
Port.....	54,897	57,519	-	13,501	-	16,123	16,123	-	-
Water.....	197,848	184,835	112	-	-	(12,901)	(12,901)	-	-
Power.....	116,683	132,303	334	-	-	15,954	15,954	-	-
Hospitals.....	598,160	493,596	68,758	-	-	(35,806)	(35,806)	-	-
Sewer.....	160,650	148,888	-	-	-	(11,762)	(11,762)	-	-
Market.....	1,055	1,462	-	-	-	407	407	-	-
Total business-type activities.....	<u>2,469,471</u>	<u>1,683,830</u>	<u>180,807</u>	<u>93,724</u>	<u>-</u>	<u>(511,110)</u>	<u>(511,110)</u>	<u>-</u>	<u>-</u>
Total primary government.....	<u>\$ 5,102,406</u>	<u>\$ 2,034,859</u>	<u>\$ 1,015,414</u>	<u>\$ 149,159</u>	<u>(1,391,864)</u>	<u>(511,110)</u>	<u>(1,902,974)</u>	<u>-</u>	<u>-</u>
Component units:									
San Francisco Redevelopment Agency.....	\$ 141,389	\$ 41,978	\$ 14,364	\$ -	-	-	-	(85,047)	-
Treasure Island Development Authority.....	12,980	8,783	-	-	-	-	-	-	(4,197)
Total component units.....	<u>\$ 154,369</u>	<u>\$ 50,761</u>	<u>\$ 14,364</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(85,047)</u>	<u>(4,197)</u>
General Revenues:									
Taxes:									
Property taxes.....	-	-	-	-	920,314	-	920,314	53,302	-
Business taxes.....	-	-	-	-	292,763	-	292,763	-	-
Other local taxes.....	-	-	-	-	538,085	-	538,085	5,620	-
Interest and investment income.....	-	-	-	-	29,490	33,268	62,758	10,760	-
Other.....	-	-	-	-	47,153	237,102	284,255	6,568	-
Special item.....	-	-	-	-	-	(46,358)	(46,358)	-	-
Transfers - internal activities of primary government.....	-	-	-	-	(241,600)	241,600	-	-	-
Total general revenues, special item, and transfers....	-	-	-	-	<u>1,586,205</u>	<u>465,612</u>	<u>2,051,817</u>	<u>76,250</u>	<u>-</u>
Change in net assets.....	-	-	-	-	194,341	(45,498)	148,843	(8,797)	(4,197)
Net assets (deficit) - beginning.....	-	-	-	-	<u>1,306,741</u>	<u>4,312,977</u>	<u>5,619,718</u>	<u>(52,214)</u>	<u>1,995</u>
Net assets (deficit) - ending.....	-	-	-	-	<u>\$ 1,501,082</u>	<u>\$ 4,267,479</u>	<u>\$ 5,768,561</u>	<u>\$ (61,011)</u>	<u>\$ (2,202)</u>

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, 2005

(with comparative financial information as of June 30, 2004)

(In Thousands)

	General Fund		Other Governmental Funds		Total Governmental Funds	
	2005	2004	2005	2004	2005	2004
ASSETS						
Deposits and investments with City Treasury.....	\$ 314,607	\$ 158,248	\$ 915,547	\$ 564,795	\$ 1,230,154	\$ 723,043
Deposits and investments outside City Treasury.....	355	361	45,745	74,065	46,100	74,426
Receivables:						
Property taxes and penalties.....	26,141	28,020	6,890	6,575	33,031	34,595
Other local taxes.....	148,744	150,856	12,788	12,161	161,532	163,017
Federal and state grants and subventions.....	61,412	63,002	89,559	98,840	150,971	161,842
Charges for services.....	7,416	7,568	6,832	6,163	14,248	13,731
Interest and other.....	4,406	2,230	3,726	1,917	8,132	4,147
Due from other funds.....	29,743	52,917	12,303	5,384	42,046	58,301
Due from component unit.....	2,416	849	959	-	3,375	849
Loans receivable (net of allowance for uncollectible amount of \$165,336 in 2005; \$173,367 in 2004).....	1,174	1,221	241,728	213,429	242,902	214,650
Deferred charges and other assets.....	6,797	6,598	1,570	1,625	8,367	8,223
Total assets.....	<u>\$ 603,211</u>	<u>\$ 471,870</u>	<u>\$ 1,337,647</u>	<u>\$ 984,954</u>	<u>\$ 1,940,858</u>	<u>\$ 1,456,824</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable.....	\$ 82,524	\$ 83,934	\$ 53,335	\$ 58,894	\$ 135,859	\$ 142,828
Accrued payroll.....	39,729	34,278	8,812	7,068	48,541	41,346
Deferred tax, grant and subvention revenues.....	26,880	30,151	19,371	31,620	46,251	61,771
Due to other funds.....	1,857	892	77,614	88,969	79,471	89,861
Agency obligations.....	-	-	40	138	40	138
Deferred credits and other liabilities.....	144,541	112,180	267,899	241,126	412,440	353,306
Bonds, loans, capital leases, and other payables.....	-	-	150,000	50,000	150,000	50,000
Total liabilities.....	<u>295,531</u>	<u>261,435</u>	<u>577,071</u>	<u>477,815</u>	<u>872,602</u>	<u>739,250</u>
Fund balances:						
Reserved for rainy day.....	48,139	55,139	-	-	48,139	55,139
Reserved for assets not available for appropriation....	9,031	7,142	17,683	17,443	26,714	24,585
Reserved for debt service.....	-	-	45,540	18,800	45,540	18,800
Reserved for encumbrances.....	57,762	42,501	97,920	142,784	155,682	185,285
Reserved for appropriation carryforward.....	36,198	35,754	549,571	287,690	585,769	323,444
Reserved for subsequent years' budgets.....	22,351	6,242	8,004	8,005	30,355	14,247
Unreserved (deficit), reported in:						
General fund.....	134,199	63,657	-	-	134,199	63,657
Special revenue funds.....	-	-	30,809	19,043	30,809	19,043
Capital project funds.....	-	-	7,193	10,048	7,193	10,048
Permanent fund.....	-	-	3,856	3,326	3,856	3,326
Total fund balances.....	<u>307,680</u>	<u>210,435</u>	<u>760,576</u>	<u>507,139</u>	<u>1,068,256</u>	<u>717,574</u>
Total liabilities and fund balances.....	<u>\$ 603,211</u>	<u>\$ 471,870</u>	<u>\$ 1,337,647</u>	<u>\$ 984,954</u>	<u>\$ 1,940,858</u>	<u>\$ 1,456,824</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, 2005

