

In the opinion of Nixon Peabody LLP and Husch Blackwell LLP, Co-Bond Counsel to the City (as defined herein), under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the City described herein, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Co-Bond Counsel are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Co-Bond Counsel are further of the opinion that interest on the Bonds is exempt from State of California personal income taxes. See "TAX MATTERS" herein regarding certain other tax considerations.



\$340,615,000
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2024-R1

Dated: Date of Delivery

Due: June 15, as shown on the inside cover

This cover page contains certain information for general reference only. It is not intended to be a summary of the security for or the terms of the Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The City and County of San Francisco General Obligation Refunding Bonds, Series 2024-R1 (the "Bonds") will be issued under the Government Code of the State of California, the Charter of the City and County of San Francisco (the "City"), and the Administrative Code of the City. The issuance of the Bonds has been authorized by Resolution No. 97-20, adopted by the Board of Supervisors of the City (the "Board of Supervisors") on March 3, 2020 and duly approved by the Mayor of the City on March 13, 2020 (as amended by Resolution No. 130-21, adopted by the Board of Supervisors on March 23, 2021 and duly approved by the Mayor on April 2, 2021), and Resolution No. 121-24, adopted by the Board of Supervisors on March 12, 2024 and duly approved by the Mayor of the City on March 22, 2024. See "THE BONDS – Authority for Issuance; Purposes." The proceeds of the Bonds will be used to refund certain outstanding general obligation bonds of the City (as further described herein, the "Prior Bonds"), and to pay certain costs related to the issuance of the Bonds and the refunding of the Prior Bonds. See "PLAN OF REFUNDING" and "SOURCES AND USES OF FUNDS."

The Bonds will be issued only in fully registered form without coupons, and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Individual purchases of the Bonds will be made in book-entry form only, in denominations of \$5,000 or any integral multiple thereof. Payments of principal of and interest on the Bonds will be made by the City Treasurer, as paying agent, to DTC, which in turn is required to remit such principal and interest to the DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS – Form and Registration." The Bonds will be dated and bear interest from their date of delivery until paid in full at the rates shown in the maturity schedule on the inside cover hereof. Interest on the Bonds will be payable on June 15 and December 15 of each year, commencing December 15, 2024. Principal will be paid at maturity as shown on the inside cover. See "THE BONDS – Payment of Interest and Principal."

The Bonds will be subject to redemption prior to their respective stated maturities as described herein. See "THE BONDS – Redemption."

The Board of Supervisors at the time of fixing the general tax levy will fix, and in the manner provided for such general tax levy, levy and collect annually until the Bonds are paid, an *ad valorem* tax upon the taxable property of the City, without limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds as they become due. See "SECURITY FOR THE BONDS."

MATURITY SCHEDULE

(See Inside Cover)

The Bonds are offered when, as and if issued by the City and accepted by the Underwriters, subject to the respective legal opinions of Nixon Peabody LLP, San Francisco, California, and Husch Blackwell LLP, Oakland, California, Co-Bond Counsel to the City, and certain other conditions. Certain legal matters will be passed upon for the City by its City Attorney and by Hawkins Delafield & Wood LLP, San Francisco, California and Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California, Co-Disclosure Counsel to the City. Certain legal matters will be passed upon for the Underwriters by Kutak Rock LLP, Irvine, California. It is expected that the Bonds in book-entry form will be available for delivery through the facilities of DTC on or about May 22, 2024.

Stifel, Nicolaus & Company, Incorporated

Wells Fargo Securities

Piper Sandler & Co.

Ramirez & Co., Inc.

Siebert Williams Shank & Co., LLC

MATURITY SCHEDULE

\$340,615,000
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2024-R1

(Base CUSIP† Number: 79773K)

| Maturity Date (June 15) | Principal Amount | Interest Rate | Yield ¹ | Price ¹ | CUSIP† Suffix |
|----------------------------|---------------------|------------------|--------------------|------------------------|------------------|
| 2025 | \$20,025,000 | 5.000% | 3.000% | 102.076 | LQ5 |
| 2026 | 42,755,000 | 5.000 | 2.910 | 104.155 | LR3 |
| 2027 | 32,870,000 | 5.000 | 2.780 | 106.475 | LS1 |
| 2028 | 32,935,000 | 5.000 | 2.670 | 108.915 | LT9 |
| 2029 | 32,130,000 | 5.000 | 2.650 | 111.066 | LU6 |
| 2030 | 34,635,000 | 5.000 | 2.650 | 113.082 | LV4 |
| 2031 | 24,770,000 | 5.000 | 2.650 | 115.046 | LW2 |
| 2032 | 26,000,000 | 5.000 | 2.650 | 116.959 | LX0 |
| 2033 | 27,305,000 | 5.000 | 2.660 | 118.734 | LY8 |
| 2034 | 28,665,000 | 5.000 | 2.660 | 120.540 | LZ5 |
| 2035 | 30,100,000 | 5.000 | 2.720 | 119.953 ^(c) | MA9 |
| 2036 | 8,425,000 | 5.000 | 2.810 | 119.079 ^(c) | MB7 |

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2024 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Underwriters, or their agents or counsel assume responsibility for the accuracy of such numbers.

¹ Reoffering yields and prices furnished by the Underwriters. The City takes no responsibility for the accuracy thereof.

^(c) Price to call date of June 15, 2034 at par.

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchaser or purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth herein, other than that provided by the City, has been obtained from sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

The Underwriters (as defined in "UNDERWRITING" herein) have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of the documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

In connection with the offering of the Bonds, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Bonds to certain dealers and dealer banks at prices lower than the initial public offering prices stated on the inside cover hereof. Such initial public offering prices may be changed from time to time by the Underwriters.

This Official Statement contains forecasts, projections, estimates and other forward-looking statements that are based on current expectations. The words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results. Any such forward-looking statements inherently are subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated or projected. Such risks and uncertainties include, among others, changes in social and economic conditions, federal, state and local statutory and regulatory initiatives, litigation, population changes, seismic events, public health emergencies and various other events, conditions and circumstances, many of which are beyond the control of the City. These forward-looking statements speak only as of the date of this Official Statement. The City disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the expectations of the City with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 in reliance upon the exemption provided thereunder by Section 3(a)2 for the issuance and sale of municipal securities.

The City maintains a website and social media accounts. The information presented on such website and social media accounts is *not* incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. Various other websites referred to in this Official Statement also are not incorporated herein and are not part of this Official Statement by such references, for purposes of Securities and Exchange Commission Rule 15c2-12.

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CITY AND COUNTY OF SAN FRANCISCO

MAYOR

London N. Breed

BOARD OF SUPERVISORS

Aaron Peskin, *Board President, District 3*

Connie Chan, *District 1*
Catherine Stefani, *District 2*
Joel Engardio, *District 4*
Dean Preston, *District 5*
Matt Dorsey, *District 6*

Myrna Melgar, *District 7*
Rafael Mandelman, *District 8*
Hillary Ronen, *District 9*
Shamann Walton, *District 10*
Ahsha Safai, *District 11*

CITY ATTORNEY

David Chiu

CITY TREASURER

José Cisneros

OTHER CITY AND COUNTY OFFICIALS

Carmen Chu, *City Administrator*
Greg Wagner, *Controller*
Anna Van Degna, *Director, Controller's Office of Public Finance*

PROFESSIONAL SERVICES

Paying Agent and Registrar

Treasurer of the City and County of San Francisco

Co-Bond Counsel

Nixon Peabody LLP
San Francisco, California

Husch Blackwell LLP
Oakland, California

Co-Municipal Advisors

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Del Rio Advisors, LLC
Modesto, California

Co-Disclosure Counsel

Hawkins Delafield & Wood LLP
San Francisco, California

Stradling Yocca Carlson & Rauth,
A Professional Corporation
Newport Beach, California

Verification Agent

Robert Thomas CPA, LLC
Minneapolis, Minnesota

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OFFICIAL STATEMENT

\$340,615,000

**CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2024-R1**

INTRODUCTION

This Official Statement, including the cover page and the appendices hereto, is provided to furnish information in connection with the public offering by the City and County of San Francisco (the “City”) of its General Obligation Refunding Bonds, Series 2024-R1 (the “Bonds”). The Board of Supervisors of the City (the “Board of Supervisors”) at the time of fixing the general tax levy will fix, and in the manner provided for such general tax levy, levy and collect annually until the Bonds are paid, an *ad valorem* tax upon the taxable property of the City, without limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds as they become due. See “SECURITY FOR THE BONDS.”

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Except as required by the Continuing Disclosure Certificate to be executed by the City with respect to the Bonds, the City has no obligation to update the information in this Official Statement. See “CONTINUING DISCLOSURE” and APPENDIX D – “FORM OF CONTINUING DISCLOSURE CERTIFICATE” herein.

Quotations from and summaries and explanations of the Bonds, the resolutions providing for the issuance and payment of the Bonds, and provisions of the Constitution and statutes of the State of California (the “State”), the charter of the City (the “Charter”) and City ordinances, and other documents described herein, do not purport to be complete, and reference is made to said laws and documents for the complete provisions thereof. Copies of those documents and information concerning the Bonds are available from the City through the Controller’s Office of Public Finance, 1 Dr. Carlton B. Goodlett Place, Room 338, San Francisco, California 94102-4682. Reference is made herein to various other documents, reports, websites, etc., which were either prepared by parties other than the City, or were not prepared, reviewed and approved by the City with a view towards making an offering of public securities, and such materials are therefore not incorporated herein by such references nor deemed a part of this Official Statement.

THE CITY AND COUNTY OF SAN FRANCISCO

General. The City is the economic and cultural center of the San Francisco Bay Area and northern California. The limits of the City encompass over 93 square miles, of which 49 square miles are land, with the balance consisting of tidelands and a portion of the San Francisco Bay (the “Bay”). The City is located at the northern tip of the San Francisco Peninsula, bounded by the Pacific Ocean to the west, the Bay and the San Francisco-Oakland Bay Bridge to the east, the entrance to the Bay and the Golden Gate Bridge to the north, and San Mateo County to the south. Silicon Valley is about a 40-minute drive to the south, and the Napa-Sonoma wine country is about an hour drive to the north. The California Department of Finance estimates the City’s population as of January 1, 2023 was 831,703.

The San Francisco Bay Area consists of the nine counties contiguous to the Bay: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma Counties (collectively, the “Bay Area”). The economy of the Bay Area includes a wide range of industries, supplying local needs as well as the needs of national and international markets. Major business sectors in the Bay Area include technology, retail, entertainment and the arts, conventions and tourism, service businesses, banking, professional and financial services, corporate headquarters, international and wholesale trade, multimedia and advertising, healthcare and higher education. The California State Supreme Court is also based in San Francisco.

The City benefits from a highly skilled, educated and professional labor force. The City estimates the per-capita personal income of the City for fiscal year 2022-23 was \$175,597. The San Francisco Unified School District (“SFUSD”), which is a separate legal entity from the City, operates 73 elementary schools, 13 middle schools, 17 high schools, 47 early education schools, and 3 County and Court schools. Higher education institutions located in the City include the University of San Francisco, California State University – San Francisco, University of California – San Francisco (a medical school and health science campus), the UC College of the Law, San Francisco (formerly University of California Hastings College of the Law), the University of the Pacific’s School of Dentistry, Golden Gate University, City College of San Francisco (a public community college), the San Francisco Conservatory of Music, and the Academy of Art University.

San Francisco International Airport (“SFO”), located 14 miles south of downtown San Francisco in an unincorporated area of San Mateo County, is owned by the City and is operated by the San Francisco Airport Commission (the “Airport Commission”), and is a principal commercial service airport for the Bay Area and one of the nation’s principal gateways for Pacific Rim traffic. The City is also served by the Bay Area Rapid Transit District (“BART,” an electric rail commuter service linking the City with the East Bay and the San Francisco Peninsula, including SFO), Caltrain (a conventional commuter rail line linking the City with the San Francisco Peninsula), and bus and ferry services between the City and residential areas to the north, east and south of the City. San Francisco Municipal Railway (“Muni”), operated by the San Francisco Municipal Transportation Agency (“SFMTA”), provides bus and streetcar service within the City. The Port of San Francisco (the “Port”), which administers 7.5 miles of Bay waterfront held in “public trust” by the Port on behalf of the people of the State, promotes a balance of maritime-related commerce, fishing, recreational, industrial and commercial activities, and natural resource protection.

Government. San Francisco is a city and county chartered pursuant to Article XI, Sections 3, 4, 5 and 6 of the Constitution of the State of California and is the only consolidated city and county in the State. Voters approved the City’s current Charter at the November 1995 election. The City is governed by a Board of Supervisors elected from 11 districts to serve four-year terms, and a Mayor who serves as chief executive officer, elected citywide to a four-year term. The City’s Original Budget (as defined in APPENDIX A) for fiscal years 2023-24 and 2024-25 totals \$14.6 billion and \$14.5 billion, respectively. The General Fund portion of each year’s proposed budget is \$6.8 billion in fiscal year 2023-24 and \$7.0 billion in fiscal year 2024-25, with the balance allocated to all other funds, including enterprise fund departments, such as the Airport Commission, SFMTA, the Port Commission and the San Francisco Public Utilities Commission (“SFPUC”). According to the Controller of the City (the “Controller”), at the start of fiscal year 2023-24, total net assessed valuation of taxable property in the City was approximately \$343.9 billion.

More detailed information about the City’s governance, organization and finances may be found in APPENDIX A: “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES” and in APPENDIX B: “ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY AND COUNTY OF SAN FRANCISCO FOR THE FISCAL YEAR ENDED JUNE 30, 2023.”

THE BONDS

Authority for Issuance; Purposes

The Bonds will be issued under the Government Code of the State, the Charter of the City (the “Charter”), and the Administrative Code of the City. The City authorized the issuance of the Bonds in Resolution No. 97-20, adopted by the Board of Supervisors on March 3, 2020 and duly approved by the Mayor of the City on March 13, 2020, as amended by Resolution No. 130-21, adopted by the Board of Supervisors on March 23, 2021 and duly approved by the Mayor on April 2, 2021 (as amended, the “Authorizing Resolution”), and Resolution No. 121-24, adopted by the Board of Supervisors on March 12, 2024 and duly approved by the Mayor of the City on March 22, 2024 (the “Sale Resolution,” and together with the Authorizing Resolution, the “Resolution”).

The Bonds will be issued to refund certain outstanding general obligation bonds of the City originally issued to fund or refund various capital projects of the City (the “Prior Bonds”). The Prior Bonds are more particularly described under “PLAN OF REFUNDING” herein. Under Section 9.109 of the Charter, no voter approval is required for the authorization, issuance and sale of refunding bonds which are expected to result in net debt service savings to the City on a present value basis. The City will only issue the Bonds if doing so results in net debt service savings to the City on a present value basis.

Proceeds of the Bonds will also be used to pay certain costs associated with the issuance of the Bonds and the refunding of the Prior Bonds. See “PLAN OF REFUNDING” and “SOURCES AND USES OF FUNDS.”

Form and Registration

The Bonds will be issued in the principal amounts set forth on the inside cover hereof, in denominations of \$5,000 or any integral multiple thereof, and will be dated their date of delivery. The Bonds will be issued in fully registered form, without coupons. The Bonds will be initially registered in the name of Cede & Co. as Registered Owner (as defined below) and nominee for The Depository Trust Company (“DTC”), which is required to remit payments of principal and interest to the DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See APPENDIX E – “DTC AND THE BOOK-ENTRY ONLY SYSTEM.” The City may treat the Registered Owner of the Bonds as the absolute owner for all purposes and shall not be affected by any notice to the contrary.

Payment of Interest and Principal

The Treasurer of the City will act as paying agent and registrar (the “Paying Agent”) with respect to the Bonds. Interest on the Bonds will be payable on each June 15 and December 15 to maturity or prior redemption, commencing December 15, 2024, at the interest rates shown on the inside cover hereof. Interest will be calculated on the basis of a 360-day year comprising twelve 30-day months. The interest on the Bonds will be payable in lawful money of the United States to the person whose name appears on the Bond registration books of the Paying Agent as the registered owner thereof (the “Registered Owner”) as of the close of business on the last day of the month immediately preceding an interest payment date (the “Record Date”), whether or not such day is a Business Day (as defined in the Resolution). Each Bond authenticated on or before November 30, 2024 will bear interest from the date of delivery. Every other Bond will bear interest from the interest payment date next preceding its date of authentication unless it is authenticated as of a day during the period from the Record Date next preceding any interest payment date to the interest payment date, inclusive, in which event it will bear interest from such interest payment date; provided, that if, at the time of authentication of any Bond, interest is then in default on the Bonds, such Bond will bear interest at its stated rate from the interest payment date to which interest has previously been paid or made available for payment on the Bonds or from the date of delivery if the first interest payment is not made.

The Bonds will mature on the dates shown on the inside cover page hereof. The Bonds are subject to redemption prior to their respective stated maturity dates as provided herein. See “– Redemption” below. The principal of the Bonds will be payable in lawful money of the United States to the Registered Owner thereof upon the surrender thereof at maturity or earlier redemption at the office of the Paying Agent.

The Registered Owner of an aggregate principal amount of at least \$1,000,000 of the Bonds may submit a written request to the Paying Agent on or before a Record Date preceding an interest payment date for payment of interest by wire transfer to a commercial bank located within the United States of America. For so long as the Bonds are held in book-entry form by a securities depository selected by the City pursuant to the Resolution, payment may be made to the Registered Owner of the Bonds designated by such securities depository by wire transfer of immediately available funds.

Redemption

Optional Redemption

The Bonds maturing on or before June 15, 2034 will not be subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after June 15, 2035 will be subject to redemption prior to their respective stated maturity dates, at the option of the City, from any source of available funds, as a whole or in part on any date on or after June 15, 2034, at a redemption price equal to the principal amount of the Bonds redeemed, together with accrued interest to the date fixed for redemption (the “Redemption Date”), without premium.

Selection of Bonds for Redemption

Whenever less than all the outstanding Bonds maturing on any one date are called for redemption on any one date, the City Treasurer will select the Bonds or portions thereof, in denominations of \$5,000 or any integral multiple thereof, to be redeemed from the outstanding Bonds maturing on such date not previously selected for redemption, by lot in any manner which the City Treasurer in its sole discretion deems fair.

Notice of Redemption

The City Treasurer will mail, or cause to be mailed by its agent, including but not limited to an escrow agent, notice of any redemption of the Bonds, postage prepaid, to the respective Registered Owners thereof at the addresses appearing on the bond registration books not less than 20 nor more than 60 days prior to the Redemption Date.

Each notice of redemption will (a) state the Redemption Date; (b) state the redemption price; (c) state the maturity dates of the Bonds called for redemption, and, if less than all of any such maturity is called for redemption, the distinctive numbers of the Bonds of such maturity to be redeemed, and in the case of a Bond redeemed in part only, the respective portions of the principal amount thereof to be redeemed; (d) state the CUSIP number, if any, of each Bond to be redeemed; (e) require that such Bonds be surrendered by the owners at the office of the Paying Agent or his or her agent; and (f) give notice that interest on such Bonds will cease to accrue after the designated Redemption Date.

Unless funds are on deposit in the Redemption Account for any Bonds (the “Redemption Account”) called for redemption on the date the notice of redemption is given, redemption will be conditioned on sufficient moneys to redeem such Bonds being on deposit in the Redemption Account for the Bonds called for redemption on the Redemption Date, and if sufficient moneys to redeem the Bonds called for redemption are not on deposit in the Redemption Account for such Bonds on the redemption date, the Bonds called for redemption will not be redeemed and will remain Outstanding for all purposes of the Resolution and the redemption not occurring will not constitute an event of default under the Resolution. See “– Conditional Notice; Right to Rescind Notice of Optional Redemption” below.

The actual receipt by the Registered Owner of any Bond of such notice of redemption will not be a condition precedent to redemption of such Bond, and failure to receive such notice, or any defect in such notice so mailed, will not affect the validity of the proceedings for the redemption of such Bond or the cessation of the accrual of interest on such Bond on the Redemption Date.

Effect of Notice of Redemption

When notice of optional redemption has been given, substantially as described above, the Bonds designated for redemption will become due and payable on the Redemption Date (subject to any condition set forth above under the heading “– Notice of Redemption” and below under the heading “– Conditional Notice; Right to Rescind Notice of Optional Redemption”), and upon presentation and surrender of said Bonds at the

place specified in the notice of redemption, those Bonds will be redeemed and paid at said redemption price out of the Redemption Account. No interest will accrue on such Bonds called for redemption after the Redemption Date and the Registered Owners of such Bonds will look for payment of such Bonds only to such Redemption Account. All Bonds redeemed will be cancelled by the Paying Agent and will not be reissued. Moneys held in the Redemption Account will be invested by the City Treasurer pursuant to the City's policies and guidelines for investment of moneys in the General Fund of the City. See APPENDIX C – "CITY AND COUNTY OF SAN FRANCISCO, OFFICE OF THE TREASURER INVESTMENT POLICY."

Conditional Notice; Right to Rescind Notice of Optional Redemption

Any notice of optional redemption may provide that such redemption is conditioned upon: (i) deposit in the Redemption Account of sufficient moneys to redeem the applicable Bonds called for redemption on the anticipated Redemption Date, or (ii) any other event specified in the notice of redemption. In the event that such conditional notice of optional redemption has been given substantially as provided above and on the scheduled Redemption Date (i) sufficient moneys to redeem the applicable Bonds have not been deposited in the Redemption Account or (ii) any other event specified in the notice of redemption did not occur, such Bonds for which notice of conditional optional redemption was given will not be redeemed and will remain Outstanding for all purposes of the Resolution and the redemption not occurring will not constitute an Event of Default under the Resolution.

In addition, the City may rescind any optional redemption and notice thereof for any reason on any date prior to any Redemption Date by causing written notice of the rescission to be given to the Registered Owner of all Bonds so called for redemption. Notice of such rescission of redemption will be given in the same manner notice of redemption was originally given. The actual receipt by the Registered Owner of any Bond of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice so mailed will not affect the validity of the rescission.

Defeasance

Payment of all or any portion of the Bonds may be provided for prior to such Bonds' respective stated maturities by irrevocably depositing with the City Treasurer (or any commercial bank or trust company designated by the City Treasurer to act as escrow agent with respect thereto): (a) an amount of cash equal to the principal amount of all of such Bonds or a portion thereof, and all unpaid interest thereon to maturity, provided that in the case of the portion of Bonds that are to be redeemed prior to such Bonds' respective stated maturities and for which notice of such redemption has been given as described above or an irrevocable election to give such notice has been made by the City, the amount to be deposited will be the principal amount thereof, all unpaid interest thereon to the Redemption Date, and premium, if any, due on such Redemption Date; or (b) Defeasance Securities (as defined below) not subject to call, except as described in the definition below, maturing and paying interest at such times and in such amounts, together with interest earnings and cash, if any, as will, without reinvestment, as certified by an independent certified public accountant, be sufficient to pay the principal and all unpaid interest to maturity, or to the Redemption Date, as the case may be, and premium, if any, due on the portion of the Bonds to be paid or redeemed, as such principal, premium, if any, and interest come due; provided, that, in the case of the Bonds that are to be redeemed prior to maturity, irrevocable notice of such redemption will be given as described above or an irrevocable election to give such notice has been made by the City; then, upon the deposit described in (a) or (b) above, all obligations of the City with respect to said Bonds will cease and terminate, except only the obligation of the City to pay or cause to be paid from the funds deposited as described in this paragraph, to the Registered Owners of said Bonds all sums due with respect thereto, and the tax covenant obligations of the City with respect to such Bonds; provided, that the City shall have received, if desirable, an opinion of nationally recognized bond counsel that provision for the payment of said Bonds has been made as required by the Resolution.

As used in this section, the following terms have the meanings given below:

“Defeasance Securities” means any of the following which at the time are legal investments under the laws of the State of California for the moneys proposed to be invested therein: (1) United States Obligations (as defined below); and (2) pre-refunded fixed interest rate municipal obligations meeting the following conditions: (a) the municipal obligations are not subject to redemption prior to maturity, or the trustee or paying agent thereof has been given irrevocable instructions concerning their calling and redemption and the issuer has covenanted not to redeem such obligations other than as set forth in such instructions; (b) the municipal obligations are secured by cash or United States Obligations; (c) the principal of and interest on the United States Obligations (plus any cash) in the escrow fund for such municipal obligation are sufficient to meet the liabilities of the municipal obligations; (d) the United States Obligations serving as security for the municipal obligations are held by a trustee or other escrow agent; (e) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and (f) the municipal obligations are rated (without regard to any numerical modifier, plus or minus sign or other modifier), at the time of original deposit to the escrow fund for the applicable Series of Bonds to be refunded, by any two Rating Agencies (as defined below) not lower than the rating then maintained by the respective Rating Agency on such United States Obligations.

“United States Obligations” means (i) direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including without limitation, the interest component of Resolution Funding Corporation (REFCORP) bonds that have been stripped by request to the Federal Reserve Bank of New York in book-entry form, or (ii) any security issued by an agency or instrumentality of the United States of America which is selected by the Director of Public Finance and which is rated (without regard to any numerical modifier, plus or minus sign or other modifier), at the time of the initial deposit to the escrow fund for the applicable Series of Bonds to be refunded, and upon any substitution or subsequent deposit to the escrow fund, by any two Rating Agencies not lower than the rating then maintained by the respective Rating Agency on United States Obligations described in (i) herein.

“Rating Agencies” means Moody’s Investors Service, Inc., Fitch Ratings, and S&P Global Ratings, or any other nationally-recognized bond rating agency that is the successor to any of the foregoing rating agencies or that is otherwise established after the date of adoption of the Resolution.

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PLAN OF REFUNDING

The City plans to use a portion of the proceeds of the Bonds, together with certain available funds of the City, to redeem the following outstanding general obligation bonds of the City (collectively, the “Prior Bonds”), at a redemption price equal to 100% of par, without premium.

| Prior Bonds | Maturity (June 15) | Par Amount Outstanding | Par Amount to be Defeased | CUSIP† (Base: 797646) | Redemption Date |
|----------------|-----------------------|------------------------------|---------------------------------|--------------------------|--------------------|
| 2015-R1 | | | | | |
| | 2025 | \$21,955,000 | \$21,955,000 | A63 | 8/20/24 |
| | 2026 | 26,440,000 | 26,440,000 | A71 | 8/20/24 |
| | 2027 | 27,785,000 | 27,785,000 | A89 | 8/20/24 |
| | 2028 | 29,190,000 | 29,190,000 | A97 | 8/20/24 |
| | 2029 | 21,545,000 | 21,545,000 | B21 | 8/20/24 |
| | 2030 | 13,290,000 | 13,290,000 | B39 | 8/20/24 |
| | | \$140,205,000 | \$140,205,000 | | |
| 2015B | | | | | |
| | 2025 | \$2,410,000 | \$2,410,000 | C53 | 6/21/24 |
| | 2026 | 2,530,000 | 2,530,000 | C61 | 6/21/24 |
| | 2027 | 2,600,000 | 2,600,000 | C79 | 6/21/24 |
| | 2028 | 2,675,000 | 2,675,000 | C87 | 6/21/24 |
| | 2029 | 2,755,000 | 2,755,000 | C95 | 6/21/24 |
| | 2030 | 2,840,000 | 2,840,000 | D29 | 8/20/24 |
| | 2031 | 2,930,000 | 2,930,000 | D37 | 8/20/24 |
| | 2032 | 3,025,000 | 3,025,000 | D45 | 8/20/24 |
| | 2033 | 3,120,000 | 3,120,000 | D52 | 8/20/24 |
| | 2034 | 3,225,000 | 3,225,000 | D60 | 8/20/24 |
| | 2035 | 3,335,000 | 3,335,000 | D78 | 8/20/24 |
| | | \$31,445,000 | \$31,445,000 | | |
| 2017A | | | | | |
| | 2025 | \$6,065,000 | \$6,065,000 | V37 | 6/21/24 |
| | 2026 | 6,365,000 | 6,365,000 | V45 | 8/20/24 |
| | 2027 | 6,620,000 | 6,620,000 | V52 | 8/20/24 |
| | 2028 | 6,885,000 | 6,885,000 | V60 | 8/20/24 |
| | 2029 | 7,160,000 | 7,160,000 | V78 | 8/20/24 |
| | 2030 | 7,445,000 | 7,445,000 | V86 | 8/20/24 |
| | 2031 | 7,670,000 | 7,670,000 | V94 | 8/20/24 |
| | 2032 | 7,900,000 | 7,900,000 | W28 | 8/20/24 |
| | 2033 | 8,140,000 | 8,140,000 | W36 | 8/20/24 |
| | 2034 | 8,465,000 | 8,465,000 | W44 | 8/20/24 |
| | 2035 | 8,800,000 | 8,800,000 | W51 | 8/20/24 |
| | 2036 | 9,155,000 | 9,155,000 | W69 | 8/20/24 |
| | | \$90,670,000 | \$90,670,000 | | |
| 2018A | | | | | |
| | 2025 | \$2,185,000 | \$2,185,000 | X84 | 6/21/24 |
| | 2026 | 2,295,000 | 2,295,000 | X92 | 8/20/24 |
| | 2027 | 2,410,000 | 2,410,000 | Y26 | 6/21/24 |
| | 2028 | 2,480,000 | 2,480,000 | Y34 | 6/21/24 |
| | 2029 | 2,555,000 | 2,555,000 | Y42 | 6/21/24 |
| | 2030 | 2,630,000 | 2,630,000 | Y59 | 8/20/24 |
| | 2031 | 2,710,000 | 2,710,000 | Y67 | 8/20/24 |
| | 2032 | 2,790,000 | 2,790,000 | Y75 | 8/20/24 |
| | 2033 | 2,875,000 | 2,875,000 | Y83 | 8/20/24 |
| | 2034 | 2,970,000 | 2,970,000 | Y91 | 8/20/24 |
| | 2035 | 3,065,000 | 3,065,000 | Z25 | 8/20/24 |
| | 2036 | 3,165,000 | 3,165,000 | Z33 | 6/21/24 |
| | 2037 | 3,270,000 | 3,270,000 | Z41 | 6/21/24 |
| | | \$35,400,000 | \$35,400,000 | | |

| Prior Bonds | Maturity (June 15) | Par Amount Outstanding | Par Amount to be Defeased | CUSIP† (Base: 797646) | Redemption Date |
|--------------------|-------------------------------|---------------------------------------|--|----------------------------------|----------------------------|
| 2018B | 2025 | \$4,970,000 | \$4,970,000 | 2C9 | 6/21/24 |
| | 2026 | 5,215,000 | 5,215,000 | 2D7 | 8/20/24 |
| | 2027 | 5,475,000 | 5,475,000 | 2E5 | 6/21/24 |
| | 2028 | 5,640,000 | 5,640,000 | 2F2 | 6/21/24 |
| | 2029 | 5,810,000 | 5,810,000 | 2G0 | 6/21/24 |
| | 2030 | 5,985,000 | 5,985,000 | 2H8 | 8/20/24 |
| | 2031 | 6,165,000 | 6,165,000 | 2J4 | 8/20/24 |
| | 2032 | 6,350,000 | 6,350,000 | 2K1 | 8/20/24 |
| | 2033 | 6,540,000 | 6,540,000 | 2L9 | 8/20/24 |
| | 2034 | 6,755,000 | 6,755,000 | 2M7 | 8/20/24 |
| | 2035 | 6,970,000 | 6,970,000 | 2N5 | 8/20/24 |
| | 2036 | 7,200,000 | 7,200,000 | 2P0 | 6/21/24 |
| | 2037 | 7,430,000 | 7,430,000 | 2Q8 | 6/21/24 |
| | | <u>\$80,505,000</u> | <u>\$80,505,000</u> | | |
| 2018C | 2025 | \$6,200,000 | \$6,200,000 | 4K9 | 6/21/24 |
| | 2026 | 6,510,000 | 6,510,000 | 4L7 | 8/20/24 |
| | 2027 | 6,835,000 | 6,835,000 | 4M5 | 6/21/24 |
| | 2028 | 7,005,000 | 7,005,000 | 4N3 | 6/21/24 |
| | 2029 | 7,180,000 | 7,180,000 | 4P8 | 8/20/24 |
| | 2030 | 7,465,000 | 7,465,000 | 4Q6 | 8/20/24 |
| | 2031 | 7,690,000 | 7,690,000 | 4R4 | 8/20/24 |
| | 2032 | 7,920,000 | 7,920,000 | 4S2 | 8/20/24 |
| | 2033 | 8,160,000 | 8,160,000 | 4T0 | 8/20/24 |
| | 2034 | 8,485,000 | 8,485,000 | 4U7 | 8/20/24 |
| | 2035 | 8,825,000 | 8,825,000 | 4V5 | 8/20/24 |
| | 2036 | 9,180,000 | 9,180,000 | 4W3 | 6/21/24 |
| | 2038 | 19,280,000 | 19,280,000 | 4X1 | 6/21/24 |
| | | <u>\$110,735,000</u> | <u>\$110,735,000</u> | | |
| 2018E | 2025 | \$1,635,000 | \$1,635,000 | 3P9 | 6/21/24 |
| | 2026 | 1,720,000 | 1,720,000 | 3Q7 | 8/20/24 |
| | 2027 | 1,800,000 | 1,800,000 | 3R5 | 8/20/24 |
| | 2028 | 1,895,000 | 1,895,000 | 3S3 | 6/21/24 |
| | 2029 | 1,950,000 | 1,950,000 | 3T1 | 6/21/24 |
| | 2030 | 2,010,000 | 2,010,000 | 3U8 | 6/21/24 |
| | 2031 | 2,070,000 | 2,070,000 | 3V6 | 8/20/24 |
| | 2032 | 2,130,000 | 2,130,000 | 3W4 | 8/20/24 |
| | 2033 | 2,195,000 | 2,195,000 | 3X2 | 8/20/24 |
| | 2034 | 2,265,000 | 2,265,000 | 3Y0 | 8/20/24 |
| | 2035 | 2,335,000 | 2,335,000 | 3Z7 | 8/20/24 |
| | 2036 | 2,410,000 | 2,410,000 | 4A1 | 6/21/24 |
| | 2037 | 2,490,000 | 2,490,000 | 4B9 | 6/21/24 |
| | 2038 | 2,570,000 | 2,570,000 | 4C7 | 6/21/24 |
| | | <u>\$29,475,000</u> | <u>\$29,475,000</u> | | |
| Total | | <u>\$518,435,000</u> | <u>\$518,435,000</u> | | |

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On the date of delivery of the Bonds, a portion of the proceeds of the Bonds plus amounts transferred by the City from funds on hand will be applied to the purchase of certain securities (“Initial Government Securities”) or held in cash. The Initial Government Securities will be held by Wilmington Trust, National Association, as escrow agent (the “Escrow Agent”), and will mature at such times and in such amounts so that, together with cash held by the Escrow Agent, sufficient moneys will be available to redeem the Prior Bonds described above at the principal amount thereof, together with the interest accrued thereon to, but not including, their respective redemption dates.

Neither the maturing principal of such Initial Government Securities nor the interest income thereon will be available to pay the Bonds. See “SOURCES AND USES OF FUNDS” and “VERIFICATION OF MATHEMATICAL COMPUTATIONS” herein.

SOURCES AND USES OF FUNDS

The following are the estimated sources and uses of funds in connection with the Bonds:

| | |
|----------------------------------|-----------------------------|
| Sources | |
| Principal Amount of Bonds | \$340,615,000 |
| Original Issue Premium | 42,095,736 |
| Funds related to the Prior Bonds | <u>144,039,476</u> |
| Total Sources of Funds | <u>\$526,750,212</u> |
| | |
| Uses | |
| Refunding of the Prior Bonds | \$525,361,496 |
| Costs of Issuance ⁽¹⁾ | <u>1,388,716</u> |
| Total Uses of Funds | <u>\$526,750,212</u> |

⁽¹⁾ Includes fees for services of rating agencies, the Co-Municipal Advisors, Co-Bond Counsel, Co-Disclosure Counsel, the Verification Agent, the Escrow Agent, costs of the City, Underwriters’ Discount, and other miscellaneous costs associated with the issuance of the Bonds and refunding of the Prior Bonds.

Deposit and Investment of Bond Proceeds

Any proceeds of the Bonds not needed for the redemption of the Prior Bonds will be transferred to the bond fund established for and attributable to the Bonds (the “Bond Fund”), and all taxes levied for payment of the Bonds will be deposited upon collection by the City into the Bond Fund, and such funds will be used for the payment of the principal of and interest on the Bonds (collectively, the “Debt Service”). The City Treasurer will transfer from the Bond Fund any amounts necessary to pay the Debt Service on the Bonds on each interest payment date. With the consent of the Director of Public Finance of the City, all moneys on deposit in the Costs of Issuance Fund twelve months after issuance of the Bonds will be transferred to the Bond Fund and applied to pay interest on the Bonds. All moneys held by the City Treasurer in the Bond Fund will be invested in any investment of the City in which moneys of the General Fund of the City are invested. The City Treasurer may commingle any of the moneys held in the Bond Fund with other City moneys for investment purposes only; provided, however, that all of the moneys held in the Bond Fund will be accounted for separately notwithstanding any such commingling by the City Treasurer. The Bond Fund will be separate from any other bond funds created under the Authorizing Resolution, and funds deposited into the Bond Fund will not be available to pay debt service on any other series of bonds authorized or issued under the Authorizing Resolution. See APPENDIX C – “CITY AND COUNTY OF SAN FRANCISCO, OFFICE OF THE TREASURER INVESTMENT POLICY.”

DEBT SERVICE SCHEDULES

The scheduled debt service payable with respect to the Bonds is as follows:

Scheduled Debt Service on the City and County of San Francisco General Obligation Refunding Bonds Series 2024-R1

| Payment Date | Principal | Interest | Total Principal and Interest | Annual Fiscal Year Debt Service |
|--------------|----------------------|-------------------------|---------------------------------|------------------------------------|
| 12/15/2024 | - | \$9,603,450.69 | \$9,603,450.69 | - |
| 6/15/2025 | \$20,025,000 | 8,515,375.00 | 28,540,375.00 | \$38,143,825.69 |
| 12/15/2025 | - | 8,014,750.00 | 8,014,750.00 | - |
| 6/15/2026 | 42,755,000 | 8,014,750.00 | 50,769,750.00 | 58,784,500.00 |
| 12/15/2026 | - | 6,945,875.00 | 6,945,875.00 | - |
| 6/15/2027 | 32,870,000 | 6,945,875.00 | 39,815,875.00 | 46,761,750.00 |
| 12/15/2027 | - | 6,124,125.00 | 6,124,125.00 | - |
| 6/15/2028 | 32,935,000 | 6,124,125.00 | 39,059,125.00 | 45,183,250.00 |
| 12/15/2028 | - | 5,300,750.00 | 5,300,750.00 | - |
| 6/15/2029 | 32,130,000 | 5,300,750.00 | 37,430,750.00 | 42,731,500.00 |
| 12/15/2029 | - | 4,497,500.00 | 4,497,500.00 | - |
| 6/15/2030 | 34,635,000 | 4,497,500.00 | 39,132,500.00 | 43,630,000.00 |
| 12/15/2030 | - | 3,631,625.00 | 3,631,625.00 | - |
| 6/15/2031 | 24,770,000 | 3,631,625.00 | 28,401,625.00 | 32,033,250.00 |
| 12/15/2031 | - | 3,012,375.00 | 3,012,375.00 | - |
| 6/15/2032 | 26,000,000 | 3,012,375.00 | 29,012,375.00 | 32,024,750.00 |
| 12/15/2032 | - | 2,362,375.00 | 2,362,375.00 | - |
| 6/15/2033 | 27,305,000 | 2,362,375.00 | 29,667,375.00 | 32,029,750.00 |
| 12/15/2033 | - | 1,679,750.00 | 1,679,750.00 | - |
| 6/15/2034 | 28,665,000 | 1,679,750.00 | 30,344,750.00 | 32,024,500.00 |
| 12/15/2034 | - | 963,125.00 | 963,125.00 | - |
| 6/15/2035 | 30,100,000 | 963,125.00 | 31,063,125.00 | 32,026,250.00 |
| 12/15/2035 | - | 210,625.00 | 210,625.00 | - |
| 6/15/2036 | 8,425,000 | 210,625.00 | 8,635,625.00 | 8,846,250.00 |
| Total | \$340,615,000 | \$103,604,575.69 | \$444,219,575.69 | \$444,219,575.69 |

Total scheduled debt service (principal plus interest) payable with respect to all outstanding general obligation bonds of the City, including the Bonds (assuming no optional redemption prior to maturity), is as follows:

**City and County of San Francisco
General Obligation Bonds
Total Debt Service Requirements⁽¹⁾
(principal plus interest)**

| Fiscal Year (June 30) | 2024-R1 Bonds Debt Service | Other Outstanding General Obligation Bonds Debt Service ⁽¹⁾ | Total Debt Service ⁽²⁾ |
|----------------------------|----------------------------------|--|--------------------------------------|
| 2025 | \$38,143,826 | \$212,739,548 | \$250,883,373 |
| 2026 | 58,784,500 | 188,381,340 | 247,165,840 |
| 2027 | 46,761,750 | 187,738,625 | 234,500,375 |
| 2028 | 45,183,250 | 186,650,923 | 231,834,173 |
| 2029 | 42,731,500 | 190,099,961 | 232,831,461 |
| 2030 | 43,630,000 | 189,626,475 | 233,256,475 |
| 2031 | 32,033,250 | 161,075,289 | 193,108,539 |
| 2032 | 32,024,750 | 160,776,015 | 192,800,765 |
| 2033 | 32,029,750 | 123,942,957 | 155,972,707 |
| 2034 | 32,024,500 | 101,770,347 | 133,794,847 |
| 2035 | 32,026,250 | 92,219,407 | 124,245,657 |
| 2036 | 8,846,250 | 77,439,893 | 86,286,143 |
| 2037 | - | 73,801,763 | 73,801,763 |
| 2038 | - | 73,797,911 | 73,797,911 |
| 2039 | - | 66,155,652 | 66,155,652 |
| 2040 | - | 64,486,920 | 64,486,920 |
| 2041 | - | 57,462,231 | 57,462,231 |
| 2042 | - | 57,465,188 | 57,465,188 |
| 2043 | - | 57,458,137 | 57,458,137 |
| 2044 | - | 57,461,299 | 57,461,299 |
| 2045 | - | 57,458,235 | 57,458,235 |
| 2046 | - | 52,081,630 | 52,081,630 |
| 2047 | - | 17,178,546 | 17,178,546 |
| 2048 | - | 17,177,495 | 17,177,495 |
| 2049 | - | 7,880,881 | 7,880,881 |
| 2050 | - | 7,884,712 | 7,884,712 |
| 2051 | - | 7,884,925 | 7,884,925 |
| 2052 | - | 7,885,338 | 7,885,338 |
| 2053 | - | 7,887,790 | 7,887,790 |
| 2054 | - | 7,886,973 | 7,886,973 |
| 2055 | - | 7,882,671 | 7,882,671 |
| 2056 | - | 7,884,667 | 7,884,667 |
| 2057 | - | 7,887,438 | 7,887,438 |
| 2058 | - | 7,885,551 | 7,885,551 |
| 2059 | - | 4,138,790 | 4,138,790 |
| 2060 | - | 4,133,668 | 4,133,668 |
| Total⁽²⁾ | \$444,219,576 | \$2,611,569,191 | \$3,055,788,766 |

⁽¹⁾ Shows debt service after the refunding of the Prior Bonds.

⁽²⁾ Totals reflect rounding to nearest dollar.

SECURITY FOR THE BONDS

General

The Resolution provides that for the purpose of paying the principal of and interest on the Bonds, the City at the time of fixing the general tax levy will continue to fix, and in the manner provided for such general tax levy, levy and collect taxes annually each year until all outstanding Bonds have been paid, or provision for their payment has been made in accordance with the Resolution; provided, however, that if the City expects to sell any Bonds at such time that the principal of or interest on such Bonds will become due before the proceeds of a tax levied after such sale would be available to pay such principal or interest, the City, at the time of fixing the annual tax levy, may adjust the tax levy in an amount sufficient to pay that portion of the principal of and interest on such Bonds which it expects will become due before the proceeds of the next succeeding tax levy will be available. Said tax will be in addition to all other taxes levied for City purposes and will be collected at the same time and in the same manner as other taxes of the City are collected. See “– Property Taxation” below.

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the City. The annual property tax rate for repayment of the Bonds will be based on the total assessed value of taxable property in the City and the scheduled debt service on the Bonds in each year, less any other lawfully available funds applied by the City for repayment of the Bonds. Fluctuations in the annual debt service on the Bonds, the assessed value of taxable property in the City, and the availability of such other funds in any year, may cause the annual property tax rate applicable to the Bonds to fluctuate. In general, if overall assessed values of taxable property in the City were to decline, then the City, in order to generate sufficient tax revenues to pay debt service on the Bonds and other general obligation bonds, would increase tax rates applicable to the Bonds and other general obligations bonds. See “– Property Taxation” below.

Pursuant to the Resolution, the City will pledge the proceeds of the tax levied to pay the Bonds as security for the Bonds and the interest thereon. See “– Pledge” below.

Pursuant to Section 53515 of the California Government Code, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes levied for the Bonds. See “– Statutory Lien on Taxes (Senate Bill 222)” below.

Under the Resolution, the City is not obligated to pay the debt service from any sources other than as described above. This Official Statement, including APPENDIX A hereto, provides information on the City’s overall operations and finances with an emphasis on its General Fund and therefore includes information on revenues and other funds that are not pledged to the Bonds under the Resolution and that should not be considered available to pay debt service on the Bonds.

Pledge

Pursuant to the Resolution, the City will pledge the proceeds of the tax levied to pay the Bonds as security for the Bonds and the interest thereon, and the Treasurer is directed to deposit the proceeds of the aforementioned taxes into the Bond Fund. So long as any Bonds are Outstanding, moneys in the Bond Fund will be used solely for the purpose of paying the principal of and interest on the Bonds when and as the same become due and payable. In addition, the payment of such principal and interest will be secured by the statutory lien of California Government Code Section 53515. See “– Statutory Lien on Taxes (Senate Bill 222)” below.

Statutory Lien on Taxes (Senate Bill 222)

Pursuant to Section 53515 of the California Government Code, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes levied for the Bonds. Section 53515 of the California Government Code provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time such bonds are executed and delivered. Section 53515 of the California Government Code further provides that the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act. See “CERTAIN RISK FACTORS – Limitation on Remedies; Bankruptcy.”