(In Thousands)

Fund balances - total governmental funds	\$ 1,068,256
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.	2,367,571
Bond issue costs are not financial resources and, therefore, are not reported in the funds.	13,200
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(2,040,886)
Interest on long-term debt is not accrued in the funds, but rather is recognized as an expenditure when due.	(6,517)
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.	311,076
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>(211,618)</u>
Net assets of governmental activities	<u>\$ 1,501,082</u>

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

CITY AND COUNTY OF SAN FRANCISCO
Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year ended June 30, 2005
(with comparative financial information as of June 30, 2004)

(In Thousands)

	General Fund		Other Governmental Funds		Total Governmental Funds	
	2005	2004	2005	2004	2005	2004
Revenues:						
Property taxes.....	\$ 705,949	\$ 547,819	\$ 212,696	\$ 173,618	\$ 918,645	\$ 721,437
Business taxes.....	292,172	264,351	591	481	292,763	264,832
Other local taxes.....	428,244	403,549	109,841	105,906	538,085	509,455
Licenses, permits and franchises.....	19,427	17,501	6,515	6,287	25,942	23,788
Fines, forfeitures and penalties.....	9,536	22,158	2,973	3,025	12,509	25,183
Interest and investment income.....	8,374	3,222	19,894	8,408	28,268	11,630
Rents and concessions.....	20,468	17,497	28,982	26,528	49,450	44,025
Intergovernmental:						
Federal.....	165,739	163,047	183,025	181,108	348,764	344,155
State.....	438,697	497,196	84,240	133,757	522,937	630,953
Other.....	99	-	25,684	18,259	25,783	18,259
Charges for services.....	115,812	95,951	125,938	121,696	241,750	217,647
Other.....	12,277	29,564	45,210	27,580	57,487	57,144
Total revenues.....	<u>2,216,794</u>	<u>2,061,855</u>	<u>845,589</u>	<u>806,653</u>	<u>3,062,383</u>	<u>2,868,508</u>
Expenditures:						
Current:						
Public protection.....	697,450	670,729	41,044	26,937	738,494	697,666
Public works, transportation and commerce.....	60,628	58,711	135,268	106,844	195,896	165,555
Human welfare and neighborhood development.....	503,874	488,853	141,025	173,947	644,899	662,800
Community health.....	413,110	413,725	87,940	99,189	501,050	512,914
Culture and recreation.....	87,023	92,978	151,999	180,185	239,022	273,163
General administration and finance.....	120,400	128,135	14,718	19,860	135,118	147,995
General City responsibilities.....	62,185	74,257	614	366	62,799	74,623
Debt service:						
Principal retirement.....	-	-	80,306	78,831	80,306	78,831
Interest and fiscal charges.....	-	-	61,524	61,886	61,524	61,886
Bond issuance costs.....	-	374	4,842	976	4,842	1,350
Capital outlay.....	-	-	130,224	165,872	130,224	165,872
Total expenditures.....	<u>1,944,670</u>	<u>1,927,762</u>	<u>849,504</u>	<u>914,893</u>	<u>2,794,174</u>	<u>2,842,655</u>
Excess (deficiency) of revenues over expenditures.....	<u>272,124</u>	<u>134,093</u>	<u>(3,915)</u>	<u>(108,240)</u>	<u>268,209</u>	<u>25,853</u>
Other financing sources (uses):						
Transfers in.....	152,288	121,491	119,265	98,123	271,553	219,614
Transfers out.....	(330,230)	(277,464)	(183,193)	(194,342)	(513,423)	(471,806)
Issuance of bonds and loans						
Face value of bonds issued.....	-	29,480	346,225	87,165	346,225	116,645
Face value of loans issued.....	-	-	500	2,156	500	2,156
Premium on issuance of bonds.....	-	358	11,989	1,053	11,989	1,411
Payment to refunded bond escrow agent.....	-	-	(38,913)	(65,802)	(38,913)	(65,802)
Other financing sources-capital leases.....	3,063	6,165	1,479	-	4,542	6,165
Total other financing sources (uses).....	<u>(174,879)</u>	<u>(119,970)</u>	<u>257,352</u>	<u>(71,647)</u>	<u>82,473</u>	<u>(191,617)</u>
Net change in fund balances.....	<u>97,245</u>	<u>14,123</u>	<u>253,437</u>	<u>(179,887)</u>	<u>350,682</u>	<u>(165,764)</u>
Fund balances at beginning of year.....	210,435	196,312	507,139	687,026	717,574	883,338
Fund balances at end of year.....	<u>\$ 307,680</u>	<u>\$ 210,435</u>	<u>\$ 760,576</u>	<u>\$ 507,139</u>	<u>\$ 1,068,256</u>	<u>\$ 717,574</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, 2005
(In Thousands)

Net change in fund balances - total governmental funds	\$ 350,682
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 in the current period.	55,963
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.	(1,553)
Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,669
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.	4,573
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. Governmental funds also defer recognition of revenues that do not provide current financial resources.	14,278
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 serve to reduce the liability in the statement of net assets. This is the principal amount of property rent payments expended in the governmental funds in the current period.	17,689
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.	4,290
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.	(227,506)
Bond premiums and discounts are expended in the governmental funds when the bonds are issued, and are capitalized and amortized in the statement of net assets. This is the net amount of bond premiums capitalized during the current period.	(11,989)
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.	(21,643)
The net revenues of certain activities of internal service funds is reported with governmental activities.	<u>7,888</u>
Changes in net assets of governmental activities	<u>\$ 194,341</u>

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

CITY AND COUNTY OF SAN FRANCISCO
Budgetary Comparison Statement - General Fund
Year ended June 30, 2005
(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Budgetary fund balance, July 1	\$ 62,830	\$ 222,611	\$ 222,611	\$ -
Resources (inflows):				
Property taxes.....	645,495	645,495	710,486	64,991
Business taxes.....	295,230	295,230	292,171	(3,059)
Other local taxes:				
Sales tax.....	90,930	90,930	94,689	3,759
Hotel room tax.....	94,422	94,421	108,913	14,492
Utility users tax.....	66,290	66,290	72,574	6,284
Parking tax.....	32,130	32,074	33,090	1,016
Other local taxes.....	97,674	97,674	118,978	21,304
Licenses, permits, and franchises:				
Licenses and permits.....	5,839	5,839	6,637	798
Franchise tax.....	10,293	10,293	12,790	2,497
Fines, forfeitures, and penalties.....	12,111	12,196	9,536	(2,660)
Interest and investment income.....	6,300	6,490	12,590	6,100
Rents and concessions:				
Garages - Recreation and Park.....	7,786	7,831	8,061	230
Rents and concessions - Recreation and Park.....	12,590	12,590	10,938	(1,652)
Other rents and concessions.....	1,482	1,481	1,469	(12)
Intergovernmental:				
Federal subventions:				
Health and social service subventions.....	172,399	180,994	165,004	(15,990)
Other grants and subventions.....	3,656	3,736	735	(3,001)
State subventions:				
Social service subventions.....	92,899	83,230	92,592	9,362
Health and welfare realignment.....	99,553	103,346	102,547	(799)
Health/mental health subventions.....	145,089	144,864	156,090	11,226
Public safety sales tax.....	62,870	62,870	65,671	2,801
Motor vehicle in-lieu - county.....	15,240	15,240	3,675	(11,565)
Other grants & subventions.....	18,465	18,541	17,819	(722)
Other.....	-	149	83	(66)
Charges for services:				
General government service charges.....	41,281	41,196	40,143	(1,053)
Public safety service charges.....	17,632	17,632	17,841	209
Recreation charges - Recreation and Park.....	8,389	8,389	6,254	(2,135)
MediCal, Medicare and health service charges.....	52,490	52,420	51,885	(535)
Other financing sources:				
Transfers from other funds.....	155,643	161,840	143,907	(17,933)
Proceeds from issuance of bonds and loans.....	597	596	-	(596)
Other resources (inflows).....	<u>28,952</u>	<u>29,061</u>	<u>14,276</u>	<u>(14,785)</u>
Total amounts available for appropriation.....	<u>\$ 2,356,557</u>	<u>\$ 2,525,549</u>	<u>\$ 2,594,055</u>	<u>\$ 68,506</u>

(Continued)

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, 2005
(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
Charges to appropriations (outflows):				
Public Protection				
Administrative Services - Animal Care and Control.....	\$ 3,050	\$ 3,052	\$ 3,013	\$ 39
Administrative Services - Consumer Assurance.....	183	232	232	-
Administrative Services - Medical Examiner.....	4,545	4,578	4,458	120
Adult Probation.....	9,376	9,351	9,351	-
District Attorney.....	23,899	23,622	23,445	177
Fire Department.....	190,335	192,216	189,908	2,308
Juvenile Probation.....	29,100	30,489	30,070	419
Mayor - Office of the Emergency Services.....	-	152	152	-
Police Department.....	251,814	263,045	262,559	486
Public Defender.....	16,337	17,117	17,101	16
Sheriff.....	128,657	120,905	120,313	592
Trial Courts.....	33,737	34,329	34,284	45
Public Works Transportation and Commerce				
Board of Appeals.....	466	467	452	15
Business and Economic Development.....	1,913	1,563	1,377	186
Clean Water.....	196	192	139	53
Department of Public Works.....	24,591	26,001	24,398	1,603
Emergency Communications.....	30,641	33,555	32,932	623
Parking and Traffic Commission.....	-	52	35	17
Telecommunications and Information Services	1,315	1,420	1,210	210
Human Welfare and Neighborhood Development				
Children, Youth and Their Families.....	11,567	11,875	11,343	532
Commission on the Status of Women.....	2,115	2,131	2,016	115
County Education Office.....	69	69	69	-
Environment.....	861	1,778	1,530	248
Human Rights Commission.....	1,177	1,241	1,187	54
Human Services.....	508,847	508,793	487,624	21,169
Public Health.....	426,848	419,404	413,110	6,294
Culture and Recreation				
Academy of Sciences.....	1,673	1,673	1,668	5
Art Commission.....	5,773	5,698	5,696	2
Asian Art Museum.....	5,837	5,772	5,657	115
Fine Arts Museum.....	5,075	5,077	4,999	78
Law Library.....	518	537	479	58
Administrative Services - Grants for the Arts.....	12,976	12,731	12,032	699
Recreation and Park Commission.....	62,945	60,757	55,119	5,638
General Administration and Finance				
Administrative Services.....	13,173	12,415	12,415	-
Assessor/Recorder.....	9,238	8,928	8,433	495
Board of Supervisors.....	9,323	8,694	8,429	265

(Continued)