Property Taxation

General. The City levies property taxes for general operating purposes as well as for the payment of voter-approved general obligation bonds. Taxes levied to pay debt service for general obligation bonds may only be applied for that purpose. As a county under State law, the City also levies property taxes on behalf of all local agencies with overlapping jurisdiction within the boundaries of the City. Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the City. At the start of fiscal year 2023-24, the total net assessed valuation of taxable property within the City was approximately \$343.9 billion. For additional information on the property taxation system, assessed values and appeals to assessed values, see APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – General Fund Revenues – Property Taxation.”

Local property taxation is the responsibility of various City officers. The Assessor-Recorder computes the value of locally assessed taxable property. After the assessed roll is closed on June 30th, the Controller issues a Certificate of Assessed Valuation in August which certifies the taxable assessed value for that fiscal year. The Controller also compiles a schedule of tax rates including the 1.0% tax authorized by Article XIII A of the State Constitution (and mandated by statute), tax surcharges needed to repay voter-approved general obligation bonds, and tax surcharges imposed by overlapping jurisdictions that have been authorized to levy taxes on property located in the City. The Board of Supervisors approves the schedule of tax rates each year by ordinance adopted no later than the last working day of September. The Treasurer and Tax Collector prepare and mail tax bills to taxpayers and collect the taxes on behalf of the City and other overlapping taxing agencies that levy taxes on taxable property located in the City. The City Treasurer holds and invests City tax funds, including taxes collected for payment of general obligation bonds, and is charged with the payment of principal and interest on such bonds, including the Bonds, when due.

Of the \$343.9 billion total net assessed valuation of taxable property within the City at the start of fiscal year 2023-24, \$326.4 billion (approximately 95%) represents secured valuations and \$17.5 billion (approximately 5%) represents unsecured valuations. Approximately 67% of fiscal year 2023-24 secured assessed valuation was derived from residential property, approximately 28% from commercial property, and the balance from industrial or other land uses. Proposition 13 limits to 2% per year any increase in the assessed value of property, unless it is sold or the structure is improved. The total net assessed valuation of taxable property therefore does not generally reflect the current market value of taxable property within the City and is in the aggregate substantially less than current market value. For this same reason, the total net assessed valuation of taxable property lags behind changes in market value and may continue to increase even without an increase in aggregate market values of property.

Under Article XIII A of the State Constitution added by Proposition 13 in 1978, property must be reassessed to full cash value at the time of sale. Taxpayers can appeal the Assessor-Recorder’s determination of their property’s assessed value, and the appeals may be retroactive and for multiple years. The State

prescribes the assessment valuation methodologies and the adjudication process that counties must employ in connection with counties' property assessments.

The City typically experiences increases in assessment appeals activity during economic downturns and decreases in assessment appeals as the economy rebounds. See "CERTAIN RISK FACTORS – Factors Affecting Property Tax Security for the Bonds" below. To mitigate the financial risk of potential assessment appeal refunds, the City funds appeal reserves for its share of estimated property tax revenues for each fiscal year. See APPENDIX A – "CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – General Fund Revenues – Property Taxation – Assessed Valuations, Tax Rates and Tax Delinquencies."

In addition, appeals activity is reviewed each year and incorporated into the current and subsequent years' budget projections of property tax revenues. Historical information on refunds of prior years' property taxes from the discretionary General Fund appeals reserve fund are listed in Table A-7 of APPENDIX A attached hereto.

Tax Levy and Collection Process. Generally, property taxes levied by the City on real property become a lien on that property by operation of law. A tax levied on personal property does not automatically become a lien against real property without an affirmative act of the City taxing authority. Real property tax liens have priority over all other liens against the same property regardless of the time of their creation by virtue of express provision of law.

Property subject to *ad valorem* taxes is entered as secured or unsecured on the assessment roll maintained by the Assessor-Recorder. The secured roll is that part of the assessment roll containing State-assessed property and property (real or personal) on which liens are sufficient, in the opinion of the Assessor-Recorder, to secure payment of the taxes owed. Other property is placed on the "unsecured roll." The method of collecting delinquent taxes is substantially different for the two classifications of property.

The City has four ways of collecting unsecured personal property taxes: (1) pursuing civil action against the taxpayer; (2) filing a certificate in the Office of the Clerk of the Court specifying certain facts, including the date of mailing a copy thereof to the affected taxpayer, in order to obtain a judgment against the taxpayer; (3) filing a certificate of delinquency for recording in the Assessor-Recorder's Office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements or possessory interests belonging or assessed to the taxpayer.

The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes. Proceeds of the sale are used to pay the costs of sale and the amount of delinquent taxes. A 10% penalty is added to delinquent taxes that have been levied on property on the secured roll. In addition, property on the secured roll with respect to which taxes are delinquent is declared "tax defaulted" and subject to eventual sale by the Treasurer and Tax Collector of the City. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of 1.5% per month, which begins to accrue on such taxes beginning July 1 following the date on which the property becomes tax-defaulted.

Teeter Plan. In October 1993, the Board of Supervisors of the City passed a resolution that adopted the Alternative Method of Tax Apportionment (the "Teeter Plan"). The Teeter Plan method authorizes the City Controller to allocate to the City's taxing agencies 100% of the secured property taxes billed but not yet collected. In return, as the delinquent property taxes and associated penalties and interest are collected, the City's General Fund retains such amounts. The City has funded payment of accrued and current delinquencies through authorized internal borrowing. The City also maintains a "Tax Loss Reserve" for the Teeter Plan. Information on this Tax Loss Reserve is as shown on Table A-8 in APPENDIX A attached hereto.

Taxation of Utility Property. A portion of the City’s total net assessed valuation consists of utility property subject to assessment by the State Board of Equalization. State-assessed property, or “unitary property,” is property of a utility system with components located in many taxing jurisdictions assessed as part of a “going concern” rather than as individual parcels of real or personal property. Unitary and certain other State-assessed property values are allocated to the counties by the State Board of Equalization, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the City itself) according to statutory formulae generally based on the distribution of taxes in the prior year. The fiscal year 2023-24 valuation of property within the City assessed by the State Board of Equalization is \$4.4 billion.

CERTAIN RISK FACTORS

The Resolution provides that the Bonds are payable from and secured by a voter-approved dedicated property tax levy on all taxable property in the City. Under the Resolution, the City is not obligated to pay the Debt Service from any other sources. This Official Statement, including APPENDIX A hereto, provides information on the City’s overall operations and finances with an emphasis on its General Fund and therefore includes information on revenues and other funds that are not pledged to the Bonds under the Resolution and that should not be considered available to pay debt service on the Bonds. See “SECURITY FOR THE BONDS” herein.

New information about the City’s finances and operations and events impacting the City, both expected and unexpected, is frequently available throughout the year and the City cannot predict with certainty the timing or ultimate outcome of such matters or the impact of such matters on the City’s finances. Such information and events expected in the coming weeks include, but are not limited to, developments related to a new system for business taxes that may be on the ballot in the November 2024 election and the outcome of collective bargaining currently underway with certain City employees. See “City Financial Challenges” below, and see APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES” attached hereto.

Factors Affecting Property Tax Security for the Bonds

The annual property tax rate for repayment of the Bonds will be based on the total assessed value of taxable property in the City and the scheduled debt service on the Bonds in each year, less any other lawfully available funds applied by the City for repayment of the Bonds. Fluctuations in the annual debt service on the Bonds, the assessed value of taxable property in the City, and the availability of such other funds in any year, may cause the annual property tax rate applicable to the Bonds to fluctuate. Issuance by the City of additional authorized bonds payable from *ad valorem* property taxes may cause the overall property tax rate to increase.

Discussed below are certain factors that may affect the City’s ability to levy and collect sufficient taxes to pay scheduled debt service on the Bonds each year. See APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES” for additional information on these factors.

Total Assessed Value of Taxable Property in the City. The greater the assessed value of taxable property in the City, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the City’s general obligation bonds. The net total assessed valuation of taxable property in the City at the start of fiscal year 2023-24 was approximately \$343.9 billion, compared to \$331.4 billion in fiscal year 2022-23. During economic downturns, declining market values of real estate, increased foreclosures, and increases in requests submitted to the Assessor-Recorder and the Assessment Appeals Board for reductions in assessed value have generally caused a reduction in the assessed value of some properties in the City. See APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – General Fund Revenues – Property Taxation – Assessed Valuations, Tax Rates and Tax Delinquencies.”

Natural and economic forces can affect the assessed value of taxable property in the City. The City is located in a seismically active region, and damage from an earthquake in or near the City could cause moderate

to extensive or total damage to taxable property. See “– Seismic Risks” below. Other natural or man-made disasters, such as flood and sea level rise (see “– Climate Change, Risk of Sea Level Rise and Flooding Damage” below), fire, toxic dumping, acts of terrorism or public health emergencies, such as the COVID-19 pandemic (see “– Public Health Emergencies” below), could also cause a reduction in the assessed value of taxable property within the City. Economic and market forces, such as a downturn in the Bay Area’s economy generally, can also affect assessed values, particularly as these forces might reverberate in the residential housing and commercial property markets. In addition, the total assessed value can be reduced through the reclassification of taxable property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes).

Concentration of Taxable Property Ownership. The more property (by assessed value) owned by any single assessee, the more exposure of tax collections to weakness in that taxpayer’s financial situation and ability or willingness to pay property taxes. As of July 1, 2023, no single parcel comprised more than 0.807% of the total taxable assessed value in the City (in compiling this information, any owners of multiple parcels are not aggregated). See APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – General Fund Revenues – Property Taxation – Tax Levy and Collection.”

Property Tax Rates. One factor in the ability of taxpayers to pay additional taxes for general obligation bonds is the cumulative rate of tax. The total tax rate per \$100 of assessed value (including the basic countywide 1% rate required by statute) is discussed further in APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – General Fund Revenues – Property Taxation – Assessed Valuations, Tax Rates and Tax Delinquencies” and “– Tax Levy and Collection.”

Debt Burden on Owners of Taxable Property in the City. Another measure of the debt burden on local taxpayers is total debt as a percentage of taxable property value. Under Section 9.106 of the Charter, the issuance of general obligation bonds by the City is limited to 3.00% of the assessed value of all taxable real and personal property located within the City’s boundaries. For purposes of this provision of the Charter, the City calculates its debt limit on the basis of total assessed valuation net of non-reimbursable and homeowner exemptions. On this basis, the City’s gross general obligation debt limit for fiscal year 2023-24 is approximately \$10.3 billion, based on a net total assessed valuation of approximately \$343.9 billion (which figure is based on initial assessed valuations for fiscal year 2023-24). As of March 15, 2024, the City had outstanding approximately \$2.59 billion in aggregate principal amount of general obligation bonds, which equals approximately 0.75% of the net assessed valuation for fiscal year 2023-24. See APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Capital Financing and Bonds.”

Additional Debt; Authorized but Unissued Bonds. Issuance of additional authorized bonds can cause the overall property tax rate to increase. As of March 15, 2024, the City had authorized and unissued general obligation bond authority of approximately \$1.6 billion. See APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Capital Financing and Bonds – Authorized but Unissued City GO Bonds.” In addition, the City expects that it will propose further bond measures to the voters from time to time to help meet its capital needs. The City’s most recent adopted 10-year capital plan identifies \$41.4 billion of capital needs for all City departments, including \$5.8 billion in projects for General Fund-supported departments. See APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Capital Financing and Bonds – Capital Plan.”

Limitations on Development. Construction and development in the City could be limited by governmental or legal limits on growth and/or challenges in the approval of certain residential and commercial projects. For example, San Francisco voters passed Proposition M in November 1986, which created an annual limit on the construction of new office space throughout the City (i.e., 950,000 square feet per year). Proposition M amended the Office Development Annual Limit Program (the “Annual Limit Program”) under the City’s Planning Code, which Annual Limit Program governs the approval of all development projects that

contain more than 25,000 gross square feet of office space. The central provision of the Annual Limit Program is a “metering limit” designed to restrict the amount of office space authorized in a given year. No office project subject to the metering limit can be entitled without receiving an allocation under the Annual Limit Program. In doing so, the Annual Limit Program aims to ensure a manageable rate of new development and to guard against typical “boom and bust” cycles, among other goals.

In March 2020, voters of the City approved Proposition E, amending existing citywide limits on new office development. Proposition E links the amount of new office space that can be approved annually in San Francisco to the City’s performance on building new affordable housing. Proposition E allows projects that provide affordable housing and space for community arts or local retail, particularly in the Central South of Market (SoMa) neighborhood, to proceed sooner by borrowing from future allocations. Proposition E also changes the City’s criteria for approving new office developments.

The above-described limitations are not expected to impact property tax revenues in the near term. See “– City Financial Challenges,” below.

City Financial Challenges

The following discussion highlights certain challenges facing the City and is not meant to be an exhaustive discussion of challenges facing the City (see also, for example, “– Seismic Risks” and “– Climate Change, Risk of Sea Level Rise and Flooding Damage” below).

The City continues to face material financial challenges, including actual and projected revenue losses, resulting from a variety of factors, including continuing remote work by a significant portion of the workforce (which has led to vacancies and declining property taxes for certain office buildings, lower real estate property transfer taxes, and reductions in taxes based on employees physically located in the City), slower than anticipated recovery in the local hospitality and convention industries (resulting in declines in hotel and sales taxes from pre-pandemic levels), and general economic conditions. See APPENDIX A: “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Budgetary Risks – Office Vacancy in San Francisco; Impact on Property Taxes and Other Revenues.” As further described in APPENDIX A attached hereto, these conditions have resulted in projected budget deficits (absent corrective actions) in the hundreds of millions of dollars in future fiscal years, rising to approximately \$1.36 billion in fiscal year 2027-28.

On April 1, 2024, the Controller issued its most recent report on the status of the City economy for March 2024. The Controller’s report noted that the San Francisco Metropolitan Statistical Area lost 21,000 jobs between December and February; most of the loss is due to seasonal factors associated with temporary hiring for the holiday season. The unemployment rate increased to 3.8%, although it remains below the State and national levels. The continuing decline in tech employment comes as the Employment Development Department has published revised employment numbers for 2022 and 2023, which show the area’s job losses – particularly in tech and other office industries – were greater than previously expected. The report also noted that Muni and BART ridership have increased in recent months but still remain significantly below pre-pandemic levels. Bridge crossings into and out of the City are also notably lower than pre-pandemic levels.

The Controller’s prior report on the City economy, released on February 2, 2024, indicated that there is little sign of recovery in the downtown office market; as office vacancies rose in the fourth quarter of 2023 to 32.1%, while rents and office attendance showed small declines. Additionally, the City’s housing market also remains sluggish, with single-family home and condo prices increasing statewide but falling in San Francisco. These factors negatively impact the City’s revenues, including, but not limited to, transfer tax, business tax, sales tax and property tax revenues. See APPENDIX A: “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Budgetary Risks – Office Vacancy in San Francisco; Impact on Property Taxes and Other Revenues” for a discussion of the impact of remote working on commercial property in the City. In addition, there can be no assurances that potential adverse impacts of the

current economic challenges on the financial condition of the State will not result in decreases in State funding to the City.

Significant capital investments are proposed in the City's adopted 10-year capital plan. The City's most recent adopted 10-year capital plan sets forth approximately \$41.4 billion of capital needs for all City departments. However, identified funding resources are below those necessary to maintain and enhance the City's physical infrastructure. As a result, over \$6.7 billion in capital needs, including enhancements, are deferred from the capital plan's 10-year horizon.

In addition, the City faces long-term challenges with respect to the management of pension and post-employment retirement obligations. The City has taken major steps to address long-term unfunded liabilities for employee pension and other post-employment benefits, including retiree health obligations, yet significant liabilities remain. In recent years, the City and voters have adopted 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. Further, the size of these liabilities is based on a number of assumptions, including but not limited to assumed investment returns and actuarial assumptions. It is possible that actual results will differ materially from current assumptions, and such changes in investment returns or other actuarial assumptions could increase budgetary pressures on the City.

Further, while the City has adopted a number of measures to better position its operating budget for future economic downturns, these measures may not be sufficient. See APPENDIX A: "CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – City Budget."

There is no assurance that other challenges not discussed in this Official Statement may not become material to investors in the future. For more information, see APPENDIX A: "CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES" and in APPENDIX B: "ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY AND COUNTY OF SAN FRANCISCO FOR THE FISCAL YEAR ENDED JUNE 30, 2023."

Seismic Risks

General. The City is located in a seismically active region. Active earthquake faults underlie both the City and the surrounding Bay Area, including the San Andreas Fault, which passes within about three miles of the City's border, and the Hayward Fault, which runs under Oakland, Berkeley and other cities on the east side of San Francisco Bay, about 10 miles away, as well as a number of other significant faults in the region. Significant seismic events include the 1989 Loma Prieta earthquake, centered about 60 miles south of the City, which registered 6.9 on the Richter scale of earthquake intensity. That earthquake caused fires, building collapses, and structural damage to buildings and highways in the City and surrounding areas. The San Francisco-Oakland Bay Bridge, the only east-west vehicle access into the City, was closed for a month for repairs, and several highways in the City were permanently closed and eventually removed. On August 24, 2014, the San Francisco Bay Area experienced a 6.0 earthquake centered near Napa along the West Napa Fault. The City did not suffer any material damage as a result of this earthquake.

California Earthquake Probabilities Study. In March 2015, the Working Group on California Earthquake Probabilities (a collaborative effort of the U.S. Geological Survey (U.S.G.S.), the California Geological Survey, and the Southern California Earthquake Center) reported that there is a 72% chance that one or more earthquakes of magnitude 6.7 (the magnitude of the 1994 Northridge earthquake) or larger will occur in the San Francisco Bay Area before the year 2045. In addition, the U.S.G.S. released a report in April 2017 entitled The HayWired Earthquake Scenario, which estimated that property damage and direct business disruption losses from a magnitude 7.0 earthquake on the Hayward Fault would be more than \$82 billion (in 2016 dollars). Most of the losses are expected to be attributable to shaking damage, liquefaction, and landslides

(in that order). Eighty percent of shaking damage is expected to be caused by the magnitude 7.0 mainshock, with the rest of the damage resulting from aftershocks occurring over a 2-year period thereafter. Such earthquakes could be very destructive. In addition to the potential damage to City-owned buildings and facilities (on which the City does not generally carry earthquake insurance), due to the importance of San Francisco as a tourist destination and regional hub of commercial, retail and entertainment activity, a major earthquake anywhere in the Bay Area may cause significant temporary and possibly long-term harm to the City's economy, tax receipts, infrastructure and residential and business real property values.

Earthquake Safety Implementation Program (ESIP). The ESIP began in early 2012, evolving out of the key recommendations of the Community Action Plan for Seismic Safety ("CAPSS"), a 10-year-long study evaluating the seismic vulnerabilities the City faces. The CAPSS Study, prepared by the Applied Technology Council, looked at the impact of earthquakes to all of San Francisco's buildings and recommended a 30-year plan for action. As a result of this plan, the City mandated the retrofit of nearly 5,000 soft-story buildings (i.e., generally, structures with structural weakness due to large openings in their perimeter walls and due to a lack of interior partition walls at the ground level) housing over 111,000 residents by September 2021. As of March 4, 2024, 92% of these soft-story buildings have been brought into compliance. Currently, the City is implementing a façade ordinance requiring owners of 5-story or higher buildings to submit inspection reports every 10 years. The first set of inspections focus on pre-1910 buildings. Inspection reports for more recent buildings will be phased in over the next four years. Future tasks will address the seismic vulnerability of older nonductile concrete and concrete tilt-up buildings, which are at high risk of severe damage or collapse in an earthquake. This retrofit program is currently in development.

Vulnerability Study of the Northern Waterfront Seawall. In early 2016, the Port Commission of the City (the "Port Commission") commissioned an earthquake vulnerability study of the Northern Waterfront Seawall. The three-mile Seawall was constructed over 100 years ago and sits on reclaimed land, rendering it vulnerable to seismic risk. The Seawall provides flood and wave protection to downtown San Francisco, and stabilizes hundreds of acres of filled land. Preliminary findings of the study indicated that a strong earthquake may cause most of the Seawall to settle and move outward toward the Bay, which would significantly increase earthquake damage and disruption along the waterfront. The Port Commission estimated that seismic retrofitting of the Seawall could cost as much as \$3 billion, with another \$2 billion or more needed to prepare the Seawall for rising sea levels. The study estimated that approximately \$1.6 billion in Port assets and \$2.1 billion of rents, business income, and wages are at risk from major damage to the Seawall. See "Climate Change, Risk of Sea Level Rise and Flooding Damage" below. See also APPENDIX A: "CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Capital Financing and Bonds – Authorized but Unissued City GO Bonds."

Tall Buildings Safety Strategy Report and Executive Directive. The City commissioned a first in the nation "Tall Buildings Study" by the Applied Technology Council to consider the impact of earthquakes on buildings taller than 240 feet. The final report following the study, released in January 2019, evaluated best practices for geotechnical engineering, seismic risks, standards for post-earthquake structural evaluations, barriers to re-occupancy, and costs and benefits of higher performance goals for new construction. The study estimated that for a tall building designed to current seismic standards, it might take two to six months to mobilize for and repair damage from a major earthquake, depending on the building location, geologic conditions, and the structural and foundation systems. The report identified and summarized sixteen recommendations for reducing seismic risk prior to earthquakes for new and existing buildings, reducing seismic risk following earthquakes, and improving the City's understanding of its tall building seismic risk.

On January 24, 2019, Mayor London N. Breed issued an executive directive instructing City departments to work with community stakeholders, develop regulations to address geotechnical and engineering issues, clarify emergency response and safety inspection roles, and establish a Disaster Recovery Task Force for citywide recovery planning, including a comprehensive recovery plan for the financial district and surrounding neighborhoods. In November 2019, an exercise was conducted to test post-earthquake building safety inspection protocol and logistics. The City was the first jurisdiction to test this Statewide

program. In consultation with the Structural Engineers Association of Northern California, Administrative Bulletin AB-111 – “Guidelines for Preparation of Geotechnical and Earthquake Ground Motion Reports for Foundation Design and Construction of Tall Buildings” was adopted on June 15, 2020, which presented requirements and guidelines for developing geotechnical site investigations and preparing geotechnical reports for the foundation design and construction of tall buildings in the City.

The City obtains and maintains commercial insurance only in certain limited circumstances, including when required by bond or lease financing transactions and for other limited purposes. The City does not maintain commercial earthquake coverage, with certain minor exceptions. See APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Legal Matters and Risk Management.”

Climate Change, Risk of Sea Level Rise and Flooding Damage

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution.

The *Fourth National Climate Assessment*, published by the U.S. Global Change Research Program in November 2018 (“NCA4”), finds that more frequent and intense extreme weather and climate-related events, as well as changes in average climate conditions, are expected to continue to damage infrastructure, ecosystems and social systems over the next 25 to 100 years. NCA4 states that rising temperatures, sea level rise, and changes in extreme events are expected to increasingly disrupt and damage critical infrastructure and property and regional economies and industries that depend on natural resources and favorable climate conditions. Disruptions could include more frequent and longer-lasting power outages, fuel shortages and service disruptions. NCA4 states that the continued increase in the frequency and extent of high-tide flooding due to sea level rise threatens coastal public infrastructure. NCA4 also states that expected increases in the severity and frequency of heavy precipitation events will affect inland infrastructure, including access to roads, the viability of bridges and the safety of pipelines.

Sea levels are anticipated to continue to rise in the future due to the increasing temperature of the oceans causing thermal expansion and growing ocean volume from glaciers and ice caps melting into the ocean. NCA4 notes that between 1854 and 2016, sea level rose about nine inches according to the tidal gauge at Fort Point, a location underneath the Golden Gate Bridge. Weather and tidal patterns, including 100-year or more storms and king tides, may exacerbate the effects of climate related sea level rise. Coastal areas like the City are at risk of substantial flood damage over time, affecting private development and public infrastructure, including roads, utilities, emergency services, schools, and parks. As a result, the City could lose considerable tax revenues and many residents, businesses, and governmental operations along the waterfront could be displaced, and the City could be required to mitigate these effects at a potentially material cost.

Adapting to sea level rise is a key component of the City’s policies. The City and its enterprise departments have been preparing for future sea level rise for many years and have issued a number of public reports. For example, in March 2016, the City released a report entitled “Sea Level Rise Action Plan,” identifying geographic zones at risk of sea level rise and providing a framework for adaptation strategies to confront these risks. That study showed an upper range of end-of-century projections for permanent sea level rise, including the effects of temporary flooding due to a 100-year storm, of up to 108 inches above the 2015 average high tide. To implement this Plan, the Mayor’s Sea Level Rise Coordinating Committee, co-chaired by the Planning Department and Office of Resilience and Capital Planning, joined the Port, the Public Utilities Commission and other public agencies in moving several initiatives forward. This included a Citywide Sea Level Rise Vulnerability and Consequences Assessment to identify and evaluate sea level rise impacts across the City and in various neighborhoods that was released in February 2020.

In April 2017, the Working Group of the California Ocean Protection Council Science Advisory Team (in collaboration with several state agencies, including the California Natural Resource Agency, the Governor’s Office of Planning and Research, and the California Energy Commission) published a report, that was formally adopted in March 2018, entitled “Rising Seas in California: An Update on Sea Level Rise Science” (the “Sea Level Rise Report”) to provide a new synthesis of the state of science regarding sea level rise. The Sea Level Rise Report provides the basis for State guidance to state and local agencies for incorporating sea level rise into design, planning, permitting, construction, investment and other decisions. Among many findings, the Sea Level Rise Report indicated that the effects of sea level rise are already being felt in coastal California with more extensive coastal flooding during storms, exacerbated tidal flooding, and increased coastal erosion. In addition, the report notes that the rate of ice sheet loss from Greenland and Antarctic ice sheets poses a particular risk of sea level rise for the California coastline. The City has incorporated the projections from the 2018 report into its Guidance for Incorporating Sea Level Rise Guidance into ongoing Capital Planning. The Guidance requires that City projects over \$5 million consider mitigation and/or adaptation measures.

In March 2020, a consortium of State and local agencies, led by the Bay Area Conservation and Development Commission, released a detailed study entitled, “Adapting to Rising Tides Bay Area: Regional Sea Level Rise Vulnerability and Adaptation Study,” on how sea level rise could alter the Bay Area. The study stated that a 48-inch increase in the bay’s water level in coming decades could cause more than 100,000 Bay Area jobs to be relocated, nearly 30,000 lower-income residents to be displaced, and 68,000 acres of ecologically valuable shoreline habitat to be lost. The study further argued that without a far-sighted, nine-county response, the region’s economic and transportation systems could be undermined along with the environment. For example, runways at SFO could largely be under water.

The City has already incorporated site specific adaption plans in the conditions of approval for certain large waterfront development projects, such as the Candlestick/Hunters Point Shipyard, Treasure Island, Pier 70 and Mission Rock projects. Also, the City has partnered with the US Army Corps of Engineers to develop a plan to fortify the Port’s Seawall from sea level rise. A draft plan estimates the total cost of that project at \$13.5 billion; and, subject to US Army Corps of Engineers and Congressional approval, 65% of the cost would be eligible for federal funding. The City is developing a financing strategy to provide the remaining funds, including using funding from the November 2018 approved Proposition A, authorizing the issuance of up to \$425 million in general obligation bonds for repair and improvement projects on the Seawall. See APPENDIX A: “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Capital Financing and Bonds – Authorized but Unissued City GO Bonds.”

Portions of the San Francisco Bay Area, including the City, are built on fill that was placed over saturated silty clay known as “Bay Mud.” This Bay Mud is soft and compressible, and the consolidation of the Bay Mud under the weight of the existing fill is ongoing. A report issued in March 2018 by researchers at UC Berkeley and the University of Arizona suggested that flooding risk from climate change could be exacerbated in the San Francisco Bay Area due to the sinking or settling of the ground surface, known as subsidence. The study claimed that the risk of subsidence is more significant for certain parts of the City built on fill.

Projections of the effects of global climate change on the City are complex and depend on many factors that are outside the City’s control. The various scientific studies that forecast climate change and its adverse effects, including sea level rise and flooding risk, are based on assumptions contained in such studies, but actual events may vary materially. Also, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the City is unable to forecast when sea level rise or other adverse effects of climate change (e.g., the occurrence and frequency of 100-year storm events and king tides) will occur. In particular, the City cannot predict the timing or precise magnitude of adverse economic effects, including, without limitation, material adverse effects on the business operations or financial condition of the City and the local economy during the term of the Bonds. While the effects of climate change may be mitigated by the City’s past and future investment in adaptation strategies, the City can give no assurance about the net effects

of those strategies and whether the City will be required to take additional adaptive mitigation measures. If necessary, such additional measures could require significant capital resources.

In September 2017, the San Francisco City Attorney filed a lawsuit on behalf of the People of the State of California in San Francisco Superior Court against the five largest investor-owned oil companies seeking to have the companies pay into an abatement fund to help fund infrastructure for climate change adaptation. In July 2018, the United States District Court for the Northern District of California denied the People's motion for remand to State court and then dismissed the lawsuit, which the City had joined as a plaintiff. The plaintiffs appealed these decisions to the United States Court of Appeals for the Ninth Circuit, which in May 2020 vacated the District Court's order that found the case arose under federal law, remanding the case back to the District Court to determine if there were any other grounds for federal jurisdiction. In June 2021, the U.S. Supreme Court declined to review the Ninth Circuit's decision. In October 2022, the District Court ordered the case remanded to State court and stayed the remand pending any appeals. In November 2022, the defendants appealed the District Court's decision to the Ninth Circuit. In November 2023, the Ninth Circuit rejected defendants' appeal of remand to state court. The City's case has been remanded to and coordinated with similar municipal lawsuits and the State of California's lawsuit in San Francisco Superior Court. While the City believes that the claims in this lawsuit are meritorious, it can give no assurance regarding whether the lawsuit will be successful and obtain the requested relief from the courts, or contributions to the abatement fund from the defendant oil companies.

In September 2021, the City adopted a set of emissions reduction targets for the coming decades: achieve net-zero greenhouse gas emissions generated by the City by 2040 and reduce emissions associated with consumption of all goods and services in the City (regardless of where emissions originate) 80% by 2050. In December 2021, the Mayor released the City's Climate Action Plan (the "CAP") detailing the actions needed to accomplish these targets, developed through a multi-agency and stakeholder process led by the San Francisco Department of Environment (the "Department of Environment"). The Department of Environment contracted with the UC Berkeley's Center for Law, Energy & the Environment (the "CLEE") to assess options for funding the equitable implementation of the CAP. CLEE released its report entitled "Funding San Francisco Climate Action" in November 2022 (the "CLEE Report").

The CAP is a roadmap of goals, strategies and actions to achieve emission reductions across six sectors: energy supply, building operations, transportation and land use, housing, responsible production and consumption, and healthy ecosystems. Key strategies include, but are not limited to, provision of 100% carbon-free energy, decarbonization of buildings, and increases in the public transit, active transportation, and vehicle electrification networks. The CAP estimated the cost of each of its strategies to range from \$1 million to \$500 million, but does not include specific cost estimates for each of the individual actions within these strategies. However, independent analyses conclude that significant investments will be required to realize CAP goals. Based on these independent analyses, the CLEE Report presented a rough estimate of CAP costs based on an assumption that the highest-cost strategies have an average high cost of \$5 billion (this assumption is purely for scoping purposes and costs could be much higher in the most capital-intensive sectors, like public transit). The CLEE Report estimated that implementing the CAP across its six identified sectors could cost in the aggregate anywhere between a low of \$2.291 billion to a high of \$21.914 billion to be funded from a variety of sources, including a significant portion by the City.

CAP implementation would require a diverse mix of revenue streams (including the City's General Fund revenues) across several decades to support significant capital investment. In many cases, these build on existing revenue strategies in use by the City – such as the issuance of general obligation bonds and revenue bonds and refuse collection fees that pay for recycling programs – to drive specific emissions-reducing actions. In other cases, CAP implementation will require development of new revenue-generation mechanisms, drawing on the resources of residents and businesses, federal and state governments, and private and philanthropic partners. In addition, the CAP includes a number of policy, regulatory, and planning actions that are key enabling actions that will impose little or no cost to the City, but nonetheless remain high priorities for aggressive emissions reduction. While the City's climate initiative and the implementation of the CAP is a

policy goal, the City cannot give any assurance that financial resources will be available in amounts needed to fund all of the initiatives, or whether the City will achieve its policy goals.

Cybersecurity

The City, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations, and faces multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, “Systems Technology”). As a recipient and provider of personal, private, or sensitive information, the City has been the subject of cybersecurity incidents which have resulted in or could have resulted in adverse consequences to the City’s Systems Technology and required a response action to mitigate the consequences. For example, in November 2016, the SFMTA was subject to a ransomware attack which disrupted some of the SFMTA’s internal computer systems. Although the attack neither interrupted Muni train services nor compromised customer privacy or transaction information, SFMTA took the precaution of turning off the ticket machines and fare gates in the Muni Metro subway stations from Friday, November 25 until the morning of Sunday, November 27.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City’s Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the City invests in multiple forms of cybersecurity and operational safeguards. In November 2016, the City adopted a City-wide Cyber Security Policy (“Cyber Policy”) to support, maintain, and secure critical infrastructure and data systems. The objectives of the Cyber Policy include the protection of critical infrastructure and information, managing risk, improving cyber security event detection and remediation, and facilitating cyber awareness across all City departments. The City’s Department of Technology has established a cybersecurity team to work across all City departments to implement the Cyber Policy. The City’s Cyber Policy is reviewed periodically.

The City has also appointed a City Chief Information Security Officer (“CCISO”), who is directly responsible for understanding the business and related cybersecurity needs of the City’s 54 departments. The CCISO is responsible for identifying, evaluating, responding, and reporting on information security risks in a manner that meets compliance and regulatory requirements, and aligns with and supports the risk posture of the City.

While City cybersecurity and operational safeguards are periodically tested, no assurances can be given by the City that such measures will ensure against other cybersecurity threats and attacks. Cybersecurity breaches could damage the City’s Systems Technology and cause material disruption to the City’s operations and the provision of City services. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, cybersecurity breaches could expose the City to material litigation and other legal risks, which could cause the City to incur material costs related to such legal claims or proceedings.

Public Health Emergencies

In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats, including the outbreak and spread of COVID-19. The spread of COVID-19 and actions to contain its spread have had significant adverse health and financial impacts throughout the world, including the City. See APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – City Financial Challenges.”

While COVID-19 case rates have significantly declined, vaccination rates have increased, most emergency orders have been lifted, and the national and local economy has been improving, the economic effects of the COVID-19 pandemic are uncertain in many respects. The COVID-19 pandemic and its aftermath

have had and may continue to have material adverse impacts on the City's economy and certain aspects of the City's financial condition. Further, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the City's operations and finances.

Limitation on Remedies; Bankruptcy

General. The rights of the owners of the Bonds are subject to limitations on legal remedies against the City, including applicable bankruptcy or similar laws affecting the enforcement of creditors' rights generally, now or hereafter in effect. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy proceedings or otherwise, and consequently may entail risks of delay, limitation or modification of the rights of the owners of the Bonds.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the City were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the parties to the proceedings may be prohibited from taking any action to collect any amount from the City (including *ad valorem* tax revenues) or to enforce any obligation of the City, without the bankruptcy courts' permission. In such a proceeding, as part of its plan of adjustment in bankruptcy, the City may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. In addition, in such a proceeding, as part of such a plan, the City may be able to eliminate the obligation of the City to raise taxes if necessary to pay the Bonds. There also may be other possible effects of a bankruptcy of the City that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any City bankruptcy proceeding, the fact of a City bankruptcy proceeding, could have an adverse effect on the liquidity and market price of the Bonds.

As stated above, if the City were to go into bankruptcy, the bankruptcy petition would be filed under Chapter 9 of the Bankruptcy Code. Chapter 9 provides that it does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality, including expenditures for such exercise. For purposes of the language of Chapter 9, the City is a municipality. State law provides that the *ad valorem* taxes levied to pay the principal and interest on the Bonds shall be used for the payment of principal and interest of the City's general obligation bonds and for no other purpose. If this restriction on the expenditure of such *ad valorem* taxes is respected in a bankruptcy case, then the *ad valorem* tax revenue could not be used by the City for any purpose other than to make payments on the Bonds. It is possible, however, that a bankruptcy court could conclude that the restriction should not be respected.

Statutory Lien. Pursuant to Section 53515 of the California Government Code (which became effective on January 1, 2016, as part of Senate Bill 222), the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes levied for the Bonds. Section 53515 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the Bonds are executed and delivered. See "SECURITY FOR THE BONDS." Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the City, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed (unless the Bonds are determined to be secured by a pledge of "special revenues" within the meaning of the Bankruptcy Code and the pledged taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code).

Special Revenues. If the tax revenues that are pledged to the payment of the Bonds (see "SECURITY FOR THE BONDS") are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay. "Special

revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The City has specifically pledged the taxes for payment of the Bonds. Additionally, the *ad valorem* taxes levied for payment of the Bonds are permitted under the State Constitution only where the applicable bond proposition is approved by at least two-thirds of the votes cast. State law prohibits the use of the tax proceeds for any purpose other than payment of the bonds and the bond proceeds can only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payments of bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

In addition, even if the *ad valorem* tax revenues are determined to be “special revenues,” the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could determine that the City is entitled to use the *ad valorem* tax revenues to pay necessary operating expenses of the City before the remaining revenues are paid to the owners of the Bonds.

Possession of Revenues; Remedies. If the City goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the City does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

State Law Limitations on Appropriations

Article XIII B of the State Constitution limits the amount that local governments can appropriate annually (the “Gann Limit”). Should the City exceed the Gann Limit, the City would be required to seek voter approval to exceed such limit, shift spending to capital or other exempt expenditure types, or issue tax rebates. See APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Budgetary Risks – Impact of Recent Voter-Initiated and Approved Revenue Measures on Local Finances” and “– Constitutional and Statutory Limitations on Taxes and Expenditures – Article XIII B of the California Constitution.”

Other Factors

Seismic events, wildfires, drought, tsunamis, storms, other natural or man-made events and civil unrest may adversely impact persons and property within San Francisco, and damage City infrastructure and adversely impact the City’s finances and/or ability to provide municipal services.

In September 2010, a PG&E high pressure natural gas transmission pipeline exploded in San Bruno, California, with catastrophic results. PG&E owns, operates and maintains numerous gas transmission and distribution pipelines throughout the City.

In August 2013, a massive wildfire in Tuolumne County and the Stanislaus National Forest burned over 257,135 acres (the “Rim Fire”), which area included portions of the City’s Hetch Hetchy Project. The Hetch Hetchy Project is comprised of dams (including O’Shaughnessy Dam), reservoirs (including Hetch Hetchy Reservoir which supplies 85% of San Francisco’s drinking water), hydroelectric generation and transmission facilities and water transmission facilities. Hetch Hetchy facilities affected by the Rim Fire included two power generating stations and the southern edge of the Hetch Hetchy Reservoir. There was no impact on drinking water quality. The City’s hydroelectric power generation system was interrupted by the

fire, forcing the San Francisco Public Utilities Commission to spend approximately \$1.6 million buying power on the open market and using existing banked energy with PG&E. The Rim Fire inflicted approximately \$40 million in damage to parts of the City's water and power infrastructure located in the region. Certain portions of the Hetch Hetchy Project are old and deteriorating, and outages at critical points of the project could disrupt water delivery to significant portions of the region and/or cause significant costs and liabilities to the City.

Many areas of northern California have suffered from wildfires in more recent years, including the Tubbs fire which burned across several counties north of the Bay Area in October 2017 (part of a series of fires covering approximately 245,000 acres and causing 44 deaths and approximately \$14 billion in damage), the Camp fire which burned across Butte County, California in November 2018 (covering almost 240 square miles and resulting in numerous deaths and over \$16 billion in property damage), the Kincade Fire which burned across Sonoma County, California in late 2019 (covering over 77,000 acres) and the CZU Lightning Complex fires which burned across San Mateo and Santa Cruz County, California in mid-2020 (covering over 85,000 acres). Spurred by findings that certain of these fires were caused, in part, by faulty powerlines owned by PG&E, the power company subsequently adopted mitigation strategies which results in pre-emptive distribution circuit and high power transmission line shutoffs during periods of extreme fire danger (i.e. high winds, high temperatures and low humidity) to portions of the Bay Area, including the City. Parts of the City have experienced several black out days as a result of PG&E's wildfire prevention strategy. Future shutoffs are expected to continue and it is uncertain what effects future PG&E shutoffs will have on the local economy.

Since 2017, California has experienced numerous significant wildfires. In addition to their direct impact on health and safety and property damage in California, the smoke from these wildfires has impacted and future wildfires may impact the quality of life in the Bay Area and the City and may have short-term and future impacts on commercial and tourist activity in the City, as well as the desirability of the City and the Bay Area as places to live, potentially negatively affecting real estate trends and values.

In December 2022 and January 2023, the San Francisco Bay Area experienced heavy winter storms. According to the National Weather Service for the San Francisco Bay Area, on December 31, 2022, downtown San Francisco received 5.45 inches of rain, which is the second wettest day in the area since records began in 1849 (with the daily record being 5.54 inches on November 5, 1994). The rains caused widespread flooding, road closures and mudslides throughout the region.

With certain exceptions, the City believes that it is more economical to manage its risks internally and administer, adjust, settle, defend, and pay claims from budgeted resources (i.e., "self-insurance"). The City obtains and maintains commercial insurance in certain circumstances, including when required by bond or lease financing transactions and for other limited purposes. The City does not maintain commercial earthquake coverage, with certain minor exceptions. See APPENDIX A: "CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Legal Matters and Risk Management."

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the Resolution and the Tax Certificate executed by the City in connection with the Bonds and dated the date of their issuance (the "Tax Certificate"), the City has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the City has made certain representations and certifications in the Resolution and the Tax Certificate.

In the opinion of Nixon Peabody LLP and Husch Blackwell LLP, Co-Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the City described above, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Co-Bond Counsel are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Interest on the Bonds will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the “adjusted financial statement income” of such corporations.

State Taxes

Co-Bond Counsel are also of the opinion that interest on the Bonds is exempt from State of California personal income taxes. Co-Bond Counsel expresses no opinion as to other state or local tax consequences arising with respect to the Bonds nor as to the taxability of the Bonds or the income therefrom under the laws of any state other than the State of California.

Original Issue Discount

Co-Bond Counsel are further of the opinion that the excess of the principal amount of a maturity of the Bonds over its issue price (i.e., the first price at which price a substantial amount of such maturity of the Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a “Discount Bond” and collectively the “Discount Bonds”) constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

Bonds sold at prices in excess of their principal amounts are “Premium Bonds.” An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which offsets the amount of tax-exempt interest and is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser’s adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property

and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Bonds is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. In addition, interest on the Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Co-Bond Counsel are not rendering any opinion as to any federal tax matters other than those described in the opinions attached as APPENDIX F. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Bonds for federal or state income tax purposes, and thus on the value or marketability of the Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Bonds may occur. Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any change in law on the Bonds.

Co-Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Bonds may affect the tax status of interest on the Bonds. Co-Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other counsel.

OTHER LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax status of the interest on the Bonds (see “TAX MATTERS” herein) are subject to the legal opinions of Nixon Peabody LLP, San Francisco, California and Husch Blackwell LLP, Oakland, California, Co-Bond Counsel to the City. The proposed form of the legal opinions of Co-Bond Counsel in connection with the delivery of the Bonds is set forth in APPENDIX F. The opinions of Co-Bond Counsel will speak only as of their date, and subsequent distributions of them by recirculation of this Official Statement or otherwise will create no implication that Co-Bond Counsel have reviewed or express any opinion concerning any of the matters referred to in the respective opinions subsequent to their date. In rendering their opinions, Co-Bond Counsel will rely upon certificates and representations of facts to be contained in the transcript of proceedings for the Bonds, which Co-Bond Counsel will not have independently verified.

Co-Bond Counsel undertake no responsibility for the accuracy, completeness or fairness of this Official Statement.

Certain legal matters will be passed upon for the City by the City Attorney and by Hawkins Delafield & Wood LLP, San Francisco, California and Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California, Co-Disclosure Counsel.

Co-Disclosure Counsel have served as co-disclosure counsel to the City and in such capacity have advised the City with respect to applicable securities laws and participated with responsible City officials and staff in conferences and meetings where information contained in this Official Statement was reviewed for accuracy and completeness. Co-Disclosure Counsel are not responsible for the accuracy or completeness of the statements or information presented in this Official Statement and have not undertaken to independently verify any of such statements or information. Rather, the City is solely responsible for the accuracy and completeness of the statements and information contained in this Official Statement. Upon the delivery of the Bonds, Co-Disclosure Counsel will each deliver a letter to the City which will advise the City, subject to the assumptions, exclusions, qualifications and limitations set forth therein, that no facts came to attention of such firm which caused them to believe that this Official Statement as of its date and as of the date of delivery of the Bonds contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. No purchaser or holder of the Bonds, or other person or party other than the City, will be entitled to or may rely on such letter or Co-Disclosure Counsel's having acted in the role of co-disclosure counsel to the City.

Certain legal matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP, Irvine, California.

PROFESSIONALS INVOLVED IN THE OFFERING

The Co-Municipal Advisors, Co-Bond Counsel, Co-Disclosure Counsel and Underwriters' Counsel will all receive compensation for services rendered in connection with the Bonds contingent upon the sale and delivery of the Bonds.

CO-MUNICIPAL ADVISORS

The City has retained Fieldman, Rolapp & Associates, Inc., Irvine, California and Del Rio Advisors, LLC, Modesto, California, as Co-Municipal Advisors (the "Co-Municipal Advisors") to the City in connection with the offering of the Bonds. All financial and other information presented in this Official Statement has been provided by the City and others from their records. Unless otherwise footnoted, the Co-Municipal Advisors take no responsibility for the accuracy or completeness of the data provided by the City or others and have not undertaken to make an independent verification or do not assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Co-Municipal Advisors have participated with responsible City officials and staff in conferences and meetings where information contained in this Official Statement was reviewed and have assisted the City with the structure, timing and terms for the sale of the Bonds. The Co-Municipal Advisors provide municipal advisory services only and do not engage in the underwriting, marketing, or trading of municipal securities or other negotiable instruments. The fees of the Co-Municipal Advisors are contingent upon the sale and delivery of the Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of the mathematical computations of the adequacy of the maturing principal of and interest earned on the Initial Government Securities and the cash held by the Escrow Agent to provide for the payment, when due, of the redemption price and interest with respect to the Prior Bonds to their Redemption Date will be verified by Robert Thomas CPA, LLC (the "Verification Agent"). The Verification Agent will express no opinion on the assumptions provided to them, nor as to the exemption from taxation of the interest on the Bonds. See "PLAN OF REFUNDING" above.