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, 2005
(In Thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Positive (Negative)</u>
City Attorney.....	6,454	5,477	4,986	491
City Planning.....	15,623	14,169	14,168	1
Civil Service.....	549	555	553	2
Controller.....	18,416	18,885	18,750	135
Elections.....	7,109	10,324	10,322	2
Ethics Commission.....	1,722	1,809	1,777	32
Human Resources.....	15,692	16,337	16,184	153
Mayor.....	6,502	6,216	6,216	-
Retirement Services.....	342	190	190	-
Treasurer/Tax Collector.....	18,465	18,667	17,881	786
General City Responsibilities				
General City Responsibilities.....	59,365	62,400	62,375	25
Other financing uses:				
Debt Service.....	2,439	141	-	141
Transfers to other funds.....	309,304	339,436	328,010	11,426
Budgetary reserves and designations.....	<u>66,405</u>	<u>13,487</u>	<u>684</u>	<u>12,803</u>
Total charges to appropriations.....	<u>2,356,557</u>	<u>2,338,004</u>	<u>2,269,331</u>	<u>68,673</u>
Budgetary fund balance, June 30	\$ -	\$ 187,545	\$ 324,724	\$ 137,179

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

Sources/inflows of resources	
Actual amounts (budgetary basis) "available for appropriation"	\$2,594,055
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.....	(222,611)
Property tax revenue - Teeter Plan.....	(4,537)
Unrealized loss on investment.....	(53)
Interest revenue reclassified as transfers and other revenues.....	(4,162)
Other revenues reclassified.....	(1,991)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.....	<u>(143,907)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.....	<u>\$2,216,794</u>
Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations"	\$2,269,331
Difference - budget to GAAP:	
Capital asset purchases funded under capital leases with Finance Corporation.....	3,859
Other budget to GAAP differences.....	(510)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.....	<u>(328,010)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.....	<u>\$1,944,670</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

June 30, 2005

(with comparative financial information as of June 30, 2004)
(In Thousands)

Business-type Activities - Enterprise Funds

	Major Funds										Other Fund									
	San Francisco International Airport		Hetch Hetchy Water and Power		Municipal Transportation Agency		General Hospital Medical Center		Clean Water Program		Port of San Francisco		Laguna Honda Hospital		Market Corporation		Total			
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004		
ASSETS																				
Current Assets:																				
Deposits and investments with City Treasury.....	\$ 264,061	\$ 136,065	\$ 92,966	\$ 46,167	\$ 26,360	\$ 66,096	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 651,311	\$ 674,887	\$ 8,196	\$ 6,705
Deposits and investments outside City Treasury.....	10	40	10	-	10	5	1	-	-	-	5	1	-	-	-	2,561	8,017	8,295	16,057	25,725
Receivables (net of allowance for uncollectible amounts of \$29,030 and \$18,185 in 2005 and 2004, respectively):																				
Federal and state grants and subventions.....	-	125	126	-	1,388	1,906	-	-	-	-	1,906	-	-	-	-	-	52,907	47,026	-	-
Charges for services.....	27,791	24,604	16,210	22,044	27,689	3,504	23,227	-	-	-	3,504	23,227	-	-	-	8	148,463	139,538	-	-
Interest and other.....	2,418	874	262	181	20,320	-	-	-	-	-	-	-	-	-	-	-	42,255	45,815	457	583
Loans receivable.....	-	-	130	-	-	-	-	-	-	-	-	-	-	-	-	-	130	85	18,862	19,046
Due from other funds.....	-	2,593	14,335	-	36,411	-	-	-	-	-	-	-	-	-	-	-	53,339	60,501	2,301	-
Inventories.....	48	1,860	270	-	5,122	1,174	1,441	-	-	-	-	1,441	-	-	-	-	52,874	47,864	-	-
Deferred charges and other assets.....	1,902	-	-	-	-	581	-	-	-	-	-	-	-	-	24	3,644	17,615	148	-	149
Restricted assets:																				
Deposits and investments with City Treasury.....	11,590	-	-	-	-	4,344	29,351	-	-	-	4,344	29,351	-	-	-	-	45,285	15,732	-	-
Deposits and investments outside City Treasury.....	46,667	-	-	-	-	5,038	-	-	-	-	5,038	-	-	-	45	-	51,750	47,121	-	-
Grants and other receivables.....	1,115	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,115	740	-	-
Total current assets.....	355,602	166,161	124,309	68,392	80,889	82,648	54,020	-	-	-	82,648	54,020	-	-	2,638	1,111,090	1,105,219	46,021	52,208	
Noncurrent assets:																				
Deferred charges and other assets.....	52,127	3,888	-	3,209	-	3,719	-	-	-	-	3,719	-	-	-	-	-	65,054	69,069	2,403	2,592
Loans receivable.....	-	-	587	-	-	-	-	-	-	-	-	-	-	-	-	-	587	768	212,958	227,766
Restricted assets:																				
Deposits and investments with City Treasury.....	166,572	80,767	-	103,256	-	-	-	-	-	-	-	-	-	-	-	-	383,439	407,740	-	-
Deposits and investments outside City Treasury.....	172,833	14,316	-	2	12	2,023	828	-	-	-	2,023	828	-	-	82	216,687	278,665	-	-	
Grants and other receivables.....	27,472	286	-	302	-	-	223	-	-	-	-	-	-	-	-	33,596	22,764	-	-	
Capital assets:																				
Land and other assets not being depreciated.....	47,358	139,792	55,121	55,726	3,225	139,846	68,833	-	-	-	139,846	68,833	-	-	-	915,349	834,550	-	-	
Facilities, infrastructure, and equipment, net of depreciation.....	3,712,665	672,373	211,888	1,243,219	50,225	113,125	8,142	-	-	-	113,125	8,142	-	-	5,048	7,502,464	7,648,775	4,155	2,955	
Total capital assets.....	3,760,023	812,165	267,009	1,298,945	53,450	252,971	76,975	-	-	-	252,971	76,975	-	-	5,048	8,417,813	8,483,325	4,155	2,955	
Total noncurrent assets.....	4,179,027	911,422	267,596	1,405,714	53,462	258,713	78,026	-	-	-	258,713	78,026	-	-	5,130	9,117,176	9,262,331	219,516	233,313	
Total assets.....	4,534,629	1,077,583	391,905	1,474,106	134,351	341,361	132,046	-	-	-	341,361	132,046	-	-	7,768	10,228,266	10,367,550	265,537	285,521	