ABSENCE OF LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds, the ability of the City to levy the *ad valorem* tax required to pay debt service on the Bonds, the corporate existence of the City, or the entitlement to their respective offices of the officers of the City who will execute and deliver the Bonds and other documents and certificates in connection therewith.

CONTINUING DISCLOSURE

The City will covenant for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the City (the “Annual Report”) not later than 270 days after the end of the City’s fiscal year (which currently ends on June 30), commencing with the report for fiscal year 2023-24, which is due not later than March 27, 2025, and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the City with the Electronic Municipal Market Access system (“EMMA”) maintained by the Municipal Securities Rulemaking Board. The notices of enumerated events will be filed by the City with EMMA. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is summarized in APPENDIX D – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants will be made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”).

The City is a party to certain continuing disclosure undertakings relating to municipal securities which require the City to file notice filings on EMMA within ten days in the event of the incurrence of financial obligations and certain other events, if material. On May 6, 2021, the City extended for two years certain liquidity facilities relating to series 1 and 1-T and series 2 and 2-T of its commercial paper program. On July 1, 2021, the City filed on EMMA an event notice relating to these extensions.

For fiscal year 2021-22, although the City’s Annual Comprehensive Financial Report was posted on EMMA, it was not linked to all of the CUSIP numbers for the City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) Special Tax Bonds, Series 2022A and 2022B. The City has taken action to link such Annual Comprehensive Financial Report to the applicable CUSIP numbers.

The City may, from time to time, but is not obligated to, post its Annual Comprehensive Financial Report and other financial information on the City’s investor information website located at <https://sfcontroller.org/continuing-secondary-market-disclosure>.

RATINGS

Moody’s Investors Service, Inc. (“Moody’s”), S&P Global Ratings (“S&P”), and Fitch Ratings (“Fitch”), have assigned municipal bond ratings of “Aaa,” “AAA,” and “AAA,” respectively, to the Bonds. Certain information not included in this Official Statement was supplied by the City to the rating agencies to be considered in evaluating the Bonds. The ratings reflect only the views of each rating agency, and any explanation of the significance of any rating may be obtained only from the respective credit rating agencies: Moody’s at www.moodys.com; S&P at www.spglobal.com; and Fitch at www.fitchratings.com. The information presented on the website of each rating agency is not incorporated by reference as part of this Official Statement. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision. No assurance can be given that any rating issued by a rating agency will be retained for any given period of time or that the same will not be revised or withdrawn entirely by such rating agency, if in its judgment circumstances so warrant. Any such revision or withdrawal of the ratings obtained may have an adverse effect on the market price or marketability of the Bonds. The City undertakes no responsibility to oppose any such downward revision, suspension or withdrawal.

UNDERWRITING

The City has entered into a purchase contract with Stifel Nicolaus & Company, Incorporated (as representative on behalf of itself and on behalf of Wells Fargo Bank, National Association, Piper Sandler & Co., Samuel A. Ramirez & Co., Inc., and Siebert Williams Shank & Co., LLC (collectively, the “Underwriters”)) pursuant to which the Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the City at the purchase price of \$382,233,875.15 (being the principal amount of the Bonds, plus original issue premium of \$42,095,736.15 and less an Underwriters’ discount of \$476,861.00). The Underwriters are obligated under the purchase contract to purchase all of the Bonds if any are purchased.

The following paragraphs have been provided by and are being included in this Official Statement at the request of the respective Underwriters. The City does not assume any responsibility for the accuracy or completeness of such statements or information.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association (“WFBNA”), acting through its Municipal Finance Group, one of the Underwriters of the Bonds, has entered into an agreement (the “WFA Distribution Agreement”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“WFA”), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the “WFSLLC Distribution Agreement”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the City in connection with such activities. In the course of their various business activities, the Underwriters and their respective affiliates, officers, directors, and employees may purchase, sell, or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Underwriters may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices shown on the inside cover of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriters.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or Registered Owners and beneficial owners of any of the Bonds.

The preparation and distribution of this Official Statement have been duly authorized by the Board of Supervisors of the City.

CITY AND COUNTY OF SAN FRANCISCO

By: _____ /s/ Greg Wagner
Controller

APPENDIX A

**CITY AND COUNTY OF SAN FRANCISCO
ORGANIZATION AND FINANCES**

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APPENDIX A

The Resolutions provide that the Bonds are payable from and secured by a voter-approved dedicated property tax levy on all taxable property in the City, and the City is empowered under the law to set such tax rate for the Bonds at the level needed to generate sufficient tax revenues to pay the debt service on the Bonds. Under the Resolutions, the City is not obligated to pay the debt service from any other sources, nor are any property or assets of the City otherwise pledged to the repayment of the Bonds. This Appendix A provides information on the City's overall operations and finances with an emphasis on its General Fund and therefore includes information on revenues and other funds that are not pledged to the Bonds under the Resolutions and are not available to pay debt service on the Bonds. See "SECURITY FOR THE BONDS" in the forepart of this Official Statement.

CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES

This Appendix A provides general information about the City's governance structure, budget processes, property taxation system and tax and other revenue sources, City expenditures, labor relations, employment benefits and retirement costs, investments, bonds, and other long-term obligations.

The various reports, documents, websites, and other information referred to herein are not incorporated by such references. The City has referred to certain specified documents in this Appendix A which are hosted on the City's website. A wide variety of other information, including financial information, concerning the City is available from the City's publications, websites, social media accounts, and its departments. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded and is not a part of or incorporated into this Appendix A and should not be considered in making a decision to buy the Bonds.

Certain information contained in this Appendix A may reference other enterprise departments of the City including San Francisco International Airport ("SFO" or the "Airport"), Public Utilities Commission ("SFPU"), and other enterprise departments. Descriptions of such enterprises are included for informational purposes only, but no funds or resources of such enterprises are available or pledged as security for the Bonds.

The information presented in this Appendix A contains, among other information, City budgetary forecasts, projections, estimates and other statements that are based on current expectations as of its date. The words "expects," "forecasts," "projects," "budgets," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify such information as "forward-looking statements." Such budgetary forecasts, projections and estimates are not intended as representations of fact or intended as guarantees of results. Any such forward-looking statements are inherently subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated or projected.

**APPENDIX A
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CITY FINANCIAL CHALLENGES

The City continues to face material financial challenges, including actual and projected revenue losses, resulting from a variety of factors, including continuing remote work by a significant portion of the workforce (which has led to declining property taxes for certain office buildings, lower real estate property transfer taxes, and reductions in taxes based on employees physically located in the City), slower than anticipated recovery in the local hospitality and convention industries (resulting in declines in hotel and sales taxes), and general economic conditions. As described herein, these conditions have resulted in projected budget deficits (absent corrective actions) in the hundreds of millions of dollars in future fiscal years, rising to approximately \$1.36 billion in fiscal year 2027-28.

The Original Budget for fiscal years 2023-24 and 2024-25 (the “FY24 & FY25 Original Budget”) was approved by the Board of Supervisors on July 25, 2023, and signed by the Mayor on July 27, 2023. See “CITY BUDGET – Budget Process” for additional detail. At the time of its adoption in 2023, the FY24 & FY25 Original Budget assumed a continuing but slow economic recovery from the pandemic, with adverse impacts resulting from the continuing effect of remote office work on economic activity in the City. The revenue assumptions in the FY24 & FY25 Original Budget were highly dependent on conditions in the local economy, and the FY24 & FY25 Original Budget relied heavily on one-time funds to support operations during fiscal years 2023-24 and 2024-25.

As described herein, the economic conditions and revenues assumed in the FY24 & FY25 Original Budget have not materialized. Consequently, in October 2023, the Mayor’s Office issued instructions to departments to reduce current-year General Fund expenditures by approximately 3%. Departments proposed and the Mayor’s office accepted expenditure reductions and new revenues of approximately \$75 million in fiscal year 2023-24, which also resulted in ongoing expenditure savings of \$38 million in fiscal years 2024-25 and 2025-26. This savings strategy was intended to achieve onetime and ongoing savings that reduced projected budget deficits.

In December 2023, the Mayor’s Office, Controller’s Office, and Board of Supervisor’s Budget and Legislative Analyst issued the Five-Year Financial Plan Update: FY2024-25 through FY2027-28 (the “December 2023 Five-Year Plan Update”), which forecasted General Fund deficits of \$244.7 million in fiscal year 2024-25, \$554.5 million in fiscal year 2025-26, \$945.1 million in fiscal year 2026-27, and \$1,349.7 million in fiscal year 2027-28. The projected deficits were primarily due to continued expenditure growth, coupled with slower revenue growth than previously anticipated. Based on these projections in the December 2023 Five-Year Plan Update, the Mayor’s Office issued additional instructions to departments to further reduce General Fund expenditures by 10% in fiscal year 2024-25 and fiscal year 2025-26 and to provide an additional 5% contingency proposal.

In February 2024, the Controller’s Office issued its Six-Month Budget Status Report for fiscal year 2023-24 (the “Six-Month Report”), which projects a General Fund ending balance of \$459.7 million in fiscal year 2023-24, a \$34.5 million improvement from the December 2023 Five-Year Plan Update. Application of this additional current year fund balance would decrease the projected shortfall in the upcoming fiscal year 2024-25 and 2025-26 budget to \$764.7 million. The improvement was largely driven by increased revenue in the Department of Public Health, offset by weakness in tax and other department revenue.

In March 2024, the Mayor’s Office, Controller’s Office, and Board of Supervisor’s Budget and Legislative Analyst issued an additional update to the Five-Year Plan (the “March 2024 Joint Report”). The March 2024 Joint Report projected minor changes to the shortfalls projected in the December 2023 Five-Year Plan Update due to modest improvements in current year fund balance, modest changes to the revenue forecast, higher employee benefit costs, and nominal updates to other citywide expenditures. The March 2024 Joint Report forecast annual shortfalls of \$235.9 million in fiscal year 2024-25, \$553.3 million in fiscal year 2025-26, \$927.0 million in fiscal year 2026-27, and \$1,361.6 million in fiscal year 2027-28.

On April 1, 2024, the Controller issued its most recent report on the status of the City economy for March 2024. The Controller’s report noted that the San Francisco MSA lost 21,000 jobs between December and February, most of the loss is due to seasonal factors associated with temporary hiring for the holiday season. The unemployment rate increased to 3.8%, although it remains below the state and national levels. The continuing decline in tech employment comes as the Employment Development Department has published revised employment numbers for 2022 and 2023, which show the area’s job losses—particularly in tech and other office industries— were greater than previously expected. The report also noted that Muni Metro and BART ridership have increased in recent months but still remain significantly below pre-pandemic levels. Bridge crossings into and out of the City are also notably lower than pre-pandemic levels.

The Controller’s prior report on the City economy, released on February 2, 2024, indicated that there is little sign of recovery in the downtown office market; as office vacancies rose in the fourth quarter of 2023 to 32.1%, while rents and office attendance showed small declines. Additionally, the City’s housing market also remains sluggish, with single-family home and condo prices increasing Statewide but falling in San Francisco. These factors negatively impact the City’s revenues, including, but not limited to, transfer tax, business tax and property tax revenues. See “BUDGETARY RISKS – Office Vacancy in San Francisco; Impact on Property Taxes and Other Revenues” for a discussion of the impact of remote working on commercial property in the City. In addition, there can be no assurances that potential adverse impacts of the current economic challenges on the financial condition of the State will not result in decreases in State funding to the City.

Pursuant to the Charter, the Controller is required to prepare the fiscal year 2024-25 Nine Month Budget Status Report (the “May 2024 Nine-Month Report”) comprising expenditure and revenue information and projections as of March 31, 2024. The May 2024 Nine-Month Report was released on May 14, 2024, and is available on the Controller’s website. The May 2024 Nine-Month Report projected a minor improvement in the fiscal year 2023-24 General Fund ending balance relative to the prior projection included in the March 2024 Joint Report.

On or before June 3, 2024, the Mayor is required to release the fiscal year 2024-25 and 2025-26 proposed budget (the “Proposed FY25 and FY26 Budget”). While the City currently anticipates that the Proposed FY25 and FY26 Budget will reflect a continuation of the economic conditions and revenue pressures described above, there can be no assurances that further revenue declines or other budgetary pressures will not be identified. As described in “CITY BUDGET—Budget Process”, the City is required by the Charter to adopt each year a budget which is balanced in each fund.

The City expects to present new MOU’s for unions with open contracts to the Board of Supervisors on or before May 15, 2024 and is considering placing a ballot measure on the November 2024 election to reform the City’s Business Taxes. The new MOU’s are expected to increase the structural deficits in the Five-Year Plan unless other corrective actions are taken. The potential impact, if any, on City revenues of a Business

Tax reform measure are uncertain at this time. See “EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS: Labor Relations” and “GENERAL FUND REVENUES – OTHER CITY TAX REVENUES – Business Taxes” herein for a further discussion of such matters.

CITY GOVERNMENT

City Charter

San Francisco is constituted as a city and county chartered pursuant to Article XI, Sections 3, 4, 5 and 6 of the Constitution of the State of California (the “State”) and is the only consolidated city and county in the State. In addition to its powers under its charter in respect of municipal affairs granted under the State Constitution, San Francisco generally can exercise the powers of both a city and a county under State law. On April 15, 1850, several months before California became a state, the original charter was granted by territorial government to the City. New City charters were adopted by the voters on May 26, 1898, effective January 8, 1900, and on March 26, 1931, effective January 8, 1932. In November 1995, voters approved the current charter, which went into effect in most respects on July 1, 1996 (“Charter”).

The city is governed by a Board of Supervisors consisting of eleven members elected from supervisorial districts (the “Board of Supervisors”), and a Mayor elected at large who serves as chief executive officer (the “Mayor”). Members of the Board of Supervisors and the Mayor each serve a four-year term. The Mayor and members of the Board of Supervisors are subject to term limits as established by the Charter. Members of the Board of Supervisors may serve no more than two successive four-year terms and may not serve another term until four years have elapsed since the end of the second successive term in office. The Mayor may serve no more than two successive four-year terms, with no limit on the number of non-successive terms of office. The City Attorney, Assessor-Recorder, District Attorney, Treasurer and Tax Collector, Sheriff, and Public Defender are also elected directly by the citizens and may serve unlimited four-year terms. The Charter provides a civil service system for most City employees. School functions are carried out by the San Francisco Unified School District (grades TK-12) (“SFUSD”) and the San Francisco Community College District (post-secondary) (“SFCCD”). Each is a separate legal entity with a separately elected governing board.

Unique among California cities, San Francisco as a charter city and county provides the services of both a city and a county. Public services include police, fire and public safety; public health, mental health and other social services; courts, jails, and juvenile justice; public works, streets, and transportation, including a port and airport; construction and maintenance of all public buildings and facilities; water, sewer, and power services; parks and recreation; libraries and cultural facilities and events; zoning and planning, and many others. Employment costs are relatively fixed by labor and retirement agreements, and account for slightly less than 50% of all City expenditures. In addition, voters have approved Charter amendments that impose certain spending mandates and tax revenue set-asides, which dictate expenditure or service levels for certain programs, and allocate specific revenues or specific proportions thereof to other programs, including transportation services, children’s services and public education, and libraries.

Under its original charter, the City committed to a policy of municipal ownership of utilities. The Municipal Railway, when acquired from a private operator in 1912, was the first such city-owned public transit system in the nation. In 1914, the City obtained its municipal water system, including the Hetch Hetchy watershed near Yosemite. In 1927, the City dedicated Mills Field Municipal Airport at a site in what is now San Mateo County 14 miles south of downtown San Francisco, which would grow to become today’s San Francisco International Airport. In 1969, the City acquired the Port of San Francisco (the “Port”) in trust from the State. Substantial expansions and improvements have been made to these enterprises since

their original acquisition. SFO, the Port, SFPUC (which includes the Water Enterprise, the Wastewater Enterprise and the Hetch Hetchy Water and Power Project), the Municipal Transportation Agency (“MTA”) (which operates the San Francisco Municipal Railway or “Muni” and the Department of Parking and Traffic (“DPT”), including twenty one public parking garages), and the City-owned hospitals (San Francisco General and Laguna Honda), are collectively referred to herein as the “enterprise fund departments,” as they are not integrated into the City’s General Fund operating budget. However, certain enterprise fund departments, including San Francisco General Hospital, Laguna Honda Hospital, and the MTA, annually receive significant General Fund-transfers.

The Charter distributes governing authority among the Mayor, the Board of Supervisors, the various other elected officers, the City Controller and other appointed officers, and the boards and commissions that oversee the various City departments. The Mayor appoints most commissioners subject to a two-thirds vote of the Board of Supervisors, unless otherwise provided in the Charter. The Mayor appoints each department head from among persons nominated to the position by the appropriate commission and may remove department heads.

Mayor

Mayor London Breed is the 45th Mayor of San Francisco and the first African-American woman to serve in such capacity in the City’s history. In November 2019, Mayor Breed was elected to serve her first full term. Prior to her election, Mayor Breed served as Acting Mayor, leading the City following the sudden passing of Mayor Lee. Mayor Breed previously served as a member of the Board of Supervisors for six years, including the last three years as President of the Board.

Board of Supervisors

Table A-1 lists the current members of the Board of Supervisors. The Supervisors are elected for staggered four-year terms and are elected by district. Vacancies are filled by appointment by the Mayor.

TABLE A-1

| CITY AND COUNTY OF SAN FRANCISCO | | |
|--|----------------------------|----------------------|
| Board of Supervisors | | |
| Name | First Elected or Appointed | Current Term Expires |
| Connie Chan, <i>District 1</i> | 2021 | 2025 |
| Catherine Stefani, <i>District 2</i> | 2018 | 2027 |
| Aaron Peskin, Board President, <i>District 3</i> | 2015 | 2025 |
| Joel Engardio, <i>District 4</i> | 2023 | 2027 |
| Dean Preston, <i>District 5</i> | 2019 | 2025 |
| Matt Dorsey, <i>District 6</i> | 2022 | 2027 |
| Myrna Melgar, <i>District 7</i> | 2021 | 2025 |
| Rafael Mandelman, <i>District 8</i> | 2018 | 2027 |
| Hillary Ronen, <i>District 9</i> | 2017 | 2025 |
| Shamann Walton, <i>District 10</i> | 2019 | 2027 |
| Ahsha Safai, <i>District 11</i> | 2017 | 2025 |

Other Elected and Appointed City Officers

The City Attorney, an elected position, represents the City in all legal proceedings in which the City has an interest. On September 29, 2021, Mayor London N. Breed appointed Assemblymember David Chiu to serve as the San Francisco City Attorney. Mr. Chiu replaced the prior City Attorney, Dennis Herrera, who became the General Manager of the San Francisco Public Utilities Commission on November 1, 2021. Mr. Chiu ran and was elected by voters in an election on June 7, 2022 to his current term as City Attorney.

The Assessor-Recorder, a citywide elected position, administers the property tax assessment system of the City. On February 8, 2021, Joaquín Torres, formerly the Director of the Office of Economic and Workforce Development, was sworn in as the new Assessor-Recorder. Mr. Torres ran and was elected by voters in a special election on February 15, 2022 to his current term as Assessor-Recorder.

The Treasurer is responsible for the deposit and investment of all City moneys, and also acts as Tax Collector for the City. José Cisneros was re-elected to a four-year term as Treasurer of the City in November 2019 for a term that extends through January 2025. Mr. Cisneros has served as Treasurer since September 2004, following his appointment by then-Mayor Newsom.

The City Controller is responsible for timely accounting, disbursement, and other disposition of City moneys, certifies the accuracy of budgets, estimates the cost of ballot measures, provides payroll services for the City's employees, and, as the Auditor for the City, directs performance and financial audits of City activities. On January 10, 2024, Mayor Breed appointed Greg Wagner, formerly the Chief Operating Officer of the City's Department of Public Health, to a ten-year term as Controller of the City. Mr. Wagner's appointment was confirmed by the Board of Supervisors on January 23, 2024, in accordance with the Charter. Mr. Wagner replaced the prior City Controller, Benjamin Rosenfield, who stepped down from the position after serving as City Controller since March 2008.

The City Administrator has overall responsibility for the management and implementation of policies, rules and regulations promulgated by the Mayor, the Board of Supervisors and the voters. The City Administrator oversees the General Services Agency which consists of 25 departments, divisions, and programs that include the Public Works Department, Department of Technology, Office of Contract Administration/Purchasing, Real Estate, County Clerk, Fleet Management, Convention Facilities, Animal Care and Control, Medical Examiner, and Treasure Island. Carmen Chu was sworn in as the City Administrator on February 2, 2021.

CITY BUDGET

Overview

The City manages the operations of its nearly 60 departments, commissions and authorities, including the enterprise fund departments, and funds such departments and enterprises through its annual budget process. Each year the Mayor prepares budget legislation for the City departments, which must be approved by the Board of Supervisors. General Fund revenues consist largely of local property tax, business tax, sales tax, other local taxes and charges for services. A significant portion of the City's revenue also comes in the form of intergovernmental transfers from the State and federal governments. Thus, the City's fiscal position is affected by the health of the local real estate market, the local business and tourist economy, and, by budgetary decisions made by the State and federal governments which depend, in turn,

on the health of the larger State and national economies. All these factors are almost wholly outside the control of the Mayor, the Board of Supervisors and other City officials. In addition, the State Constitution limits the City's ability to raise taxes and property-based fees without a vote of City residents. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND EXPENDITURES" herein. Also, the fact that the City's annual budget must be prepared before the State and federal budgets adds uncertainty to the budget process and necessitates flexibility so that spending decisions can be adjusted during the course of the fiscal year. See "CITY GENERAL FUND PROGRAMS AND EXPENDITURES" herein.

The FY24 & FY25 Original Budget was passed by the Board of Supervisors on July 25, 2023 and signed by Mayor Breed on July 27, 2023. The Original Budget for fiscal year 2023-24 appropriated annual revenues, fund balance, transfers and reserves of \$14.6 billion, of which the City's General Fund accounts for \$6.8 billion. The Original Budget for fiscal year 2024-25 appropriated revenues, fund balance, transfers and reserves of \$14.5 billion, of which \$7.0 billion represents the General Fund budget. See "CITY BUDGET – Original Budget for Fiscal Years 2023-24 and 2024-25 and Revenue Letter" for further details on the budget. Table A-2 shows Final Revised Budget revenues and appropriations for the City's General Fund for fiscal years 2020-21 through 2022-23, and Original Budgets for fiscal years 2023-24 and 2024-25. See "GENERAL FUND REVENUES – PROPERTY TAXATION –Tax Levy and Collection," "GENERAL FUND REVENUES – OTHER CITY TAX REVENUES" and "CITY GENERAL FUND PROGRAMS AND EXPENDITURES" herein.

See "CITY FINANCIAL CHALLENGES" and "BUDGETARY RISKS" for discussions of factors that have adversely impacted the revenue and expenditure levels assumed in the Original Budget.

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TABLE A-2

CITY AND COUNTY OF SAN FRANCISCO
Budgeted General Fund Revenues and Appropriations for
Fiscal Years 2020-21 through 2024-25

(000s)

| | 2020-21 Final Revised Budget ⁵ | 2021-22 Final Revised Budget ⁵ | 2022-23 Final Revised Budget ⁵ | 2023-24 Original Budget ⁶ | 2024-25 Original Budget ⁶ |
|--|---|---|---|--|--|
| Prior-Year Budgetary Fund Balance & Reserves | \$2,816,902 | \$2,803,535 | \$3,214,031 | \$224,248 | \$362,464 |
| <u>Budgeted Revenues</u> | | | | | |
| Property Taxes ¹ | \$2,161,945 | \$2,115,600 | \$2,379,530 | \$2,510,000 | \$2,474,000 |
| Business Taxes | 798,057 | 957,307 | \$902,246 | 851,100 | 941,100 |
| Other Local Taxes ² | 657,990 | 777,750 | 1,050,820 | 1,098,880 | 1,197,380 |
| Licenses, Permits and Franchises | 22,977 | 28,027 | 26,749 | 30,291 | 30,583 |
| Fines, Forfeitures and Penalties | 2,389 | 4,039 | 3,088 | 3,014 | 3,141 |
| Interest and Investment Earnings | 20,732 | 34,215 | 38,660 | 121,071 | 113,517 |
| Rents and Concessions | 11,166 | 11,820 | 12,913 | 14,571 | 14,803 |
| Grants and Subventions | 1,591,756 | 1,699,946 | 1,536,227 | 1,477,115 | 1,388,989 |
| Charges for Services | 254,990 | 258,939 | 243,298 | 272,865 | 264,613 |
| Other | 59,773 | 37,694 | 23,307 | 17,532 | 27,766 |
| Total Budgeted Revenues | \$5,581,775 | \$5,925,337 | \$6,216,838 | \$6,396,439 | \$6,455,892 |
| Bond Proceeds & Repayment of Loans | - | - | - | - | - |
| <u>Expenditure Appropriations</u> | | | | | |
| Public Protection | \$1,505,780 | \$1,586,264 | \$1,681,489 | \$1,747,204 | \$1,779,540 |
| Public Works, Transportation & Commerce | 218,986 | 244,365 | 275,941 | 242,912 | 233,446 |
| Human Welfare & Neighborhood Development | 1,605,573 | 1,571,761 | 1,621,981 | 1,604,163 | 1,615,373 |
| Community Health | 1,158,599 | 1,119,891 | 1,118,010 | 1,125,977 | 1,157,023 |
| Culture and Recreation | 147,334 | 161,417 | 180,475 | 201,453 | 202,539 |
| General Administration & Finance | 332,997 | 353,518 | 351,738 | 345,406 | 357,335 |
| General City Responsibilities | 126,993 | 159,299 | 201,959 | 184,513 | 237,146 |
| Total Expenditure Appropriations | \$5,096,262 | \$5,196,515 | \$5,431,593 | \$5,451,628 | \$5,582,402 |
| Budgetary reserves and designations, net | \$42,454 | \$45,567 | \$46,496 | \$70,840 | \$17,550 |
| Transfers In | \$417,009 | \$194,114 | \$194,984 | \$211,296 | \$210,318 |
| Transfers Out ³ | (1,164,927) | (1,181,704) | (1,315,702) | (1,309,516) | (1,428,723) |
| Net Transfers In/Out | (\$747,918) | (\$987,590) | (\$1,120,718) | (\$1,098,220) | (\$1,218,405) |
| Budgeted Excess (Deficiency) of Sources | | | | | |
| Over (Under) Uses | 2,512,044 | 2,499,200 | 2,832,062 | - | - |
| Variance of Actual vs. Budget | 291,491 | 714,831 | 131,543 | - | - |
| Total Actual Budgetary Fund Balance⁴ | 2,803,535 | 3,214,031 | 2,963,605 | - | - |

¹ The Budget appropriates Excess ERAF property tax funds in all fiscal years shown on the table. Please see "GENERAL FUND REVENUES -- Property Taxation" sections for more information about Excess ERAF.

² Other Local Taxes includes sales, hotel, utility users, parking, transfer, sugar sweetened beverage, stadium admissions, access line, cannabis, and overpaid executive taxes.

³ Transfers Out is primarily related to transfers to support Charter-mandated spending requirements and hospitals.

⁴ Fiscal year 2020-21 through fiscal year 2022-23 Final Revised Budget reflects prior year *actual* budgetary fund balance.

⁵ Fiscal year 2020-21, 2021-22, and 2022-23 Final Revised Budgets are based on respective Annual Comprehensive Financial Reports.

⁶ Fiscal year 2023-24 and 2024-25 amounts represent the Original Budget, adopted July 27, 2023.

Source: Office of the Controller, City and County of San Francisco.

Budget Process

The following paragraphs contain a description of the City's customary budget process. The City's fiscal year commences on July 1 and ends on June 30. The City's budget process for each fiscal year begins in the middle of the preceding fiscal year as departments prepare their budgets and seek any required approvals from the applicable City board or commission. Departmental budgets are consolidated by the City Controller, and then transmitted to the Mayor no later than the first working day of March. By the first working day of May, the Mayor is required to submit a proposed budget to the Board of Supervisors for certain specified departments, based on criteria set forth in the Administrative Code. On or before the first working day of June, the Mayor is required to submit a proposed budget, including all departments, to the Board of Supervisors.

Under the Charter, following the submission of the Mayor's Proposed Budget, the City Controller must provide an opinion to the Board of Supervisors regarding the economic assumptions underlying the revenue estimates and the reasonableness of such estimates and revisions in the proposed budget (the City Controller's "Revenue Letter"). The City Controller may also recommend reserves that are considered prudent given the proposed resources and expenditures contained in the Mayor's Proposed Budget. The Revenue Letter and other information from the Controller's website are not incorporated herein by reference. The City's Capital Planning Committee (composed of other City officials) also reviews the proposed budget and provides recommendations based on the budget's conformance with the City's adopted ten-year capital plan. For a further discussion of the Capital Planning Committee and the City's ten-year capital plan, see "CAPITAL FINANCING AND BONDS – Capital Plan" herein.

The City is required by the Charter to adopt, each year, a budget which is balanced in each fund. During its budget approval process, the Board of Supervisors has the power to reduce or augment any appropriation in the proposed budget, provided the total budgeted appropriation amount in each fund is not greater than the total budgeted appropriation amount for such fund submitted by the Mayor. The Board of Supervisors approves the budget by adoption of the Budget and Appropriation Ordinance (also referred to herein as the "Original Budget") typically by no later than August 1 of each fiscal year.

The Budget and Appropriation Ordinance becomes effective with or without the Mayor's signature after 10 days; however, the Mayor has line-item veto authority over specific items in the budget. Additionally, in the event the Mayor were to disapprove the entire Budget and Appropriation Ordinance, the Charter directs the Mayor to promptly return the ordinance to the Board of Supervisors, accompanied by a statement indicating the reasons for disapproval and any recommendations which the Mayor may have. Any Budget and Appropriation Ordinance so disapproved by the Mayor shall become effective only if, subsequent to its return, it is passed by a two-thirds vote of the Board of Supervisors.

Following the adoption and approval of the Budget and Appropriation Ordinance, the City makes various revisions throughout the fiscal year (the Original Budget plus any changes made to date are collectively referred to herein as the "Revised Budget"). A "Final Revised Budget" is prepared at the end of the fiscal year upon release of the City's ACFR to reflect the year-end revenue and expenditure appropriations for that fiscal year.

Multi-Year Budgeting and Planning

The City's budget involves multi-year budgeting and financial planning, including:

1. Fixed two-year budgets are approved by the Board of Supervisors. For fiscal year 2023-24 MTA, SFPUC, SFO, and the Port were in the second year of their previously adopted, fixed, two-year budgets. In fiscal year 2024-25, those department budgets will open again for amendments. All other departments prepared balanced, rolling two-year budgets for Board approval.
2. Five-year financial plan and update, which forecasts General Fund revenues and expenses and summarizes expected public service levels and funding requirements for that period. An update to the five-year financial plan, including a forecast of expenditures and revenues and proposed actions to balance them in light of strategic goals, was issued by the Mayor, the Budget Analyst for the Board of Supervisors and Controller's Office on March 29, 2023, for fiscal year 2024-25 through fiscal year 2027-28. See "CITY BUDGET: Five-Year Financial Plan Update: FY 2024-25 through FY 2027-28 and Mayor's Budget Instructions" section below. The Five-Year Financial Plan was most recently updated in December 2023. "CITY BUDGET: Five-Year Financial Plan Update: FY2024-25 through 2027-28 and Mayor's Budget Instructions" for a summary.
3. The Controller's Office proposes to the Mayor and Board of Supervisors financial policies addressing reserves, use of volatile revenues, debt and financial measures in the case of disaster recovery and the City is required to adopt budgets consistent with these policies once approved. The Controller's Office may recommend additional financial policies or amendments to existing policies no later than October 1. Key financial policies that have been enacted include:
 - Non-Recurring Revenue Policy – This policy limits the Mayor's and Board's ability to use for operating expenses the following nonrecurring revenues: extraordinary year-end General Fund balance, the General Fund share of revenues from prepayments provided under long-term leases, concessions, or contracts, otherwise unrestricted revenues from legal judgments and settlements, and other unrestricted revenues from the sale of land or other fixed assets. Under the policy, these nonrecurring revenues may only be used for nonrecurring expenditures that do not create liability for, or expectation of, substantial ongoing costs, including but not limited to: discretionary funding of reserves, acquisition of capital equipment, capital projects included in the City's capital plans, development of affordable housing, and discretionary payment of pension, debt, or other long-term obligations.
 - Rainy Day and Budget Stabilization Reserve Policies – These reserves were established to support the City's budget in years when revenues decline. These and other reserves are discussed in detail below. Charter Section 9.113.5 requires deposits into the Rainy Day Reserve if total General Fund revenues for a fiscal year exceed total General Fund revenues for the prior fiscal year by more than five percent. Similarly, if budget year revenues exceed current year revenues by more than five percent, the budget must allocate deposits to the Rainy Day Reserve. The Budget Stabilization Reserve augments the Rainy Day Reserve and is funded through the dedication of 75% of certain volatile revenues. No withdrawals from these reserves were made in fiscal year 2023-24, and none are projected to be made during the forecast period given positive, though slow, revenue growth. These and other reserves are discussed under "Rainy Day Reserve" and "Budget Stabilization Reserve" below.

4. The City is required to submit labor agreements to the Board of Supervisors by May 15, so the fiscal impact of the agreements can be incorporated in the Mayor's proposed June 1 budget. The City negotiated agreements with its public safety employee organizations for fiscal years 2023-24 and 2024-25. Miscellaneous employee labor agreements are open for fiscal year 2024-25, and the City will be bargaining throughout the spring of 2024.

Role of Controller in Budgetary Analysis and Projections

As Chief Fiscal Officer and City Services Auditor, the City Controller monitors spending for all officers, departments and employees charged with receipt, collection or disbursement of City funds. Under the Charter, no obligation to expend City funds can be incurred without a prior certification by the Controller that sufficient revenues are or will be available to meet such obligation as it becomes due in the then-current fiscal year, which ends June 30. The Controller monitors revenues throughout the fiscal year, and if actual revenues are less than estimated, the City Controller may freeze department appropriations or place departments on spending "allotments" which will constrain department expenditures until estimated revenues are realized. If revenues are in excess of what was estimated, or budget surpluses are created, the Controller can certify these surplus funds as a source for supplemental appropriations that may be adopted throughout the year upon approval of the Mayor and the Board of Supervisors. The City's actual expenditures are often different from the estimated expenditures in the Original Budget due to supplemental appropriations, continuing appropriations of prior years, and unexpended current-year funds. If the Controller estimates revenue shortfalls that exceed applicable reserves and any other allowances for revenue shortfalls in the adopted City budget, upon receipt of such estimates, the Mayor is to inform the Board of Supervisors of actions to address this shortfall. The Board of Supervisors may adopt an ordinance to reflect the Mayor's proposal or alternative proposals in order to balance the budget.

In addition to the five-year planning responsibilities discussed above, Charter Section 3.105 directs the Controller to issue periodic or special financial reports during the fiscal year. Each year, the Controller issues six-month and nine-month budget status reports to apprise the City's policymakers of the current budgetary status, including projected year-end revenues, expenditures and fund balances. The Controller issued the fiscal year 2023-24 Six Month Report (the "Six Month Report") on February 15, 2024, and will issue the Nine Month Report in May 2024. The City Charter also directs the Controller to annually report on the accuracy of economic assumptions underlying the revenue estimates in each Mayor's Proposed Budget; the next report (Revenue Letter) for fiscal year 2024-25 and 2025-26 will be issued in June 2024.

General Fund Results: Audited Financial Statements

The City issued the ACFR, which includes the City's audited financial statements, for fiscal year 2022-23 on December 29, 2023.

Fiscal year 2022-23 General Fund balance decreased from the fiscal year 2021-22. As of June 30, 2023, the net available budgetary basis General Fund fund balance was \$852.1 million (see Table A-3), which is \$164.0 million less than the \$1,016 million available as of June 30, 2022. This decrease resulted from General Fund expenditures exceeding revenues, as planned for in the fiscal year 2022-23 budget, which assumed the use of \$306.7 of budgetary basis fund balance.

On a Generally Accepted Accounting Principles ("GAAP") basis, the General Fund balance as of June 30, 2023 was \$2.6 billion (shown in Tables A-3 and A-4) derived from revenues of \$6.1 billion. The City

prepares its budget on a modified accrual basis, which is also referred to as “budget basis” in the ACFR. Accruals for incurred liabilities, such as claims and judgments, workers’ compensation, accrued vacation and sick leave pay are funded only as payments are required to be made. Table A-4 focuses on the City’s fund balances; General Fund balances are shown on both a budget basis and a GAAP basis with comparative financial information for the fiscal years ended June 30, 2019, through June 30, 2023.

Table A-3, entitled “Statement of Revenues, Expenditures and Changes in General Fund Balances,” is extracted from information in the City’s published ACFR. Audited financial statements can be obtained from the City Controller’s website <https://sf.gov/annual-comprehensive-financial-reports-acfr>. Information from the City Controller’s website is not incorporated herein by reference. Excluded from this Statement of General Fund Revenues and Expenditures in Table A-3 are fiduciary funds, internal service funds, special revenue funds (which relate to proceeds of specific revenue sources which are legally restricted to expenditures for specific purposes), and all of the enterprise fund departments of the City, each of which prepares separate audited financial statements. See “CITY BUDGET – Five-Year Financial Plan Update: FY 2024-25 through FY 2027-28 and Mayor’s Budget Instructions” for a summary of the most recent projections.

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TABLE A-3

CITY AND COUNTY OF SAN FRANCISCO
Statement of Revenues, Expenditures and Changes in General Fund Fund Balances¹
Fiscal Years 2018-19 through 2022-23
(000s)

| | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|--|----------------------|----------------------|--------------------|----------------------|----------------------|
| Revenues: | | | | | |
| Property Taxes ² | \$2,248,004 | \$2,075,002 | \$2,332,864 | 2,336,071 | 2,459,052 |
| Business Taxes | 917,811 | 822,154 | 722,642 | 861,172 | 850,593 |
| Other Local Taxes ³ | 1,215,306 | 996,180 | 709,018 | 1,115,553 | 1,108,545 |
| Licenses, Permits and Franchises | 27,960 | 25,318 | 12,332 | 32,078 | 28,953 |
| Fines, Forfeitures and Penalties | 4,740 | 3,705 | 4,508 | 5,755 | 3,191 |
| Interest and Investment Income | 88,523 | 65,459 | (1,605) | (93,447) | 68,319 |
| Rents and Concessions | 14,460 | 9,816 | 5,111 | 10,668 | 11,775 |
| Intergovernmental | 1,069,349 | 1,183,341 | 1,607,803 | 1,795,395 | 1,339,711 |
| Charges for Services | 257,814 | 229,759 | 230,048 | 238,438 | 243,234 |
| Other | 46,254 | 62,218 | 46,434 | 23,265 | 29,677 |
| Total Revenues | \$5,890,221 | \$5,472,952 | \$5,669,155 | \$6,324,948 | \$6,143,050 |
| Expenditures: | | | | | |
| Public Protection | \$1,382,031 | \$1,479,195 | \$1,498,514 | \$1,562,797 | \$1,654,953 |
| Public Works, Transportation & Commerce | 202,988 | 203,350 | 204,973 | 232,078 | 265,019 |
| Human Welfare and Neighborhood Development | 1,071,309 | 1,252,865 | 1,562,982 | 1,478,115 | 1,577,163 |
| Community Health | 809,120 | 909,261 | 1,056,590 | 1,002,047 | 967,381 |
| Culture and Recreation | 152,250 | 155,164 | 145,405 | 159,056 | 172,832 |
| General Administration & Finance | 267,997 | 304,073 | 314,298 | 298,742 | 301,748 |
| General City Responsibilities | 144,811 | 129,941 | 114,251 | 273,711 | 336,280 |
| Total Expenditures | \$4,030,506 | \$4,433,849 | \$4,897,013 | \$5,006,546 | \$5,275,376 |
| Excess of Revenues over Expenditures | \$1,859,715 | \$1,039,103 | \$772,142 | \$1,318,402 | \$867,674 |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | \$104,338 | \$87,618 | \$343,498 | \$84,107 | \$119,361 |
| Transfers Out | (1,468,971) | (1,157,822) | (1,166,855) | (1,209,383) | (1,316,074) |
| Other | - | - | - | 41,913 | 72,033 |
| Total Other Financing Sources (Uses) | (\$1,364,633) | (\$1,070,204) | (\$823,357) | (\$1,083,363) | (\$1,124,680) |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | \$495,082 | (\$31,101) | (\$51,215) | \$235,039 | (\$257,006) |
| Total Fund Balance at Beginning of Year | \$2,221,941 | \$2,717,023 | \$2,685,922 | \$2,670,104 | \$2,905,143 |
| Cumulative effect of accounting change | | | 35,397 | - | |
| Total Fund Balance at End of Year -- GAAP Basis | \$2,717,023 | \$2,685,922 | \$2,670,104 | \$2,905,143 | \$2,648,137 |
| Assigned for Subsequent Year's Appropriations and Unassigned Fund Balance, Year End | | | | | |
| -- GAAP Basis | \$326,582 | \$395,776 | \$179,077 | \$325,664 | \$150,628 |
| -- Budget Basis | \$812,687 | \$896,172 | \$901,980 | \$1,016,157 | \$852,147 |

1 Summary of financial information derived from City ACFRs. Fund balances include amounts reserved for rainy day (Economic Stabilization and One-time Spending accounts), encumbrances, appropriation carryforwards and other purposes (as required by the Charter or appropriate accounting practices) as well as unreserved designated and undesignated available fund balances (which amounts constitute unrestricted General Fund balances).

2 The City recognized \$548.0 million of "Excess Educational Revenue Augmentation Fund (ERAF)" revenue in FY 2018-19, representing FY16-17, FY17-18, and FY18-19 (3 fiscal years) of ERAF. Please see "GENERAL FUND REVENUES - Property Taxation" for more information about Excess ERAF.

3 Other Local Taxes includes sales, hotel, utility users, parking, transfer, sugar sweetened beverage, stadium admissions, access line, cannabis, and overpaid executive taxes.

Sources: Annual Comprehensive Financial Reports; Office of the Controller, City and County of San Francisco

In addition to the reconciliation of GAAP versus budget-basis fund balance, Table A-4 shows the City's various reserve balances as designations of fund balance. Key reserves are described further as follows:

Rainy Day Reserve

The City maintains a Rainy Day Reserve, as shown on the first and second line of Table A-4 below. Charter Section 9.113.5 requires that if total General Fund revenues for the current year exceed total General Fund revenues for the prior year by more than five percent, then the City must deposit anticipated General Fund revenues in excess of that five percent growth into three accounts within the Rainy Day Reserve (see below) and for other lawful governmental purposes. Similarly, if budgeted revenues exceed current year revenues by more than five percent, the budget must allocate deposits to the Rainy Day Reserve. Effective January 1, 2015, Proposition C, passed by the voters in November 2014, divided the existing Rainy Day Economic Stabilization Account into a City Rainy Day Reserve ("City Reserve") and a School Rainy Day Reserve ("School Reserve") for SFUSD, with each reserve account receiving 50% of the existing balance at the time. Deposits to the reserve are allocated as follows:

- 37.5% of the excess revenues to the City Reserve;
- 12.5% of the excess revenues to the School Reserve (not shown in Table A-3 because it is not part of the General Fund, it is reserved for SFUSD);
- 25% of the excess revenues to the Rainy Day One-Time or Capital Expenditures account; and
- 25% of the excess revenues to any lawful governmental purpose.

The fiscal year 2022-23 ending balance of the Rainy Day Economic Stabilization City Reserve was \$114.5 million, as shown in Table A-4. Under Proposition C, the City is not eligible to withdraw from the Rainy Day Reserve in fiscal years 2023-24, 2024-25 or 2025-26, preserving the balance of \$114.5 million in those years.

The combined balances of the Rainy Day Reserve's Economic Stabilization account and the Budget Stabilization Reserve are subject to a cap of 10% of actual total General Fund revenues. Amounts in excess of that cap in any year will be placed in the Budget Stabilization One-Time Reserve, which is eligible to be allocated to capital and other one-time expenditures. Monies in the City Reserve are available to provide budgetary support in years when General Fund revenues are projected to decrease from prior-year levels (or, in the case of a multi-year downturn, the highest of any previous year's total General Fund revenues). Monies in the Rainy Day One-Time Reserve are available for capital and other one-time spending initiatives.

Budget Stabilization Reserve

The City maintains a Budget Stabilization Reserve, as shown on the third line of Table A-4 below. The Budget Stabilization Reserve augments the Rainy Day Reserve and is funded through the dedication of 75% of certain volatile revenues, including Real Property Transfer Tax ("RPTT") receipts in excess of the rolling five-year annual average (adjusting for the effect of any rate increases approved by voters), funds from the sale of assets, and year-end unassigned General Fund balances beyond the amount assumed as a source in the subsequent year's budget.

The combined value of the Budget Stabilization Reserve and the Budget Stabilization One-Time Reserve was \$330.0 million at the end of fiscal year 2022-23, with an ending balance of \$275.2 million in the Budget Stabilization Reserve and \$54.8 million in the Budget Stabilization One-Time Reserve. As with the Rainy Day Reserve under Proposition C, the City is not permitted to withdraw from the Budget Stabilization Reserve in fiscal years 2023-24, 2024-25 or 2025-26, maintaining the fiscal year 2022-23 balance of \$275.2 million.

The Budget Stabilization Reserve has the same withdrawal requirements as the Rainy Day Reserve. Withdrawals are structured to occur over a period of three years: in the first year of a downturn, a maximum of 30% of the combined value of the Rainy Day Reserve and Budget Stabilization Reserve could be drawn; in the second year, the maximum withdrawal is 50%; and, in the third year, the entire remaining balance may be drawn. No deposits are required in years when the City is permitted to withdraw.

Salaries, Benefits and Litigation Reserves

The City maintains two reserves to offset potential expenses, which are available to City departments through a Controller's Office review and approval process. These are shown in the "assigned, not available for appropriation," and "assigned and unassigned, available for appropriation" sections of Table A-4 below. These include the Salaries and Benefit Reserve (balance of \$27.9 million as of fiscal year 2022-23) and the Litigation Reserve. The Litigation Reserve and Public Health Management Reserve (balance of \$259.2 million in fiscal year 2022-23) are combined for reporting purposes. The purpose of the latter is to manage patient revenue volatility in the Department of Public Health.

General Reserve

The City maintains a General Reserve, shown as part of "Unassigned for General Reserve" in the "assigned and unassigned, available for appropriation" section of Table A-4 below. The fiscal year 2022-23 balance of \$64.7 million includes \$57.8 million of General Reserve, as well as two smaller, unrelated reserves. The General Reserve is to be used for current-year fiscal pressures not anticipated during the budget process. A City policy, originally adopted on April 13, 2010, set the General Reserve equal to 1% of budgeted regular General Fund revenues in fiscal year 2012-13 and increasing by 0.25% each year thereafter until reaching 2% of General Fund revenues in fiscal year 2016-17. On December 16, 2014, the Board of Supervisors adopted financial policies to further increase the City's General Reserve from 2% to 3% of General Fund revenues between fiscal year 2017-18 and fiscal year 2020-21 while reducing the required deposit to 1.5% of General Fund revenues in years when the City appropriates a withdrawal from the Rainy Day reserve. The intent of this policy change was to increase reserves available during a multi-year downturn. In fiscal years 2020-21 and 2021-22, the City withdrew from the Rainy Day Reserve and reset its General Fund Reserve deposit requirement to 1.5% of General Fund revenues in those years. The fiscal year 2022-23 ending balance of the General Reserve is \$57.8 million. The Original Budget for fiscal years 2023-24 includes a deposit of \$70.8 million "CITY BUDGET – Five-Year Financial Plan Update: FY 2024-25 through FY 2027-28 and Mayor's Budget Instructions" and "– Other Budget Updates: Fiscal Year 2023-24 Six-Month Budget Status Report" for a summary of the most recent projections.

COVID Response and Economic Loss Reserve, Federal and State Emergency Grant Disallowance Reserve, and Fiscal Cliff Reserve

The fiscal year 2020-21 Original Budget consolidated the balances of several City reserves into a single COVID Response and Economic Loss Reserve of \$507.4 million in fiscal year 2019-20. The COVID Response and Economic Loss Reserve was available to offset revenue losses or to assist otherwise with balancing of future fiscal year budgets.

At the end of fiscal year 2020-21, the COVID Response and Economic Loss Reserve was split into two new reserves -- \$100.0 million for a "Federal and State Emergency Grant Disallowance Reserve," and \$293.9 million for a "Fiscal Cliff Reserve"—leaving \$113.5 million in the original COVID Response and Economic Loss Reserve. By the end of fiscal year 2022-23, the entire balance of the COVID Response and Economic Loss Reserve was depleted.

The Federal and State Emergency Grant Disallowance Reserve was created for the purpose of managing revenue shortfalls related to reimbursement disallowances from the Federal Emergency Management Agency ("FEMA") and other state and federal agencies. In fiscal year 2021-22, \$18.7 million of the Federal and State Emergency Grant Disallowance Reserve was appropriated in the Original Budget, leaving a balance of \$81.3 million. The fiscal year 2023-24 Original Budget does not appropriate any of this reserve, but the fiscal year 2024-25 Original Budget appropriates \$41.3 million, leaving a balance of \$40.0 million.

The Fiscal Cliff Reserve was created for the purpose of managing projected budget shortfalls following the spend down of federal and state pandemic stimulus funds and other one-time sources. In fiscal year 2021-22, \$64.2 million of the Fiscal Cliff Reserve was appropriated through a supplemental appropriation ordinance for rent relief and social housing. As a result, the fiscal year 2021-22 reserve balance was \$229.8 million. The fiscal year 2022-23 and 2023-24 budgets appropriated \$9.3 million and \$90.2 million respectively, leaving a balance of \$130.3 million by fiscal year 2024-25.

Operating Cash Reserve

Although not shown in Table A-4, under the City Charter, the Treasurer, upon recommendation of the City Controller, is authorized to transfer legally available moneys to the City's operating cash reserve from any unencumbered funds then held in the City's pooled investment fund (which contains cash for all pool participants, including city departments and external agencies such as San Francisco Unified School District and City College). The operating cash reserve is available to cover cash flow deficits in various City funds, including the City's General Fund. From time to time, the Treasurer has transferred unencumbered moneys in the pooled investment fund to the operating cash reserve to cover temporary cash flow deficits in the General Fund and other City funds. Any such transfers must be repaid within the same fiscal year in which the transfer was made, together with interest at the rate earned on the pooled funds at the time the funds were used. See "INVESTMENT OF CITY FUNDS – Investment Policy" herein.

TABLE A-4

CITY AND COUNTY OF SAN FRANCISCO
Summary of General Fund Fund Balances
Fiscal Years 2018-19 through 2022-23
(000s)

| | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Restricted for rainy day (Economic Stabilization account) ¹ | \$229,069 | \$229,069 | \$114,539 | \$114,539 | \$114,539 |
| Restricted for rainy day (One-time Spending account) ² | 95,908 | - | - | - | - |
| Committed for budget stabilization (citywide) ² | 396,760 | 362,607 | 320,637 | 320,637 | 330,010 |
| Committed for Recreation & Parks savings reserve | 803 | 803 | - | - | - |
| <u>Assigned, not available for appropriation</u> | | | | | |
| Assigned for encumbrances | \$351,446 | \$394,912 | \$407,137 | \$462,668 | \$424,301 |
| Assigned for appropriation carryforward | 496,846 | 630,759 | 753,776 | 940,213 | 840,748 |
| Assigned for budget savings incentive program (Citywide) | 86,979 | - | - | - | - |
| Assigned for salaries and benefits ³ | 28,965 | 25,371 | 5,088 | 17,921 | 27,927 |
| Assigned for Self-Insurance ⁴ | - | - | 42,454 | 45,567 | 46,496 |
| Assigned for Hotel Tax Loss Contingency | - | - | 6,000 | 3,500 | 3,500 |
| Total Fund Balance Not Available for Appropriation | \$1,686,776 | \$1,643,521 | \$1,649,631 | \$1,905,045 | \$1,787,521 |
| <u>Assigned and unassigned, available for appropriation</u> | | | | | |
| Assigned for litigation & contingencies ³ | \$186,913 | \$160,314 | \$173,591 | \$235,133 | \$259,230 |
| Assigned for subsequent year's budget | 210,638 | 370,405 | 173,989 | 307,743 | 122,701 |
| Unassigned for General Reserve ⁵ | 130,894 | 78,498 | 78,333 | 57,696 | 64,707 |
| Unassigned - Budgeted for use second budget year | 285,152 | 84 | - | 149,695 | 291,710 |
| Unassigned - Projected for use third and fourth budget year | - | - | - | 163,400 | 81,190 |
| Unassigned - Reserve for Other Contingencies | 308,000 | - | - | - | - |
| Unassigned - COVID-19 Contingency Reserve ⁶ | - | 507,400 | 113,500 | 13,999 | - |
| Unassigned - Federal & State Emergency Revenue Reserve ⁶ | - | - | 100,000 | 81,300 | 81,300 |
| Unassigned - Fiscal Cliff Reserve ⁶ | - | - | 293,900 | 229,750 | 220,432 |
| Unassigned - Business Tax Stabilization Reserve | - | - | 149,000 | 29,454 | 29,454 |
| Unassigned - Gross Receipts Prepayment Reserve | - | - | 26,000 | - | - |
| Unassigned - Public Health Use in FY 2023-24 | - | - | - | - | 21,213 |
| Unassigned - Other Reserve | - | 3,000 | 13,807 | 1,021 | 1,021 |
| Unassigned - Available for future appropriation | 8,897 | 18,283 | 31,784 | 39,795 | 3,126 |
| Total Fund Balance Available for Appropriation | \$1,130,494 | \$1,137,984 | \$1,153,904 | \$1,308,986 | \$1,176,084 |
| Total Fund Balance, Budget Basis | \$2,817,270 | \$2,781,505 | \$2,803,535 | \$3,214,031 | \$2,963,605 |
| <u>Budget Basis to GAAP Basis Reconciliation</u> | | | | | |
| Total Fund Balance - Budget Basis | \$2,817,270 | \$2,781,505 | \$2,803,535 | \$3,214,031 | \$2,963,605 |
| Unrealized gain or loss on investments | 16,275 | 36,626 | 3,978 | (156,403) | (158,859) |
| Nonspendable fund balance | 1,259 | 1,274 | 2,714 | 4,134 | 1,174 |
| Cumulative Excess Property Tax Revenues Recognized on Budget Basis | (23,793) | (20,655) | (31,745) | (32,874) | (40,685) |
| Cumulative Excess Health, Human Service, Franchise Tax and other Revenues on Budget Basis | (87,794) | (139,590) | (120,569) | (118,791) | (111,163) |
| Inventories | - | 33,212 | 17,925 | - | - |
| Pre-paid lease revenue | (6,194) | (6,450) | (5,734) | (4,954) | (5,935) |
| Total Fund Balance, GAAP Basis | \$2,717,023 | \$2,685,922 | \$2,670,104 | \$2,905,143 | \$2,648,137 |

¹ Additional information in "Rainy Day Reserve" section of Appendix A.

² Additional information in "Budget Stabilization Reserve" section of Appendix A.

³ Additional information in "Salaries, Benefits and Litigation Reserves" section of Appendix A.

⁴ Due to GASB 84 implementation, the self-insurance and other general City activities from the former Payroll (Agency) Fund became part of the General Fund.

The balance represents a fund collected and restricted for self-insurance purpose.

⁵ Additional information in "General Reserve" section of Appendix A.

⁶ Additional information in the "COVID Response and Economic Loss Reserve, Federal and State Emergency Grant Disallowance Reserve, and Fiscal Cliff Reserve" section of Appendix A.

Source: Office of the Controller, City and County of San Francisco.

Original Budget for Fiscal Years 2023-24 and 2024-25 and Revenue Letter

On June 1, 2023, the Mayor submitted a proposed balanced budget for fiscal years 2023-24 and 2024-25 to the Board of Supervisors. On July 25, 2023, the Board of Supervisors passed a final budget, and the Mayor approved this budget on July 27, 2023 (the “FY24 & FY25 Original Budget”).

The FY24 & FY25 Original Budget totals \$14.6 billion for fiscal year 2023-24 and \$14.5 billion for fiscal year 2024-25. The General Fund portion is \$6.8 billion in fiscal year 2023-24 and \$7.0 billion in fiscal year 2024-25. There are 33,402 funded full-time equivalent positions in fiscal year 2023-24 and 33,562 in fiscal year 2024-25, representing year-over-year increases of 194 and 160 positions, respectively.

The Charter requires that the Controller comment on revenue estimates assumed in the Mayor’s fiscal year 2023-24 and fiscal year 2024-25 proposed budget. These comments were issued in the Revenue Letter on June 12, 2023. The revenue estimates assumed in the proposed budget were not materially different from the budget finally passed and approved later in the summer.

As described herein, subsequent reports have been issued, which have identified additional financial pressures.

In the Revenue Letter, the Controller’s Office found tax revenue assumptions to be reasonable but cautioned that they were highly dependent on conditions in the local economy, will require frequent monitoring, and are subject to updates as conditions change. The report also noted the budget relies heavily on one-time funds to support operations during the two-year budget period, and a structural gap in excess of \$500 million is likely to persist following the exhaustion of those funds.

Key findings in the June 2023 Revenue Letter included:

- **Tax revenue projections generally assumed a continuing but slow economic recovery from the pandemic, with a significant drag created by the continuing effect of remote office work on economic activity in the City.** Most economically sensitive taxes, such as sales and hotel taxes, were projected to grow during the coming two years, but in most cases remain below pre-pandemic levels. However, the continuity of remote work and high interest rates were projected to continue to have significant impacts on the City’s property, business, and property transfer taxes. Tax increases adopted by the voters in recent years were projected to contribute to modest overall General Fund tax revenue growth of 0.6% in fiscal year 2023-24 and 3.3% fiscal year 2024-25.
- **The budget assumed nearly \$1 billion of General Fund one-time solutions over the two budget years.** These one-time solutions included drawdown of \$405.0 million in prior year fund balance, including \$117.2 million in prior continuing appropriations the Mayor’s budget proposed to close; \$250.0 million of FEMA reimbursement for previously incurred emergency response costs; \$172.3 million of reserve drawdowns; and other one-time solutions. Additionally, the budget proposed \$125.9 million of short-term shifts of costs in other funds, with a significant portion designed to achieve General Fund savings.
- **The budget further drew on available reserves but maintained the City’s economic stabilization reserves.** The budget used \$172.3 million of reserves established in prior years. By the end of the two-year budget period, the City will have used approximately \$620 million (or 43%) of its \$1.4

billion of pre-pandemic reserves to support on-going operations. The Mayor’s proposed budget maintained a balance of \$380.3 million in the combined Rainy Day and Budget Stabilization reserves (also known as combined “Economic Stabilization Reserves”). Required General Reserve funding levels are maintained in the proposed budget.

- **The proposed budget made some limited progress towards projected structural budget gaps in years beyond the coming two-year budget period.** The projected structural budgets, published in March 2023, forecasted a structural budget gap of \$724 million in fiscal year 2025-26, growing in subsequent years, absent ongoing corrective action by policy makers. Based on a preliminary review of the mix of ongoing and one-time solutions proposed in the Mayor’s budget, the Controller’s Office estimated a likely shortfall in excess of \$500 million in fiscal year 2025-26, growing in subsequent years.
- **The final adopted budget will require active monitoring and management by the Mayor and Board of Supervisors given a number of economic and financial risks.** These risks include the possibility of a slowing economic recovery or a recession, delays in the recertification of Laguna Honda Hospital, and risks associated with both State and Federal revenues streams. See “BUDGETARY RISKS – Laguna Honda Hospital Loss of Federal Funding” for more information on the recertification of Laguna Honda Hospital.

Five-Year Financial Plan Update: FY2024-25 through FY2027-28 and Mayor’s Budget Instructions

The Five-Year Financial Plan (the “Five-Year Plan”) is required under Proposition A, a charter amendment approved by voters in November 2009. The Charter requires the City to forecast expenditures and revenues for the next five fiscal years, propose actions to balance revenues and expenditures during each year of the Plan, and discuss strategic goals and corresponding resources for City departments. Proposition A required that a Five-Year Plan be adopted every two years. Charter Section 9.119 requires that by March 1 of each odd-numbered year, the Mayor submit a Five-Year Plan to the Board. The City’s Administrative Code requires that by March 1 of each even-numbered year, the Mayor, Board of Supervisor’s Budget Analyst, and Controller submit an updated estimate for the remaining four years of the most recently adopted Five-Year Plan.

On December 22, 2023, the Mayor, Board of Supervisor’s Budget Analyst, and Controller issued the Five-Year Financial Plan Update for fiscal years 2024-25 through 2027-28 (the “December 2023 Five-Year Plan Update”), which projected annual shortfalls of \$244.7 million, \$554.5 million, \$945.1 million, and \$1,349.7 million, respectively. The Five-Year Financial Plan Update released on March 29, 2024, (the “March 2024 Joint Report”) updated this forecast, with annual shortfalls of \$235.9 million, \$553.3 million, \$927.0 million, and \$1,361.6 million in fiscal year 2024-25 through 2027-28, respectively. These updates are the result of modest improvement in current year fund balance, modest changes to the revenue forecast, higher employee benefit costs, and nominal updates to other citywide expenditures since the December 2023 Five-Year Plan Update was released.

The Charter requires that each year’s budget be balanced. Based on the forecast in the December 2023 Five-Year Plan Update, the Mayor’s Budget Office issued instructions to departments in December 2023 to reduce their expenditures by 10% in fiscal years 2024-25 and 2025-26, respectively, in order to close the gap between projected sources and uses. Departments were also required to submit a 5% contingency reduction.

These reductions were in addition to October 2023 instructions from the Mayor’s Office to departments to reduce fiscal year 2023-24 General Fund expenditures by 3% in the current fiscal year, as well as propose ongoing cuts in fiscal year 2024-25 and fiscal year 2025-26. Departments proposed, and the Mayor’s Office accepted, expenditure reductions and new revenues of approximately \$75 million in fiscal year 2023-24 and expenditure savings of \$38 million in fiscal year 2024-25 and fiscal year 2025-26. These savings were assumed in the December 2023 Five Year Plan update.

TABLE A-5(a)

| CITY AND COUNTY OF SAN FRANCISCO | | | | |
|--|-------------------------------------|---------------------------|---------------------------|---------------------------|
| Five Year Financial Plan | | | | |
| Fiscal Years 2024-25 through 2027-28 | | | | |
| Projections as of March 29, 2024 | | | | |
| (\$ Millions) | | | | |
| | Change from FY 2023-24 Budget | Change from FY 2024-25 | Change from FY 2025-26 | Change from FY 2026-27 |
| | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
| Sources - Increase / (Decrease): | \$3.8 | \$191.4 | \$206.6 | \$203.0 |
| Uses: | | | | |
| Baselines & Reserves | (\$9.9) | (\$68.8) | (\$146.3) | (\$257.0) |
| Salaries & Benefits | (170.1) | (356.4) | (480.6) | (635.9) |
| Citywide Operating Budget Costs | (95.2) | (299.3) | (404.1) | (505.1) |
| Departmental Costs | 35.4 | (20.3) | (102.5) | (166.7) |
| Total Uses - (Increase) / Decrease: | (\$239.8) | (\$744.7) | (\$1,133.6) | (\$1,564.6) |
| Cumulative | | | | |
| Projected Surplus / (Shortfall) | (\$235.9) | (\$553.3) | (\$927.0) | (\$1,361.6) |
| Two-Year Deficit | (\$789.3) | | | |

Key assumptions in the March 2024 Joint Report:

- Net general fund revenues are largely unchanged from the December 2023 Five-Year Plan Update. The December 2023 Five-Year Plan Update forecast General Fund tax revenue to grow year-over-year but slower than previously projected. Total General Fund taxes are projected to grow each year, by 0.4% in fiscal year 2023-24, 0.9% in fiscal year 2024-25, and an average of 2.8% in fiscal year 2025-26 through fiscal year 2027-28. This tepid revenue growth is partly related to structural changes in the local economy. Ongoing patterns of remote work, along with high interest rates, are expected to lead to declining commercial and residential real estate values, affecting property and transfer taxes. Increasing interest rates and depressed levels of venture capital investment have a negative impact on the technology sector, and the City’s business tax revenue. The March 2024 Joint Report forecast lowers property tax revenues due to assumption about refunds triggered by reductions in value as appeals are resolved through the Assessment Appeals Board and decreased excess ERAF expectations. However, gross receipts and overpaid executive taxes are higher in the March 2024 Joint Report forecast, largely driven by greater than expected current year receipts.

In addition, the City is expected to receive its last reimbursement from the Federal Emergency Management Agency (FEMA) for the COVID-19 public health emergency in fiscal year 2025-26. An additional \$21.8 million of FEMA reimbursements for 2023 winter storms are assumed in the March 2024 Joint Report. The City's tourism and hospitality sector is expected to continue its recovery through the plan period at a slower pace than previously anticipated and is not expected to recover to pre-pandemic levels until after the plan period, impacting hotel, sales tax, and State sales tax-based subventions.

The March 2024 Joint Report assumes additional public health one-time and operating revenues driven by fee for service, supplemental, and capitation payments.

- Fiscal year 2023-24 mid-year General Fund savings: In October 2023, the Mayor issued instructions to City departments to propose budget reductions in the current fiscal year in anticipation of a significant structural deficit. The Mayor's Office reviewed proposals to pause uninitiated programs, eliminate vacant positions, take advantage of new revenues, and begin scaling back certain programs. As a result, \$48 million of expenditures have been placed on reserve in fiscal year 2023-24 and \$26 million in new revenues were to be reported in the FY23-24 Six-Month Report. Based on these changes, this forecast assumes an increase in current year ending balance of approximately \$75 million, and ongoing savings of approximately \$38 million in each year beginning in fiscal year 2024-25.
- Assumes previously negotiated wage increases and inflationary increases for open contracts in line with Consumer Price Index ("CPI"): This projection assumes approved wage increases in collective bargaining agreements for miscellaneous employees through the end of fiscal year 2023-24, and as negotiated for public safety employees through fiscal year 2025-26. Miscellaneous contracts are open beginning in fiscal year 2024-25 and public safety contracts are open beginning in fiscal year 2026-27. All open contracts assume the average of the inflation projections of the California Department of Finance SF Metropolitan Statistical Area CPI and Moody's SF Metropolitan Area CPI, updated in the March 2024 Joint Report to equal 2.54% for fiscal year 2024-25, 2.53% for fiscal year 2025-26, 2.56% for fiscal year 2026-27, and 2.23% for fiscal year 2027-28, applied to the first pay period in January 2025 of fiscal year 2024-25 and the first pay period of each fiscal year thereafter in the projection period. Importantly, these assumptions do not indicate a willingness or ability to negotiate wage increases at these levels and are used solely for projection purposes.
- Pension investment returns of 7.2% per year: This report assumes the actuarially assumed rate of return on pension system investments of 7.2% per year, as affirmed by the Retirement Board in November 2023. Employer contributions to both SFERS and CalPERS are estimated using projected rates provided by these entities.
- Health insurance cost increases: This projection assumes that the employer share of health insurance costs for active employees will increase by 9.3% in fiscal year 2024-25, then 7% in each following year, for an average of 7.6% annually over the projection period. Dental insurance costs are projected to decrease by 2.3% in fiscal year 2024-25, then increase by 3.3% for each remaining year, an average of 1.9% annually for the projection period. Retiree health costs are assumed to grow by 9.0% in fiscal year 2024-25, 7.6% in fiscal year 2025-26, 7.3% in fiscal year 2026-27, and 7.1% in fiscal year 2027-28, an average of 7.7% annually over the projection period.

- Inflationary increase on non-personnel operating costs: This projection assumes that the cost of materials and supplies, professional services, and other non-personnel operating costs will increase by the rate of CPI starting in fiscal year 2024-25 and each fiscal year thereafter at the average of the inflation projections of the California Department of Finance SF Metropolitan Statistical Area CPI and Moody's SF Metropolitan Area CPI, updated in the March 2024 Joint Report forecast to 2.54% for fiscal year 2024-25, 2.53% for fiscal year 2025-26, 2.56% for fiscal year 2026-27, and 2.28% for fiscal year 2027-28. The projection reflects the adopted fiscal year 2023-24 and fiscal year 2024-25 budget, which included a 3.75% cost-of-doing business increase for General Fund nonprofit contracts.
- Ten-Year Capital Plan, Five-Year Information and Communications Technology (ICT) Plan, and inflationary increases on equipment: The projection assumes the adopted fiscal year 2023-24 funding level for capital, equipment, and information technology (IT). For capital, this report assumes the budgeted Capital Plan level of funding in fiscal year 2024-25. In the remaining years the report assumes funding will catch up to the City's fiscal year 2024-33 Ten-Year Capital Plan, which was released in 2023. The IT investment projection assumes full funding of the City's Information and Communications Technology (ICT) Plan in fiscal year 2024-25 through fiscal year 2027-28. For equipment, this plan assumes the budgeted level of funding in fiscal year 2024-25, and growth of CPI in the subsequent three fiscal years.
- Deposits and withdrawals from reserves: The forecast assumes no reserve withdrawals beyond those previously budgeted. The projection assumes deposits to the General Reserve in each fiscal year, consistent with the financial policies adopted by the Board of Supervisors and codified in Administrative Code Section 10.60(b). As the City's economy recovers, the General Reserve value will increase from 2.0% of General Fund revenues in the current year to 3.0% by fiscal year 2027-28. Additionally, the projection assumes deposits of \$32.8 million and \$99.9 million to the Budget Stabilization Reserve in fiscal year 2026-27 and fiscal year 2027-28 as the City's real property transfer tax is expected to exceed the average five-year transfer tax level in those years, triggering required deposits.

The March 2024 Joint Report, February 2024 Six Month Report, and December 2023 Five-Year Plan Update noted key factors that could materially impact the City's financial condition, including the following:

- Recent downward revision to local employment numbers: On March 22, 2024, the Employment Development Department (EDD) released a significant revision to its employment data, showing San Francisco and San Mateo counties lost 34,100 jobs between July 2022 and February 2024, with the largest downward revisions in the information and professional, scientific, and technical services industries, which are the primary office-using sectors in San Francisco. The revised figures reflect technology-sector layoffs since 2022, reversing the City's previous understanding that these job losses were absorbed by overall growth in the technology industry. This additional information increases downside risk to the forecast.
- Elevated interest rates are dampening investment and growth at the state and local levels. Successive Federal Reserve interest rate increases appear to have slowed inflation, and professional "Blue Chip" forecasters believe a "soft landing" will likely be achieved nationally. However, high interest rates have an outsized effect on San Francisco's economy, which is highly concentrated in technology firms. Even if rate cuts occur in 2024, as the Fed has suggested, they

will remain high compared to the historically low rates enjoyed in the years before and during the pandemic. Hiring and growth at technology firms is tied to venture capital investment, which has fallen locally to \$21 billion for the first three quarters of 2023, compared to \$46 billion in 2022 and \$81 billion in 2021, as high interest rates make venture capital investment less attractive. Declining venture capital investment in the technology sector and related reductions in tech firm expenditures would most directly affect business taxes, but would also affect sales, hotel, and property-related taxes.

Additionally, high interest rates, along with the “stickiness” of hybrid work, suppress sales and values of both commercial and residential real estate. The handful of recent office sales in the \$150-\$300 per square foot range represent an average price drop of over 60% from their prior prices and current assessed values, and while average California home prices are rising, those in San Francisco remain flat. The forecast assumes that the City’s property and transfer taxes will be significantly impacted as the market adjusts to a new equilibrium over the coming decade.

- Recession risk. While the budget deficit is very large, the underlying revenue forecast does not assume a recession. Overall growth rates of General Fund taxes are projected each year, at 0.4% in fiscal year 2023-24, 0.9% in fiscal year 2024-25, and an average of 2.8% annually in fiscal year 2025-26 through fiscal year 2027-28. Should interest rates or other factors cause employment or wage levels to falter, or there is some other external economic shock, General Fund tax revenue would likely be significantly impacted. A recession scenario is detailed in the last section below. Over the plan period, a recession could worsen the deficit by nearly \$1 billion, even accounting for the use of the City’s economic stabilization reserves, reductions to General Reserve deposits, and baseline transfers.
- State budget impacts: This report does not assume significant changes in state or federal funding levels. However, on December 7, 2023, the State Legislative Analyst’s Office (the “LAO”) released their fiscal year 2024-25 fiscal outlook, projecting a \$68.0 billion deficit, primarily driven by weaker than anticipated 2023 income tax revenue. The shortfall will require the state to reduce expenditures, potentially in ways that reduce local government revenues such as excess Educational Revenue Augmentation Fund (“ERAF”) revenue, grants, and other programs. Flat or falling state sales tax will reduce subventions of state sales tax for public safety, health, and human services.

The March 2024 Joint Report forecast does not assume the policy changes proposed in the Governor’s January budget, including an increase in the amount of ERAF sent to school districts to distribute to charter schools, which would reduce City excess ERAF revenues by \$43 million annually, or proposed reductions to social service subventions. The Governor will introduce changes to the fiscal year 2024-25 state budget in early May, which will be further amended by the state legislature. Given the state’s budget shortfall, the City intends to monitor budget legislation for changes that would affect excess ERAF and other local revenues.

- Potential revenue risk from FEMA reimbursements for COVID-19 related expenses. The City assumes it will receive a total of \$572.2 million of FEMA reimbursements for its COVID-19-related expenditures, unchanged from the March 2023 Five Year Financial Plan Update. However, fiscal year 2022-23 experience illustrates the risk inherent in these assumptions, when only \$2.6 million of the \$243.4 million budgeted FEMA revenue was realized by year end. While the City considers

this a payment delay versus a disallowance, any changes in guidance or further audits of the City's submissions could be a risk to this revenue.

The City and dozens of peer jurisdictions in the state are in active discussions with FEMA Region 9 regarding recently published guidance on eligible costs for non-congregate shelter (NCS) services, which San Francisco provided through the Shelter in Place (SIP) hotel program. This new guidance caps reimbursement for stays in SIP hotels to 20 days after June 11, 2021, and states that unoccupied rooms are generally ineligible for reimbursement. The City has reported to the California Office of Emergency Services (CalOES) that the new guidance could potentially place \$114.0 million of claimed FEMA reimbursement at risk for the cost of SIP hotels for vulnerable populations past the 20-day cap, and an additional \$76.0 million at risk for the cost of pre-positioned vacant hotels and will continue working with CalOES and FEMA representatives on next steps.

- Retirement contribution rate: Projections assume the SFERS adopted 7.2% rate of return in fiscal year 2023-24; however, year-to-date returns through February 29, 2024, were 5.7%. Additionally, returns reported in the final audited valuation at the end of the fiscal year can vary from the year-to-date return value due to market volatility and the additional time required to get private market valuations. Final results below the 7.2% assumption will result in higher retirement contribution costs during the forecast period.
- Business tax litigation: As of June 30, 2023, the City has reserved more than \$400 million of tax collections for litigation risk, including almost \$200 million in gross receipts tax and almost \$150 million in homelessness gross receipts tax. The legal issues vary by claimant; however, the recent acceleration of litigation underscores the growing complexity of the City's business tax regime and the impact that a few payers can have on the City's revenue outlook. Although more than 10,000 businesses pay the gross receipts tax that accrues to the General Fund, the top ten payers accounted for 27% of the revenue in tax year 2022. The top ten payers accounted for 31% of all business taxes – including gross receipts, homelessness gross receipts, commercial rents, and overpaid executive taxes – in tax year 2022. The business tax forecast considers all known litigation initiated as of the report publication date.
- Pending Policy Decisions with Fiscal Impact: Legislative or voter-approved increases to existing baselines, set-asides, or other new spending increases without commensurate revenue increases from new funding sources will impact the projections included in this report. For example, in early March, the Mayor introduced legislation to amend the Development Agreement between the City and County of San Francisco and Treasure Island Community Development, LLC ("TICD"), the entity developing Treasure Island, as well as the Disposition and Development Agreement between the Treasure Island Development Authority and TICD. The amendment would alter the financing plan to help fund the development of infrastructure on the island and result in 20-25 years of lease payments from the City's General Fund starting in fiscal year 2025-26 or fiscal year 2026-27, pending final financing details. This would result in increased costs to the General Fund of approximately \$11 million to \$14 million annually.

Other Budget Updates: Fiscal Year 2023-24 Six-Month Budget Status Report

The Six-Month Budget Status Report for fiscal year 2023-24 (the "Six-Month Report") was released on February 15, 2024. The Six-Month Report projected a General Fund ending balance of \$459.7 million in

fiscal year 2023-24, a \$34.5 million improvement from the December 2023 Five-Year Plan Update. Application of this additional current year fund balance would decrease the projected shortfall in the upcoming two-year budget to \$764.7 million. The improvement was largely driven by revenue in the Department of Public Health, offset by weakness in tax and other department revenue.

TABLE A-5(b)

Six-Month Report
Fiscal Year 2023-24 Projected General Fund Variances to Budget (\$ millions)

| | <u>Five Year Plan vs FY24 Budget</u> | <u>Six-Month Report vs FY24 Budget</u> | <u>Change from Five Year Plan to Six- Month Report</u> |
|---|--|--|--|
| FY 2022-23 Ending Fund Balance | 417.5 | 417.5 | - |
| Appropriation in the FY 2023-24 Budget | (414.4) | (414.4) | - |
| Prior Year Fund Balance Above Budgeted Levels | 3.1 | 3.1 | - |
| Citywide Revenue | (42.9) | (117.4) | (74.6) |
| Baseline Contributions | (4.3) | 22.7 | 26.9 |
| Departmental Operations | 96.4 | 178.4 | 82.0 |
| Current Year Revenues and Expenditures | 49.3 | 83.7 | 34.5 |
| Approved Use of General Reserve | - | - | - |
| Public Health Revenue Management Reserve | - | - | - |
| Supplemental Appropriations & Use of Reserves | - | - | - |
| Previously Unappropriated Fund Balance | 81.2 | 81.2 | - |
| Fund Balance Previously Appropriated in FY 2024-25 | 291.7 | 291.7 | - |
| FY 2023-24 Projected Ending Balance | 425.3 | 459.7 | 34.5 |

The following are highlights of fiscal year 2023-24 projections in the Six-Month Report:

- A \$117.4 million projected citywide revenue shortfall is due to weakness across numerous tax and other revenue sources, an increase in the shortfall of \$74.6 million from prior projections. Property tax projections have been updated to include the need to reserve an additional \$36.0 million for appeals on the full complement of 2023 assessed values of commercial properties, which were not known at the time of the Six-Month Report. An additional shortfall of \$48.4 million in business tax reflected the impact of litigation brought against the City and refunds for prior tax years recorded in the current year. Modestly larger shortfalls in sales and hotel taxes from prior projections reflected additional monthly revenue performance. While still \$33.6 million below budget, transfer tax projections were \$18.2 million higher than previous projections given November 2023 collections resulting from demand letters issued by the Assessor. There was no change from the previous projection of FEMA revenue. Departments are projected to end the year with a \$178.4 million net operating surplus. This included \$78.4 million of expenditure savings and additional revenues identified by departments in response to the Mayor’s September request for mid-year cuts, which are largely projected to be realized. The \$82.0 million increase

from prior projection was largely due to a \$67.3 improvement at the Department of Public Health, which was primarily composed of revenue surpluses at Zuckerberg San Francisco General Hospital, behavioral health, and primary care. In addition, there were modest salary and benefit savings across a wide array of departments, citywide retiree health savings, and overhead fund savings at Recreation and Parks.

BUDGETARY RISKS

In addition to the budgetary risks described below, see “CITY BUDGET – Other Budget Updates: Fiscal Year 2023-24 Six-Month Budget Status Report” for the most recent periodic budget status updates released from the Controller’s Office, as required by Section 3.105 of the City Charter.

Threat of Recession

Geopolitical events, successive interest rate increases by the Federal Reserve to combat inflation, and financial turmoil in the banking sector have increased expectations of recession in financial markets. A recession could adversely impact the City’s economy and the financial condition of the General Fund. During the “Great Recession” that occurred nationally from December 2007 to June 2009 (according to the U.S. National Bureau of Economic Research), California real GDP growth slowed for five consecutive quarters from the third quarter of 2008 to the third quarter of 2009 and did not return to pre-recession level of output until three years later in the third quarter of 2012. The unemployment rate rose steadily from 4.9% in the fourth quarter of 2006 to peak at 12.3% in the fourth quarter of 2010 and did not return to the pre-recession level until the second quarter of 2017.

Impact of Commuting Pattern Changes on Business Taxes

The persistence of remote work results in continued pressure on the City’s General Fund revenues. Approximately half of workers in major tax-paying sectors such as professional services, financial services, and information live outside of San Francisco. Continued high levels of telecommuting and work from anywhere policies may affect how much of any business’s gross receipts are apportionable to the City. Muni metro and downtown BART ridership have not returned to pre-pandemic levels, and both have recently dropped off from summer highs. Indicators of auto use – bridge crossings and freeway speed – both indicate less traffic. As of January 2024, bridge crossings into and out of the City dropped to about 83% of pre-pandemic levels. Comparatively, the bridge crossings were at their post-pandemic peak in August 2023 at approximately 95% of pre-pandemic levels.

Businesses owe gross receipts tax only on their employees physically working within the City. For certain categories of businesses, the gross receipts tax is also dependent on their San Francisco payroll. Thus, the sharp rise in telecommuting has resulted in reduced business taxes and, if the change becomes permanent, could negatively impact the City for the foreseeable future. Although some City residents who previously commuted out of the City are now telecommuting from within the City, many of these residents work for employers who do not have a nexus in the City, and thus are not subject to business taxes.

On July 12, 2023, the Office of the Controller issued a memorandum to the Board of Supervisors in response to a request from one of the Board of Supervisors of how the City’s business tax system is being challenged by the recent trends towards remote working (the “Business Tax Memorandum”).

The Business Tax Memorandum summarized that during the 2010s, the rapid growth of the tech industry, and the entire City economy, fueled growth in City tax revenues, particularly from business taxes. The City, which started the decade with the highest business tax burden of any city in California, further raised that burden with several rate increases and new taxes. However, none of these changes stopped the City from being one of the fastest growing cities in the country during the 2010s, although it did deepen three sources of risk in the City's finances.

First, the City's business tax revenue increasingly comes from a smaller handful of large taxpayers, mainly in the technology sector. These businesses could potentially reap substantial tax savings by locating in other Bay Area tech centers. With the persistence of hybrid work, most of them are currently reducing their office space needs in the City, and elsewhere.

Secondly, the City is increasingly reliant on taxes on the leasing and sale of commercial office properties. Remote work has led to a reduced volume of transactions of these properties, and there is some evidence of a marked reduction in property values. Both trends lead to revenue weakness for the City.

Finally, the business tax memorandum noted that both structural changes in the City's economy, and policy choices to make the tax system more progressive, have had the effect of raising overall revenue volatility by concentrating revenue in a few payers. This runs counter to a long-standing City policy goal of minimizing volatility by broadening the tax base.

See "General Fund Revenues – Other City Tax Revenues" for a discussion of the Business Taxes, Real Property Transfer Tax and Overpaid Executive Tax referenced in the Business Tax Memorandum.

Office Vacancy in San Francisco; Impact on Property Taxes and Other Revenues

The City has experienced the largest increase in office vacancy among major urban office markets in the United States, from 5.6% in the 4th quarter of 2019 to 32.1% in the 4th quarter of 2023. Because of the prevalence of long-term leases in the commercial real estate industry, sudden reductions in demand often result in increases in sublease vacancy, instead of direct vacancy. Sublease vacancy occurs when existing tenants vacate their space and seek to find sub-lessees, but continue to pay rent under the original lease. A direct vacancy occurs when the original lease has been broken, or has expired and not been renewed. In this case, the property's income declines until a new lease is signed. In the City, sublease vacancies were a very high percentage (80-90%) of office vacancies during 2020 and 2021. In 2022, the sublease vacancy rate declined, while the direct vacancy rate continued to rise, and by mid-2022, direct vacancies accounted for most of the vacant office space in San Francisco, according to Jones Lang LaSalle IP, Inc. These historically high office vacancy rates are projected to be between 15.8% and 36.9% by 2027, a range which is as high, or higher, than any previous peak in office vacancy dating back to the 1990s. If vacancy rates remain at this elevated level, and a large share of these are direct vacancies, then the income, and market value, of office buildings in the City are likely to continue to be negatively affected. The market value of commercial real estate reflects the current and future income that the market expects the property to generate. If expectations of future income streams are reduced, then the market value of office properties will be reduced.

A reduction in demand from tenants is not the only thing that could reduce the market value of San Francisco office buildings in the near future. Using an income valuation approach, the market value of properties is commonly estimated as the property's net operating income, divided by its capitalization rate (its effective rate of return). Capitalization rates are generally calculated from the sales of comparable

properties, and vary across markets, and over time, according to changes in investors' perception of risk, and the risk-free rate of return. When investors perceive greater risk, they require a higher rate of return, and the spread between that asset's capitalization rate and the risk-free rate widens. When the capitalization rate rises, for whatever reason, the market value of a property will decline, all other things being equal.

The market value of a property is important for property tax revenue because a property's assessed value – the basis of its property tax liability – may not exceed its market value. If a property owner believes a property is assessed above its market value, they can request a reduction in assessment from the Assessor, and/or appeal a decision to the Assessment Appeals Board.

Under California's Proposition 13, however, a property's assessed value may grow by no more than 2% per year, unless a sale or other assessable event (like new construction) prompts a reassessment. In the City, for several decades, the average market value of most classes of property has increased by well more than 2% annually. Proposition 13 has thus created a situation in which most City properties that have not been recently sold are assessed at levels below their market value. Most properties would not be over-assessed, and property tax revenue would not be at risk, if their market values declined by a small amount. In other words, Proposition 13 effectively cushions the City's property tax base from downturns in property markets, at the cost of reduced growth in property tax revenue during periods of strong economic growth.

Given assessment appeal hearing timelines, there is a significant lag between the filing of appeals and completion of hearings at the Assessment Appeals Board ("AAB"). In the interim, published reports reflect the estimated loss of assessed value due to both currently filed and expected future office appeals through the end of the forecast period, reaching \$15.9 billion by fiscal year 2027-28. As of June 30, 2023, the City is holding \$147.4 million in AAB reserves for the General Fund's portion of refunds on approximately \$25.13 billion in prior years' assessed value reductions, plus interest. Reserve balances are projected to grow given the capacity for hearings and requests for delays from commercial property owners' agents. Total prior assessment year reductions assumed for this projection are \$11.46 billion, \$18.82 billion, \$19.07 billion, \$22.66 billion, and \$22.50 billion in assessed values for fiscal year 2023-24 through fiscal year 2027-28, respectively. As of the December 2023 Joint Report, General Fund property tax revenue required to pay refunds that result from AAB decisions is estimated at \$74.0 million, \$104.6 million, \$106.0 million, \$126.0 million, and \$125.1 million, for fiscal years 2023-24 through 2027-28, respectively, directly reducing property tax revenue in the year of deposit.

The City cannot predict the actual level of revenues losses, however the City will continue to account for these trends in its periodic reports. See "CITY BUDGET — Other Budget Updates: Fiscal Year 2023-24 Six-Month Budget Status Report" and "CITY BUDGET – Original Budget For Fiscal Years 2023-24 and 2024-25 and Revenue Letter" for additional information.

Potential City Acquisition of PG&E Distribution Assets

On January 29, 2019, PG&E filed for Chapter 11 bankruptcy protection to shield itself from potential wildfire liability that was estimated upwards of \$30 billion. Taxes and fees paid by PG&E to the City total approximately \$75 million annually and include property taxes, franchise fees and business taxes, as well as the utility user taxes it remits on behalf of its customers.

On June 20, 2020, the United States Bankruptcy Court for the Northern District of California confirmed PG&E's Plan of Reorganization, and on July 1, 2020 PG&E announced that it had emerged from Chapter 11 bankruptcy. As part of its restructuring, on June 9, 2020, PG&E announced that it would be relocating its business headquarters, currently located at 245 Market Street and 77 Beale Street in San Francisco, to Oakland. The relocation was expected to occur in June 2022.

During the pendency of the PG&E bankruptcy, on September 6, 2019 the City submitted a non-binding indication of interest to PG&E and PG&E Corporation to purchase substantially all of PG&E's electric distribution and transmission assets needed to provide retail electric service to all electricity customers within the geographic boundaries of the City (the "Target Assets") for a purchase price of \$2.5 billion (such transaction, the "Proposed Transaction"). In a letter dated October 7, 2019, PG&E declined the City's offer. On November 4, 2019, the City sent PG&E a follow-up letter reiterating its interest in acquiring the Target Assets. To demonstrate public support for the Proposed Transaction, on January 14, 2020, the City's Board of Supervisors and SFPUC's Commission conditionally authorized the sale of up to \$3.065 billion of Power Enterprise Revenue Bonds to finance the acquisition of the Target Assets and related costs, subject to specific conditions set forth in each authorizing resolution.

On July 27, 2021, the City submitted a petition with the California Public Utilities Commission (the "CPUC") seeking formal determination of the value of investor-owned PG&E's local electric infrastructure. The matter is pending before the CPUC and the City can give no assurance about whether or when the CPUC will hold a hearing on the matter.

The City is unable to predict whether it will be able to consummate a final negotiated acquisition price for the Target Assets and, if so, the terms thereof. Any such final terms would be subject to approval by the Board of Supervisors and SFPUC. If consummated, it is expected that such new electric system would be wholly supported by its own revenues, and no revenues of the City's General Fund would be available to pay for system operations, or City General Fund secured bonds issued to acquire the Target Assets. The City is committed to acquiring PG&E's assets and expects to continue its pursuit with the newly reorganized entity.

Impact of Recent Voter-Initiated and Approved Revenue Measures on Local Finances

On August 28, 2017, the California Supreme Court in California *Cannabis Coalition v. City of Upland* (August 28, 2017, No. S234148) ("Upland Decision") interpreted Article XIII C, Section 2(b) of the State Constitution, which requires local government proposals imposing general taxes to be submitted to the voters at a general election (i.e., an election at which members of the governing body stand for election). The court concluded such provision did not apply to tax measures submitted through the citizen initiative process. Under the Upland Decision, citizens exercising their right of initiative may now call for general or special taxes on the ballot at a special election (i.e. an election where members of the governing body are not standing for election). The court did not, however, resolve whether a special tax submitted by voter initiative needs only simple majority voter approval, and not the super-majority (i.e. two-thirds) voter approval required of special taxes placed on the ballot by a governing body. On June 5, 2018 voters of the City passed by majority vote two special taxes submitted through the citizen initiative process: a Commercial Rent Tax for Childcare and Early Education ("June Proposition C") and a Parcel Tax for the San Francisco Unified School District ("Proposition G" and, together with June Proposition C, the "June Propositions C and G"). In addition, on November 6, 2018 voters passed by a majority vote a special tax submitted through the citizen initiative process: a Homelessness Gross Receipts Tax ("November

Proposition C”), a gross receipts tax on larger companies in the City to fund affordable housing, mental health, and other homeless services.

The Upland Decision was subsequently affirmed by the California Supreme Court when it declined to review lower court challenges by plaintiffs in two other San Francisco Cases: City of County of San Francisco v. All Persons Interested in the Matter of Proposition C, 51 Cal. App. 5th 703 (2020) (Court of Appeal rejected a taxpayer challenge to validity of June Proposition C) and City of County of San Francisco v. All Persons Interested in the Matter of Proposition G (July 26, 2021, A16059) (Court of Appeal rejected a taxpayer challenge to validity of Proposition G). In so doing, the Upland Decision was affirmed as binding authority for the proposition that special taxes submitted through a citizen’s initiative process only need pass by a majority vote, and not the supermajority requirement of Article XIII C, Section 2(b) of the State Constitution.

Impact of the State of California Budget on Local Finances

Revenues from the State represent approximately 10% of the General Fund revenues appropriated in the Original Budget for fiscal years 2023-24 and 2024-25, and thus changes in State revenues could have a material impact on the City’s finances. In a typical year, the Governor releases two primary proposed budget documents: 1) the Governor’s Proposed Budget required to be submitted in January; and 2) the “May Revise” to the Governor’s Proposed Budget. The Governor’s Proposed Budget is then considered and typically revised by the State Legislature. Following that process, the State Legislature adopts, and the Governor signs, the State budget. City policy makers review and estimate the impact of both the Governor’s Proposed and May Revise Budgets prior to the City adopting its own budget.

On January 10, 2024, the Governor released a proposed budget that closes a \$37.9 billion shortfall. The budget assumes continued but slowing economic growth that stops short of assuming a recession. There is a difference of opinion on the size of the state budget shortfall, with the LAO and other external entities forecasting a higher shortfall. Income tax filings and decisions of the federal reserve are among the key pieces of data that will be incorporated into the May revised budget. The budget includes a proposal to change State law to require counties to distribute ERAF funds to district-sponsored charter schools, roughly tripling the amount of local property tax dollars going to charter schools and reducing the State’s contribution to Prop 98 funding requirements by a like amount. This would not increase funding for schools, but it would reduce the amount of excess ERAF revenue returned to the City by approximately \$45 million annually. The budget also proposed modest cuts to a number of human services programs, while leaving health programs largely intact.