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Statement of Net Assets - Proprietary Funds (Continued)
June 30, 2005
(with comparative financial information as of June 30, 2004)
(In Thousands)

	Business-type Activities - Enterprise Funds											
	Major Funds										Other Fund	
	San Francisco International Airport	Water Department	Hetch Hetchy Water and Power	Municipal Transportation Agency	General Hospital Medical Center	Clean Water Program	Port of San Francisco	Laguna Honda Hospital	Market Corporation	Total	Governmental Activities-Internal Service Funds	
									2005	2004	2005	2004
LIABILITIES												
Current liabilities:												
Accounts payable.....	20,064	10,169	12,638	49,535	17,548	4,323	3,971	4,565	216	128,728	7,237	5,466
Accrued payroll.....	5,098	4,221	772	14,860	8,538	1,553	754	4,616	-	35,024	1,385	1,265
Accrued vacation and sick leave pay.....	5,928	4,755	988	13,810	8,167	2,173	922	4,881	-	40,694	1,828	1,808
Accrued workers' compensation.....	1,339	2,159	500	25,289	4,550	967	547	2,654	-	38,005	241	263
Estimated claims payable.....	812	1,225	432	16,836	-	2,241	957	-	-	22,503	-	-
Due to other funds.....	1,052	2,665	-	3,457	1,140	-	-	8,537	-	16,841	1,374	859
Deferred credits and other liabilities.....	37,100	18,813	1,177	4,627	19,024	-	2,605	652	45	84,043	19,731	27,205
Accrued interest payable.....	-	4,240	-	451	-	6,801	139	-	-	11,631	1,082	986
Bonds, loans, capital leases, and other payables.....	65,938	94,790	101	7,637	653	15,914	80	499	-	185,612	18,310	18,910
Liabilities payable from restricted assets:												
Bonds, loans, capital leases, and other payables.....	13,188	-	-	-	-	-	3,390	-	-	17,013	-	-
Accrued interest payable.....	31,938	-	-	-	-	-	302	-	-	34,807	-	-
Other.....	10,728	10,767	-	861	12	455	4,673	920	-	28,416	-	-
Total current liabilities.....	193,185	153,794	16,608	137,363	59,632	34,427	18,340	27,324	261	640,934	51,188	56,762
Noncurrent liabilities:												
Accrued vacation and sick leave pay.....	5,562	4,829	881	10,290	6,069	1,922	770	3,371	-	33,694	1,894	1,875
Accrued workers' compensation.....	3,780	8,192	1,950	90,063	18,349	3,707	2,179	10,398	-	138,618	910	953
Estimated claims payable.....	33	4,061	1,570	32,930	-	6,851	770	-	-	46,215	-	-
Deferred credits and other liabilities.....	-	2,245	-	34,260	-	9	2,796	-	99	39,409	-	-
Bonds, loans, capital leases, and other payables.....	3,974,474	471,447	494	80,888	1,866	512,123	19,084	1,541	-	5,061,917	213,022	228,360
Total noncurrent liabilities.....	3,983,849	490,774	4,895	248,431	26,284	524,612	25,599	15,310	99	5,319,853	215,826	231,188
Total liabilities.....	4,177,034	644,568	21,503	385,794	85,916	559,039	43,939	42,634	360	5,960,787	267,014	287,950
NET ASSETS												
Invested in capital assets, net of related debt.....	(112,954)	296,107	267,009	1,801,930	50,931	772,188	236,256	74,935	5,048	3,391,450	3,561	1,511
Restricted:												
Debt service.....	163,758	13,791	-	23,650	-	807	-	-	-	202,006	-	-
Capital projects.....	17,877	17,149	-	3,887	-	98,002	-	24,316	-	161,231	-	-
Other purposes.....	-	-	-	42,658	8	-	21,848	2,112	127	66,753	-	-
Unrestricted (deficit).....	288,914	105,968	103,393	(123,402)	(2,504)	44,070	39,318	(11,951)	2,233	446,039	(5,038)	(3,940)
Total net assets (deficit).....	\$ 357,595	\$ 433,015	\$ 370,402	\$ 1,748,723	\$ 48,435	\$ 915,087	\$ 297,422	\$ 89,412	\$ 7,408	\$ 4,267,479	\$ (1,477)	\$ (2,429)

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, 2005
(with comparative financial information as of June 30, 2004)
(In Thousands)