Due to the timing of the City’s reporting vs the State’s estimates, estimated growth rates in state sales tax and VLF (defined herein) revenues contained in the January proposal have been reflected in the City’s Nine-Month Report projections of state subventions and are included in the recently adopted fiscal year 2023-24 and 2024-25 budget. As discussed under “CITY BUDGET – Five-Year Financial Plan Update: FY 2024-25 through 2027-28 and Mayor’s Budget Instructions” the Five-Year Plan identifies State changes in ERAF allocation as a key factor that could impact the City’s future financial position.

Impact of Federal Government on Local Finances

The City receives substantial federal funds for assistance payments, social service programs and other programs. A portion of the City’s assets are also invested in securities of the United States government. The City’s finances may be adversely impacted by fiscal matters at the federal level, including but not limited to cuts to federal spending.

In the event Congress and the President fail to enact appropriations, budgets or debt ceiling increases on a timely basis in the future, such events could have a material adverse effect on the financial markets and economic conditions in the United States and an adverse impact on the City's finances. The City cannot predict the outcome of future federal budget deliberations and the impact that such budgets will have on the City's finances and operations. The City's General Fund and hospitals, which are supported by the General Fund, collectively receive over \$1 billion annually in federal subventions for entitlement programs, the large majority of which are reimbursements for care provided to Medicaid and Medicare recipients. See "Laguna Honda Hospital Potential Loss of Federal Funding." In addition, tens of thousands of San Franciscans receive federal subsidies to purchase private insurance on the State's health care exchange, Covered California. Efforts to change such subsidies or alter provisions of the Affordable Care Act through regulatory changes could have significant effects on future health care costs.

The federal government provided significant funding to local governments to respond to the public health emergency and mitigate the fiscal effect of the COVID-19 pandemic. The City spent the entirety of its General Fund allocations of Coronavirus Aid, Relief, and Economic Security Act and American Rescue Plan Act State and Local Fiscal Recovery Fund monies as of fiscal year 2021-22 and is awaiting reimbursement of emergency response costs submitted to the FEMA. In fiscal year 2022-23, the City originally budgeted \$243.4 million of FEMA reimbursements. By May 2023, that estimate was revised down to \$23.4 million in that fiscal year, and only \$2.6 million was recorded by year end. In addition to the timing of reimbursements, the City is in communication with both state and federal officials to understand the fiscal effect of recent changes in FEMA cost eligibility guidelines for non-congregate shelter programs, as described above.

Laguna Honda Hospital Potential Loss of Federal Funding

The Laguna Honda Hospital and Rehabilitation Center ("Laguna Honda Hospital") is a skilled nursing facility owned and operated by the City through its Department of Public Health, serving up to 660 patients, most of whom are low income or extremely low income residents. On March 30, 2022, the City received notice from the Centers for Medicare and Medicaid Services ("CMS"), an agency within the federal Department of Health & Human Services ("DHHS") responsible for administering federal health care programs that, effective April 14, 2022, CMS was terminating its contract with the City for Medicare and Medicaid reimbursements for patients at the Laguna Honda Hospital. CMS's notice of termination of Laguna Honda Hospital's provider agreement for Medicare and Medicaid reimbursements relates to a series of incidents from July 2021 to March 30, 2022 that the Laguna Honda Hospital self-reported to the California Department of Public Health ("CDPH", the state agency with delegated authority to enforce all applicable regulations and federal conditions of participation for Medicare and Medicaid) and follow up surveys by CDPH and CMS. CDPH and CMS determined that Laguna Honda Hospital had not substantially complied with the CMS conditions of participation in the Medicare program. Out of the approximately \$308.6 million fiscal year 2021-22 budget for operating the Laguna Honda Hospital, approximately \$202.73 million is paid from reimbursements from CMS. The remaining portion of the budget is paid from the City's General Fund. CMS initially agreed to extend funding at least through November 13, 2022. On October 12, 2022, CMS agreed to extend Medicare and Medicaid payment for services through November 13, 2023, contingent on Laguna Honda meeting requirements aimed at making health and safety improvements at the facility.

On May 18, 2023, CMS, the City, and the CDPH reached an agreement in principle to settle ongoing administrative proceedings and federal court litigation. This settlement will allow Laguna Honda to

continue to receive Medicare and Medicaid payments while addressing the quality improvements needed to ensure resident health and safety. As part of the settlement, CMS extended payments for Medicare and Medicaid services through March 19, 2024, contingent on Laguna Honda meeting requirements aimed at making health and safety improvements at the facility. During this period, Laguna Honda will continue to work on quality improvement efforts while aiming to reapply to participate in Medicare and/or Medicaid.

On August 16, 2023, the CDPH and the state's Department of Health Care Services approved Laguna Honda's recertification for Medicaid, which means Laguna Honda will continue to receive Medicaid payments to provide health care coverage to low-income people. The reinstatement for Laguna Honda for the federal Medicare program is pending.

THE SUCCESSOR AGENCY

Effect of the Dissolution Act

The San Francisco Redevelopment Agency (the "Former Agency") was organized in 1948 by the Board of Supervisors pursuant to the Redevelopment Law. The Former Agency's mission was to eliminate physical and economic blight within specific geographic areas of the City designated by the Board of Supervisors. The Former Agency had redevelopment plans for nine redevelopment project areas.

As a result of ABx1 26 and the decision of the California Supreme Court in the *California Redevelopment Association* case, as of February 1, 2012, (collectively, the "Dissolution Act"), redevelopment agencies in the State were dissolved, including the Former Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies and also to satisfy "enforceable obligations" of the former redevelopment agencies all under the supervision of a new oversight board, the State Department of Finance and the State Controller.

Pursuant to Ordinance No. 215-12 passed by the Board of Supervisors of the City on October 2, 2012 and signed by the Mayor on October 4, 2012, the Board of Supervisors (i) officially gave the following name to the successor to the Former Agency: the "Successor Agency to the Redevelopment Agency of the City and County of San Francisco," (the "Successor Agency") also referred to as the "Office of Community Investment & Infrastructure" ("OCII"), (ii) created the Successor Agency Commission as the policy body of the Successor Agency, (iii) delegated to the Successor Agency Commission the authority to act to implement the surviving redevelopment projects, the replacement housing obligations of the Former Agency and other enforceable obligations and the authority to take actions that ABx1 26 and AB 1484 require or allow and (iv) established the composition and terms of the members of the Successor Agency Commission.

Because of the existence of enforceable obligations, the Successor Agency is authorized to continue to implement, through the issuance of tax allocation bonds, certain major redevelopment projects that were previously administered by the Former Agency. The Successor Agency exercises land use, development and design approval authority for the developed projects. The Successor Agency, in addition to other various City agencies and entities, also may issue community facilities district bonds from time to time to facilitate development in the major approved development projects in accordance with the terms of such enforceable obligations. See also, Table A-33: "Statement of Direct and Overlapping Debt and Long-Term Obligations."

CITY INFRASTRUCTURE FINANCING DISTRICTS

San Francisco has formed numerous special financing districts in order to finance infrastructure improvements benefiting the public in newly developing areas of the City. Projects that may be financed by revenues from special finance districts include, but are not limited to streets, water and sewer systems, libraries, parks, and public safety facilities. Pursuant to California Government Code Section 53395 *et seq.* (“IFD Law”), the Board of Supervisors has formed Infrastructure Financing Districts and Infrastructure Revitalization Financing Districts, and is in the process of forming an Enhanced Infrastructure Financing District (collectively “IFDs”) within the geographic boundaries of the City.

Under IFD Law, municipalities may fund improvements within the IFD geographic boundary. IFDs capture increases in property tax revenue stemming from growth in assessed value as a result of new development and use that revenue to finance infrastructure projects and improvements. Each district has its own plan of finance for the allocation and use of tax increment.

GENERAL FUND REVENUES

The revenues discussed below are recorded in the General Fund, unless otherwise noted.

PROPERTY TAXATION

Property Taxation System – General

The City receives approximately one-third of its total General Fund operating revenues from local property taxes. Property tax revenues result from the application of the appropriate tax rate to the taxable assessed value of property in the City. The City levies property taxes for general operating purposes as well as for the payment of voter-approved bonds. As a county under State law, the City also levies property taxes on behalf of all local agencies with overlapping jurisdiction within the boundaries of the City.

Local property taxation is the responsibility of various City officers. The Assessor computes the value of locally assessed taxable property. After the assessed roll is closed on June 30, the Controller issues a Certificate of Assessed Valuation in August which certifies the taxable assessed value at the beginning of that fiscal year. The Controller also applies the tax rate factors, including the 1.0% tax authorized by Article XIII A of the State Constitution (and mandated by statute), and tax factors needed to repay voter-approved general obligation bonds on property located in the City. Typically, the Board of Supervisors approves the schedule of tax rates each year by resolution no later than the last working day of September. The Treasurer and Tax Collector prepares and mails tax bills to taxpayers and collects the taxes on behalf of the City and other overlapping taxing agencies that levy taxes on taxable property located in the City. The Treasurer holds and invests City tax funds, including taxes collected for payment of general obligation bonds, and is charged with payment of principal and interest on such bonds when due. The State Board of Equalization assesses certain special classes of property, as described below. See “Taxation of State-Assessed Utility Property” below.

Assessed Valuations, Tax Rates and Tax Delinquencies

Table A-6 provides a recent history of assessed valuations of taxable property within the City. The property tax rate is composed of two components: 1) the 1.0% countywide portion, and 2) all voter-approved

overrides which fund debt service for general obligation bond indebtedness. Lingering impacts of the COVID-19 pandemic, which triggered business changes such as extended work-from-home policies that resulted in less demand for office spaces, and the substantial increases in borrowing costs (interest rates) resulted in a reduction in property values for certain asset classes in the City and may result in future reductions, which could be material.

The total tax rate shown in Table A-6 includes taxes assessed on behalf of the City as well as the SFUSD, County Office of Education (“SFCOE”), SFCCD, Bay Area Air Quality Management District (“BAAQMD”), and San Francisco Bay Area Rapid Transit District (“BART”), all of which are legal entities separate from the City. See also, Table A-33: “Statement of Direct and Overlapping Debt and Long-Term Obligations.” In addition to *ad valorem* taxes, voter-approved special assessment taxes or direct charges may also appear on a property tax bill.

Additionally, although no additional rate is levied, a portion of property taxes collected within the City is allocated to OCII, the successor agency to the San Francisco Redevelopment Agency, and a number of increment financing districts. Property tax revenues attributable to the growth in assessed value of taxable property (known as “tax increment”) within the adopted redevelopment project areas may be utilized by OCII to pay for outstanding and enforceable obligations and a portion of administrative costs of the agency, reducing tax revenues from those parcels located within project areas to the City and other local taxing agencies, including SFUSD and SFCCD. Taxes collected for payment of debt service on general obligation bonds are not affected or diverted. OCII received \$122.6 million of property tax increment in fiscal year 2022-23 for recognized obligations, diverting about \$68.2 million that would have otherwise been apportioned to the City’s General Fund.

The percent collected of property tax (current year levies excluding supplemental) was 99.15% for fiscal year 2022-23.

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TABLE A-6

CITY AND COUNTY OF SAN FRANCISCO
Assessed Valuation of Taxable Property
Fiscal Years 2008-09 through 2023-24
(000s)

| Fiscal Year | Net Assessed Valuation (NAV) ¹ | % Change from Prior Year | Total Tax Rate per \$100 ² | Total Tax Levy ³ | Total Tax Collected ³ | % Collected June 30 |
|-------------|---|--------------------------|---------------------------------------|-----------------------------|----------------------------------|---------------------|
| 2008-09 | 141,274,628 | 8.7% | 1.163 | 1,702,533 | 1,661,717 | 97.6% |
| 2009-10 | 150,233,436 | 6.3% | 1.159 | 1,808,505 | 1,764,100 | 97.5% |
| 2010-11 | 157,865,981 | 5.1% | 1.164 | 1,888,048 | 1,849,460 | 98.0% |
| 2011-12 | 158,649,888 | 0.5% | 1.172 | 1,918,680 | 1,883,666 | 98.2% |
| 2012-13 | 165,043,120 | 4.0% | 1.169 | 1,997,645 | 1,970,662 | 98.6% |
| 2013-14 | 172,489,208 | 4.5% | 1.188 | 2,138,245 | 2,113,284 | 98.8% |
| 2014-15 | 181,809,981 | 5.4% | 1.174 | 2,139,050 | 2,113,968 | 98.8% |
| 2015-16 | 194,392,572 | 6.9% | 1.183 | 2,290,280 | 2,268,876 | 99.1% |
| 2016-17 | 211,532,524 | 8.8% | 1.179 | 2,492,789 | 2,471,486 | 99.1% |
| 2017-18 | 234,074,597 | 10.7% | 1.172 | 2,732,615 | 2,709,048 | 99.1% |
| 2018-19 | 259,329,479 | 10.8% | 1.163 | 2,999,794 | 2,977,664 | 99.3% |
| 2019-20 | 281,073,307 | 8.4% | 1.180 | 3,509,022 | 3,475,682 | 99.0% |
| 2020-21 | 299,686,811 | 6.6% | 1.198 | 3,823,246 | 3,785,038 | 99.0% |
| 2021-22 | 307,712,666 | 2.7% | 1.182 | 3,864,100 | 3,832,546 | 99.2% |
| 2022-23 | 331,431,694 | 7.7% | 1.180 | 4,067,270 | 4,032,813 | 99.2% |
| 2023-24 | 343,913,585 ⁴ | 3.8% | 1.178 | N/A | N/A | N/A |

¹ Net Assessed Valuation (NAV) is Total Assessed Value for Secured and Unsecured Rolls, less Non-reimbursable Exemptions and Homeowner Exemptions.

² Annual tax rate for unsecured property is the same rate as the previous year's secured tax rate.

³ The Total Tax Levy and Total Tax Collected through fiscal year 2022-23 is based on year-end current year secured and unsecured levies as adjusted through roll corrections, excluding supplemental assessments, as included in the statistical report received from the Office of the Treasurer and Tax Collector, City and County of San Francisco.

⁴ Based on initial assessed valuations for fiscal year 2023-24.

Source: Office of the Controller, City and County of San Francisco.

At the start of fiscal year 2023-24, the total net assessed valuation of taxable property within the City was approximately \$343.9 billion. Of this total, \$326.4 billion (94.9%) represents secured valuations and \$17.5 billion (5.1%) represents unsecured valuations. See "Tax Levy and Collection" below for a further discussion of secured and unsecured property valuations.

Proposition 13 limits to 2% per year the increase in the assessed value of property, unless it is sold, or the structure is improved. The total net assessed valuation of taxable property therefore does not generally reflect the current market value of taxable property within the City and is in the aggregate substantially less than the current market value. For this same reason, the total net assessed valuation of taxable property lags behind changes in market value and may continue to increase even without an increase in aggregate market values of property.

Under Article XIII A of the State Constitution added by Proposition 13 in 1978, property sold after March 1, 1975 must be reassessed to full cash value at the time of sale. Taxpayers can appeal the Assessor's determination of their property's assessed value, and the appeals may be retroactive and for multiple years. The State prescribes the assessment valuation methodologies and the adjudication process that counties must employ in connection with counties' property assessments.

The City typically experiences increases in assessment appeals activity during economic downturns and decreases in assessment appeals as the economy rebounds. During the severe economic downturn of fiscal years 2009-10 and 2010-11, partial reductions of up to approximately 30% of the assessed valuations appealed were granted. Assessment appeals granted typically result in revenue refunds, and the level of refund activity depends on the unique economic circumstances of each fiscal year. Other taxing agencies such as SFUSD, SFCOE, SFCCD, BAAQMD, and BART share proportionately in any refunds paid as a result of successful appeals. To mitigate the financial risk of potential assessment appeal refunds, the City funds appeal reserves for its share of estimated property tax revenues for each fiscal year. In the period following the Great Recession, assessment appeals increased significantly, and a similar trend is developing post-pandemic. For scale, in the wake of the Great Recession, the reductions in residential property assessed value reached upwards of \$2 billion in 2010-11.

The FY24 & FY25 Original Budget assumed the continuance of work from home patterns and interest rates currently affecting the City's businesses will result in declines in commercial assessed values in the City, and such declines could be material. Most recent reports have noted continuation of these trends.

Appeals activity is reviewed each year and incorporated into the current and subsequent years' budget projections of property tax revenues. Refunds of prior years' property taxes from the discretionary General Fund appeals reserve fund for fiscal years 2013-14 through 2022-23 are listed in Table A-7 below.

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TABLE A-7

CITY AND COUNTY OF SAN FRANCISCO
Reduction of Prior Years' Property Tax Revenues
General Fund
Fiscal Years 2013-14 through 2022-23
(000s)

| Fiscal Year | Amount Reduced |
|-------------|----------------|
| 2013-14 | 25,756 |
| 2014-15 | 16,304 |
| 2015-16 | 16,199 |
| 2016-17 | 33,397 |
| 2017-18 | 24,401 |
| 2018-19 | 30,071 |
| 2019-20 | 17,900 |
| 2020-21* | 10,729 |
| 2021-22 | 16,479 |
| 2022-23 | 23,070 |

Source: Office of the Controller, City and County of San Francisco.

*Amount Reduced in FY 2020-21 and forward reflects both Teetered and non-teetered property tax amounts.

A property’s annual assessed value is determined as of January 1 preceding the start of the fiscal year for which taxes are billed and paid. Under California’s Proposition 13, a property’s annual assessed value is the lesser of (1) its base year value (fair market value as of the date of change in ownership or completion of new construction), factored for inflation at no more than two percent per year; or (2) its fair market value as of January 1 of the year preceding the fiscal year for which property taxes are billed and paid. If a property’s fair market value falls below its factored base year value, the reduced value is enrolled on a temporary basis (for one year) and is commonly referred to as a “Proposition 8” reduction, after the 1978 initiative. If a property receives a temporary “Proposition 8” reduction, the Assessor is required to annually review the property for a decline-in-value reduction for each subsequent January 1 lien date, until such time as the market value again exceeds the property’s factored base year value, at which point the Assessor reestablishes the factored base year value as the taxable value to be enrolled for that January 1 lien date.

Assessors in California have authority to use Proposition 8 (“Prop 8”) criteria to apply reductions in valuation to classes of properties affected by any factors affecting market value. COVID-19’s impact on San Francisco real property values first arose on the 2021 Assessment Roll, resulting in an almost 4-times increase in the total count of Prop 8 reductions granted compared to the 2020 Assessment Roll (up from 2,059 to 8,212) and more than 8-times increase in the value of the reductions (up from \$272 million to \$2.18 billion). The total count and value of Prop 8 reductions for the 2023 Assessment Roll were 5,326 and \$1.7 billion, respectively.

The two most significant factors driving changes for the 2021 and 2022 Assessment Rolls were reductions in value for hotel and condominium properties. In response to COVID-19, the Assessor’s Office performed proactive reviews of commercial properties, which resulted in temporary reductions of \$1.01 billion for

26 hotel properties on the 2021 Assessment Roll and \$839 million for 15 hotel properties on the 2022 Assessment Roll. For the 2023 Assessment Roll, the Assessor's Office did not grant temporary reductions to these hotel properties by roll close but subsequently issued roll corrections of \$1.05 billion for 18 hotel properties. Condominiums accounted for the largest share of new reductions since the onset of the pandemic at over 70% of the total value of temporary reductions excluding hotels on the 2021 and 2022 Assessment Rolls and more than half of the total count for these years. For the 2023 Assessment Roll, condominiums accounted for a slightly lower percentage of total value of temporary reductions at 63% while remaining stable as a percentage of total count. For the January 1, 2024 lien date, the Assessor's Office anticipates performing temporary decline-in-value reviews (i.e. Informal Reviews) for approximately 8,000 properties, up from approximately 7,100 the year prior. The Assessor's Office expects condominiums will continue to make up a majority of these requests but that the proportion of requests associated with single-family dwellings may rise. The Assessor's Office has not yet completed the temporary reduction review for the 2024 Assessment Roll.

In order to more efficiently address a number of regular open appeals on condominium properties with an assessed value below \$5 million, in January, the Assessor's Office applied the same regression model it uses for determining Prop 8 reductions on condominiums to condominiums with open appeals. Stipulation letters were sent to 942 taxpayers containing a recommended value and instructions about how to withdraw their open appeal if they accepted said value. Taxpayers were given three weeks to withdraw their appeals and accept the recommended value, which 565 taxpayers did according to records reviewed the week of March 7, 2024. The result is a downward adjustment of the enrolled value for these properties totaling approximately \$127 million. This initiative was one among a number aimed at addressing the steep increase in open appeals.

In addition to Prop 8 reductions, qualifying taxpayers seek adjustment of their property assessed values based on a variety of factors. Requests for changes can be motivated by real estate market conditions or other factors.

A qualifying taxpayer can seek assessed value adjustments from the AAB or from the Assessor or both. Supplemental and Base Year Appeals are to establish a property's base value. Escape and Regular Appeals are filed to contest a property's value as of January 1. The majority of appeals filed are Regular Appeals. For regular, annual secured property tax assessments, the period for property owners to file an appeal is between July 2nd and September 15th. If September 15th falls on a Saturday or Sunday, applications filed or postmarked the next business day are considered timely. The AAB generally is required to resolve appeals applications within two (2) years of filing, unless the applicant signs a waiver to extend the statutory period. Appeals may also be resolved when the Assessor and a property owner stipulate to a corrected value, which the AAB may approve, or reject and require a hearing in which it determines the value. Upon hearing a supplemental or base year appeal to establish a base value, the AAB may decide to increase, decrease, or not change an assessment. In the case of an escape or regular appeal, the AAB may lower the taxable value or maintain the factored base year value but cannot increase the value above the factored base year value. If an escape or regular appeal results in a change in value, the new assessed value will be used to determine the property taxes for the year that was appealed. Subsequently, each year, the Assessor examines the property to see if the market value has risen back to the Proposition 13 base year value, or higher, and if so, reestablishes the Proposition 13 base year value. This does not apply to appeals to establish a property's base value.

The volume of appeals is not necessarily an indication of how many appeals will be heard or result in a property tax assessment reduction. City revenue estimates take into account projected losses from

pending and future assessment appeals that are based on historical results as to appeals.

As of December 31, 2023, the total number of open appeals before the AAB was 9,334 with 7,808 new applications filed in fiscal year 2023-24. As of December 31, 2023, the difference between the assessed value and the taxpayer's opinion of values for all the open applications was \$94.2 billion. Assuming the City did not contest any taxpayer appeals and the AAB upheld all the taxpayer's requests, a negative potential total property tax impact of about \$1.1 billion would result. The General Fund's portion of that potential \$1.1 billion would be approximately \$475.0 million. In practice, the City has contested most taxpayer appeals. As such, actual reductions have historically been much lower than values asserted by appellant property owners and a majority of appeals are eventually withdrawn. Of the 1,157 appeals closed during fiscal year 2023-24 as of December 31, 2023, 734, or 63% of appeals, were withdrawn.

Nearly all the appeal applications filed during fiscal year 2020-21 challenged the assessed value of property for fiscal year 2020-21. However, because the assessed value of secured property for fiscal year 2020-21 was determined by the Assessor as of the January 1, 2020, lien date, which predated the COVID-19 pandemic and its related economic effects, the City does not expect a material reduction in assessed values resulting from fiscal year 2020-21 appeal applications. However, there was an increase in the number of appeals for fiscal year 2021-22 and a modest increase for fiscal year 2022-23. Appeals for the January 1, 2023 lien date (current values for fiscal year 2023-24) were due by September 15, 2023. These applications have been processed, and the number of appeal applications received during this most recent filing period was approximately three times the amount the City received in the previous fiscal year.

Tax Levy and Collection

As the local tax-levying agency under State law, the City levies property taxes on all taxable property within the City's boundaries for the benefit of all overlapping local agencies, including SFUSD, SFCCD, the BAAQMD and BART. The total tax levy for all taxing entities to begin fiscal year 2023-24 was \$4.1 billion, not including supplemental, escape and special assessments that may be assessed during the year. Of total property tax revenues in fiscal year 2023-24 (including supplemental and escape property taxes) the City budgeted \$2.5 billion in the General Fund and \$286.3 million in special revenue funds designated for children's programs, libraries and open space. SFUSD and SFCCD are estimated to receive approximately \$256.8 million and \$48.2 million, respectively, and the local ERAF is estimated to receive \$431.3 million (before adjusting for the vehicle license fees ("VLF") backfill shift). The Successor Agency is estimated to receive \$157.3 million. The remaining portion was allocated to various other governmental bodies, various special funds, general obligation bond debt service funds, and other taxing entities. Taxes levied to pay debt service for general obligation bonds issued by the City, SFUSD, SFCCD and BART may only be applied for that purpose. The City's General Fund will be allocated about 47.2% of total property tax revenue before adjusting for the tax increment financing districts, VLF backfill shift, and excess ERAF.

Generally, property taxes levied by the City on real property become a lien on that property by operation of law. A tax levied on personal property does not automatically become a lien against real property without an affirmative act of the City taxing authority. Real property tax liens have priority over all other liens against the same property regardless of the time of their creation by virtue of express provision of law.

Property subject to ad valorem taxes is entered as secured or unsecured on the assessment roll maintained by the Assessor-Recorder. The secured roll is that part of the assessment roll containing State-assessed property and property (real or personal) on which liens are sufficient, in the opinion of the Assessor-Recorder, to secure payment of the taxes owed. Other property is placed on the “unsecured roll.”

The method of collecting delinquent taxes is substantially different for the two classifications of property. The City has four ways of collecting unsecured personal property taxes: 1) pursuing civil action against the taxpayer; 2) filing a certificate in the Office of the Clerk of the Court specifying certain facts, including the date of mailing a copy thereof to the affected taxpayer, in order to obtain a judgment against the taxpayer; 3) filing a certificate of delinquency for recording in the Assessor-Recorder’s Office in order to obtain a lien on certain property of the taxpayer; and 4) seizing and selling personal property, improvements or possessory interests belonging or assessed to the taxpayer. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes. Proceeds of the sale are used to pay the costs of sale and the amount of delinquent taxes.

A 10% penalty is added to delinquent taxes that have been levied on property on the secured roll. In addition, property on the secured roll with respect to which taxes are delinquent is declared “tax defaulted” and subject to eventual sale by the Treasurer and Tax Collector of the City. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of 1.5% per month, which begins to accrue on such taxes beginning July 1 following the date on which the property becomes tax-defaulted.

In October 1993, the Board of Supervisors passed a resolution that adopted the Alternative Method of Tax Apportionment (the “Teeter Plan”). This resolution changed the method by which the City apportions property taxes among itself and other taxing agencies. Additionally, the Teeter Plan was extended to include the allocation and distribution of special taxes levied for City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) in June 2017 (effective fiscal year 2017-18) and for the Bay Restoration Authority Parcel Tax, SFUSD School Facilities Special Tax, SFUSD School Parcel Tax, and City College Parcel Tax in October 2017 (effective fiscal year 2018-19). The Teeter Plan method authorizes the City Controller to allocate to the City’s taxing agencies 100% of the secured property taxes billed but not yet collected. In return, as the delinquent property taxes and associated penalties and interest are collected, the City’s General Fund retains such amounts. Prior to adoption of the Teeter Plan, the City could only allocate secured property taxes actually collected (property taxes billed minus delinquent taxes). Delinquent taxes, penalties and interest were allocated to the City and other taxing agencies only when they were collected. The City has funded payment of accrued and current delinquencies through authorized internal borrowing. The City also maintains a Tax Loss Reserve for the Teeter Plan as shown on Table A-8. The Tax Loss Reserve sets aside 1% of the total of all taxes and assessments levied for which the Teeter Plan is the applicable distribution method. The purpose of the Tax Loss Reserve is to cover losses that may occur. The amount has grown in recent years as the assessed values on the secured roll has grown.

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TABLE A-8

CITY AND COUNTY OF SAN FRANCISCO
Teeter Plan
Tax Loss Reserve Fund Balance
Fiscal Years 2013-14 through 2022-23
(000s)

| Year Ended | Amount Funded |
|------------|---------------|
| 2013-14 | \$19,654 |
| 2014-15 | 20,569 |
| 2015-16 | 22,882 |
| 2016-17 | 24,882 |
| 2017-18 | 25,567 |
| 2018-19 | 29,126 |
| 2019-20 | 31,968 |
| 2020-21 | 35,298 |
| 2021-22 | 35,951 |
| 2022-23 | 38,041 |

Source: Office of the Controller, City and County of San Francisco.

Assessed valuations of the aggregate ten largest assessment parcels in the City for the fiscal year beginning July 1, 2023 are shown in Table A-9. The City cannot determine from its assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the Office of the Assessor-Recorder.

TABLE A-9

CITY AND COUNTY OF SAN FRANCISCO
Top 10 Parcels Total Assessed Value
July 1, 2023

| Assessee ¹ | Location | Parcel Number | Type | Total Assessed Value ² | % Basis of Levy ³ |
|--|-----------------------------------|---------------|--------------------|-----------------------------------|------------------------------|
| SUTTER BAY HOSPITALS ⁴ | 1101 VAN NESS AVE | 0695 007 | Hospital | \$2,779,736,804 | 0.807% |
| TRANSBAY TOWER LLC | 415 MISSION ST | 3720 009 | Office | \$1,876,176,439 | 0.545% |
| GSW ARENA LLC | 1 WARRIORS WAY A | 8722 026 | Entertainment Comp | \$1,516,088,360 | 0.440% |
| PARK TOWER OWNER LLC | 250 HOWARD ST | 3718 040 | Office | \$1,140,399,718 | 0.331% |
| KRE EXCHANGE OWNER LLC | 1800 OWENS ST | 8727 008 | Office | \$1,135,881,100 | 0.330% |
| HWA 555 OWNERS LLC | 555 CALIFORNIA ST | 0259 026 | Office | \$1,114,464,525 | 0.324% |
| ELM PROPERTY VENTURE LLC | 101 CALIFORNIA ST | 0263 011 | Office | \$1,080,382,740 | 0.314% |
| PPF PARAMOUNT ONE MARKET PLAZA OWNER LP | 1 MARKET ST | 3713 007 | Office | \$912,827,016 | 0.265% |
| SHR ST FRANCIS LLC | 301 - 345 POWELL ST | 0307 001 | Hotel | \$785,863,372 | 0.228% |
| SUTTER BAY HOSPITALS DBA CA PACIFIC MED ⁴ | 3555 CESAR CHAVEZ ST/555 SAN JOSE | 6575 005 | Hospital | \$770,059,001 | 0.224% |
| | | | | \$13,111,879,075 | 3.806% |

¹ Certain Parcels Fall within RDA Project Areas

² Represents the Total Assessed Valuation (TAV) as of the Basis of Levy, which excludes assessments processed during the fiscal year, TAV includes land & improvements, personal property, and fixtures. Values reflect information as of January 1, 2023, lien date.

³ The Basis of Levy is total assessed value less exemptions for which the state does not reimburse counties (e.g., those that apply to nonprofit organizations).

⁴ Nonprofit Organization that is exempt from property taxes

Source: Office of the Assessor-Recorder, City and County of San Francisco

Taxation of State-Assessed Utility Property

A portion of the City's total net assessed valuation consists of utility property subject to assessment by the State Board of Equalization. State-assessed property, or "unitary property," is property of a utility system with components located in many taxing jurisdictions assessed as part of a "going concern" rather than as individual parcels of real or personal property. Unitary and certain other State-assessed property values are allocated to the counties by the State Board of Equalization, taxed at special countywide rates, and the tax revenues distributed to taxing jurisdictions (including the City itself) according to statutory formula are generally based on the distribution of taxes in the prior year. The fiscal year 2023-24 valuation of property assessed by the State Board of Equalization in the City is approximately \$4.4 billion.

OTHER CITY TAX REVENUES

In addition to property taxes, the City has several other major tax revenue sources, as described below. For a discussion of State constitutional and statutory limitations on taxes that may be imposed by the City, including a discussion of Proposition 62 and Proposition 218, see "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND EXPENDITURES" herein.

The following section contains a brief description of other major City-imposed taxes as well as taxes that are collected by the State and shared with the City. The City's General Fund is also supported by other sources of revenue, including charges for services, fines and penalties, and transfers-in, which are not discussed below.

As described herein, certain revenues are not expected to reach levels projected in the Original Budget for fiscal year 2023-24. See Table A-10 below for a summary of revenue source as a percentage of total General Fund revenue based on the Original Budget for fiscal year 2023-24.

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TABLE A-10

CITY AND COUNTY OF SAN FRANCISCO
General Fund Revenue Overview
Fiscal Year 2023-24
(000s)

| Revenues | FY 2023-24 | |
|----------------------------------|------------------------|---------------|
| | Original Budget | |
| Property Taxes | \$2,510,000 | 39.2% |
| Business Taxes | 851,100 | 13.3% |
| Other Local Taxes ¹ | 1,098,880 | 17.2% |
| Licenses, Permits and Franchises | 30,291 | 0.5% |
| Fines, Forfeitures and Penalties | 3,014 | 0.0% |
| Interest and Investment Income | 121,071 | 1.9% |
| Rents and Concessions | 14,571 | 0.2% |
| Intergovernmental | 1,477,115 | 23.1% |
| Charges for Services | 272,865 | 4.3% |
| Other | 17,532 | 0.3% |
| Total Revenues | \$6,396,439 | 100.0% |

¹ Other Local Taxes includes sales, hotel, utility users, parking, transfer, sugar sweetened beverage, stadium admissions, access line, cannabis, and overpaid executive taxes.

Business Taxes

Through tax year 2014, businesses in the City were subject to payroll expense and business registration taxes. Proposition E (November 2012) changed business registration tax rates and introduced a gross receipts tax which phased in over a five-year period beginning January 1, 2014, intending to replace the then existing 1.5% tax on business payrolls over the same period. Overall, the ordinance increased the number and types of businesses in the City that pay business tax and registration fees from approximately 7,500 to 15,000. In November 2020, voters passed Proposition F, which eliminated the payroll tax and modified gross receipt tax rates. Most gross receipt tax rates increased by 40% for tax year 2021 over the prior year. Much smaller increases were scheduled for 2023 and 2024, should the City's taxable gross receipts in 2021 and 2022 reach at least 90% and 95%, respectively, of 2019 taxable gross receipts. The 2023 tax increase was suspended for one year because the City's 2021 taxable gross receipts did not reach the 90% threshold and the 2024 tax increase is suspended for one year because the City's 2022 taxable gross receipts did not reach the 95% threshold. In some industries that were particularly hurt during the pandemic, such as retail, trade and food services, Proposition F resulted in lowered tax rates through 2022 for gross receipts under \$25 million. Subsequent legislation extended the lowered rate to these businesses for an additional two years. Proposition F also reduced business registration fees for businesses with less than \$1 million in gross receipts and raised the small business exemption for gross receipts taxes to \$2 million.

Business tax revenue (gross receipts, payroll, and business registration) for fiscal year 2022-23 is \$853.2 million for all funds, representing a decrease of \$10.4 million (1.2%) from fiscal year 2021-22. The fiscal year 2023-24 March 2024 Joint Report projection is \$825.0 million, a decrease of \$28.2 million (3.3%) from fiscal year 2022-23 actuals.

At the request of Mayor London Breed and Board of Supervisors President Aaron Peskin, on February 5, 2024, the Office of the Treasurer & Tax Collector and the Office of the Controller released a memo entitled “Recommended Reforms to the Business Tax System” outlining a series of tax reform recommendations to inform a potential ballot measure for the November 2024 election (the “Business Tax Reform Memo”). The Business Tax Reform Memo makes a series of recommendations to restructure, simplify and reduce litigation risks associated with the City’s various business taxes. The City, in consultation with various community and business stakeholders, is considering placing a ballot measure on the November 2024 election to reform the City’s business tax. Alternatively, community or business stakeholders could attempt to reform the City’s business taxes through a voter initiative. The City can make no assurance that the Board of Supervisors will adopt a legislative proposal to put the business tax reform measure on the November 2024 ballot or that community or business stakeholders will seek to do so through the initiative process. Additionally, the City can make no assurances regarding the impact, if any, that such business tax reform measures might ultimately have on business tax revenues.

Revenues from business tax and registration fees have generally followed economic conditions in the City, primarily employment and wage growth. The COVID-19 emergency significantly adversely affected employment and wage growth, and the City’s economic condition is still weak relative to pre-pandemic levels. The unemployment rate in the City peaked at 13.3% in May 2020. But, after a low of 2.1% in May 2022, the unemployment rate increased to 3.8% in February 2024. Just prior to the start of the pandemic, there were approximately 570,000 employed residents in the City. After falling to a low of about 475,000 in May 2020, the number of employed residents has risen to about 540,000 as of February 2024, which represents a decline of about 20,000 since the peak in December 2022.

Remote work occurring outside the City creates fiscal risk because, for certain categories of businesses, the gross receipts tax is dependent in part on their San Francisco payroll, and the firms only need to calculate their San Francisco payroll expense for employees that physically work within the City’s geographic boundaries. Approximately half of the workers in major tax-paying sectors such as Professional Services, Financial Services, and Information live outside of San Francisco. Some of the City’s largest employers in these sectors have indicated that employees may be able to work from home permanently or with a hybrid schedule. According to Kastle Systems, a company that provides security for office buildings, office attendance in the San Francisco area at the end of 2023 was about the same as it was in July of 2023, around 40% to 45% of pre-pandemic levels.

According to polling data from WFH Research, in January 2024, employees preferred to work at home 2.75 days per week on average while employers’ plans were for 2.25 days worked from home. This suggests that a hybrid work arrangement of in-office and at-home will be a permanent fixture of office work. Many major San Francisco employers, such as Salesforce and Google, have long-term plans for hybrid work. This dynamic is reflected in the fiscal year 2022-23 actuals and fiscal year 2023-24 and 2024-25 projections. See “BUDGETARY RISKS – Office Vacancy in San Francisco; Impact on Property Taxes and Other Revenues.”

TABLE A-11

CITY AND COUNTY OF SAN FRANCISCO
Business Tax Revenues - All Funds¹
Fiscal Years 2019-20 through 2024-25
(000s)

| Fiscal Year ² | Revenue | Change | Change % |
|--------------------------------|------------|-------------|----------|
| 2019-20 | \$ 824,670 | \$ (94,882) | -10.3% |
| 2020-21 | 724,140 | (100,530) | -12.2% |
| 2021-22 | 863,510 | 139,370 | 19.2% |
| 2022-23 | 853,154 | (10,356) | -1.2% |
| 2023-24 Projected ³ | 825,000 | (28,154) | -3.3% |
| 2024-25 Projected ³ | 883,000 | 58,000 | 7.0% |

¹ Figures exclude Homelessness Gross Receipts and Commercial Rent taxes.

² Figures for fiscal year 2019-20 through fiscal year 2022-23 are actuals. Includes gross receipts and payroll taxes allocated to special revenue funds for the Community Challenge Grant program as well as business registration tax.

³ Projected amounts are from the March 2024 Joint Report.

Source: Office of the Controller, City and County of San Francisco.

Transient Occupancy Tax (Hotel Tax)

Pursuant to the San Francisco Business and Tax Regulation Code, a 14.0% transient occupancy tax is imposed on occupants of hotel rooms and is remitted by hotel operators to the City monthly. Hotel tax revenue in fiscal year 2022-23 is \$283.5 million (all funds), an increase of \$104.3 million (58.2%) from fiscal year 2021-22. The March 2024 Joint Report projected \$300.0 million in hotel tax revenue for fiscal year 2023-24, an increase of \$16.5 million (5.8%) from fiscal year 2022-23 but \$42.1 million (12.3%) below the FY24 & FY25 Original Budget. The fiscal year 2024-25 projection is \$323.5 million, an increase of \$23.5 million (7.8%) from the fiscal year 2023-24 projection. Table A-12 includes hotel tax in all funds. Slightly less than 90% of the City's hotel tax is allocated to the General Fund, with 10.7% allocated to arts and cultural organizations and approximately \$5 million for debt service on hotel tax revenue bonds.

Fiscal year 2022-23 hotel tax revenue performed better than fiscal year 2021-22, as leisure visits and convention activity continue to recover. Fiscal year 2022-23 enplanements at SFO increased by 34.6% from the prior year, as international and domestic enplanements improved by 101.0% and 20.2%, respectively. The return of conferences and conventions has played a key role in the recovery of hotel tax revenues, particularly because conventions drive up hotel tax room rates through compression pricing. In fiscal year 2021-22, a total of 23 conferences with over 126,000 attendees took place at the Moscone Convention Center. In fiscal year 2022-23, there were 33 conferences with over 266,000 attendees.

TABLE A-12

CITY AND COUNTY OF SAN FRANCISCO
Transient Occupancy Tax Revenues - All Funds¹
Fiscal Years 2019-20 through 2024-25
(000s)

| Fiscal Year ² | Tax Rate | Revenue | Change | |
|--------------------------------|----------|------------|--------------|--------|
| 2019-20 | 14.0% | \$ 281,615 | \$ (132,728) | -32.0% |
| 2020-21 | 14.0% | 42,195 | (239,420) | -85.0% |
| 2021-22 | 14.0% | 179,134 | 136,939 | 324.5% |
| 2022-23 | 14.0% | 283,453 | 104,320 | 58.2% |
| 2023-24 Projected ³ | 14.0% | 300,000 | 16,547 | 5.8% |
| 2024-25 Projected ³ | 14.0% | 323,454 | 23,454 | 7.8% |

¹ Amounts include the portion of hotel tax revenue used to pay debt service on hotel tax revenue bonds, as well as the portion of hotel tax revenue dedicated to arts and cultural programming reflecting the passage of Proposition E in November 2018, which took effect January 1, 2019.

² Figures for fiscal year 2019-20 through fiscal year 2022-23 are actuals.

³ Projected amounts are from the March 2024 Joint Report.

Source: Office of the Controller, City and County of San Francisco.

Real Property Transfer Tax

Real property transfer tax (“RPTT”) is imposed on all real estate transfers recorded in the City. Transfer tax revenue is more susceptible to economic and real estate cycles than most other City revenue sources. After the passage of Proposition W on November 8, 2016, transfer tax rates were \$5.00 per \$1,000 of the sale price of the property being transferred for properties valued at \$250,000 or less; \$6.80 per \$1,000 for properties valued more than \$250,000 and less than \$999,999; \$7.50 per \$1,000 for properties valued at \$1.0 million to \$5.0 million; \$22.50 per \$1,000 for properties valued more than \$5.0 million and less than \$10.0 million; \$27.50 per \$1,000 for properties valued at more than \$10.0 million and less than \$25.0 million; and \$30.00 per \$1,000 for properties valued at more than \$25.0 million. After the passage of Proposition I in November 2020, transfer tax rates were doubled for the two highest tiers, to \$55.00 per \$1,000 for properties valued at more than \$10.0 million and less than \$25.0 million and \$60.00 per \$1,000 for properties valued at more than \$25.0 million.

RPTT revenue for fiscal year 2022-23 was \$186.3 million, a \$334.1 million (64.2%) decrease from fiscal year 2021-22. The projection for fiscal year 2023-24 in the March 2024 Joint Report is \$188.3 million, an increase of \$2.1 million (1.1%) from fiscal year 2022-23. The fiscal year 2024-25 projection is \$218.9 million, an increase of \$30.5 million (16.2%) from fiscal year 2023-24. The entirety of RPTT revenue is recorded in the General Fund.

Due to the highly progressive nature of the tax, the volatility of RPTT is attributable mainly to the sales of high-value (largely commercial) properties over \$10 million. The overall number of transactions over \$10 million dropped from 101 transfers in fiscal year 2021-22 to 55 transfers in fiscal year 2022-23, a 45.5% decline. Transfers under \$10 million also declined by 33.4% year-over-year. Additionally, fiscal year 2021-22 saw two large, once-in-a-generation transfers in the first six months of 2022, skewing prior year results.

The fiscal year 2023-24 and 2024-25 forecasts slowly increase from fiscal year 2022-23 results, anticipating slow increases in transfers as buyers and sellers begin to come into agreement about market prices of large real estate transactions. However, the interest rate environment and uncertainty around the value of office-based real estate with the shift to hybrid models of work is expected to continue to dampen the City's transfer tax receipts.

As the City's most volatile revenue source, RPTT collections can see large year-over-year changes that have exceeded 70% in some instances. The main factors creating volatility are sales of high-value properties, availability of financing, and the relative attractiveness of San Francisco real estate compared to global investment options, all of which track closely with economic cycles, as well as voter-approved rate changes, which occurred in 2008, 2010, 2016, and 2020. The volatility of RPTT is attributable mainly to the sales of high-value (largely commercial) properties over \$25 million. In fiscal year 2008-09, transactions above \$25 million would have generated only \$10.6 million under the current rates compared to the peak in fiscal year 2016-17, when these transactions generated \$295.8 million. Since the end of the recession in fiscal year 2009-10, these large transactions made up on average 58.0% of total revenue but only 0.6% of the transaction count. This means that revenue is determined by a small handful of transactions. In the two recessions prior to COVID, the taxes collected on large transactions fell dramatically.

TABLE A-13

CITY AND COUNTY OF SAN FRANCISCO
Real Property Transfer Tax Receipts - All Funds
Fiscal Years 2019-20 through 2024-25
(000s)

| Fiscal Year ¹ | Revenue | Change | |
|--------------------------------|------------|-------------|--------|
| 2019-20 | \$ 334,535 | \$ (29,509) | -8.1% |
| 2020-21 | 344,683 | 10,148 | 3.0% |
| 2021-22 | 520,359 | 175,676 | 51.0% |
| 2022-23 | 186,247 | (334,112) | -64.2% |
| 2023-24 Projected ² | 188,315 | 2,068 | 1.1% |
| 2024-25 Projected ² | 218,845 | 30,530 | 16.2% |

¹ Figures for fiscal year 2019-20 through fiscal year 2022-23 are actuals.

² Projected amounts are from the March 2024 Joint Report.

Source: Office of the Controller, City and County of San Francisco.

Sales and Use Tax

The sales tax rate on retail transactions in the City is 8.6250%, of which 1.00% represents the City's local share ("Bradley-Burns" portion). The State collects the City's local sales tax on retail transactions along with State and special district sales taxes, and then remits the local sales tax collections to the City.

The components of San Francisco's 8.6250% sales tax rate are shown in Table A-14. In addition to the 1% portion of local sales tax, the State subvenes portions of sales tax back to counties through 2011 realignment (1.0625%), 1991 realignment (0.5%), and public safety sales tax (0.5%). The subventions are discussed in more detail under "INTERGOVERNMENTAL REVENUES" herein.