	Business-type Activities - Enterprise Funds												
	Major Funds										Other Fund		
	San Francisco International Airport	Water Department	Hetchy Water and Power	Municipal Transportation Agency	General Hospital Medical Center	Clean Water Program	Port of San Francisco	Laguna Honda Hospital	Total	2005	2004	Governmental Activities-Internal Service Funds	
2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Operating revenues:	\$ 303,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,015	\$ 325,256	\$ -	\$ -
Aviation.....	-	173,864	121,604	-	-	-	-	-	-	295,488	280,903	-	-
Water and power service.....	-	-	-	-	-	-	-	-	-	120,193	114,232	-	-
Passenger fees.....	-	-	-	120,193	-	-	-	-	-	479,655	438,107	-	-
Net patient service revenue.....	-	-	-	-	363,594	-	-	116,061	-	144,348	133,160	-	-
Sewer service.....	74,496	7,898	236	25,855	2,273	144,348	46,491	-	-	157,249	150,864	-	-
Rents and concessions.....	56,886	-	-	33,942	-	-	8,600	-	-	99,228	93,751	-	-
Parking and transportation.....	-	-	-	2,028	-	-	-	-	-	2,028	571	-	-
Charges for services.....	-	3,053	10,463	5,895	11,202	4,540	2,428	466	-	82,626	77,940	92,150	97,416
Other revenues.....	43,117	184,835	132,303	187,913	377,069	148,888	57,519	116,527	1,462	1,683,830	1,614,784	92,150	97,416
Total operating revenues.....	477,314	184,835	132,303	187,913	377,069	148,888	57,519	116,527	1,462	1,683,830	1,614,784	92,150	97,416
Operating expenses:													
Personal services.....	141,092	53,683	21,044	417,118	247,248	37,782	43,786	131,041	-	1,092,794	1,082,546	40,203	40,643
Contractual services.....	48,661	5,235	4,905	42,916	109,574	6,227	-	4,856	376	222,750	204,426	28,861	32,596
Light, heat and power.....	18,474	-	49,283	1,103	-	-	-	-	74	68,934	80,599	-	-
Materials and supplies.....	6,527	8,293	1,754	32,417	50,514	8,283	-	11,776	-	119,564	108,019	14,421	14,958
Depreciation and amortization.....	161,641	40,112	10,759	118,440	6,655	37,800	9,967	1,023	282	386,679	351,854	1,119	1,218
General and administrative.....	2,619	28,376	19,544	58,292	752	22,249	-	-	216	132,048	114,449	450	537
Services provided by other departments.....	12,335	32,146	3,089	33,729	27,065	23,234	-	5,743	-	137,351	128,647	4,088	3,598
Other.....	27,644	8,608	6,295	3,034	191	3,715	-	399	107	49,993	46,147	2,279	1,294
Total operating expenses.....	418,993	176,453	116,683	707,049	441,999	139,290	53,753	154,838	1,055	2,210,113	2,116,887	91,421	94,844
Operating income (loss).....	58,321	8,382	15,620	(519,136)	(64,930)	9,598	3,766	(38,311)	407	(526,283)	(501,903)	729	2,572
Nonoperating revenues (expenses):													
Operating grants:													
Federal.....	-	-	211	23,565	-	-	-	-	-	23,776	18,870	-	-
State / other.....	-	112	123	88,038	68,758	-	-	-	-	157,031	150,897	-	-
Interest and investment income.....	19,171	5,093	1,423	2,221	14	3,093	1,698	529	26	33,268	17,620	6,468	5,340
Interest expense.....	(209,452)	(21,395)	-	(4,684)	(850)	(21,360)	(1,144)	(473)	-	(259,356)	(265,012)	(6,523)	(5,467)
Other, net.....	63,160	1,401	3,463	139,562	11,524	438	(44)	17,598	-	237,102	237,692	8	-
Total nonoperating revenues (expenses).....	(127,121)	(14,789)	5,220	248,702	79,446	(17,829)	510	17,654	26	191,819	160,067	(47)	(127)
Income (loss) before capital contributions, transfers and special items.....	(68,800)	(6,407)	20,840	(270,434)	14,516	(8,231)	4,276	(20,657)	483	(334,464)	(341,836)	682	2,445
Capital Contributions.....	34,893	-	-	45,330	-	-	13,501	-	-	83,724	94,818	-	-
Transfers in.....	4,611	-	1,628	232,676	78,940	1,922	-	39,239	-	359,016	349,192	270	255
Transfers out.....	(19,677)	-	-	(12,298)	(83,686)	(1,676)	-	(79)	-	(117,416)	(97,255)	-	-
Net income (loss) before special item.....	(48,973)	(6,407)	22,468	(4,726)	9,770	(7,985)	17,777	18,503	433	860	4,919	952	2,700
Special item.....	(50,043)	-	-	-	-	-	3,685	-	-	(46,358)	9,245	-	-
Change in net assets.....	(99,016)	(6,407)	22,468	(4,726)	9,770	(7,985)	21,462	18,503	433	(45,498)	14,164	952	2,700
Net assets (deficit) at beginning of year.....	456,611	439,422	347,934	1,753,449	38,665	923,052	275,960	70,909	6,975	4,312,977	4,298,813	(2,429)	(5,129)
Net assets (deficit) at end of year.....	\$ 357,595	\$ 433,015	\$ 370,402	\$ 1,748,723	\$ 48,435	\$ 915,067	\$ 297,422	\$ 89,412	\$ 7,408	\$ 4,267,479	\$ 4,312,977	\$ (1,477)	\$ (2,429)

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, 2005
(with comparative financial information as of June 30, 2004)
(In Thousands)

	Business-type Activities - Enterprise Funds											
	Major Funds							Other Fund				
	San Francisco International Airport	Water Department	Hetch Hetchy Water and Power	Municipal Transportation Agency	General Hospital Medical Center	Clean Water Program	Port of San Francisco	Laguna Honda Hospital	Market Corporation	Total	2005	2004
Cash flows from operating activities:	\$ 489,079	\$ 167,267	\$ 121,138	\$ 215,223	\$ 400,373	\$ 146,111	\$ 9,064	\$ 106,043	\$ 1,462	\$ 1,655,760	\$ 1,608,828	\$ 113,158
Cash received from customers, including cash deposits	-	8,463	236	2,233	2,273	-	46,760	-	-	59,965	59,682	-
Cash received from tenants for rent	(140,238)	(51,805)	(20,375)	(420,059)	(245,121)	(36,230)	(19,575)	(131,522)	(189)	(1,065,114)	(1,058,130)	(41,609)
Cash paid to employees for services	(102,363)	(72,387)	(90,216)	(166,037)	(187,195)	(56,166)	(22,144)	(21,251)	(523)	(718,282)	(704,686)	(52,464)
Cash paid to suppliers for goods and services	-	(4,223)	(2,158)	(7,490)	-	(1,421)	-	-	-	(15,292)	(13,334)	-
Cash paid for judgments and claims	-	-	-	-	-	-	-	-	-	(82,963)	(107,640)	14,301
Net cash provided by (used in) operating activities	246,478	47,315	8,625	(376,130)	(29,670)	52,294	14,105	(46,730)	750	-	-	-
Cash flows from noncapital financing activities:	-	-	-	-	-	-	-	-	-	290,449	300,462	-
Operating grants	-	112	2,691	218,650	68,784	180	-	32	-	280,003	246,788	270
Transfers in	(19,677)	-	1,628	154,019	76,940	1,922	-	38,883	-	(117,416)	(98,385)	-
Transfers out	-	-	-	(12,298)	(83,686)	(1,676)	-	(79)	-	426	559	-
Transit Impact Development fees received	-	-	-	426	-	-	-	-	-	19,832	10,775	-
Other noncapital increases	(3,555)	-	-	16,404	(3,317)	-	-	3,428	-	(17,440)	(3,104)	-
Other noncapital decreases	-	-	-	(10,568)	(3,317)	-	-	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	(18,621)	112	4,319	366,633	60,721	426	-	42,264	-	455,854	457,095	255
Cash flows from capital financing activities:	21,840	-	-	57,157	-	-	2,404	17,566	-	98,967	129,830	-
Capital grants	-	-	-	78,657	-	-	-	-	-	78,657	103,246	-
Transfers in	2,002	-	-	-	-	-	20,311	-	-	22,313	1,643	9,530
Bond sale proceeds and loans received	-	-	91	17	-	-	113	-	-	236	9,033	-
Proceeds from sale of capital assets	-	55,000	-	-	-	-	-	-	-	55,000	25,000	-
Proceeds from commercial paper borrowings	63,385	-	-	-	-	-	-	-	-	63,385	56,326	-
Proceeds from passenger facility charges	(85,391)	-	-	(133,181)	(2,543)	(29,582)	(10,554)	(12,140)	(74)	(400,770)	(419,037)	(188)
Acquisition of capital assets	(78,555)	(14,055)	-	(7,032)	(1,312)	(15,413)	(28,058)	(62)	-	(144,487)	(147,600)	(18,289)
Retirement of capital leases, bonds and loans	(3,743)	-	-	(41)	(850)	(21,937)	(308)	(117)	-	(4,092)	(988)	(112)
Bond issue costs paid	(207,897)	(24,750)	-	(4,535)	(850)	(21,937)	(1,386)	(117)	-	(261,472)	(260,888)	(5,320)
Interest paid on debt	3,225	-	-	-	-	-	4,650	-	-	7,875	72,984	-
Other capital financing increases	(5,473)	-	(98)	(672)	-	-	(1,054)	-	-	(7,297)	(83,651)	-
Other capital financing decreases	(290,607)	(90,198)	(20,904)	(9,630)	(4,705)	(66,932)	(13,882)	5,247	(74)	(491,685)	(514,102)	(14,379)
Net cash provided by (used in) capital financing activities	(1,842,811)	(38,468)	-	(302)	-	(17,756)	(2,018)	-	-	(1,901,356)	(1,694,790)	-
Cash flows from investing activities:	1,876,940	37,994	-	1,285	-	50,286	-	-	-	1,966,505	1,720,079	-
Purchases of investments with trustees	-	-	-	-	-	-	-	-	-	-	19,933	-
Proceeds from sale of investments with trustees	-	-	-	-	-	-	-	-	-	-	-	(7)
Proceeds from sale of restricted deposits and investments	-	-	-	-	-	-	-	-	-	-	-	-
Interest income received	8,985	4,908	2,614	2,161	14	2,837	1,586	529	26	23,660	25,532	423
Other investing activities	-	2,614	3,459	(389)	-	1,006	-	(212)	-	6,478	8,306	-
Net cash provided by (used in) investing activities	43,114	7,047	6,073	2,755	14	36,373	(432)	317	26	95,287	79,060	(7)
Net increase (decrease) in cash and cash equivalents	(19,636)	(35,724)	(1,887)	(16,372)	26,360	22,181	(209)	1,098	702	(23,507)	(85,587)	170
Cash and cash equivalents-beginning of year	461,099	252,996	94,863	74,602	10	127,262	74,931	28,254	1,986	1,115,603	1,201,190	32,260
Cash and cash equivalents-end of year	\$ 441,463	\$ 216,872	\$ 92,976	\$ 58,230	\$ 26,370	\$ 149,423	\$ 74,722	\$ 29,352	\$ 2,688	\$ 1,092,096	\$ 1,115,603	\$ 24,253
												\$ 32,430

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

CITY AND COUNTY OF SAN FRANCISCO
Statement of Cash Flows (Continued)
Proprietary Funds

Year ended June 30, 2005
(with comparative financial information as of June 30, 2004)
(In Thousands)