TABLE A-14

San Francisco's Sales & Use Tax Rate

| San Francisco's Sales & Use Tax Rate | |
|--|---------------|
| State Sales Tax | 6.00% |
| State General Fund | 3.9375% |
| Local Realignment Fund 2011* | 1.0625% |
| Local Revenue Fund* | 0.50% |
| (to counties for health & welfare) | |
| Public Safety Fund (to counties & cities)* | 0.50% |
| Local Sales Tax | 1.25% |
| Local Sales Tax (to General Fund)* | 1.00% |
| Local Transportation Tax (TDA) | 0.25% |
| Special District Use Tax | 1.375% |
| 2020 Peninsula Corridor Joint Powers Board Transactions and Use Tax (JPBF) | 0.125% |
| SF County Transportation Authority | 0.50% |
| Bay Area Rapid Transit (BART) | 0.50% |
| SF Public Financing Authority (Schools) | 0.25% |
| TOTAL Sales Tax Rate | 8.625% |

* Represents portions of the sales tax allocated to the City.

Source: Office of the Controller, City and County of San Francisco.

The local sales tax (the 1% portion) revenue in fiscal year 2022-23 is \$197.9 million, an increase of \$9.6 million (5.1%) from fiscal year 2021-22. The March 2024 Joint Report projection for fiscal year 2023-24 is \$188.7 million, a decrease of \$9.3 million (4.7%) from the fiscal year 2022-23 actual. The fiscal year 2024-25 projection is \$193.7 million, an increase of \$5.0 million (2.7%) from the fiscal year 2023-24 projection. The entirety of sales tax revenue is recorded in the General Fund.

Historically, sales tax revenues have been highly correlated to growth in tourism, business activity and population. This revenue is significantly affected by changes in the economy and spending patterns. In recent years, online retailers have contributed significantly to sales tax receipts, offsetting sustained declines in point-of-sale purchases.

TABLE A-15

CITY AND COUNTY OF SAN FRANCISCO
Sales and Use Tax Revenues
Fiscal Years 2019-20 through 2024-25
General Fund
(000s)

| Fiscal Year ¹ | Tax Rate | City Share | Revenue | Change | |
|--------------------------------|----------|------------|------------|-------------|--------|
| 2019-20 | 8.50% | 1.00% | \$ 180,184 | \$ (33,441) | -15.7% |
| 2020-21 | 8.50% | 1.00% | 146,863 | (33,321) | -18.5% |
| 2021-22 | 8.625% | 1.00% | 188,337 | 41,474 | 28.2% |
| 2022-23 | 8.625% | 1.00% | 197,911 | 9,574 | 5.1% |
| 2023-24 Projected ² | 8.625% | 1.00% | 188,649 | (9,262) | -4.7% |
| 2024-25 Projected ² | 8.625% | 1.00% | 193,693 | 5,044 | 2.7% |

¹ Figures for fiscal year 2019-20 through fiscal year 2022-23 are actuals.

² Projected amounts are from the March 2024 Joint Report.

Source: Office of the Controller, City and County of San Francisco.

Other Local Taxes

The City imposes a number of other general purpose taxes:

- Utility Users Tax (“UUT”) - A 7.5% tax on non-residential users of gas, electricity, water, steam and telephone services.
- Access Line Tax (“ALT”) – As of July 1, 2023, a charge of \$3.96 on every telecommunications line, \$29.79 on every trunk line, and \$536.32 on every high-capacity line in the City. The ALT replaced the Emergency Response Fee (“ERF”) in 2009. The tax is collected from telephone communications service subscribers by the telephone service supplier.
- Parking Tax - A 25% tax for off-street parking spaces. The tax is paid by occupants and remitted monthly to the City by parking facility operators. In accordance with Charter Section 16.110, 80% of parking tax revenues are transferred from the General Fund to the MTA’s Enterprise Funds to support public transit.
- Sugar Sweetened Beverage Tax – A one cent per ounce tax on the distribution of sugary beverages. This measure was adopted by voters on November 9, 2016 (Proposition V) and took effect on January 1, 2018.
- Stadium Admission Tax – A tax between \$0.25 and \$1.50 per seat or space in a stadium for any event, with some specific exclusions.
- Cannabis Tax – A gross receipts tax of 1% to 5% on marijuana business and permits the City to tax businesses that do not have a physical presence in the City. This measure was adopted by voters in November 2018 (Proposition D). The tax was originally slated to go into effect on January 1, 2021, but the Board has delayed the imposition of the tax several times. The cannabis tax will now take effect beginning January 1, 2026.

- Franchise Tax – A tax for the use of City streets and rights-of-way on cable TV, electric, natural gas, and steam franchises.
- Overpaid Executives Tax – In November 2020, voters adopted Proposition L, a new tax on businesses in the City, where compensation of the businesses’ highest-paid managerial employee compared to the median compensation paid to the businesses’ employees based in the City exceeds a ratio of 100:1. The measure took effect on January 1, 2022 for tax year 2022, so revenues were first received in fiscal year 2022-23. Revenue from this tax is expected to be highly volatile due to the narrow base of expected payers, large annual fluctuations in the value and form of executive compensation, which typically includes equity, and tax-avoidance risk associated with tax increases. Estimates based on prior years’ activity may not be predictive of future revenues. Fiscal year 2022-23 revenue was \$206.0 million and the projection for both 2023-24 and 2024-25 is \$120.0 million per year.

Table A-16 reflects the City’s actual tax receipts for fiscal years 2019-20 through 2022-23 and projections for fiscal years 2023-24 and 2024-25, respectively.

As with the larger tax revenues described above, the City anticipates these sources will be impacted by the pace of economic recovery. See “CITY BUDGET— Five-Year Financial Plan Update: FY2024-25 through FY2027-28 and Mayor’s Budget Instructions ” for a summary of the most recent projections.

TABLE A-16

| CITY AND COUNTY OF SAN FRANCISCO | | | | | | |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Other Local Taxes | | | | | | |
| Fiscal Years 2019-20 through 2024-25 | | | | | | |
| General Fund | | | | | | |
| (000s) | | | | | | |
| Tax | 2019-20 Actuals ¹ | 2020-21 Actuals ¹ | 2021-22 Actuals ¹ | 2022-23 Actuals ¹ | 2023-24 Projected ² | 2024-25 Projected ² |
| Utility Users Tax | \$94,231 | \$81,367 | \$105,225 | \$110,661 | \$118,500 | \$110,700 |
| Access Line Tax | 49,570 | 44,700 | 55,710 | 53,171 | 64,290 | 53,730 |
| Parking Tax | 69,461 | 47,555 | 71,122 | 82,716 | 84,800 | 86,900 |
| Sugar Sweetened Beverage Tax | 13,182 | 10,435 | 11,973 | 12,870 | 12,700 | 12,700 |
| Stadium Admissions Tax | 2,730 | 182 | 4,615 | 5,984 | 7,400 | 7,400 |
| Cannabis Tax | N/A | N/A | N/A | N/A | - | - |
| Franchise Tax | 16,028 | 14,898 | 15,494 | 16,940 | 16,450 | 16,240 |
| Overpaid Executives Tax | N/A | N/A | N/A | 206,041 | 125,000 | 140,000 |

¹ Figures for fiscal year 2019-20 through fiscal year 2022-23 are actuals.

² Projected amounts are from the March 2024 Joint Report.

Source: Office of the Controller, City and County of San Francisco.

INTERGOVERNMENTAL REVENUES

State Subventions Based on Taxes

The City receives allocations of State sales tax and VLF revenue for 1991 Health and Welfare Realignment, 2011 Public Safety Realignment, and Prop 172 Public Safety Sales Tax. These subventions fund programs that are substantially supported by the General Fund. See “GENERAL FUND REVENUES – OTHER CITY TAX REVENUES – Sales and Use Tax” above.

- Health and Welfare Realignment, enacted in 1991, restructured the state-county partnership by giving counties increased responsibilities and dedicated funding to administer certain public health, mental health and social service programs.
- Public Safety Realignment (AB 109), enacted in early 2011, transfers responsibility for supervising certain kinds of felony offenders and state prison parolees from state prisons and parole agents to county jails and probation officers.
- State Proposition 172, passed by California voters in November 1993, provided for the continuation of a one-half percent sales tax for public safety expenditures. This revenue is a function of the City’s proportionate share of Statewide sales activity. These revenues are allocated to counties by the State separately from the local one-percent sales tax discussed above. Disbursements are made to counties based on the county ratio, which is the county’s percent share of total statewide sales taxes in the most recent calendar year.

Table A-17 reflects the City’s actual receipts for fiscal years 2019-20 through 2022-23 and projection for fiscal years 2023-24 and 2024-25. In fiscal year 2022-23, State-wide sales tax performed better than local sales tax; therefore, formula-driven subventions grew faster than local sales tax. The State temporarily backfilled county realignment revenues by \$28.0 million in fiscal year 2020-21.

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TABLE A-17

CITY AND COUNTY OF SAN FRANCISCO
Selected State Subventions - All Funds
Fiscal Years 2019-20 through 2024-25
(\$millions)

| Tax | 2019-20 Actuals ¹ | 2020-21 Actuals ¹ | 2021-22 Actuals ¹ | 2022-23 Actuals ¹ | 2023-24 Projected ² | 2024-25 Projected ² |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Health and Welfare Realignment | | | | | | |
| General Fund | \$219.6 | \$188.9 | \$283.5 | \$290.7 | \$276.0 | \$283.6 |
| Hospital Fund | 54.1 | 48.1 | 67.1 | 67.9 | 63.1 | 63.6 |
| Total - Health and Welfare | \$273.7 | \$237.1 | \$350.6 | \$358.6 | \$339.1 | \$347.2 |
| Backfill Realignment³ | | | | | | |
| General Fund | | \$22.1 | | | | |
| Non General Fund | | 6.0 | | | | |
| Total - Backfill Realignment | | \$28.0 | | | | |
| Public Safety Realignment (General Fund) | \$41.1 | \$38.4 | \$52.1 | \$58.6 | \$54.1 | \$55.4 |
| Public Safety Sales Tax (Prop 172) (General Fund) | \$103.9 | \$105.0 | \$ 93.8 | \$ 94.9 | \$98.1 | \$99.6 |

¹ Figures for fiscal year 2019-20 through fiscal year 2022-23 are actuals.

² Projected amounts are from the March 2024 Joint Report.

³ Backfill Realignment is a one-time State funding to fill the shortfall in Health and Welfare Realignment and Public Safety Realignment due to the decrease of sales tax and vehicle license fees.

Source: Office of the Controller, City and County of San Francisco.

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CITY GENERAL FUND PROGRAMS AND EXPENDITURES

General Fund Expenditures by Major Service Area

As a consolidated city and county, the City budgets General Fund expenditures in seven major service areas as described in Table A-18 below:

TABLE A-18

| CITY AND COUNTY OF SAN FRANCISCO | | | | | | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|---------------------------------|---------------------------------|
| Expenditures by Major Service Area | | | | | | |
| Fiscal Years 2019-20 through 2024-25 | | | | | | |
| (000s) | | | | | | |
| Major Service Areas | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
| | Final Budget ¹ | Final Budget ¹ | Final Budget ¹ | Final Budget ¹ | Original Budget ² | Original Budget ² |
| Public Protection | \$1,493,240 | \$1,505,780 | \$1,586,264 | \$1,681,489 | \$1,747,204 | \$1,779,540 |
| Human Welfare & Neighborhood Development | 1,270,530 | 218,986 | 1,571,761 | 1,621,981 | 1,604,163 | 1,615,373 |
| Community Health | 1,065,051 | 1,605,573 | 1,119,891 | 1,118,010 | 1,125,977 | 1,157,023 |
| General Administration & Finance | 332,296 | 1,158,599 | 353,518 | 351,738 | 345,406 | 357,335 |
| Culture & Recreation | 161,274 | 147,334 | 161,417 | 180,475 | 201,453 | 202,539 |
| General City Responsibilities | 137,851 | 332,997 | 159,299 | 201,959 | 184,513 | 237,146 |
| Public Works, Transportation & Commerce | 216,824 | 126,993 | 244,365 | 275,941 | 242,912 | 233,446 |
| Total² | \$4,677,066 | \$5,096,262 | \$5,196,515 | \$5,431,593 | \$5,451,628 | \$5,582,402 |

¹ Figures for fiscal year 2019-20 through fiscal year 2022-23, as reflected in ACFR.

² Fiscal year 2023-24 and 2024-25 amounts from Original Budget, adopted July 27, 2023.

Source: Office of the Controller, City and County of San Francisco.

Public Protection primarily includes the Police Department, the Fire Department, and the Sheriff’s Office—which is primarily responsible for City jails rather than law enforcement. Human Welfare & Neighborhood Development includes the Department of Human Services’ aid assistance, aid payments, and City grant programs. Community Health includes the Public Health Department, which also operates San Francisco General Hospital and Laguna Honda Hospital.

For budgetary purposes, enterprise funds (which are not shown on the table above) are characterized as either self-supported funds or General Fund-supported funds. General Fund-supported funds include the Convention Facility Fund, the Cultural and Recreation Film Fund, the Gas Tax Fund, the Golf Fund, the General Hospital Fund, and the Laguna Honda Hospital Fund. These funds are supported by transfers from the General Fund to the extent their dedicated revenue streams are insufficient to support the desired level of services.

Voter-Mandated Spending Requirements

The Charter requires funding for voter-mandated spending requirements, which are also referred to as “baselines,” “set-asides,” or “mandates”. The chart below identifies the required and budgeted levels of funding for key mandates. The spending requirements are formula-driven, variously based on projected aggregate General Fund discretionary revenue, property tax revenues, total budgeted spending, staffing levels, or population growth. Table A-19 reflects fiscal year 2023-24 and 2024-25 spending requirements as of the FY24 & FY25 Original Budget. These mandates are generally budgeted as transfers out of the General Fund or allocations of revenue.

TABLE A-19

| CITY AND COUNTY OF SAN FRANCISCO | | |
|--|---------------------|---------------------|
| Baselines & Set-Asides | | |
| FY 2023-24 and FY 2024-25 | | |
| (\$millions) | | |
| | 2023-24 | 2024-25 |
| | Original | Original |
| | Budget ¹ | Budget ¹ |
| Projected General Fund Aggregate Discretionary Revenue (ADR) | \$4,492.4 | \$4,633.2 |
| Municipal Transportation Agency (MTA) | | |
| MTA - Municipal Railway Baseline: 6.686% ADR | \$317.9 | \$328.1 |
| MTA - Parking & Traffic Baseline: 2.507% ADR | \$112.6 | \$116.2 |
| MTA - Population Adjustment | \$82.8 | \$91.7 |
| MTA - 80% Parking Tax In-Lieu | \$67.3 | \$70.3 |
| Subtotal - MTA | \$580.6 | \$606.2 |
| Library Preservation Fund | | |
| Library - Baseline: 2.286% ADR | \$102.7 | \$105.9 |
| Library - Property Tax: \$0.025 per \$100 Net Assessed Valuation (NAV) | \$79.5 | \$79.4 |
| Subtotal - Library | \$182.2 | \$185.3 |
| Children's Services | | |
| <i>Children's Services Baseline - Requirement: 4.830% ADR</i> | \$217.0 | \$223.8 |
| Children's Services Baseline - Eligible Items Budgeted | 221.0 | 244.6 |
| <i>Transitional Aged Youth Baseline - Requirement: 0.580% ADR</i> | 26.1 | 26.9 |
| Transitional Aged Youth Baseline - Eligible Items Budgeted | 36.9 | 39.2 |
| Public Education Services Baseline: 0.290% ADR | 13.0 | 13.4 |
| Children and Youth Fund Property Tax Set-Aside: \$0.0375-0.4 per \$100 NAV | 127.2 | 127.1 |
| <i>Public Education Enrichment Fund: 3.057% ADR</i> | 137.3 | 141.6 |
| 1/3 Annual Contribution to Preschool for All | 45.8 | 47.2 |
| 2/3 Annual Contribution to SF Unified School District | 91.6 | 94.4 |
| Subtotal - Children's Services | \$535.5 | \$565.9 |
| Recreation and Parks | | |
| Open Space Property Tax Set-Aside: \$0.025 per \$100 NAV | \$79.5 | \$79.4 |
| <i>Recreation & Parks Baseline - Requirement</i> | 82.2 | 85.2 |
| Recreation & Parks Baseline - Budgeted | 88.5 | 91.8 |
| Subtotal - Recreation and Parks | \$168.1 | \$171.3 |
| Other | | |
| <i>Housing Trust Fund Requirement</i> | \$44.5 | \$47.3 |
| Housing Trust Fund Budget | 44.5 | 47.3 |
| Dignity Fund | 56.1 | 59.1 |
| Street Tree Maintenance Fund: 0.5154% ADR | 22.8 | 23.8 |
| Municipal Symphony Baseline: \$0.00125 per \$100 NAV | 4.3 | 4.4 |
| City Services Auditor: 0.2% of Citywide Budget | 26.0 | 25.8 |
| Subtotal - Other | \$153.7 | \$160.3 |
| Recently Adopted Expenditure Requirements | | |
| <i>Our City, Our Home Baseline Requirement (Nov 2018 Prop C)</i> | 215.0 | 215.0 |
| Our City, Our Home Budget, Estimated | 393.1 | 388.5 |
| <i>Early Care and Education Baseline Requirement (June 2018 Prop C)</i> | 93.2 | 97.1 |
| Early Care and Education Budget | 73.8 | 83.7 |
| Total Baselines and Set-Asides | \$2,087.0 | \$2,161.2 |

¹ Fiscal year 2023-24 and 2024-25 amounts represent the Original Budget, adopted July 25, 2023.

EMPLOYMENT COSTS; POST-EMPLOYMENT OBLIGATIONS

The cost of salaries and benefits for City employees represents slightly less than half of the City's expenditures, totaling \$6.7 billion and \$6.9 billion in fiscal years 2023-24 and 2024-25 in the Original Budget. For the General Fund, the combined salary and benefits in the Original Budget is \$3.1 billion in each fiscal year.

This section discusses the organization of City workers into bargaining units, the status of employment contracts, and City expenditures on employee-related costs including salaries, wages, medical benefits, retirement benefits and the City's retirement system, and post-employment health and medical benefits. SFUSD, SFCCD and the San Francisco Superior Court, called Trial Court below, are not City employees.

Labor Relations

The City's FY24 & FY25 Original Budget includes 40,455 full-time and part-time budgeted City positions. City workers are represented by 36 different labor unions. The largest unions in the City are the Service Employees International Union, Local 1021 ("SEIU"); the International Federation of Professional and Technical Engineers, Local 21 ("IFPTE"); and the unions representing Police, Fire, Deputy Sheriffs, and Transit Workers.

Wages, hours and working conditions of City employees are determined by collective bargaining pursuant to State law (the Meyers-Milias-Brown Act, California Government Code Sections 3500-3511) and the City Charter. San Francisco is unusual among California's cities and counties in that nearly all of its employees, including managerial and executive-level employees, are represented by labor organizations.

The City's employee selection procedures are established and maintained through a civil service system. In general, selection procedures and other merit system issues, with the exception of discipline, are not subject to arbitration. Disciplinary actions are generally subject to grievance arbitration, with the exception of sworn police officers and fire fighters.

Further, the City Charter requires binding arbitration to resolve negotiations in the event of an impasse. If an impasse is reached, the parties are required to convene a tripartite arbitration panel, chaired by an impartial third-party arbitrator, which sets the disputed terms of the new agreement. The award of the arbitration panel is final and binding. This process applies to all City employees except Registered Nurses and a small group of unrepresented employees, whose working conditions and compensation are established annually by ordinance. Wages, hours and working conditions of nurses are not subject to interest arbitration but are subject to Charter-mandated economic limits.

Since 1976, no City employees have participated in a union-authorized strike, which is prohibited by the Charter. On July 24, 2023, the California Public Employment Relations Board ("PERB") ruled in favor of SEIU and IFPTE, concluding that City Charter sections A8.346 and A8.409 prohibiting strikes by City employees are invalid, affirming an earlier ruling of an administrative law judge that such City Charter provisions violate the Meyers-Milias-Brown Act. The City has filed a notice of appeal to the California Court of Appeal with respect to the PERB decision. The City can give no assurance whether the appeal will be successful.

In 2023, the City negotiated a 2.5% base wage increase with labor organizations representing sworn members of the Police and Fire departments due on July 1, 2023 and 2.25% on January 6, 2024. For fiscal

year 2024-25, the parties agreed to a base wage increase of 3.0% on January 4, 2025 with a provision to delay the increase by six months if the City's budget deficit for fiscal year 2024-25, as projected in the March 2024 Joint Report, exceeds \$300 million. The March 2024 Joint Report forecasted a deficit \$235.9 million, below the \$300 million threshold. Therefore no wage delay is expected. For fiscal year 2025-2026, the parties agreed to a base wage increase of 3.0% on July 1, 2025 with a provision to delay the increase by one year if the City's budget deficit for fiscal year 2025-26, as projected in the March 2025 Joint Report, exceeds \$300 million. See "CITY BUDGET—Five-Year Financial Plan Update: FY2024-25 through FY2027-28 and Mayor's Budget Instructions" for a summary of the March 2024 Joint Report. For fiscal year 2023-24, the Unrepresented Employee Ordinance was passed approving a wage increase of 2.5% on July 1, 2023 and 2.25% on January 6, 2024.

In May 2022, the City negotiated two-year agreements (for fiscal years 2022-23 through 2023-24) with 27 labor unions. For fiscal year 2022-23, the parties agreed to a base wage increase of 5.25% on July 1, 2022. For fiscal year 2023-24, the parties agreed to a base wage increase schedule of 2.5% on July 1, 2023 and 2.25% on January 6, 2024, with a provision to delay the fiscal year 2023-24 increases by six months if the City's budget deficit for fiscal year 2023-24, as projected in the March 2023 Joint Report, exceeds \$300 million.

Also, in May 2022, the MTA negotiated two-year agreements (for fiscal years 2022-23 through 2023-24) with the unions that represent Transit Operators, Mechanics, Station Agents, Parking Control Officers and others, collectively referred to as Service-Critical. The parties agreed to the same wage increase schedule as provided in the City agreements, with the same wage deferral triggers.

In January 2024, the City and MTA commenced bargaining 36 successor MOUs with 33 labor unions with negotiated wage increases potentially coming into effect on July 1, 2024. The City and MTA expect to reach agreements with these labor unions on or prior to June 30, 2024.

One of the key assumptions in the March 2024 Joint Report was that wages under all open labor contracts would increase during the Five-Year Plan projection period at the average of the inflation projections of the California Department of Finance SF Metropolitan Statistical Area CPI and Moody's SF Metropolitan Area CPI. The City has been actively negotiating the 36 MOUs with the 33 labor unions that have open contracts. The City's Administrative Code requires the submission of new MOUs to the Board of Supervisors by May 15, 2024. Based on tentative agreements, the City anticipates that the MOUs expected to be proposed to the Board will have increases that exceed the CPI assumptions assumed in the March 2024 Joint Report. Unless the City takes other corrective actions, such MOUs would increase the structural deficits projected in the Five-Year Plan.

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TABLE A-20

**CITY AND COUNTY OF SAN FRANCISCO (All Funds)
Employee Organizations as of February 1, 2024**

| Organization | City Budgeted Positions | Expiration Date of MOU |
|--|--------------------------------|-----------------------------------|
| Automotive Machinists, Local 1414 | 554 | 30-Jun-24 |
| Bricklayers, Local 3 | 6 | 30-Jun-24 |
| Building Inspectors' Association | 85 | 30-Jun-24 |
| Carpenters, Local 22 | 115 | 30-Jun-24 |
| Carpet, Linoleum & Soft Tile | 4 | 30-Jun-24 |
| Cement Masons, Local 300 | 43 | 30-Jun-24 |
| Deputy Probation Officers' Association (DPOA) | 120 | 30-Jun-24 |
| Deputy Sheriffs' Association (DSA) | 793 | 30-Jun-24 |
| Electrical Workers, Local 6 | 1,047 | 30-Jun-24 |
| Firefighters' Association, Local 798 | 2,028 | 30-Jun-26 |
| Glaziers, Local 718 | 14 | 30-Jun-24 |
| Hod Carriers, Local 36 | 4 | 30-Jun-24 |
| Ironworkers, Local 377 | 14 | 30-Jun-24 |
| Laborers, Local 261 | 1,237 | 30-Jun-24 |
| Municipal Attorneys' Association (MAA) | 510 | 30-Jun-24 |
| Municipal Executives' Association (MEA) Fire | 12 | 30-Jun-26 |
| Municipal Executives' Association (MEA) Miscellaneous | 1,752 | 30-Jun-24 |
| Municipal Executives' Association (MEA) Police | 16 | 30-Jun-26 |
| Operating Engineers, Local 3 Miscellaneous | 68 | 30-Jun-24 |
| Operating Engineers, Local 3 Supervising Probation | 28 | 30-Jun-24 |
| Pile Drivers, Local 34 | 27 | 30-Jun-24 |
| Plumbers, Local 38 | 369 | 30-Jun-24 |
| Police Officers' Association (POA) | 2,399 | 30-Jun-26 |
| Professional and Technical Engineers, Local 21 | 7,396 | 30-Jun-24 |
| Roofers, Local 40 | 13 | 30-Jun-24 |
| SEIU, Local 1021, H-1 | 1 | 30-Jun-24 |
| SEIU, Local 1021 Misc | 13,609 | 30-Jun-24 |
| SEIU, Local 1021 Nurses | 1,868 | 30-Jun-24 |
| SF City Workers United | 145 | 30-Jun-24 |
| SFDA Investigators Association | 44 | 30-Jun-24 |
| Sheet Metal Workers, Local 104 | 39 | 30-Jun-24 |
| Sheriffs' Supervisory and Management Association (MSA) | 119 | 30-Jun-24 |
| Stationary Engineers, Local 39 | 707 | 30-Jun-24 |
| Teamsters, Local 853 | 192 | 30-Jun-24 |
| Teamsters, Local 856, Multi | 102 | 30-Jun-24 |
| Teamsters, Local 856, Supervising Nurses | 136 | 30-Jun-24 |
| Theatrical Stage Emp, Local 16 | 34 | 30-Jun-24 |
| TWU, Local 200 | 537 | 30-Jun-24 |
| TWU, Local 250-A, Auto Service Work | 134 | 30-Jun-24 |
| TWU, Local 250-A, Miscellaneous | 108 | 30-Jun-24 |
| TWU, Local 250-A, Transit Fare Inspectors | 45 | 30-Jun-24 |
| TWU, Local 250-A, Transit Operator | 2,670 | 30-Jun-24 |
| Union of American Physicians and Dentists (UAPD) | 212 | 30-Jun-24 |
| Unrepresented Employees | 94 | 30-Jun-24 |
| Other | 1,007 | |
| | 40,455 | |

San Francisco Employees' Retirement System

History and Administration

The San Francisco City & County Employees' Retirement System ("SFERS" or "Retirement System") is charged with administering a defined-benefit pension plan that covers substantially all City employees and certain other employees. The Retirement System was initially established by approval of City voters on November 2, 1920 and the State Legislature on January 12, 1921 and is currently codified in the City Charter. The Charter provisions governing the Retirement System may be revised only by a Charter amendment, which requires an affirmative public vote at a duly called election.

The Retirement System is administered by the Retirement Board consisting of seven members, three appointed by the Mayor, three elected from among the members of the Retirement System, at least two of whom must be actively employed, and a member of the Board of Supervisors appointed by the President of the Board of Supervisors.

The Retirement Board appoints an Executive Director and an Actuary to aid in the administration of the Retirement System. The Executive Director serves as Chief Executive Officer and Chief Investment Officer of SFERS. The Actuary's responsibilities include advising the Retirement Board on actuarial matters and monitoring of actuarial service providers. The Retirement Board retains an independent consulting actuarial firm to prepare the annual valuation reports and other analyses. The independent consulting actuarial firm is currently Cheiron, Inc., a nationally recognized firm selected by the Retirement Board pursuant to a competitive process.

Membership

Retirement System members include eligible employees of the City, SFUSD, SFCCD, and the San Francisco Trial Courts. The Retirement System estimates that the total active membership as of July 1, 2023 is 46,657, compared to 45,284 as of July 1, 2022. Active membership as of July 1, 2023 includes 11,461 terminated vested members and 1,180 reciprocal members. Terminated vested members are former employees who have vested rights in future benefits from SFERS. Reciprocal members are individuals who have established membership in a reciprocal pension plan such as California Public Employees' Retirement System ("CalPERS") and may be eligible to receive a reciprocal pension from the Retirement System in the future. Monthly retirement allowances are paid to approximately 32,104 retired members and beneficiaries. Benefit recipients include retired members, vested members receiving a vesting allowance, and qualified survivors.

Table A-21 shows various member counts in the total Retirement System (City, SFUSD, SFCCD, and San Francisco Trial Courts) as of the five most recent actuarial valuation dates, July 1, 2019 through July 1, 2023. The number of retirees supported by each active member can be an important indicator of growing plan maturity and sensitivity to investment returns, assumption changes, and other changes to the Retirement System. In particular, if the ratio of retirees to active members grows, it indicates that any actuarial losses on retiree liabilities or assets are likely to place a relatively greater burden on employers and active members. The ratio for SFERS had been relatively stable but increased modestly in 2021 and again in 2022 with the two-year decline in number of active members. Although the City has been actively filling vacant positions, the ratio remains elevated above pre-pandemic levels.

TABLE A-21

**San Francisco City and County
Employees' Retirement System
July 1, 2019 through July 1, 2023**

| As of July 1st | Active Members | Vested Members | Reciprocal Members | Total Non-retired | Retirees & Continuants | Retiree to Active Ratio |
|-------------------|-------------------|-------------------|-----------------------|----------------------|---------------------------|----------------------------|
| 2019 | 34,202 | 8,911 | 1,044 | 44,157 | 29,490 | 0.86 |
| 2020 | 34,521 | 9,478 | 1,071 | 45,070 | 30,128 | 0.87 |
| 2021 | 33,644 | 10,066 | 1,060 | 44,770 | 30,854 | 0.92 |
| 2022 | 33,199 | 11,066 | 1,019 | 45,284 | 31,719 | 0.96 |
| 2023 | 34,016 | 11,461 | 1,180 | 46,657 | 32,104 | 0.94 |

Sources: SFERS' annual Actuarial Valuation Report dated July 1st.
See the Retirement System's website, mysfers.org, under Publications. The information on such website is not incorporated herein by reference.

Notes: Member counts are for the entire Retirement System and include non-City employees.

Funding Practices

Employer and employee (member) contributions are mandated by the Charter. Sponsoring employers are required to contribute 100% of the actuarially determined contribution approved by the Retirement Board. The Charter specifies that employer contributions consist of the normal cost (the present value of the benefits that SFERS expects to become payable in the future attributable to a current year's employment) plus an amortization of the unfunded liability over a period not to exceed 20 years. The Retirement Board sets the funding policy subject to the Charter requirements.

The Retirement Board adopts the economic and demographic assumptions used in the annual valuations. Demographic assumptions such as retirement, termination and disability rates are based upon periodic demographic studies performed by the consulting actuarial firm approximately every five years. Economic assumptions are reviewed each year by the Retirement Board after receiving an economic experience analysis from the consulting actuarial firm.

The Board adopted the current demographic assumptions at its December 9, 2020 Retirement Board meeting based on the experience study dated August 12, 2020. The current discount rate of 7.20% was adopted at the November 10, 2021 Board meeting, effective for the July 1, 2021 actuarial valuation. The Board voted to maintain these assumptions for the 2022 and 2023 actuarial valuations at its November 17, 2022 and November 8, 2023 meetings, respectively. In the long term, the true cost of a pension plan is determined by actual results and not by assumptions.

While employee contribution rates are mandated by the Charter, sources of payment of employee contributions (i.e. City or employee) may be the subject of collective bargaining agreements with each union or bargaining unit. Since July 1, 2011, substantially all employee groups have agreed through collective bargaining for employees to contribute all employee contributions through pre-tax payroll deductions.

Prospective purchasers of the City’s debt obligations should carefully review and assess the assumptions regarding the performance of the Retirement System. Audited financial statements and actuarial reports may be found on the Retirement System’s website, www.mysfers.org, under Publications. The information on such website is not incorporated herein by reference. There is a risk that actual results will differ significantly from assumptions. In addition, prospective purchasers of the City’s debt obligations are cautioned that the information and assumptions speak only as of the respective dates contained in the underlying source documents and are therefore subject to change.

Annual Valuation and Employer Contribution History

Table A-22 shows total Retirement System liabilities, assets and percent funded for the last five actuarial valuations as well as total contributions for the last five fiscal years ending June 30, 2023. Information is shown for all employers in the Retirement System (City & County, SFUSD, SFCCD and San Francisco Trial Courts). “Actuarial Liability” reflects the actuarial accrued liability of the Retirement System measured for purposes of determining the funding contribution. “Market Value of Assets” reflects the fair market value of assets held in trust for payment of pension benefits. “Actuarial Value of Assets” refers to the plan assets with investment returns different than expected smoothed over five years to provide a more stable contribution rate. The “Market Percent Funded” column is determined by dividing the market value of assets by the actuarial accrued liability. The “Actuarial Percent Funded” column is determined by dividing the actuarial value of assets by the actuarial accrued liability. “Employee and Employer Contributions” reflects the sum of mandated employee and employer contributions received by the Retirement System in the fiscal year ended June 30 prior to the July 1 valuation date.

TABLE A-22

| City and County of San Francisco Employees' Retirement System July 1, 2018 through July 1, 2022 (Dollar amounts in 000s) | | | | | | | |
|---|------------------------|---------------------------|------------------------------|-----------------------------|--------------------------------|--|---|
| As of July 1st | Actuarial Liability | Market Value of Assets | Actuarial Value of Assets | Market Percent Funded | Actuarial Percent Funded | Employee & Employer Contributions in prior FY | Employer Contribution Rates ¹ in prior FY |
| 2018 | \$ 27,335,417 | \$ 24,557,966 | \$ 23,866,028 | 89.8% | 87.3% | \$ 983,763 | 23.46% |
| 2019 | 28,798,581 | 26,078,649 | 25,247,549 | 90.6% | 87.7% | 1,026,036 | 23.31% |
| 2020 | 29,499,918 | 26,620,218 | 26,695,844 | 90.2% | 90.5% | 1,143,634 | 25.19% |
| 2021 | 31,905,275 | 35,673,834 | 30,043,222 | 111.8% | 94.2% | 1,245,957 | 26.90% |
| 2022 | 33,591,565 | 32,798,524 | 32,275,474 | 97.6% | 96.1% | 1,191,934 | 24.41% |

¹ Employer contribution rates are shown prior to employer/employee cost-sharing provisions of 2011 Proposition C. Employer contribution rates for fiscal years 2022-23 and 2023-24 are 21.35% and 18.24%, respectively.

Sources: SFERS' audited year-end financial statements and required supplemental information.
SFERS' annual Actuarial Valuation Report dated July 1st. See the Retirement System's website, mysfers.org, under Publications.
The information on such website is not incorporated herein by reference.

Note: Information above reflects entire Retirement System, not just the City and County of San Francisco.

Note that at the July 1, 2023 valuation date, the market percent funded ratio is slightly lower than the actuarial percent funded ratio, reflecting net asset returns lower than the long-term rate of return assumptions that have not yet been recognized in the smoothed actuarial value of assets. The Retirement

System's investment portfolio return was 33.7% in fiscal year 2020-21, -2.9% in fiscal year 2021-22, and 4.3% in fiscal year 2022-23. Global markets remain volatile due to continued uncertainty about tighter monetary policy, interest rates, inflation, and geopolitical risk.

The actuarial liability is measured by an independent consulting actuary in accordance with Actuarial Standards of Practice. In addition, an actuarial audit is conducted every five years in accordance with Retirement Board policy. The most recent actuarial audit was completed in July 2023.

The fiscal year 2022-23 employer contribution rate was 21.35% (estimated to be 18.76% after cost-sharing). The 2022-23 fiscal year City employer contributions to the Retirement System were \$679.0 million, which includes \$404.8 million from the General Fund. The fiscal year 2023-24 employer contribution rate is 18.24% (estimated to be 16.12% after cost-sharing), with a total budget of \$620.9 million, which includes \$381.7 million from the General Fund. The continued declines in the contribution rate reflect the completion of prior amortization layers and the five-year phase-in of investment gains from fiscal year 2020-21, offset by the impact of lower investment returns in fiscal years 2021-22 and 2022-23. Employer contribution rates anticipate annual increases in pensionable payroll of 3.25%. As discussed under "CITY BUDGET –Five-Year Financial Plan Update: FY2024-25 through FY2027-28 and Mayor's Budget Instructions", increases in retirement costs are projected in the City's Five-Year Financial Plan.

Risks to City's Retirement Plan

In its July 2023 actuarial report, Cheiron identifies three primary risks to the Retirement System as required by Actuarial Standards of Practice No. 51 (Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions). The material risks identified were as follows: investment risk, interest rate risk, and supplemental cost of living adjustment ("COLA") risk. Investment risk is the potential for investment returns to be different than expected, while interest rate risk is the potential for longer-term trends to impact economic assumptions such as inflation and wage increases but particularly the discount rate. Supplemental COLA risk is the potential for the cost of future supplemental COLAs to increase contribution rates.

Supplemental COLAs are mandated by the Charter when investment returns exceed expectations. If the pension plan is less than fully funded on a market-value basis, certain groups of retirees may not receive a supplemental COLA at all or their supplemental COLA may be limited. Supplemental COLAs are capped at 3.5% less any basic COLA. As the majority of retirees have annual basic COLAs capped at 2.0%, a supplemental COLA when granted typically represents a 1.5% increase in benefit.

Cheiron's July 2023 report provides stress testing of the supplemental COLA provision and shows that the current funding policy of amortizing new supplemental COLAs over five years manages the risk with contributions remaining very close to baseline and a relatively stable funded status.

Governmental Accounting Standards Board ("GASB") Disclosures

The Retirement System discloses accounting and financial reporting information under GASB Statement No. 67, *Financial Reporting for Pension Plans*. The City discloses accounting and financial information about the Retirement System under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. In general, the City's funding of its pension obligations is not affected by the GASB 68 reporting of the City's pension liability. Funding requirements are specified in the City Charter and are described in "Funding

Practices” above.

Total Pension Liability reported under GASB Statements No. 67 and 68 differs from the Actuarial Liability calculated for funding purposes in several ways, including the following differences. First, Total Pension Liability measured at fiscal year-end is a roll-forward of liabilities calculated at the beginning of the year and is based upon a beginning of year census adjusted for significant events that occurred during the year. Second, Total Pension Liability is based upon a discount rate determined by a blend of the assumed investment return, to the extent the fiduciary net position is available to make payments, and a municipal bond rate, to the extent that the fiduciary net position is unavailable to make payments. There have been no differences between the discount rate and assumed investment return since fiscal-year end 2015. The third distinct difference is that Total Pension Liability includes a provision for supplemental COLAs that may be granted in the future, while Actuarial Liability for funding purposes includes only supplemental COLAs that have already been granted as of the valuation date.

Table A-23 below shows for the five most recent fiscal years the collective Total Pension Liability, Plan Fiduciary Net Position (market value of assets), and Net Pension Liability for all employers who sponsor the Retirement System. The City’s audited financial statements disclose only its own proportionate share of the Net Pension Liability and other required GASB 68 disclosures.

TABLE A-23

| Employees' Retirement System | | | | | | |
|---|--|--------------------|--------------------------------|-------------------------------------|--|--|
| GASB 67/68 Disclosures | | | | | | |
| Fiscal Years 2018-2019 through 2022-2023 | | | | | | |
| (Dollar amounts in 000s) | | | | | | |
| As of June 30th | Collective Total Pension Liability (TPL) | Discount Rate % | Plan Fiduciary Net Position | Plan Net Position as % of TPL | Collective Net Pension Liability (NPL) | City and County's Proportionate Share of NPL |
| 2019 | \$ 30,555,289 | 7.40% | \$ 26,078,649 | 85.3% | \$ 4,476,640 | \$ 4,213,807 |
| 2020 | 32,031,018 | 7.40% | 26,620,218 | 83.1% | 5,410,800 | 5,107,271 |
| 2021 | 33,088,765 | 7.40% | 35,673,834 | 107.8% | (2,585,069) | (2,446,563) |
| 2022 | 35,489,639 | 7.20% | 32,798,524 | 92.4% | 2,691,115 | 2,552,997 |
| 2023 | 37,332,835 | 7.20% | 33,688,428 | 90.2% | 3,644,407 | 3,456,687 |

Sources: SFERS fiscal year-end GASB 67/68 Reports as of each June 30

Notes: Collective amounts include all employees (City and County, SFUSD, SFCCD, Trial Courts)

NPL can be quite volatile. The increase in NPL at fiscal year-end 2020 was due to lower-than-expected investment returns. The large decline at fiscal year-end 2021 is due to the 33.7% investment portfolio return during that year, while the increase at fiscal year-end 2022 is due to both the -2.9% return and the reduction in discount rate from 7.4% to 7.2%. NPL increased again at year-end 2023 due to asset returns below the long-term assumed rate, the November 2022 Charter amendment that increased the June 30, 2023 TPL by \$59 million, and differences between expected and actual demographic assumptions including salary increases.

Asset Management

The assets of the Retirement System, (the “Fund”) are invested in a broadly diversified manner across the

institutional global capital markets. In addition to U.S. equities and fixed income securities, the Fund holds international equities, global sovereign and corporate debt, global public and private real assets, absolute return strategies (including hedge funds), and an array of alternative investments including private equity, venture capital limited partnerships, and private credit.

Annualized investment return (net of fees and expenses) for the Retirement System for the five years ending June 30, 2023 was 8.48%. For the ten-year and twenty-year periods ending June 30, 2023, annualized investment returns were 9.05% and 8.36% respectively.

The investments, their allocation, transactions and proxy votes are regularly reviewed by the Retirement Board and monitored by an internal staff of investment professionals who in turn are advised by external consultants who are specialists in the areas of investments detailed above. A description of the Retirement System's investment policy, a description of asset allocation targets and current investments, and the Annual Report of the Retirement System are available upon request from the Retirement System by writing to the San Francisco Retirement System, 1145 Market Street, 5th Floor, San Francisco, California 94103, or by calling (415) 487-7000. These documents are not incorporated herein by reference.

Voter Approved Changes to the Retirement Plan

The levels of SFERS plan benefits are established under the Charter and approved directly by the voters, rather than through the collective bargaining process. Changes to retirement benefits require a voter-approved Charter amendment.

The most recent amendment, Proposition A, was approved by voters in November 2022. This amendment made certain retirees who commenced benefits before November 6, 1996 eligible for a supplemental COLA even if SFERS is not fully funded. For these retirees, in years when SFERS is not fully funded, the supplemental COLA would be limited to \$200 per month for retirees who have an annual pension of more than \$50,000.

Proposition C was approved by voters in November 2011 to reduce future pension costs and introduced new benefit tiers effective for employees hired on and after January 7, 2012.

In August 2012, then-Governor Brown signed the Public Employee Pension Reform Act of 2012 ("PEPRA"). Current plan provisions of SFERS are not subject to PEPRA although future amendments may be subject to these reforms.

Impact on the Retirement System from Changes in the Economic Environment

As of June 30, 2023, the audited market value of Retirement System assets was \$33.7 billion. As of January 31, 2024, the estimated value of SFERS' investment portfolio was \$34.5 billion. These values represent, as of the date specified, the estimated value of the Retirement System's portfolio if it were liquidated on that date. The Retirement System cannot be certain of the value of certain of its portfolio assets and, accordingly, the market value of the portfolio could be lower or higher. Moreover, appraisals for classes of assets that are not publicly traded are based on estimates which typically lag changes in actual market value by three to six months. Representations of market valuations are audited at each fiscal year end as part of the annual audit of the Retirement System's financial statements.

The Retirement System investment portfolio is structured for long-term performance. The Retirement System continually reviews investment and asset allocation policies as part of its regular operations and continues to rely on an investment policy which is consistent with the principles of diversification and the search for long-term value. Market fluctuations are an expected investment risk for any long-term strategy. Significant market fluctuations are expected to have significant impact on the value of the Retirement System investment portfolio.

A decline in the value of SFERS Trust assets over time, without a commensurate decline in the pension liabilities, will result in an increase in the contribution rate for the City. No assurance can be provided by the City that contribution rates will not increase in the future, and that the impact of such increases will not have a material impact on City finances.

Other Employee Retirement Benefits

As noted above, various City employees are members of CalPERS, an agent multiple-employer public employee defined benefit plan for safety members and a cost-sharing multiple-employer plan for miscellaneous members. The City makes certain payments to CalPERS in respect of such members, at rates determined by the CalPERS board. Section A8.510 of the Charter requires the City to pay the full amount required by the actuarial valuations. The actual total employer contributions to CalPERS were \$52.0 million in fiscal year 2021-22. In addition to the required amounts, the City elected to pay an additional amount of \$8.4 million in fiscal years 2017-18, 2018-19 and 2019-2020; \$5.0 million in fiscal year 2021-22; and \$16.7 million in fiscal year 2022-23 in order to reduce its unfunded liability. A discussion of other post-employment benefits, including retiree medical benefits, is provided below under “Medical Benefits – Post-Employment Health Care Benefits” and “GASB 75 Reporting Requirements.”

Medical Benefits

Administration through San Francisco Health Service System; Audited System Financial Statements

Medical and COBRA benefits for eligible active City employees and eligible dependents, for retired City employees and eligible dependents, and for surviving spouses and domestic partners of covered City employees (the “City Beneficiaries”) are administered by the San Francisco Health Service System (the “San Francisco Health Service System” or “SFHSS”) pursuant to City Charter Sections 12.200 *et seq.* and A8.420 *et seq.* Pursuant to such Charter Sections, the SFHSS also administers medical benefits to active and retired employees of SFUSD, SFCCD and the San Francisco Superior Court; however, the City is only required to fund medical benefits for City Beneficiaries.

The San Francisco Health Service System is overseen by the City’s Health Service Board (the “Health Service Board”). The plans (the “SFHSS Medical Plans”) for providing medical care to the City Beneficiaries are determined annually by the Health Service Board and approved by the Board of Supervisors pursuant to Charter Section A8.422.

The San Francisco Health Service System oversees a trust fund (the “Health Service System Trust Fund”) established pursuant to Charter Sections 12.203 and A8.428 through which medical benefits for the City Beneficiaries are funded. The San Francisco Health Service System issues an annual, publicly available, independently audited financial report that includes financial statements for the Health Service System Trust Fund. This report may be obtained through the SFHSS website at sfhss.org, by writing to the San Francisco Health Service System, 1145 Market Street, Third Floor, San Francisco, California 94103. Audited annual financial statements for prior years are posted to the SFHSS website, however the

information available on the SFHSS website is not incorporated in this Official Statement by reference.

Under the City Charter, the Health Service System Trust Fund is not a fund through which assets are accumulated to finance post-employment healthcare benefits (an “OPEB Trust Fund”). Thus, GASB Statement Number 45, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions* (“GASB 45”) and GASB Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (“GASB 75”), which apply to OPEB Trust Funds, do not apply to the San Francisco Health Service System Trust Fund. However, the City has been funding post-employment healthcare benefits (“OPEB”) in a separate fund, the Retiree Health Care Trust Fund (“RHCTF”) for the purpose of prefunding future OPEB payments as described below.

Determination of Employer and Employee Contributions for Medical Benefits

According to the City Charter Section A8.428, the City’s contribution towards SFHSS Medical Plans for active employees and retirees is determined by the results of an annual survey of the amount of premium contributions provided by the ten most populous counties in California (other than the City) for health care. The survey is commonly called the 10-County Average Survey and is used to determine “the average contribution made by each such County toward the providing of health care plans, exclusive of dental or optical care, for each employee of such County.” The “average contribution” is used to calculate the City’s required contribution to the Health Service System Trust Fund for retirees.

Unions representing the majority of City employees negotiate through collective bargaining rather than applying the “average contribution” to determine the amount the City is required to contribute for active employees. To the extent annual medical premiums exceed the contributions made by the City as required by the Charter and union agreements, such excess must be paid by SFHSS Beneficiaries. Medical benefits for City Beneficiaries who are retired or otherwise not employed by the City (e.g., surviving spouses and surviving domestic partners of City retirees) (“Nonemployee City Beneficiaries”) are funded through contributions from such Nonemployee City Beneficiaries and the City as determined pursuant to Charter Section A8.428. The San Francisco Health Service System medical benefit eligibility requirements for Nonemployee City Beneficiaries are described below under “– *Post-Employment Health Care Benefits.*”

City Contribution for Retirees

The City contributes the full employer contribution amount for medical coverage for eligible retirees who were hired on or before January 9, 2009 pursuant to Charter Section A8.428. For retirees who were hired on or after January 10, 2009, the City contributes a portion of the medical coverage costs based on five coverage / employer contribution classifications that reflect certain criteria outlined in the Table below.

| Retiree Medical Coverage / Employer Contribution for Those Hired On or After January 10, 2009 | |
|---|---|
| Years of Credited Service at Retirement | Percentage of Employer Contribution Established in Charter Section A8.428 Subsection (b)(3) |
| Less than 5 years of Credited Service with the Employers (except for the surviving spouses or surviving domestic partners of active employees who died in the line of duty) | No Retiree Medical Benefits Coverage |
| At least 5 but less than 10 years of Credited Service with the Employers; or greater than 10 years of Credited Service with the Employers but not eligible to receive benefits under Subsections (a)(4), (b)(5) (A8.428 Subsection (b)(6)) | 0% - Access to Retiree Medical Benefits Coverage. Including Access to Dependent Coverage |
| At least 10 but less than 15 years of Credited Service with the Employers (AB.428 Subsection (b)(5)) | 50% |
| At least 15 but less than 20 years pf Credited Service with the Employers (AB.428 Subsection (b)(5)) | 75% |
| At least 20 years of Credited Service with the Employer; Retired Persons who retired for disability; surviving spouses or surviving domestic partners of active employees who died in the line of duty (AB.428 Subsection (b)(4)) | 100% |

Health Care Reform

The following discussion is based on the current status of the Patient Protection and Affordable Care Act (the “ACA”). Many attempts have been made to completely repeal the ACA; however full repeal has been unsuccessful thus far.

Three ACA taxes impact SFHSS rates for medical coverage. The taxes and the current status are as follow:

- Excise Tax on High-cost Employer-sponsored Health Plans**
 The Excise Tax on High-cost Employer-sponsored Health Plans (Cadillac Tax) is a 40% excise tax on high-cost coverage health plans. The National Defense Authorization Act for Fiscal Year 2020 repealed the Cadillac tax, effective January 1, 2020.
- Health Insurance Tax (“HIT”)**
 The ACA also imposed a tax on health insurance providers, which was passed on to employer sponsored fully insured plans in the form of higher premiums. The HIT was in effect in 2020 and substantially impacted rates. The tax was repealed effective January 1, 2021 also by the National Defense Authorization Act for Fiscal Year 2020.

- **Medical Device Excise Tax**

The ACA's medical device excise tax imposes a 2.3% tax on sales of medical devices (except certain devices sold at retail). The tax was repealed effective January 1, 2020.

- **Patient-Centered Outcomes Research Institute ("PCORI") Fee**

Congress revived and extended the PCORI fee, which had expired in 2019. The PCORI fee, adopted in the ACA, is paid by issuers of health insurance policies and plan sponsors of self-insured health plans to help fund the Patient-Centered Outcomes Research Institute. The fee is based on the average number of lives covered under the policy or plan. The fee applies to policy or plan years ending on or after October 1, 2012, and before October 1, 2029.

Employer Contributions for San Francisco Health Service System Benefits

For fiscal year 2022-23, based on the most recent audited financial statements, the San Francisco Health Service System received approximately \$874 million from participating employers for San Francisco Health Service System benefit costs. Of this total, the City contributed approximately \$738 million; approximately \$215 million of this \$738 million amount was for health care benefits for approximately 24,269 retired City employees and their eligible dependents, and approximately \$523 million was for benefits for approximately 32,023 active City employees and their eligible dependents.

The 2023 aggregate (employee and employer) cost of medical benefits offered by SFHSS to the City increased by 2.9%. The increase is favorable compared to benchmarks due to several factors including contracting by SFHSS that maintains competition among the health plans, implementing value-based models such as Accountable Care Organizations, use of generic prescription, and implementing flex-funded plans using narrow networks. Flex-funding eliminates the typical margins added by health plans; however, more risk is assumed by the city, and reserves are required to protect against this risk.

Post-Employment Health Care Benefits

The eligibility of former City employees for retiree health care benefits ("OPEB Benefits") and City and employee contributions to the Retiree Health Care Trust Fund ("RHCTF") are governed by the Charter (Section A8.432(a-b)). San Francisco voters have passed three different propositions to set these eligibility and contribution requirements: Proposition B passed on June 3, 2008; Proposition C passed on November 8, 2011; and Proposition A passed on November 5, 2013.

Employees hired before January 10, 2009, and a spouse or dependent are potentially eligible for health benefits following retirement at age 50 and completion of five years of City service. OPEB Benefit coverage and the City's required contributions for employees hired on or after January 10, 2009, is described above under "Medical Benefits: City Contribution for Retirees". Unlike employee pension contributions that are made to individual accounts, contributions to the RHCTF are non-refundable, even if an employee separates from the City and does not receive OPEB Benefits from the City.

Employee and City contributions to the RHCTF are a fixed percentage of pay that varies depending on the employee's hire date, the year in which the payment is made, and whether the RHCTF is fully funded. Employees hired before January 10, 2009, are required to make contributions equal to 1% of their salary to the RHCTF and employees hired on or after January 10, 2009, are required to make contributions equal to 2% of their salary. The City pays all OPEB Benefits on a pay-as-you-go basis each year and is required to contribute an amount equal to 1% of total pay to the RHCTF.

The City may not make disbursements from the RHCTF until it is fully funded, subject to the following exception. If the sum of the City's annual RHCTF contributions and OPEB Benefit payments (together, the "OPEB Cost") is projected to exceed 10% of payroll, the RHCTF Board may authorize stabilization disbursements from the RHCTF to the extent necessary to reduce the City's OPEB Cost to 10% of payroll provided that such stabilization disbursement does not exceed 10% of the balance in the RHCTF as of the prior year. The City has never had to make a disbursement from the RHCTF, and OPEB Cost as a percentage of payroll for fiscal year 2022-23 was 6.2%.

GASB 75 Reporting Requirements

In June 2015, GASB issued GASB 75. GASB 75 revises and establishes new accounting and financial reporting requirements for governments that provide their employees with OPEBs. The new standard is effective for periods beginning after June 15, 2017. The City implemented the provisions of GASB 75 in its audited financial statements for fiscal year 2017-18. According to GASB's Summary of GASB 75, GASB 75 requires recognition of the entire OPEB liability, a more comprehensive measure of OPEB expense, and new note disclosures and required supplementary information to enhance decision-usefulness and accountability.

City's Estimated Liability

The City is required by GASB 75 to prepare a new actuarial study of its OPEB Benefits obligation at least once every two years. As of the measurement date of June 30, 2022 (issued December 2023), used in the most recent actuarial valuation report dated June 30, 2022, the retiree health care fiduciary plan net position as a percentage of the total OPEB liability was 16.5%. This reflects the net position of the RHCTF in the amount of \$739.9 million divided by the total OPEB liability of \$4.5 billion. The estimated covered payroll (annual payroll of active employees covered by the plan) was \$4.18 billion, and the ratio of the Net OPEB liability to the covered payroll was 89.5%.

Under GASB 75, the annual OPEB Expense can be calculated as the change in the City's Net OPEB liability plus the changes in deferred outflows and inflows plus employee contributions. As stated above, employee and City contributions to the RHCTF are set by the Charter and are not actuarially determined. The annual OPEB Expense is included in the five-year trend information displayed in Table A-24 below purely for informational purposes.

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TABLE A-24

CITY AND COUNTY OF SAN FRANCISCO
Post-Employment Health Care Benefits
Fiscal Years 2018-19 to 2022-23
(000s)

| Fiscal Year | (A) | (B) | (A + B = C) | (D) | (C / D = E) | Plan Fiduciary Net Position | Plan Fiduciary Net Position as % of TOL | Net OPEB Liability |
|-------------|------------------------|---------------------|------------------|---------------------|--|-----------------------------|---|--------------------|
| | Paygo Benefit Payments | Trust Contributions | Annual OPEB Cost | Annual OPEB Expense | Annual OPEB Cost as % of Annual OPEB Expense | | | |
| 2018-19 | \$185,839 | \$32,786 | \$218,625 | \$320,331 | 68.2% | \$255,964 | 6.6% | \$3,600,967 |
| 2019-20 | 196,445 | 39,518 | 235,963 | 330,673 | 71.4% | 366,602 | 8.6% | 3,915,815 |
| 2020-21 | 206,439 | 39,555 | 245,994 | 320,684 | 76.7% | 488,989 | 11.3% | 3,823,335 |
| 2021-22 | 211,025 | 41,841 | 252,866 | 272,001 | 93.0% | 718,777 | 16.3% | 3,691,121 |
| 2022-23 | 215,408 | 45,241 | 260,649 | 256,974 | 101.4% | 739,880 | 16.5% | 3,746,270 |

Source: Postretirement Health Plan GASB 74/75 Reports produced by Cheiron in November 2019, December 2021, and December 2023

Total City Employee Benefits Costs

Table A-25 provides historical and budget information for all health benefits costs paid including pension, health, dental and other miscellaneous benefits. Historically, approximately 50% of health benefit costs are paid from the General Fund. For all fiscal years shown, a “pay-as-you-go” approach was used by the City for health care benefits.

Table A-25 below provides a summary of the City’s employee benefit actual costs for fiscal years 2018-19 through 2022-23 and budgeted costs for 2023-24.

TABLE A-25

CITY AND COUNTY OF SAN FRANCISCO
Employee Benefit Costs, All Funds
Fiscal Years 2018-19 through 2023-24
(000s)

| | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Actual ¹ | Actual ¹ | Actual ¹ | Actual ¹ | Actual ¹ | Budget ¹ |
| SFERS and PERS Retirement Contributions | \$650,011 | \$759,933 | \$823,317 | \$771,705 | \$755,995 | \$685,222 |
| Social Security & Medicare | \$219,176 | \$231,557 | \$229,044 | \$241,735 | \$260,233 | \$289,837 |
| Health - Medical + Dental, active employees ² | \$522,006 | \$555,780 | \$564,453 | \$570,262 | \$583,588 | \$644,225 |
| Health - Retiree Medical ² | \$186,677 | \$196,641 | \$216,916 | \$222,556 | \$215,885 | \$239,051 |
| Other Benefits ³ | \$26,452 | \$28,493 | \$24,111 | \$20,766 | \$19,149 | \$76,761 |
| Total Benefit Costs | \$1,604,322 | \$1,772,403 | \$1,857,841 | \$1,827,024 | \$1,834,849 | \$1,935,097 |

¹ Figures for fiscal year 2018-19 through fiscal year 2022-23 are actuals. Figures for fiscal year 2023-24 are from the Final Budget, July 25, 2023.

² Does not include Health Service System administrative costs. Does include flexible benefits that may be used for health insurance.

³ "Other Benefits" includes unemployment insurance premiums, life insurance and other miscellaneous employee benefits.

Source: Office of the Controller, City and County of San Francisco.

INVESTMENT OF CITY FUNDS

Investment Pool

The Treasurer of the City (the “Treasurer”) is authorized by Charter Section 6.106 to invest funds available under California Government Code Title 5, Division 2, Part 1, Chapter 4. In addition to the funds of the City, the funds of various City departments and local agencies located within the boundaries of the City, including the school and community college districts, airport and public hospitals, are deposited into the City and County’s Pooled Investment Fund (the “Pool”). The funds are commingled for investment purposes.

Investment Policy

The management of the Pool is governed by the Investment Policy administered by the Office of the Treasurer and Tax Collector in accordance with California Government Code Sections 27000, 53601, 53635, et. al. In order of priority, the objectives of this Investment Policy are safety, liquidity and return on investments. Safety of principal is the foremost objective of the investment program. The investment portfolio maintains sufficient liquidity to meet all expected expenditures for at least the next six months. The Office of the Treasurer and Tax Collector also attempts to generate a market rate of return, without undue compromise of the first two objectives.

The Investment Policy is reviewed and monitored annually by a Treasury Oversight Committee established by the Board of Supervisors. The Treasury Oversight Committee meets quarterly and is comprised of members drawn from (a) the Treasurer; (b) the Controller; (c) a representative appointed by the Board of Supervisors; (d) the County Superintendent of Schools or his/her designee; (e) the Chancellor of the Community College District or his/her designee; and (f) members of the general public. A complete copy of the Treasurer’s Investment Policy, dated September 2023, is included as an Appendix to this Official Statement.

Investment Portfolio

As of March 31, 2024, the City’s surplus investment fund consisted of the investments classified in Table A-26 and had the investment maturity distribution presented in Table A-27.

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TABLE A-26

City and County of San Francisco
Investment Portfolio
Pooled Funds
As of March 31, 2024

| <u>Type of Investment</u> | <u>Par Value</u> | <u>Book Value</u> | <u>Market Value</u> |
|------------------------------------|-------------------------|-------------------------|-------------------------|
| U.S. Treasuries | \$3,560,000,000 | \$3,551,232,784 | \$3,392,062,350 |
| Federal Agencies | 6,812,567,000 | 6,803,995,517 | 6,670,701,083 |
| Public Time Deposits | 40,000,000 | 40,000,000 | 40,000,000 |
| Negotiable Certificates of Deposit | 2,080,000,000 | 2,080,000,000 | 2,081,723,400 |
| Commercial Paper | 1,175,500,000 | 1,164,067,507 | 1,163,558,940 |
| Money Market Funds | 1,688,331,927 | 1,688,331,927 | 1,688,331,927 |
| Supranationals | 607,714,000 | 608,099,367 | 595,113,602 |
| Total | \$15,964,112,927 | \$15,935,727,102 | \$15,631,491,302 |

March Earned Income Yield: 3.552%

Sources: Office of the Treasurer and Tax Collector, City and County of San Francisco

From Citibank-Custodial Safekeeping, Clearwater Analytics-Inventory Control Program.

TABLE A-27

Pooled Funds
As of March 31, 2024

| <u>Maturity in Months</u> | | | <u>Par Value</u> | <u>Percentage</u> |
|---------------------------|----|----|-------------------------|-------------------|
| 0 | to | 1 | 2,288,300,927 | 14.33% |
| 1 | to | 2 | 576,000,000 | 3.61% |
| 2 | to | 3 | 1,011,645,000 | 6.34% |
| 3 | to | 4 | 1,396,000,000 | 8.74% |
| 4 | to | 5 | 565,000,000 | 3.54% |
| 5 | to | 6 | 705,000,000 | 4.42% |
| 6 | to | 12 | 2,276,781,000 | 14.26% |
| 12 | to | 24 | 2,980,578,000 | 18.67% |
| 24 | to | 36 | 2,905,653,000 | 18.20% |
| 36 | to | 48 | 654,655,000 | 4.10% |
| 48 | to | 60 | 604,500,000 | 3.79% |
| | | | \$15,964,112,927 | 100.00% |

Weighted Average Maturity: 347 Days

Sources: Office of the Treasurer and Tax Collector, City and County of San Francisco

From Citibank-Custodial Safekeeping, Clearwater Analytics-Inventory Control Program.

Further Information

A report detailing the investment portfolio and investment activity, including the market value of the portfolio, is submitted to the Mayor and the Board of Supervisors monthly. The monthly reports and annual reports are available on the Treasurer's web page: www.sftreasurer.org. The monthly reports and annual reports are not incorporated by reference herein.

CAPITAL FINANCING AND BONDS

Capital Plan

In October 2005, the Board of Supervisors adopted, and the Mayor approved, Ordinance No. 216-05, which established a new capital planning process for the City. The legislation requires that the City develop and adopt a 10-year capital expenditure plan for City-owned facilities and infrastructure. It also created the Capital Planning Committee (the "CPC") and the Capital Planning Program ("CPP"). The CPC makes recommendations to the Mayor and Board of Supervisors on the City's capital expenditures and plans. The CPC reviews and submits the Capital Plan, Capital Budget, and issuances of long-term debt for approval. The CPC is chaired by the City Administrator and includes the President of the Board of Supervisors, the Mayor's Budget Director, the Controller, the City Planning Director, the Director of Public Works, the Airport Director, the Executive Director of the MTA, the General Manager of the SFPUC, the General Manager of the Recreation and Parks Department, and the Executive Director of the Port. To help inform CPC recommendations, the CPC staff, under the direction of the City Administrator, review and prioritize funding needs; project and coordinate funding sources and uses; and provide policy analysis and reports on interagency capital planning.

The City Administrator, in conjunction with the CPC, is directed to develop and submit a 10-year capital plan every other fiscal year for approval by the Board of Supervisors. The Capital Plan is a fiscally constrained long-term finance strategy that prioritizes projects based on a set of funding principles. It provides an assessment of the City's infrastructure and other funding needs over 10 years, highlights investments required to meet these needs, and recommends a plan of finance to fund these investments. Although the Capital Plan provides cost estimates and proposes methods to finance such costs, the document does not reflect any commitment by the Board of Supervisors to expend such amounts or to adopt any specific financing method. The Capital Plan is required to be updated and adopted biennially, along with the City's Five-Year Financial Plan and the Five-Year Information & Communication Technology Plan. The CPC is also charged with reviewing the annual capital budget submission and all long-term financing proposals and providing recommendations to the Board of Supervisors relating to the compliance of any such proposal or submission with the adopted Capital Plan.

The Capital Plan is required to be submitted to the Mayor and the Board of Supervisors by each March 1 in odd-numbered years and adopted by the Board of Supervisors and the Mayor on or before May 1 of the same year.

The fiscal years 2024-2033 Capital Plan (the "Adopted Capital Plan") was approved by the CPC on February 27, 2023 and was adopted by the Board of Supervisors on May 9, 2023. The Adopted Capital Plan contains \$41.4 billion in capital investments over the coming decade for all City departments, including \$5.8 billion in projects for General Fund-supported departments. The Adopted Capital Plan proposes \$2.2 billion for General Fund pay-as-you-go capital projects over the next 10 years. Major capital projects for General

Fund-supported departments included in the Capital Plan consist of critical seismic projects, and relocation of staff from seismically vulnerable facilities; upgrades to public health, police, and fire facilities; transportation and utility system improvements; street and right-of-way improvements; the removal of barriers to accessibility; and park improvements, among other capital projects. \$2.7 billion of the capital projects of General Fund supported departments are expected to be financed with general obligation bonds and other long-term obligations, subject to planning policy constraints. The balance is expected to be funded by federal and State funds, the General Fund and other sources.

In addition to the City General Fund-supported capital spending, the Adopted Capital Plan recommends over \$19.0 billion in enterprise fund department projects to continue major transit, economic development and public utility projects such as MTA facilities, seawall strengthening, terminal 1 and 3 upgrades at San Francisco International Airport, water, sewer, and power enterprise improvements, and building adequate facilities to support the City's growing transit fleet, among others. Approximately \$8.3 billion of enterprise fund department capital projects are anticipated to be financed with revenue bonds. The balance is expected to be funded by general obligation bonds, federal and State funds, user/operator fees, General Fund and other sources.

While significant investments are proposed in the City's Adopted Capital Plan, identified resources remain below those necessary to maintain and enhance the City's physical infrastructure. As a result, over \$6.7 billion in capital needs including enhancements are deferred from the plan's horizon.

Failure to make the capital improvements and repairs recommended in the City's Adopted Capital Plan may have the following impacts: (i) failing to meet federal, State or local legal mandates; (ii) failing to provide for the imminent life, health, safety and security of occupants and the public; (iii) failing to prevent the loss of use of the asset; (iv) impairing the value of the City's assets; (v) increasing future repair and replacement costs; and (vi) harming the local economy.

Tax-Supported Debt Service – City General Obligation Bonds

Under the State Constitution and the Charter, City bonds secured by *ad valorem* property taxes ("general obligation bonds" or "GO bonds") can only be authorized with a two-thirds approval of the voters. As of March 15, 2024, the City had approximately \$2.6 billion aggregate principal amount of GO bonds outstanding. In addition to the City's general obligation bonds, BART, SFUSD and SFCCD also have outstanding general obligation bonds as shown in Table A-33.

Table A-28 shows the annual amount of debt service payable on the City's outstanding GO bonds.

TABLE A-28

CITY AND COUNTY OF SAN FRANCISCO
General Obligation Bonds Debt Service
As of March 15, 2024^{1 2}

| Fiscal Year | Principal | Interest | Annual Debt Service |
|--------------|------------------------|----------------------|------------------------|
| 2023-24 | \$179,681,206 | \$52,378,893 | \$232,060,099 |
| 2024-25 | 181,456,476 | 96,440,893 | 277,897,368 |
| 2025-26 | 168,786,279 | 88,136,881 | 256,923,160 |
| 2026-27 | 175,770,840 | 80,526,427 | 256,297,268 |
| 2027-28 | 182,379,035 | 72,846,056 | 255,225,091 |
| 2028-29 | 184,666,751 | 65,193,554 | 249,860,305 |
| 2029-30 | 183,105,095 | 57,164,224 | 240,269,319 |
| 2030-31 | 148,541,950 | 49,359,783 | 197,901,733 |
| 2031-32 | 154,120,000 | 43,478,084 | 197,598,084 |
| 2032-33 | 123,215,000 | 37,554,013 | 160,769,013 |
| 2033-34 | 105,695,000 | 32,904,522 | 138,599,522 |
| 2034-35 | 99,905,000 | 29,134,895 | 129,039,895 |
| 2035-36 | 85,135,000 | 25,681,630 | 110,816,630 |
| 2036-37 | 74,915,000 | 22,738,763 | 97,653,763 |
| 2037-38 | 66,450,000 | 20,149,611 | 86,599,611 |
| 2038-39 | 48,340,000 | 17,815,652 | 66,155,652 |
| 2039-40 | 48,355,000 | 16,131,920 | 64,486,920 |
| 2040-41 | 43,040,000 | 14,422,231 | 57,462,231 |
| 2041-42 | 44,675,000 | 12,790,188 | 57,465,188 |
| 2042-43 | 46,380,000 | 11,078,137 | 57,458,137 |
| 2043-44 | 48,165,000 | 9,296,299 | 57,461,299 |
| 2044-45 | 50,020,000 | 7,438,235 | 57,458,235 |
| 2045-46 | 46,575,000 | 5,506,630 | 52,081,630 |
| 2046-47 | 13,465,000 | 3,713,546 | 17,178,546 |
| 2047-48 | 14,040,000 | 3,137,495 | 17,177,495 |
| 2048-49 | 5,345,000 | 2,535,881 | 7,880,881 |
| 2049-50 | 5,530,000 | 2,354,712 | 7,884,712 |
| 2050-51 | 5,725,000 | 2,159,925 | 7,884,925 |
| 2051-52 | 5,935,000 | 1,950,338 | 7,885,338 |
| 2052-53 | 6,155,000 | 1,732,790 | 7,887,790 |
| 2053-54 | 6,380,000 | 1,506,973 | 7,886,973 |
| 2054-55 | 6,610,000 | 1,272,671 | 7,882,671 |
| 2055-56 | 6,855,000 | 1,029,667 | 7,884,667 |
| 2056-57 | 7,110,000 | 777,438 | 7,887,438 |
| 2057-58 | 7,370,000 | 515,551 | 7,885,551 |
| 2058-59 | 3,895,000 | 243,790 | 4,138,790 |
| 2059-60 | 4,010,000 | 123,668 | 4,133,668 |
| TOTAL | \$2,587,797,632 | \$891,221,965 | \$3,479,019,597 |

¹ This table only includes the City's General Obligation Bonds and does not include any of the overlapping debt as shown in Table A-33.

² Totals reflect rounding to nearest dollar.

³ Section 9.106 of the City Charter limits issuance of general obligation bonds of the City to 3% of assessed value.

Source: Office of Public Finance, City and County of San Francisco.

Authorized but Unissued City GO Bonds

Certain GO bonds authorized by the City's voters as discussed below have not yet been issued. Such bonds may be issued at any time by action of the Board of Supervisors, without further approval by the voters.

In November 1992, voters approved Proposition A ("1992 Proposition A") which authorized the issuance of up to \$350.0 million in GO bonds to support San Francisco's Seismic Safety Loan Program ("SSLP"), which provides loans for the seismic strengthening of privately-owned unreinforced masonry affordable housing, market-rate residential, commercial and institutional buildings. Between 1994 and 2015, the City issued \$89.3 million of bonds under the original 1992 Proposition A authorization. In November 2016, voters approved Proposition C ("2016 Proposition C"), which amended the 1992 Proposition A authorization (together, the "1992A/2016A Propositions") to broaden the scope of the remaining \$260.7 million authorization by adding the eligibility to finance the acquisition, improvement, and rehabilitation to convert at-risk multi-unit residential buildings to affordable housing, as well as the needed seismic, fire, health, and safety upgrades and other major rehabilitation for habitability, and related costs. In 2019 and 2020, the City issued \$175.0 million of bonds across two series under the 1992A/2016A Propositions. Currently \$85.7 million remains authorized and unissued.

In November 2018, voters approved Proposition A ("2018 Embarcadero Seawall Improvement Proposition"), authorizing the issuance of up to \$425.0 million in general obligation bonds for repair and improvement projects along the City's Embarcadero and Seawall to protect the waterfront, BART and Muni, buildings, historic piers, and roads from earthquakes, flooding, and sea level rise. In 2020 and 2023, the City issued the first two series of bonds in the principal amount of \$88.7 million, leaving \$336.3 million authorized and unissued.

In November 2019, voters approved Proposition A ("2019 Affordable Housing Proposition"), which authorized the issuance of up to \$600.0 million in general obligation bonds to finance the construction, development, acquisition, and preservation of affordable housing for certain vulnerable San Francisco residents; to assist in the acquisition, rehabilitation, and preservation of existing affordable housing to prevent the displacement of residents; to repair and reconstruct distressed and dilapidated public housing developments and their underlying infrastructure; to assist the City's middle-income residents or workers in obtaining affordable rental or home ownership opportunities including down payment assistance and support for new construction of affordable housing for SFUSD and City College of San Francisco employees; and to pay related costs. In 2021 and 2023, the City issued the first two series of bonds in the principal amount of \$425.4 million, leaving \$174.6 million authorized and unissued.

In March 2020, voters approved Proposition B ("2020 Earthquake Safety and Emergency Response Proposition") which authorized the issuance of up to \$628.5 million in general obligation bonds to aid fire, earthquake and emergency response by improving, constructing, and/or replacing: deteriorating cisterns, pipes, tunnels, and related facilities to ensure firefighters a reliable water supply for fires and disasters; neighborhood fire and police stations and supporting facilities; the City's 911 Call Center; and other disaster response and public safety facilities, and to pay related costs. In 2021, the City closed the first four series of bonds with a total principal amount of \$167.8 million, leaving \$460.7 million authorized and unissued.

In November 2020, voters approved Proposition A ("2020 Health and Recovery Bond"), which authorized the issuance of up to \$487.5 million in general obligation bonds to fund permanent investments in transitional supportive housing facilities, shelters, and/or facilities that serve individuals experiencing homelessness, mental health challenges, or substance use; improve the safety and quality of parks; and

improve the safety and condition of streets and other public rights of way. In 2021 and 2023, the City issued the first three series of bonds in an aggregate principal amount of \$287.3 million, leaving approximately \$200.2 million authorized and unissued.

In March 2024, voters approved Proposition A (“2024 Affordable Housing Proposition”), which authorized the issuance of up to \$300.0 million in general obligation bonds to construct, develop, acquire, and/or rehabilitate housing, including workforce housing and senior housing, that will be affordable to households ranging from extremely low-income to moderate-income households. No series have yet been issued under the 2024 Affordable Housing Proposition authorization.

Refunding General Obligation Bonds

The Board of Supervisors has adopted and the Mayor has approved three different resolutions (the “Refunding Resolutions”) authorizing the issuance of approximately \$3.8 billion in aggregate of general obligation refunding bonds in one or more series. Resolution No. 272-04 (approved in May 2004) authorized the issuance of \$800.0 million to refund all or a portion of the City’s outstanding General Obligation Bonds. Resolution No. 448-11 (approved in November 2011) authorized the issuance of approximately \$1.5 billion for the purpose of refunding certain outstanding General Obligation Bonds of the City. Resolution No. 097-20 (approved in March 2020) authorized the issuance of approximately \$1.5 billion for the purpose of refunding certain outstanding General Obligation Bonds of the City. The refunding bonds outstanding as of March 15, 2024, under the Refunding Resolutions, are shown in Table A-29 below.

TABLE A-29

CITY AND COUNTY OF SAN FRANCISCO
General Obligation Refunding Bonds
As of March 15, 2024

| Series Name | Date Issued | Principal Amount Issued | Amount Outstanding |
|--------------------|--------------------|--------------------------------|----------------------------|
| 2015-R1 | February 2015 | \$293,910,000 | \$164,190,000 ¹ |
| 2020-R1 | May 2020 | 195,250,000 | 154,940,000 ² |
| 2021-R1 | May 2021 | 91,230,000 | 75,990,000 ³ |
| 2021-R2 | September 2021 | 86,905,000 | 43,585,000 ⁴ |
| 2022-R1 | May 2022 | 327,300,000 | 302,060,000 ⁵ |

¹ Series 2006-R1, 2006-R2, and 2008-R3 Bonds were refunded by the 2015-R1 Bonds in February 2015.

² Series 2008-R1 Bonds were refunded by the 2020-R1 Bonds in May 2020.

³ Series 2013A, 2013B, and 2013C Bonds were refunded by the 2021-R1 Bonds in May 2021.

⁴ Series 2011-R1 Bonds, which refunded the 2004-R1 Bonds, were refunded by the 2021-R2 Bonds in September 2021.

⁵ Series 2012D, 2012E, 2014A, 2014C, and 2014D Bonds were refunded by the 2022-R1 Bonds in May 2022.

Source: Office of Public Finance, City and County of San Francisco.

Table A-30 on the following page lists for each of the City's voter-authorized general obligation bond programs, the amounts issued and outstanding, and the amount of remaining authorization for which bonds have not yet been issued. Series are grouped by program authorization in chronological order. The authorized and unissued column refers to total program authorization that can still be issued and does not refer to any particular series. As of March 15, 2024, the City had authorized and unissued general obligation bond authority of approximately \$1.6 billion.

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TABLE A-30

CITY AND COUNTY OF SAN FRANCISCO
 General Obligation Bonds
 As of March 15, 2024^{1 2}

| Bond Authorization Name | Election Date | Authorized Amount | Series | Bonds Issued | Bonds Outstanding | Authorized & Unissued |
|--|---------------|------------------------|---------|------------------------|--------------------------|------------------------|
| Seismic Safety Loan Program | 11/3/92 | \$350,000,000 | 1994A | \$35,000,000 | \$0 | |
| | | | 2007A | \$30,315,450 | \$12,172,632 | |
| | | | 2015A | \$24,000,000 | - | |
| Reauthorization to Repurpose for Affordable Housing | 11/8/16 | | 2019A | \$72,420,000 | \$68,700,000 | |
| | | | 2020C | \$102,580,000 | \$93,580,000 | \$85,684,550 |
| Clean & Safe Neighborhood Parks | 2/5/08 | \$185,000,000 | 2008B | \$42,520,000 | - | |
| | | | 2010B | \$24,785,000 | - | |
| | | | 2010D | \$35,645,000 | \$24,190,000 | |
| | | | 2012B | \$73,355,000 | - | |
| | | | 2016A | \$8,695,000 | \$5,735,000 | - |
| San Francisco General Hospital & Trauma Center Earthquake Safety | 11/4/08 | \$887,400,000 | 2009A | \$131,650,000 | - | |
| | | | 2010A | \$120,890,000 | - | |
| | | | 2010C | \$173,805,000 | \$117,950,000 | |
| | | | 2012D | \$251,100,000 | - | |
| | | | 2014A | \$209,955,000 | - | |
| Earthquake Safety and Emergency Response Bond | 6/8/10 | \$412,300,000 | 2010E | \$79,520,000 | - | |
| | | | 2012A | \$183,330,000 | - | |
| | | | 2012E | \$38,265,000 | - | |
| | | | 2013B | \$31,020,000 | - | |
| | | | 2014C | \$54,950,000 | - | |
| | | | 2016C | \$25,215,000 | \$17,190,000 | - |
| | | | 2016E | \$44,145,000 | \$30,095,000 | - |
| Road Repaving & Street Safety | 11/8/11 | \$248,000,000 | 2012C | \$74,295,000 | - | |
| | | | 2013C | \$129,560,000 | - | |
| | | | 2016E | \$44,145,000 | \$30,095,000 | - |
| Clean & Safe Neighborhood Parks | 11/6/12 | \$195,000,000 | 2013A | \$71,970,000 | - | |
| | | | 2016B | \$43,220,000 | \$18,620,000 | |
| | | | 2018A | \$76,710,000 | \$37,480,000 | |
| | | | 2019B | \$3,100,000 | - | |
| Earthquake Safety and Emergency Response Bond | 6/3/14 | \$400,000,000 | 2014D | \$100,670,000 | - | |
| | | | 2016D | \$109,595,000 | \$58,000,000 | |
| | | | 2018C | \$189,735,000 | \$116,640,000 | - |
| Transportation and Road Improvement | 11/4/14 | \$500,000,000 | 2015B | \$67,005,000 | \$33,740,000 | |
| | | | 2018B | \$174,445,000 | \$85,235,000 | |
| | | | 2020B | \$135,765,000 | \$100,450,000 | |
| | | | 2021C-1 | \$104,785,000 | \$83,230,000 | |
| | | | 2021C-2 | \$18,000,000 | - | |
| Affordable Housing Bond | 11/3/15 | \$310,000,000 | 2016F | \$75,130,000 | \$38,780,000 | |
| | | | 2018D | \$142,145,000 | \$85,790,000 | |
| | | | 2019C | \$92,725,000 | \$21,845,000 | - |
| Public Health and Safety Bond | 6/7/16 | \$350,000,000 | 2017A | \$173,120,000 | \$96,445,000 | |
| | | | 2018E | \$49,955,000 | \$31,030,000 | |
| | | | 2020D-1 | \$111,925,000 | \$77,650,000 | |
| | | | 2020D-2 | \$15,000,000 | - | |
| Embarcadero Seawall Earthquake Safety | 11/6/18 | \$425,000,000 | 2020A | \$49,675,000 | - | |
| | | | 2023B | \$39,020,000 | - | \$336,305,000 |
| | | | 2023C | \$170,780,000 | \$107,025,000 | \$174,635,000 |
| Earthquake Safety and Emergency Response Bond | 3/3/20 | \$628,500,000 | 2021B-1 | \$69,215,000 | \$64,335,000 | |
| | | | 2021B-2 | \$11,500,000 | - | |
| | | | 2021E-1 | \$74,090,000 | \$59,520,000 | |
| | | | 2021E-2 | \$13,000,000 | - | \$460,695,000 |
| Health and Recovery Bond | 11/4/20 | \$487,500,000 | 2021D-1 | \$194,255,000 | \$164,395,000 | |
| | | | 2021D-2 | \$64,250,000 | - | |
| | | | 2023A | \$28,785,000 | \$28,785,000 | \$200,210,000 |
| Affordable Housing Bond | 3/5/24 | \$300,000,000 | - | - | - | \$300,000,000 |
| SUBTOTAL | | \$6,278,700,000 | | \$4,721,170,450 | \$1,847,032,632 | \$1,557,529,550 |
| General Obligation Refunding Bonds | | Dated Issued | | Bonds Issued | Bonds Outstanding | |
| Series 2015-R1 | 2/25/15 | | | \$293,910,000 | \$164,190,000 | |
| Series 2020-R1 | 5/7/20 | | | \$195,250,000 | \$154,940,000 | |
| Series 2021-R1 | 5/6/21 | | | \$91,230,000 | \$75,990,000 | |
| Series 2021-R2 | 9/16/21 | | | \$86,905,000 | \$43,585,000 | |
| Series 2022-R1 | 5/18/22 | | | \$327,300,000 | \$302,060,000 | |
| SUBTOTAL | | | | \$994,595,000 | \$740,765,000 | |
| TOTALS | | \$6,278,700,000 | | \$5,715,765,450 | \$2,587,797,632 | \$1,557,529,550 |

¹ Section 9.106 of the City Charter limits issuance of general obligation bonds of the City to 3% of the assessed value of all taxable real and personal property, located within the City and County.

² Of the \$35,000,000 authorized by the Board of Supervisors in February 2007, \$30,315,450 has been drawn upon to date pursuant to the Credit Agreement described under "General Obligation Bonds."

Source: Office of Public Finance, City and County of San Francisco.

General Fund Lease Obligations

The Charter requires that any lease-financing agreements with a nonprofit corporation or another public agency must be approved by a majority vote of the City's electorate, except (i) leases approved prior to April 1, 1977, (ii) refunding lease financings expected to result in net savings, and (iii) certain lease financing for capital equipment. The Charter does not require voter approval of lease financing agreements with for-profit corporations or entities.

Table A-31 sets forth the aggregate annual lease payment obligations supported by the City's General Fund with respect to outstanding long-term lease revenue bonds and certificates of participation as of March 15, 2024.

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TABLE A-31

CITY AND COUNTY OF SAN FRANCISCO
Debt Service on Lease Revenue Bonds and Certificates of Participation
As of March 15, 2024^{1 2}

| Fiscal Year | Principal | Interest ³ | Annual Payment Obligation |
|---------------------------|------------------------|-----------------------|------------------------------|
| 2023-24 ⁴ | \$50,794,859 | \$30,534,157 | \$81,329,016 |
| 2024-25 | 79,838,037 | 67,968,834 | 147,806,871 |
| 2025-26 | 80,678,229 | 64,051,901 | 144,730,130 |
| 2026-27 | 81,393,731 | 60,044,623 | 141,438,354 |
| 2027-28 | 76,975,000 | 56,122,088 | 133,097,088 |
| 2028-29 | 80,585,000 | 52,306,857 | 132,891,857 |
| 2029-30 | 84,180,000 | 48,468,378 | 132,648,378 |
| 2030-31 | 77,715,000 | 44,834,252 | 122,549,252 |
| 2031-32 | 71,230,000 | 41,728,903 | 112,958,903 |
| 2032-33 | 72,760,000 | 38,882,054 | 111,642,054 |
| 2033-34 | 75,675,000 | 35,809,322 | 111,484,322 |
| 2034-35 | 69,300,000 | 32,822,984 | 102,122,984 |
| 2035-36 | 70,035,000 | 29,741,730 | 99,776,730 |
| 2036-37 | 70,215,000 | 26,601,895 | 96,816,895 |
| 2037-38 | 73,185,000 | 23,436,258 | 96,621,258 |
| 2038-39 | 76,295,000 | 20,129,690 | 96,424,690 |
| 2039-40 | 79,550,000 | 16,664,028 | 96,214,028 |
| 2040-41 | 82,965,000 | 13,031,637 | 95,996,637 |
| 2041-42 | 69,120,000 | 9,397,161 | 78,517,161 |
| 2042-43 | 34,860,000 | 6,460,456 | 41,320,456 |
| 2043-44 | 34,525,000 | 4,800,706 | 39,325,706 |
| 2044-45 | 20,650,000 | 3,594,400 | 24,244,400 |
| 2045-46 | 13,695,000 | 2,768,400 | 16,463,400 |
| 2046-47 | 14,245,000 | 2,220,600 | 16,465,600 |
| 2047-48 | 13,220,000 | 1,650,800 | 14,870,800 |
| 2048-49 | 13,750,000 | 1,122,000 | 14,872,000 |
| 2049-50 | 14,300,000 | 572,000 | 14,872,000 |
| TOTAL ⁵ | \$1,581,734,857 | \$735,766,115 | \$2,317,500,972 |

¹ Includes privately placed lease purchase financings and excludes the 833 Bryant lease and commercial paper.

² Actual payment dates are used to project outstanding payment obligations.

³ Totals reflect rounding to nearest dollar.

⁴ Excludes payments made to date in current fiscal year.

⁵ For purposes of this table, the interest rate on the Lease Revenue Bonds Series 2008-1, and 2008-2 (Moscone Center Expansion Project) is assumed to be 6.0%. These bonds are in variable rate mode.

Source: Office of Public Finance, City and County of San Francisco.

Voter-Approved Lease Revenue Bonds

The City electorate has approved several lease revenue bond propositions, some of which have authorized but unissued bonds. The following lease programs have remaining authorization:

In 1987, voters approved Proposition F, which authorizes the City to lease finance (without limitation as to maximum aggregate principal amount) the construction of new parking facilities, including garages and surface lots, in eight of the City's neighborhoods. In July 2000, the City issued \$8.2 million in lease revenue bonds to finance the construction of the North Beach Parking Garage, which was opened in February 2002. There is no current plan to issue additional bonds at this time.

In 1990, voters approved Proposition C ("1990 Proposition C"), which amended the Charter to authorize the City to lease purchase equipment through a nonprofit corporation without additional voter approval but with certain restrictions. The City and County of San Francisco Finance Corporation (the "Corporation") was incorporated for that purpose. 1990 Proposition C provides that the outstanding aggregate principal amount of obligations with respect to lease financings may not exceed \$20.0 million, with such amount increasing by five percent each fiscal year. As of July 1, 2023, the total authorized and unissued amount for such financings was \$100 million. There is no current plan to issue additional bonds at this time.

In 1994, voters approved Proposition B ("1994 Proposition B"), which authorized the issuance of up to \$60.0 million in lease revenue bonds for the acquisition and construction of a combined dispatch center for the City's emergency 911 communication system and for the emergency information and communications equipment for the center. In 1997 and 1998, the Corporation issued \$22.6 million and \$23.3 million of 1994 Proposition B lease revenue bonds, respectively, leaving \$14.1 million in remaining authorization. There is no current plan to issue additional series of bonds under 1994 Proposition B.

In 2000, voters approved Proposition C ("2000 Proposition C"), which extended a two and one-half cent per \$100.0 in assessed valuation property tax set-aside for the benefit of the Recreation and Park Department (the "Open Space Fund"). 2000 Proposition C also authorized the issuance of lease revenue bonds or other forms of indebtedness payable from the Open Space Fund. In August 2018 the City issued refunding lease revenue bonds to refund Series 2006 and 2007 Open Space Fund lease revenue bonds.

In 2007, voters approved Proposition D, which amended the Charter and renewed the Library Preservation Fund. Proposition D continued the two and one-half cent per \$100.0 in assessed valuation property tax set-aside and established a minimum level of City appropriations, moneys that are maintained in the Library Preservation Fund. Proposition D also authorized the issuance of revenue bonds or other evidences of indebtedness. In August 2018 the City issued refunding lease revenue bonds to refund Series 2009A Branch Library Improvement Project lease revenue bonds.

Table A-32 below lists the City's outstanding certificates of participation, lease purchase financings, and voter-authorized lease revenue bonds.