	Business-type Activities - Enterprise Funds										Total	2005	2004	Governmental Activities-Internal Service Funds 2005	2004
	Major Funds					Other Fund									
	San Francisco International Airport	Hetch Hetchy Water and Power	Municipal Transportation Agency	General Hospital Medical Center	Clean Water Program	Port of San Francisco	Laguna Honda Hospital	Market Corporation	2005	2004					
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	\$ 58,321	\$ 8,382	\$ 15,620	\$ (519,136)	\$ (64,930)	\$ 9,598	\$ 3,766	\$ (38,311)	\$ 407	\$ (526,283)	\$ (501,709)	\$ 729	\$ 2,572		
Operating income (loss):	168,315	40,112	10,759	118,440	6,655	37,800	9,967	1,023	282	393,353	355,443	1,119	1,218		
Adjustments for non-cash activities:	1,167	-	871	1,404	-	2	918	-	-	4,362	29,057	-	-		
Depreciation and amortization:	9,193	14,074	3,303	-	-	-	-	-	-	26,570	187	-	-		
Provision for uncollectibles:	6,033	(5,634)	-	10,242	-	1,702	(366)	-	-	11,977	5,968	8	-		
Write-off of capital assets:															
Other:	6,684	2,767	(9,242)	2,276	21,195	(2,776)	(201)	(8,796)	-	11,907	(10,586)	15,187	15,741		
Changes in assets/liabilities:															
Receivables, net:	-	-	(29)	(3,806)	(982)	-	96	(63)	-	(5,010)	746	-	-		
Due from other funds:	52	(300)	(7)	3,729	-	-	2,935	-	2	6,049	(26)	(26)	146		
Inventories:	(617)	-	-	862	1,863	1,057	(3,696)	1,587	80	1,384	18,267	1,384	236		
Deferred charges and other assets:	8,330	2,252	(12,678)	1,266	1,549	366	(56)	246	-	5,237	(29,626)	120	(1,199)		
Accounts payable:	976	755	135	(119)	(94)	339	147	(972)	-	(260)	3,364	39	96		
Accrued payroll:	(86)	454	71	(4,068)	672	(126)	(387)	245	-	(4,116)	14,341	(65)	137		
Accrued vacation and sick leave pay:	(36)	(1,344)	174	15,922	-	4,331	560	(1,689)	-	19,393	11,665	-	-		
Accrued workers' compensation:	-	(3,253)	1,833	(528)	-	-	(598)	-	-	(2,063)	(4,155)	-	-		
Estimated claims payable:	-	380	(528)	372	-	-	246	-	(21)	7,311	(3,104)	-	(4,646)		
Due to other funds:	(11,854)	(11,330)	(1,657)	(3,494)	4,356	1	246	(8,419)	343	443,320	394,069	14,662	11,729		
Deferred credits and other liabilities:	188,157	38,933	(6,995)	143,006	35,260	42,696	10,339	-	-	\$ (82,963)	\$ (107,640)	\$ 15,391	\$ 14,301		
Total adjustments:	\$ 246,478	\$ 47,315	\$ 8,625	\$ (376,130)	\$ (29,670)	\$ 52,294	\$ 14,105	\$ (46,730)	\$ 750	\$ (82,963)	\$ (107,640)	\$ 15,391	\$ 14,301		
Net cash provided by (used in) operating activities:	\$ 264,061	\$ 136,065	\$ 92,966	\$ 19,596	\$ 26,360	\$ 46,167	\$ 66,096	\$ -	\$ -	\$ 651,311	\$ 674,889	\$ 8,196	\$ 6,705		
Reconciliation of cash and cash equivalents to the statement of net assets:	177,582	80,767	-	32,844	-	103,256	4,344	29,351	-	428,144	422,574	-	-		
Deposits and investments with City Treasury:	10	40	10	5,380	10	-	5	1	2,561	8,017	8,294	16,057	25,725		
Unrestricted:	441,653	216,872	92,976	57,820	26,370	149,423	70,445	29,352	2,561	1,087,472	1,105,757	24,253	32,430		
City Treasury:	-	-	-	-	-	-	-	-	-	-	-	-	-		
Unrestricted deposits and investments outside City Treasury:	-	-	-	410	-	-	4,308	-	127	4,845	10,280	-	-		
Total deposits and investments:	(190)	-	-	-	-	-	(31)	-	-	(221)	(434)	-	-		
Add: Restricted deposits and investments outside City Treasury meeting the definition of cash equivalents:															
Less: Investments not meeting the definition of cash equivalents:															
Cash and cash equivalents at end of year on statement of cash flows:	\$ 441,463	\$ 216,872	\$ 92,976	\$ 58,230	\$ 26,370	\$ 149,423	\$ 74,722	\$ 29,352	\$ 2,688	\$ 1,092,096	\$ 1,115,603	\$ 24,253	\$ 32,430		

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, 2005

(In Thousands)

	Pension and Other Employee Benefit Trust Funds	Investment Trust Fund	Agency Funds
ASSETS			
Deposits and investments with City Treasury.....	\$ 76,672	\$ 321,101	\$ 110,466
Deposits and investments outside City Treasury.....	13,230,007	-	-
Receivables:			
Payroll contribution.....	13,775	-	29,925
Interest and other.....	95,854	1,251	99,354
Invested securities lending collateral.....	1,600,111	-	-
Deferred charges and other assets.....	78	-	25,658
Total assets.....	<u>15,016,497</u>	<u>322,352</u>	<u>\$ 265,403</u>
Liabilities			
Accounts payable.....	12,042	1,867	\$ 44,518
Estimated claims payable.....	10,067	-	-
Agency obligations.....	-	-	220,885
Obligations under fixed coupon dollar reverse repurchase agreements.....	85,000	-	-
Payable to brokers.....	98,585	-	-
Securities lending collateral.....	1,600,111	-	-
Deferred credits and other liabilities.....	28,704	-	-
Total liabilities.....	<u>1,834,509</u>	<u>1,867</u>	<u>\$ 265,403</u>
Net Assets			
Held in trust for pension and other employee benefits and external pool participants	<u>\$ 13,181,988</u>	<u>\$ 320,485</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, 2005
(In Thousands)

	Pension and Other Employee Benefit Trust Funds	Investment Trust Fund
Additions:		
Employees' contributions.....	\$ 226,522	\$ -
Employer contributions.....	465,831	-
Contributions to pooled investments.....	-	<u>2,487,745</u>
Total contributions.....	<u>692,353</u>	<u>2,487,745</u>
Investment income:		
Interest.....	189,926	7,714
Dividends.....	121,030	-
Net increase in fair value of investments.....	1,245,892	-
Securities lending income.....	34,183	-
Fixed coupon dollar reverse repurchase agreement income.....	<u>4,923</u>	-
Total investment income	<u>1,595,954</u>	<u>7,714</u>
Less investment expenses:		
Securities lending borrower rebates and expenses.....	(27,135)	-
Fixed coupon dollar reverse repurchase finance charges and expenses	(4,556)	-
Other expenses.....	<u>(28,228)</u>	-
Total investment expenses.....	<u>(59,919)</u>	-
Total additions, net.....	<u>2,228,388</u>	<u>2,495,459</u>
Deductions:		
Benefit payments.....	975,976	-
Refunds of contributions.....	8,565	-
Distribution from pooled investments.....	-	2,380,091
Administrative expenses.....	<u>10,593</u>	-
Total deductions.....	<u>995,134</u>	<u>2,380,091</u>
Change in net assets.....	1,233,254	115,368
Net assets at beginning of year.....	11,948,734	205,117
Net assets at end of year.....	<u>\$ 13,181,988</u>	<u>\$ 320,485</u>

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