TABLE A-32

CITY AND COUNTY OF SAN FRANCISCO
Outstanding Certificates of Participation and Lease Revenue Bonds¹
As of March 15, 2024^{1 2}

| Issue Name | Final Maturity | Original Par | Outstanding Principal |
|---|-------------------|------------------------|--------------------------|
| CERTIFICATES OF PARTICIPATION | | | |
| Series 2009D - Taxable BABs (525 Golden Gate Avenue) | 2041 | 129,550,000 | 124,975,000 |
| Refunding Series 2011A (Moscone Center South) | 2024 | 23,105,000 | 2,340,000 |
| Series 2012A (Multiple Capital Improvement Projects) | 2036 | 42,835,000 | 27,815,000 |
| Series 2013B - Non-AMT (Port Facilities Project) | 2038 | 4,830,000 | 4,830,000 |
| Series 2013C - AMT (Port Facilities Project) | 2043 | 32,870,000 | 19,195,000 |
| Refunding Series 2014-R2 (Juvenile Hall Project) | 2034 | 33,605,000 | 21,395,000 |
| Series 2015A (War Memorial Veterans Building) | 2045 | 112,100,000 | 110,250,000 |
| Series 2015B - Taxable (War Memorial Veterans Building) | 2024 | 22,225,000 | 1,255,000 |
| Refunding Series 2015-R1 (City Office Buildings - Multiple Properties) | 2040 | 123,600,000 | 97,940,000 |
| Series 2016A (War Memorial Veterans Building) | 2032 | 16,125,000 | 9,750,000 |
| Series 2017A - Taxable (Hope SF) | 2047 | 28,320,000 | 24,595,000 |
| Series 2017B (Moscone Convention Center Expansion Project) | 2042 | 412,355,000 | 358,170,000 |
| Series 2019A (49 South Van Ness Project) | 2050 | 247,810,000 | 240,545,000 |
| Refunding Series 2019-R1 (Multiple Capital Improvement Projects) | 2035 | 116,460,000 | 84,870,000 |
| Refunding Series 2020-R1 (Multiple Capital Improvement Projects) | 2033 | 70,640,000 | 57,935,000 |
| Series 2020 (Animal Care & Control Project) | 2041 | 47,075,000 | 43,990,000 |
| Series 2021A (Multiple Capital Improvement Projects) | 2041 | 76,020,000 | 73,440,000 |
| Series 2023A - Taxable (Affordable Housing and Community Facilities Projects) | 2043 | 103,410,000 | 103,410,000 |
| Series 2023B (Multiple Capital Improvement Projects) | 2043 | 80,040,000 | 80,040,000 |
| SUBTOTAL CERTIFICATES OF PARTICIPATION | | \$1,722,975,000 | \$1,486,740,000 |
| LEASE PURCHASE FINANCINGS | | | |
| 2010 Lease Purchase Financing (SFGH Emergency Backup Generators) | 2025 | \$22,549,489 | \$4,368,454 |
| 2016 Lease Purchase Financing (Public Safety Radio Replacement Project) | 2026 | 34,184,136 | 10,861,403 |
| SUBTOTAL LEASE PURCHASE FINANCINGS | | \$56,733,625 | \$15,229,857 |
| FINANCE CORPORATION LEASE REVENUE BONDS | | | |
| Refunding Series 2008-1 (Moscone Center Expansion Project) - Variable | 2030 | \$72,670,000 | \$25,400,000 |
| Refunding Series 2008-2 (Moscone Center Expansion Project) - Variable | 2030 | 72,670,000 | 25,400,000 |
| Refunding Series 2010-R1 (Emergency Communications System) | 2024 | 22,280,000 | 1,985,000 |
| Refunding Series 2018A (Open Space Fund - Various Park Projects) | 2029 | 34,950,000 | 19,600,000 |
| Refunding Series 2018B (Branch Library Improvement Program) | 2028 | 13,355,000 | 7,380,000 |
| SUBTOTAL LEASE REVENUE BONDS | | \$215,925,000 | \$79,765,000 |
| TOTAL GENERAL FUND OBLIGATIONS | | \$1,995,633,625 | \$1,581,734,857 |

¹ Excludes commercial paper and California HFA Revenue Bonds (San Francisco Supportive Housing - 833 Bryant Apartments) (\$26,485,000)

² Actual payment dates are used to project outstanding payment obligations.

Board Authorized and Unissued Long-Term Certificates of Participation

Certain issuances below have been authorized as supplements to a lease (“Master Lease”), which currently supports the City’s outstanding Certificates of Participation (“COPs”), Series 2012A, Series 2019-R1, Series 2020-R1, Series 2021A, Series 2023A, and Series 2023B, by and between the City and a third-party trustee, currently U.S. Bank National Association. Properties leased pursuant to the Master Lease currently include the City-owned Laguna Honda Hospital campus located at 375 Laguna Honda Boulevard, San Francisco, and the San Bruno Jail Complex located at 1 Moreland Drive, San Bruno.

Treasure Island Improvement Project: In October of 2013, the Board authorized, and the Mayor approved the issuance of not to exceed \$13.5 million of City and County of San Francisco Certificates of Participation to finance the cost of additions and improvements to the utility infrastructure at Treasure Island. At this time there is not an expected timeline for the issuance of these certificates.

Housing Trust Fund Project: In April 2016, the Board authorized and the Mayor approved the issuance of not to exceed \$95.0 million of City and County of San Francisco Certificates of Participation (Affordable Housing Projects) authorized under the Master Lease to provide funds to assist in the development, acquisition, construction or rehabilitation of affordable rental housing projects. The City has issued commercial paper to finance these projects and is paying down its commercial paper balance rather than issuing long-term certificates at this time.

Hall of Justice Relocation Projects: In October 2019, the Board authorized and the Mayor approved the issuance of not to exceed \$62.0 million principal amount of City and County of San Francisco Certificates of Participation (Multiple Capital Projects) authorized under the Master Lease to finance or refinance tenant improvements involving the construction, acquisition, improvement, renovation, and retrofitting of City-owned properties as needed for the Hall of Justice Improvement Project enabling staff and offices to be consolidated in acquired City-owned properties. The City funded \$4.6 million in project fund and related financing costs related to this authorization for the 444 Sixth Street acquisition as part of the Certificates of Participation, Series 2021A issuance. The City expects to issue the remainder of the long-term COPs in fiscal year 2024-25 or later.

HOPE SF Project: In December 2019, the Board authorized, and the Mayor approved the issuance of not to exceed \$83.6 million of City and County of San Francisco Certificates of Participation authorized under the Master Lease to finance or refinance certain capital improvements, including but not limited to certain properties generally known as Hunters View, Sunnysdale, and Potrero Terrace and Annex housing developments. The City anticipates issuing the first long-term COPs under this authorization in fiscal year 2024-25.

Department of Public Health Facilities Improvements: In November 2020, the Board authorized and the Mayor approved the issuance of not to exceed \$157.0 million of City and County of San Francisco Certificates of Participation authorized under the Master Lease, to finance projects for the Department of Public Health (“DPH”), including but not limited to certain projects generally known as the Homeless Services Center, Laguna Honda Hospital Wings Reuse Project, AITC Immunization and Travel Clinic Relocation, and San Francisco General Hospital Chiller and Cooling Tower Replacement Project. The City anticipates issuing the long-term COPs in fiscal year 2024-25.

Critical Repairs and Recovery Stimulus (FY2022): In July 2021, the Board authorized and the Mayor approved the issuance of not to exceed \$67.5 million of City and County of San Francisco Certificates of

Participation authorized under the Master Lease, to finance and refinance certain capital improvements generally consisting of critical repairs, renovations and improvements to City-owned buildings, facilities and works utilized by various City departments and local economic stimulus projects. The City funded \$31.9 million in project fund and related financing costs for this authorization as part of the Certificates of Participation Series 2023B issuance. The City expects to issue the remainder of the long-term COPs in fiscal year 2024-25 or later.

Critical Repairs, Recovery Stimulus and Street Repaving Projects (FY2023): In July 2022, the Board authorized and in August 2022 the Mayor approved the issuance of not to exceed \$140.0 million of City and County of San Francisco Certificates of Participation authorized under the Master Lease, to finance and refinance certain capital improvements generally consisting of (a) street repaving and reconstruction, (b) critical repairs, including renovations and improvements to City-owned buildings, facilities and works utilized by various City departments and (c) local economic stimulus projects. The City funded \$48.4 million in project fund and related financing costs for this authorization as part of the Certificates of Participation Series 2023B issuance. The City expects to issue the remainder of the long-term COPs in fiscal year 2024-25 or later.

Affordable Housing and Community Development Projects: In May 2023 the Board authorized and in June 2023 the Mayor approved the issuance of not to exceed \$146.8 million of City and County of San Francisco Certificates of Participation authorized under the Master Lease, to finance and refinance certain capital improvement, affordable housing and community facility development projects. The City funded \$102.0 million in project funds for this authorization as part of the Certificates of Participation, Series 2023A issuance. The City expects to issue the remainder of the long-term COPs in fiscal year 2024-25 or later.

Refunding Certificates of Participation: In May 2023 the Board authorized and in June 2023 the Mayor approved the issuance of not to exceed \$275 million of City and County of San Francisco Refunding Certificates of Participation authorized under the City's Master Lease, to refund the following outstanding COP series: i) Series 2012A (Multiple Capital Improvement Project) COPs, currently outstanding in the aggregate principal amount of \$27,815,000 under the Master Lease; ii) Refunding Series 2014-R2 (Juvenile Hall Project) COPs, currently outstanding in the aggregate principal amount of \$21,395,000; iii) Series 2015A (War Memorial Veterans Building) COPs, currently outstanding in the aggregate principal amount of \$110,250,000; and iv) Refunding Series 2015-R1, currently outstanding in the aggregate principal amount of \$97,940,000. The Refunding COPs may refund one or more series of the authorized outstanding COPs, subject to market conditions and the City's ability to achieve minimum savings thresholds. The City anticipates issuing the first series of Refunding COPs under the authorization as the 2024-R1 COPs.

Critical Repairs and Street Repaving Projects (FY2024): In September 2023 the Board authorized and the Mayor approved the issuance of not to exceed \$77.2 million of City and County of San Francisco Certificates of Participation authorized under the Master Lease, to finance and refinance certain capital improvements generally consisting of critical repairs, renovations and improvements to City-owned buildings, facilities, streets, and works utilized by various City departments. The City expects to issue its first series of long-term COPs in fiscal year 2024-25.

Treasure Island Stage 2 Certificates of Participation. In March 2024, legislation amending the Development Agreement and Disposition and Development Agreement for the Treasure Island development project was introduced to the Board of Supervisors. This amendment included a proposal for the City to issue Certificates of Participation to fund \$115 million in infrastructure improvements

related to Stage 2 of the Treasure Island development project. If approved, the City would expect to issue its first series of long-term COPs in fiscal year 2024-25.

Commercial Paper Program

In March 2009, the Board of Supervisors authorized and the Mayor approved a not-to-exceed \$150.0 million Lease Revenue Commercial Paper Certificates of Participation Program, Series 1 and 1-T and Series 2 and 2-T (the “Original CP Program”). In July of 2013, the Board of Supervisors authorized, and the Mayor approved an additional \$100.0 million of Lease Revenue Commercial Paper Certificates of Participation, Series 3 and 3-T and Series 4 and 4-T (the “Second CP Program” and together with the Original CP Program, the “City CP Program”) that increased the total authorization of the City CP Program to \$250.0 million.

Commercial Paper Notes (the “CP Notes”) are issued from time to time to pay approved project costs in connection with the acquisition, improvement, renovation and construction of real property and the acquisition of capital equipment and vehicles. Projects are eligible to access the CP Program once the Board of Supervisors and the Mayor have approved the project and the long-term, permanent financing for the project.

The Series 1 and 1-T and Series 2 and 2-T CP notes are secured by a \$150 million revolving credit agreement with Wells Fargo, which expires in March 2026.

The Series 3 and 3-T and 4 and 4-T are secured by a \$100 million revolving letter of credit issued by Bank of the West, which expires in April 2026.

As of March 15, 2024, the outstanding principal amount of CP Notes is \$37.1 million. The interest rate for the \$22.6 million outstanding tax-exempt CP Notes is 3.40%. The interest rate for the \$14.5 million outstanding taxable CP Notes is 5.50%. The projects with Board of Supervisors authorized and unissued Certificates of Participation currently utilizing the CP Program includes the Housing Trust Fund, HOPE SF, DPH Facilities Improvements, Critical Repairs & Recovery Stimulus, and Hall of Justice Relocation Project - Tenant Improvements. Additionally, there is a short-term financing for Police Vehicle acquisition utilizing the City’s CP Program and is expected to be paid down over time. The following is a summary of the outstanding liability by project associated with the CP Notes outstanding.

| Project | CP Notes Liability as of 3/15/2024 |
|--------------------------------------|---|
| Housing Trust Fund | \$9,241,053 |
| HOPE SF | 3,502,044 |
| DPH Facilities Improvements | 21,727,121 |
| Critical Repairs & Recovery Stimulus | 1,712,903 |
| Police Vehicle Acquisition | 716,123 |
| HOJ Relocation – Tenant Improvements | 196,756 |
| TOTAL | \$37,096,000 |

Overlapping Debt

Table A-33 shows bonded debt and long-term obligations as of March 15, 2024, sold in the public capital markets, except for those financings otherwise noted in the table, by the City and those public agencies whose boundaries overlap the boundaries of the City in whole or in part. Long-term obligations of non-

City agencies generally are not payable from revenues of the City. In many cases, long-term obligations issued by a public agency are payable only from the General Fund or other revenues of such public agency. In the table, lease obligations of the City which support indebtedness incurred by others are included. As noted below, the Charter limits the City's outstanding general obligation bond debt to 3% of the total assessed valuation of all taxable real and personal property within the City.

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TABLE A-33

CITY AND COUNTY OF SAN FRANCISCO
Statement of Direct and Overlapping Debt and Long-Term Obligations
As of March 15, 2024

| | |
|---|---|
| <u>2023-24 Assessed Valuation</u> (includes unitary utility valuation): | \$344,487,688,208 ¹ |
| | |
| <u>GENERAL OBLIGATION BONDED DEBT</u> | |
| San Francisco City and County | \$2,587,797,632 |
| San Francisco Unified School District | 1,028,650,000 |
| San Francisco Community College District | 396,900,000 |
| TOTAL GENERAL OBLIGATION BONDED DEBT | \$4,013,347,632 |
| | |
| <u>LEASE OBLIGATIONS BONDS</u> | |
| San Francisco City and County | \$1,581,734,857 |
| TOTAL LEASE OBLIGATION BONDED DEBT | \$1,581,734,857 ² |
| TOTAL COMBINED DIRECT DEBT | \$5,595,082,489 |
| | |
| <u>OVERLAPPING TAX AND ASSESSMENT DEBT</u> | |
| Bay Area Rapid Transit District General Obligation Bond (33.728%) | \$824,843,536 |
| San Francisco Community Facilities District No. 6 | 119,775,000 |
| San Francisco Community Facilities District No. 7 | 28,370,000 |
| San Francisco Community Facilities District No. 2009-1, Improvement Areas 1 and 2 | 2,198,152 |
| San Francisco Community Facilities District No. 2014-1 Transbay Transit Center | 569,220,000 |
| San Francisco Community Facilities District No. 2016-1 Treasure Island, Improvement Areas 1 and 2 | 100,000,000 |
| San Francisco Special Tax District No. 2020-1 Mission Rock Facilities | 152,125,000 |
| City of San Francisco Assessment District No. 95-1 | 205,000 |
| ABAG Community Facilities District No. 2004-1 Seismic Safety Improvements | 8,175,000 |
| ABAG Community Facilities District No. 2006-1 San Francisco Rincon Hill | 4,475,000 |
| ABAG Community Facilities District No. 2006-2 San Francisco Mint Plaza | 2,595,000 |
| TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT | \$1,811,981,688 |
| | |
| <u>OVERLAPPING TAX INCREMENT DEBT:</u> | |
| Successor Agency to the San Francisco Redevelopment Agency | \$783,288,007 |
| Transbay Joint Powers Authority | 230,535,000 |
| TOTAL OVERLAPPING INCREMENT DEBT | \$1,013,823,007 |
| | |
| <u>OVERLAPPING TAX INCREMENT REVENUE DEBT:</u> | |
| San Francisco Infrastructure and Revitalization Financing District No. 1 | \$38,135,000 |
| TOTAL OVERLAPPING INCREMENT DEBT | \$38,135,000 |
| TOTAL DIRECT AND OVERLAPPING BONDED DEBT | \$8,459,022,184 ³ |
| | |
| <u>Ratios to 2023-24 Assessed Valuation (\$344,487,688,208)</u> | |
| Direct General Obligation Bonded Debt (\$4,013,347,632) | 1.17% ⁴ |
| Combined Direct Debt (\$5,595,082,489) | 1.62% |
| Total Direct and Overlapping Bonded Debt | 2.46% |
| | |
| <u>Ratio to 2023-24 Redevelopment Incremental Valuation (\$44,580,507,946)</u> | |
| Total Overlapping Tax Increment Debt | 2.27% |

¹ Includes \$574,103,600 homeowner's exemption for FY23-24.

² Excludes 833 Bryant lease.

³ Excludes tax and revenue anticipation notes, enterprise revenue bonds and airport improvement corporation bonds, as well as the issue to be sold.

⁴ The Charter limits the City's outstanding general obligation bond debt to 3% of the total assessed valuation of all taxable real and personal property within the City. The City's general obligation debt as a percentage of FY23-24 AV is 0.75%.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND EXPENDITURES

Several constitutional and statutory limitations on taxes, revenues and expenditures exist under State law which limit the ability of the City to impose and increase taxes and other revenue sources and to spend such revenues, and which, under certain circumstances, would permit existing revenue sources of the City to be reduced by vote of the City electorate. These constitutional and statutory limitations, and future limitations, if enacted, could potentially have an adverse impact on the City's general finances and its ability to raise revenue, or maintain existing revenue sources, in the future. However, *ad valorem* property taxes required to be levied to pay debt service on general obligation bonds were authorized and approved in accordance with all applicable constitutional limitations. A summary of the currently effective limitations is set forth below.

Article XIII A of the California Constitution

Article XIII A of the California Constitution, known as "Proposition 13," was approved by the California voters in June of 1978. It limits the amount of *ad valorem* tax on real property to 1% of "full cash value," as determined by the county assessor. Article XIII A defines "full cash value" to mean the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property when "purchased, newly constructed or a change in ownership has occurred" (as such terms are used in Article XIII A) after the 1975 assessment. Furthermore, all real property valuation may be increased or decreased to reflect the inflation rate, as shown by the CPI or comparable data, in an amount not to exceed 2% per year, or may be reduced in the event of declining property values caused by damage, destruction or other factors. Article XIII A provides that the 1% limitation does not apply to *ad valorem* taxes to pay interest or redemption charges on 1) indebtedness approved by the voters prior to July 1, 1978, 2) any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition, or 3) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district voting on the proposition, but only if certain accountability measures are included in the proposition.

The California Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre-decline value of the property) at an annual rate higher or lower than 2%, depending on the assessor's measure of the restoration of value of the damaged property. The California courts have upheld the constitutionality of this procedure.

Since its adoption, Article XIII A has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be assessed when purchased, newly constructed or a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate persons with disabilities and for seismic upgrades to property. These amendments have resulted in marginal reductions in the property tax revenues of the City. Both the California State Supreme Court and the United States Supreme Court have upheld the validity of Article XIII A.

Article XIII B of the California Constitution

Article XIII B was enacted by California voters as an initiative constitutional amendment in November 1979. Article XIII B limits the annual appropriations from the proceeds of taxes of the State and any city, county, school district, authority, or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population, and services rendered by the governmental entity. However, no limit is imposed on the appropriation of local revenues and taxes to pay debt service on bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters. Article XIII B includes a requirement that if an entity's average revenues over two consecutive years exceed the amount permitted to be spent, the excess would have to be returned by revising tax or fee schedules over the following two years. With voter approval, the appropriations limit can be raised for up to four years.

Articles XIII C and XIII D of the California Constitution

Proposition 218, an initiative constitutional amendment, approved by the voters of the State in 1996, added Articles XIII C and XIII D to the State Constitution, which affect the ability of local governments, including charter cities such as the City, to levy and collect both existing and future taxes, assessments, fees, and charges. Proposition 218 does not affect the levy and collection of taxes for voter-approved debt. However, Proposition 218 affects the City's finances in other ways. Article XIII C requires that all new local taxes be submitted to the electorate for approval before such taxes become effective. Taxes for general governmental purposes of the City require a majority vote and taxes for specific purposes require a two-thirds vote. Under Proposition 218, the City can only continue to collect taxes that were imposed after January 1, 1995 if voters subsequently approved such taxes by November 6, 1998. All of the City's local taxes subject to such approval have been either reauthorized in accordance with Proposition 218 or discontinued. The voter approval requirements of Article XIII C reduce the City's flexibility to manage fiscal problems through new, extended, or increased taxes. No assurance can be given that the City will be able to raise taxes in the future to meet increased expenditure requirements.

In addition, Article XIII C addresses the initiative power in matters of local taxes, assessments, fees, and charges. Pursuant to Article XIII C, the voters of the City could, by initiative, repeal, reduce or limit any existing or future local tax, assessment, fee, or charge, subject to certain limitations imposed by the courts and additional limitations with respect to taxes levied to repay bonds. The City raises a substantial portion of its revenues from various local taxes which are not levied to repay bonded indebtedness, and which could be reduced by initiative under Article XIII C. No assurance can be given that the voters of the City will not approve initiatives that repeal, reduce, or prohibit the imposition or increase of local taxes, assessments, fees or charges. See "GENERAL FUND REVENUES — OTHER CITY TAX REVENUES" herein, for a discussion of other City taxes that could be affected by Proposition 218.

With respect to the City's general obligation bonds (City bonds secured by *ad valorem* property taxes), the State Constitution and the laws of the State impose a duty on the Board of Supervisors to levy a property tax sufficient to pay debt service coming due in each year. The initiative power cannot be used to reduce or repeal the authority and obligation to levy such taxes which are pledged as security for payment of the City's general obligation bonds or to otherwise interfere with performance of the duty of the City with respect to such taxes which are pledged as security for payment of those bonds.

Article XIII D contains several provisions making it generally more difficult for local agencies, such as the City, to levy and maintain "assessments" (as defined in Article XIII D) for local services and programs. The City has created a number of special assessment districts both for neighborhood business improvement

purposes and community benefit purposes and has caused limited obligation bonds to be issued in 1996 to finance construction of a new public right of way. The City cannot predict the future impact of Proposition 218 on the finances of the City, and no assurance can be given that Proposition 218 will not have a material adverse impact on the City's revenues.

Proposition 1A

Proposition 1A, a constitutional amendment proposed by the State Legislature and approved by the voters in November 2004, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate, or change the allocation of local sales tax revenues, subject to certain exceptions. As set forth under the laws in effect as of November 3, 2004, Proposition 1A generally prohibits the State from shifting any share of property tax revenues allocated to local governments for any fiscal year to schools or community colleges. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. Proposition 1A provides, however, that beginning in fiscal year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years. If the Governor proclaims that the shift is needed due to a severe State financial hardship, the shift is approved by two-thirds of both houses and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A also provides that if the State reduces the annual vehicle license fee rate below 0.65% of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State to suspend State mandates affecting cities, counties, and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

Proposition 1A may result in increased and more stable City revenues. The magnitude of such increase and stability is unknown and would depend on future actions by the State. However, Proposition 1A could also result in decreased resources being available for State programs. This reduction, in turn, could affect actions taken by the State to resolve budget difficulties. Such actions could include increasing State taxes, decreasing aid to cities and spending on other State programs, or other actions, some of which could be adverse to the City.

Proposition 22

Proposition 22 ("Proposition 22") which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increases a school and community college district's share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibits the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. Proposition 22 prohibits the State from enacting new laws that require redevelopment

agencies to shift funds to schools or other agencies (but see “THE SUCCESSOR AGENCY” above). While Proposition 22 will not change overall State and local government costs or revenues by the express terms thereof, it will cause the State to adopt alternative actions to address its fiscal and policy objectives.

Due to the prohibition with respect to the State’s ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A (2004). However, borrowings and reallocations from local governments during 2009 are not subject to Proposition 22 prohibitions. In addition, Proposition 22 supersedes Proposition 1A of 2006. Accordingly, the State is prohibited from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local governments except pursuant to specified procedures involving public notices and hearings.

Proposition 26

On November 2, 2010, the voters of the State approved Proposition 26 (“Proposition 26”), revising certain provisions of Articles XIII A and XIII C of the California Constitution. Proposition 26 re-categorizes many State and local fees as taxes, requires local governments to obtain two-thirds voter approval for taxes levied by local governments, and requires the State to obtain the approval of two-thirds of both houses of the State Legislature to approve State laws that increase taxes. Furthermore, pursuant to Proposition 26, any increase in a fee beyond the amount needed to provide the specific service or benefit is deemed to be a tax and the approval thereof will require a two-thirds vote. In addition, for State-imposed charges, any tax or fee adopted after January 1, 2010 with a majority vote which would have required a two-thirds vote if Proposition 26 were effective at the time of such adoption was repealed as of November 2011 absent the re-adoption by the requisite two-thirds vote.

Proposition 26 amends Article XIII C of the State Constitution to state that a “tax” means a levy, charge or exaction of any kind imposed by a local government, except (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law, including late payment fees, fees imposed under administrative citation ordinances and parking violations; (6) a charge imposed as a condition of property development; or (7) assessments and property related fees imposed in accordance with the provisions of Proposition 218. Fees, charges, and payments that are made pursuant to a voluntary contract that are not “imposed by a local government” are not considered taxes and are not covered by Proposition 26.

Proposition 26 applies to any levy, charge or exaction imposed, increased, or extended by local government on or after November 3, 2010. Accordingly, fees adopted prior to that date are not subject to the measure until they are increased or extended or if it is determined that an exemption applies.

If the local government specifies how the funds from a proposed local tax are to be used, the approval will be subject to a two-thirds voter requirement. If the local government does not specify how the funds

from a proposed local tax are to be used, the approval will be subject to a fifty percent voter requirement. Proposed local government fees that are not subject to Proposition 26 are subject to the approval of a majority of the governing body. In general, proposed property charges will be subject to a majority vote of approval by the governing body although certain proposed property charges will also require approval by a majority of property owners.

Future Initiatives and Changes in Law

The laws and Constitutional provisions described above were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time-to-time other initiative measures could be adopted, further affecting revenues of the City or the City’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the City. See “LEGAL MATTERS AND RISK MANAGEMENT – Initiative Measure Qualified for November 2024 Ballot – Taxpayer Protection and Government Accountability Act.”

On April 25, 2013, the California Supreme Court in *McWilliams v. City of Long Beach* (April 25, 2013, No. S202037), held that the claims provisions of the Government Claims Act (Government Code Section 900 *et. seq.*) govern local tax and fee refund actions (absent another State statute governing the issue), and that local ordinances were without effect. The effect of the *McWilliams* case is that local governments could face class actions over disputes involving taxes and fees. Such cases could expose local governments to significant refund claims in the future. The City cannot predict whether any such class claims will be filed against it in the future, the outcome of any such claim or its impact on the City.

LEGAL MATTERS AND RISK MANAGEMENT

Pending Litigation

There are a number of lawsuits and claims routinely pending against the City. Included among these are a number of actions which if successful would be payable from the City’s General Fund. In the opinion of the City Attorney, such suits and claims presently pending will not materially impair the ability of the City to pay debt service on its General Fund lease obligations or other debt obligations, nor have an adverse impact on City finances.

Ongoing Investigations

Public Works Investigation. In January 2020, the City’s former Director of Public Works, Mohammad Nuru, was criminally charged with public corruption, including honest services wire fraud, and lying to Federal Bureau of Investigation (“**FBI**”) agents. In February 2020, then-City Attorney Dennis Herrera and Controller Ben Rosenfield announced the initiation of a joint investigation stemming from the federal criminal charges against Mr. Nuru. The City Attorney’s Office focused on holding public officials and City vendors accountable. The Controller undertook a public integrity review of contracts, purchase orders, and grants to the City.

Mr. Nuru resigned from employment with the City in January 2021. In January 2022, Mr. Nuru pled guilty to taking bribes from contractors, developers, and entities he regulated, including bribes from Walter Wong, a San Francisco construction company executive and permit expediting consultant, who ran or

controlled multiple entities doing business with the City. In August 2022, the district court judge sentenced Mr. Nuru to 84 months in prison.

Mr. Wong was criminally charged in June 2020 with conspiring with City officials and laundering money. As part of the criminal investigation into Mr. Nuru and Mr. Wong, the SFPUC received a federal, criminal, grand jury subpoena in June 2020 for the production of documents, communications, contracts and records, including the complete personnel file of the SFPUC's former General Manager, Harlan L. Kelly, Jr.

In November 2020, Mr. Kelly was charged in a criminal complaint with one count of honest services wire fraud. The complaint alleged that Mr. Kelly also engaged in a long-running bribery scheme and corrupt partnership with Mr. Wong. The complaint further alleged that as part of the scheme, Mr. Wong provided items of value to Mr. Kelly in exchange for official acts by Mr. Kelly that benefited or attempted to benefit Mr. Wong's business ventures. According to the criminal complaint against Mr. Kelly, Mr. Wong bribed Mr. Kelly with thousands of dollars in airfare, meals, jewelry, and travel expenses, as well as by making improvements to Mr. Kelly's home.

Mr. Wong pled guilty in July 2020 and continues to cooperate with the ongoing federal criminal investigation. Mr. Wong has not been sentenced. Mr. Wong settled civilly with the City in May 2021. As part of his civil settlement, he and his companies agreed to pay the City more than \$300,000 in ethics fines and more than \$1 million in restitution. The total restitution amount to the City includes \$73,000 that he received through the SFPUC when Mr. Kelly was General Manager.

Mr. Kelly resigned from employment with the City, effective November 30, 2020. Michael Carlin, former-Deputy General Manager of the SFPUC, then served as the Acting General Manager of the SFPUC through October 31, 2021. Mr. Herrera began serving as General Manager of the SFPUC on November 1, 2021.

Since Mr. Nuru's arrest in January 2020, the Controller's Office, in consultation with the City Attorney, has issued 11 public integrity reviews, all of which can be found on the Controller's website. Ten of the 11 reports focus primarily on City departments other than the SFPUC. The Controller's Office's December 9, 2021, Public Integrity Audit looked specifically at the SFPUC's Social Impact Partnership Program and made seven recommendations to strengthen internal controls and oversight. The SFPUC concurred with all seven of those recommendations, and as of December 2022, five of the seven recommendations had been implemented and two were in progress.

In October 2021, a criminal grand jury returned an indictment against Mr. Kelly and Victor Makras, a San Francisco real estate broker and property developer. Mr. Makras formerly served on a number of City boards and commissions, including the Port Commission, Police Commission, Public Utilities Commission, and Retirement Board. In addition to the original charges against Mr. Kelly of conspiracy with Mr. Wong, the indictment added charges of bank fraud and bank fraud conspiracy related to a \$1.3 million loan Mr. Kelly obtained from Quicken Loans.

Mr. Makras' case was severed from Mr. Kelly's, and in August 2022, a jury convicted Mr. Makras of bank fraud for his role in making false statements to a bank in support of the loan to Mr. Kelly. In December 2022, Mr. Makras was sentenced to three years of probation and fined \$15,200. In July 2023, a jury convicted Mr. Kelly of wire fraud and bank fraud, and Mr. Kelly was sentenced to four years in prison and fined \$10,000. The FBI investigation is ongoing, and the City can give no assurance when the FBI will complete its investigation.

Community Challenge Grant Program Investigation. On August 29, 2023, the San Francisco District Attorney charged Lanita Henriquez, who served as the director of the San Francisco Community Challenge Grant Program under the Office of the San Francisco City Administrator, and Rudolph Dwayne Jones, a former City official who occasionally served as a prime contractor and a subcontractor to the SFPUC, with counts of misappropriation of public monies, bribery, and financial conflict of interest in a government contract. It is alleged that Ms. Henriquez and Mr. Jones misappropriated public money between 2016 and 2020, that Mr. Jones wrote Ms. Henriquez multiple checks in 2017 and 2018 totaling \$25,000, while Ms. Henriquez directed government grant contracts exceeding \$1.4 million to entities controlled by Mr. Jones, in which entities Ms. Henriquez also had a financial stake, between 2016 and 2020.

The San Francisco District Attorney has not alleged any impropriety in connection with the sole grant program Ms. Henriquez administered for the SFPUC and the SFPUC has confirmed that there are no active direct contracts between the SFPUC and Mr. Jones or his affiliated entities. The SFPUC has, however, identified four subcontracts between Mr. Jones or his affiliated entities and other SFPUC prime contractors that were effective on the date that Mr. Jones was charged, and directed each of the four prime contractors retaining Mr. Jones and/or any entities affiliated with Mr. Jones, to terminate or cancel any subcontract, service order, or other contractual arrangement such parties.

The FBI investigation is ongoing, and the City can give no assurance when the FBI will complete its investigation. The San Francisco District Attorney's Office Public Integrity Task Force has also independently investigated certain of the matters described here, and the City can give no assurance when this task force will complete its investigation.

Recology Settlement. On March 4, 2021, the City Attorney announced an approximately \$100 million settlement with Recology San Francisco ("Recology"), the contractor handling the City's waste and recycling collection. The settlement arose from overcharges that were uncovered as part of the continuing public integrity investigation tied to Mr. Nuru and others. As part of the Settlement, Recology was required to lower commercial and residential rates starting April 1, 2021 and make a \$7 million settlement payment to the City under the California Unfair Competition Law and the San Francisco Campaign and Governmental Conduct Code. In addition, Recology will be enjoined for four years from making any gift to any City employee or any contribution to a nonprofit at the behest of a City employee. The comprehensive settlement agreement with Recology was approved by the Board of Supervisors. The bribery and corruption public integrity investigation related to the Nuru matter is ongoing.

On May 16, 2022, the Controller's Office released a public integrity assessment report on the review of rate-setting and rate reporting processes, and profits earned by Recology that were over and above allowed profit margins. The report found that Recology netted profits of \$23.4 million over and above the allowed profit margin set in the 2017 Rate Application. Even after taking into account the 2021, \$101 million settlement in restitution, penalties, and interest to ratepayers affected by the erroneous calculation of revenues in the rate application, Recology consistently exceeded their allowable operating profits.

On June 7, 2022, the voters of San Francisco passed Proposition F, a ballot measure that allows the City to oversee Recology more closely, including certain changes to the composition of the Refuse Rate Board. The changes are intended to provide more oversight with respect to monitoring rates to residential and commercial customers.

In addition to the ongoing joint investigation by the City Attorney's Office and the Controller's Office into City contracting policies and procedures, the City's Board of Supervisors has conducted a series of public hearings before its Government Audit and Oversight Committee to examine issues raised by the federal complaints. That committee also considered the Controller's periodic reports. The City can give no assurance regarding when the City's investigation will be completed or what the outcome will be. The criminal investigation by the Federal Bureau of Investigation and the United States Attorney's office is ongoing.

Risk Retention Program

Citywide risk management is coordinated by the Risk Management Division of the City Administrator's Office. With certain exceptions, it is the general policy of the City to first evaluate self-insurance and not purchase commercial liability insurance for the risks of losses to which it is exposed. The City believes that it is more economical to manage its risks internally and administer, adjust, settle, defend, and pay claims from budgeted resources (i.e., "self-insurance"). The City obtains commercial insurance in certain circumstances, including when required by bond or lease financing covenants and for other limited purposes. The City actuarially determines liability and workers' compensation risk exposures as permitted under State law. The City does not maintain commercial earthquake coverage, with certain minor exceptions.

The City's decision to obtain commercial insurance depends on various factors. For property insurance, these factors include whether the facility is currently under construction or if the property is owned by a self-supporting enterprise fund department. For new construction projects, the City has utilized traditional insurance, owner-controlled insurance programs or contractor-controlled insurance programs. Under the latter two approaches, the insurance program provides coverage for the entire construction project. When a traditional insurance program is used, the City requires each contractor to provide its own insurance, while ensuring that the full scope of work be covered with satisfactory limits. The majority of the City's commercial insurance coverage is purchased for enterprise fund departments and other similar revenue-generating departments (i.e. the Airport, MTA, SFPUC, the Port and Convention Facilities, etc.). The remainder of the commercial insurance coverage is for General Fund departments that are required to provide coverage for bond-financed facilities, coverage for collections at City-owned museums and to meet statutory requirements for bonding of various public officials, and other limited purposes where required by contract or other agreement. In recent years, the City has purchased Cyber Liability insurance for departments and certain enterprise fund departments providing critical City services and/or managing high volumes of confidential/personal data.

Through coordination between the City Controller and the City Attorney's Office, the City's general liability risk exposure is actuarially determined and is addressed through appropriations in the City's budget and also reflected in the ACFR. The appropriations are sized based on actuarially determined anticipated claim payments and the projected timing of disbursement.

The City is self-insured for the financial risk and liability to provide workers' compensation benefits to its employees. The administration of workers' compensation claims and disbursement of all benefit payments is managed by the Workers' Compensation Division of the City's Department of Human Resources and its contracted third-party claims administrator. Estimates of future workers' compensation costs are based on the following criteria: (i) the frequency and severity of historical claim filings; (ii) average claim losses by expense category; (iii) gross payroll and workforce composition; (iv) benefit cost inflation, including increases to the statewide average weekly wage, and medical cost growth; and (v)

regulatory developments that impact benefit cost and delivery. The Workers' Compensation Division determines and allocates workers' compensation costs to departments based upon actual claim benefit expenditures and an allocated share of overhead expenses for self-insurance administration. The City continues to develop and implement programs to lower or mitigate workers' compensation costs.

Initiative Measure Qualified for November 2024 Ballot – Taxpayer Protection and Government Accountability Act

On February 1, 2023, the California Secretary of State announced that a ballot initiative known as the "Taxpayer Protection and Government Accountability Act" ("Initiative 1935"), received the required number of signatures to appear on the November 5, 2024 ballot. If approved by a majority of voters casting a ballot at the November 5, 2024 Statewide election, Initiative 1935 would make numerous significant changes to Articles XIII, XIII A, XIII C and XIII D of the California Constitution to further limit the authority of local governments, including the City, and electors via the initiative process, to adopt and impose taxes and fees. The full text of Initiative 1935 may be viewed at the website of the California Attorney General.

Among other things, Initiative 1935 would amend the definition "tax" in Article XIII C to include "every levy, charge, or exaction of any kind imposed by a local law that is not an exempt charge." Initiative 1935 defines "exempt charge" to mean a "reasonable charge for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the actual costs as opposed to the reasonable costs of providing the service or product to the payor." "Exempt charges" also encompass existing exceptions from the definition of "tax" added to Article XIII C by Proposition 26, including property-related fees imposed in accordance with Article XIII D (see "—Articles XIII C and XIII D of the California Constitution – Proposition 218," above). "Actual costs" is defined as "the minimum amount necessary to reimburse the government for the cost of providing the service or product less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product." Initiative 1935 further provides that the local government adopting an exempt charge would bear the burden of proving by clear and convincing evidence (as opposed to a preponderance of the evidence) that: (a) a levy, charge or exaction is an exempt charge and not a tax; and (b) the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor. Initiative 1935 would also amend Article XIII C to provide that no local law, whether proposed by the governing body or by an elector, may impose any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote. The full definitions of the terms referenced above, along with the full text of Initiative 1935, may be viewed at the website of the California Attorney General.

Initiative 1935 is retroactive, and provides that any tax or exempt charge adopted after January 1, 2022 but prior to the effective date of Initiative 1935, which was not adopted in compliance with the requirements thereof, would be void 12 months after the effective date of Initiative 1935, unless the tax or exempt charge is reenacted in compliance with the provisions of Initiative 1935. The City cannot predict whether Initiative 1935 will be approved at the November 5, 2024 Statewide election. If Initiative 1935 is approved, the City cannot provide any assurances that it will not have a material adverse effect on the City's ability to adopt or increase rates, fees, and charges for the various services provided by the City.

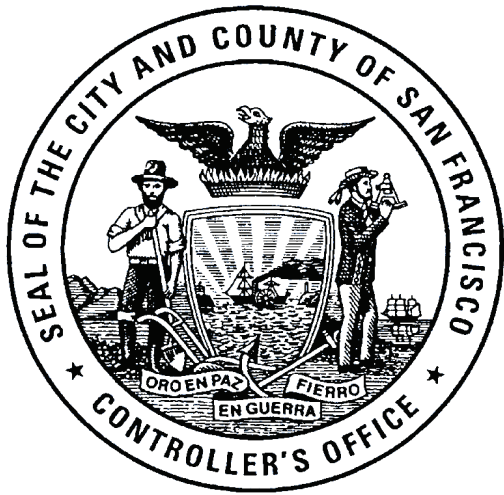
APPENDIX B

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE CITY AND COUNTY OF SAN FRANCISCO
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA

Annual Comprehensive Financial Report Year ended June 30, 2023



Prepared by:
Office of the Controller

Ben Rosenfield
Controller

CITY AND COUNTY OF SAN FRANCISCO

Annual Comprehensive Financial Report
Year Ended June 30, 2023

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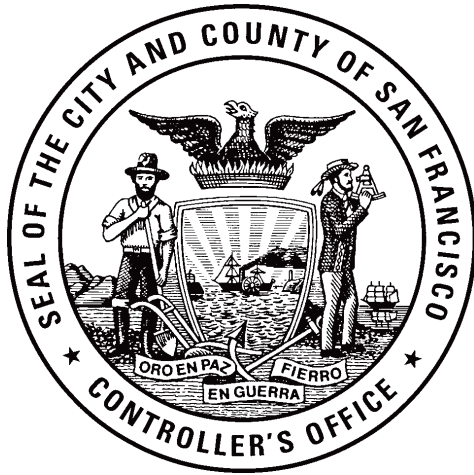
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INTRODUCTORY SECTION

- Controller's Letter of Transmittal
- Certificate of Achievement - Government Finance Officers Association
- City and County of San Francisco Organization Chart
- List of Principal Officials



OFFICE OF THE CONTROLLER CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

December 29, 2023

The Honorable Mayor London N. Breed
The Honorable Members of the Board of Supervisors
Residents of the City and County of San Francisco
San Francisco, California

I am pleased to present the Annual Comprehensive Financial Report (ACFR) of the City and County of San Francisco, California (the City) for the year (FY) ended June 30, 2023, 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 ACFR 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 ACFR. The ACFR also incorporates financial statements of various City enterprise funds and component units that issue separate financial statements, 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 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, the City and County of San Francisco Retiree Health Care Trust, 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 ACFR. The MD&A provides a narrative overview and analysis of the basic financial statements and is presented after the independent auditor's report.

SAN FRANCISCO GOVERNMENT:

Profile of San Francisco Government

The City and County of San Francisco was established 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 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.

Recent Economic and Financial Results

The COVID-19 pandemic, and the necessary public health response to it, ended the longest period of economic expansion in U.S. history, beginning in the final quarter of FY 2019-20. Within the first month, over 20 million jobs were lost across the country, national real gross domestic product declined by 31.2 percent on an annualized basis, and the San Francisco metro division lost nearly 170,000 jobs between March and April 2020. Since then, the national, state, and local economies began to recover, first slowly in FY 2020-21 and then more rapidly in FY 2021-22.

Local economic results for FY 2022-23 were more mixed, with continued recovery in important parts of San Francisco's economy with more mixed results in others. Domestic and international air travel at San Francisco International Airport reached 80.6% and 85.3%, respectively, of pre-pandemic levels during the fiscal year, but international travel increased steadily, almost reaching pre-pandemic levels by the end of the fiscal year. Ridership on BART and Muni slowly rose during the fiscal year. Office attendance grew slowly in the first half of FY 2022-23 but maintained steady in the second half of the fiscal year. Office vacancies also continued to increase, reaching more than 30% in the 2nd quarter of 2023. Office asking rents declined, now below \$80 per square foot versus above \$90 per square foot pre-pandemic. The number of employed San Francisco residents recovered to approximately 560,000, but a level still lower than pre-pandemic levels. The unemployment rate, after reaching lows of less than 2% at the end of FY 2021-22, increased to over 3% by the end of FY 2022-23, a higher rate but still lower than the rate in California and the country.

The City's financial results are similarly mixed in FY 2022-23. In the General Fund, gross receipts tax revenue reflected continued softness in the office-using sectors declining from \$813 million in FY 2021-22 to \$803 million in FY 2022-23. After reaching a historic high of \$520 million in FY 2021-22, real property transfer tax collections dropped to the lowest level in more than a decade to \$186 million, as few large office buildings traded hands, and those that did traded at reduced prices. However, the City continued to make gains in the hospitality industry, with General Fund hotel tax revenue growing from \$158 million in FY 2021-22 to \$253 million in FY 2022-23. Sales tax, which reflects general increases in spending in the City, grew modestly from \$188 million in FY 2021-22 to \$198 million in FY 2022-23. Overall General Fund revenue growth was driven by the implementation of a new business tax, the overpaid executive tax – adopted by voters in 2020 – which raised more than \$200 million in FY 2022-23.

The City's bottom-line financial results for the fiscal year continue to be strong, although lower than the prior year, reflecting slowing economic trends and heavy use of prior year resources to balance the adopted FY 2022-23 budget. General Fund cash decreased by 3.5 percent to \$3.71 billion and total GAAP fund balance decreased 8.8 percent to \$2.65 billion. Although these results are lower on a year-over-year basis, the City ended the year stronger than forecasted and well above recent historical norms. Modest overall weakness in tax revenues was more than offset by operating savings and revenues in departments. As a result, the City deposited \$9.4 million to the Budget Stabilization Reserve. Primary rainy day and budget stabilization reserves, which do not include one-time reserves, totaled \$389.7 million, or 6.3 percent of revenues.

Projected Economic and Financial Conditions in Subsequent Years

The City is heavily focused on supporting the City's continued economic, financial, and operational health and recovery while managing challenges driven by developing economic shifts in the City and throughout the nation.

FY 2022-23 revenue results and initial FY 2023-24 data indicate the pace of the City's pandemic rebound has slowed after its initial rebound, and future growth is expected to be driven by economic fundamentals such as interest rates and employment, as well as domestic and international political forces. The City's

most recent budget forecast, issued in December 2023, assumes hotel tax revenues will grow substantially but not return to 2019 levels until FY 2027-28. Office vacancy is expected to slowly decline beginning in 2025 but is not expected to reach pre-pandemic levels within the next ten years. Broader economic challenges – including the persistence of remote office work, sustained high interest rates, and forecasted cooling of the technology sector – are projected to translate into revenue weakness versus the budget for FY 2023-24.

The FY 2023-24 and FY 2024-25 budget was balanced with a heavy reliance on one-time solutions, leaving the City with an ongoing structural deficit. To begin addressing the anticipated current year and ongoing shortfall, the Mayor's Office issued General Fund mid-year target cuts of 3% to City departments in October 2023. Additional cut targets of 10%, plus a 5% contingency, were issued in December 2023 for the FY 2024-25 and FY 2025-26 budget years.

OTHER INFORMATION:

San Francisco's Budgetary Process

The budget is adopted at the account, authority or project level of expenditure within each department, and the department, fund, account, authority or project is the legal level of budgetary control. The notes to the budgetary comparison schedule in the required supplementary information section summarize 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 2009 designed to further strengthen the City's long-range financial planning. As a result of these changes, the City is required to adopt a "rolling" two-year budget each year unless the Board of Supervisors authorizes a "fixed" two-year budget for a given fund, in which case authorization occurs every two years. For the fiscal year period of 2022-23 and 2023-24, there were four departments on a two-year fixed budget, while the majority of the City's budget remains on a rolling cycle.

As further required by these amendments, the Board of Supervisors and Mayor adopt a five-year financial plan every two years. The latest plan was issued in January 2023 and updated in March 2023. 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 to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City 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.

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 ACFR 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 Retiree Health Care Trust, 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 Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022. This was the 41st consecutive year, beginning with the year ended June 30, 1982, that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. The ACFR must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

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

Acknowledgements

I would like to express my appreciation to the entire staff of the Controller's Office and the broader group of City financial staff whose professionalism, dedication, and efficiency are responsible for the preparation of this report, and more broadly the City's financial operations during this past year. I would also like to thank Macias Gini & O'Connell LLP for their invaluable professional support in the preparation of the ACFR. Finally, I want to thank the Mayor and the Board of Supervisors for their leadership in directing the policy and operations of our city government.

Respectfully submitted,



Ben Rosenfield
Controller



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City and County of San Francisco
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

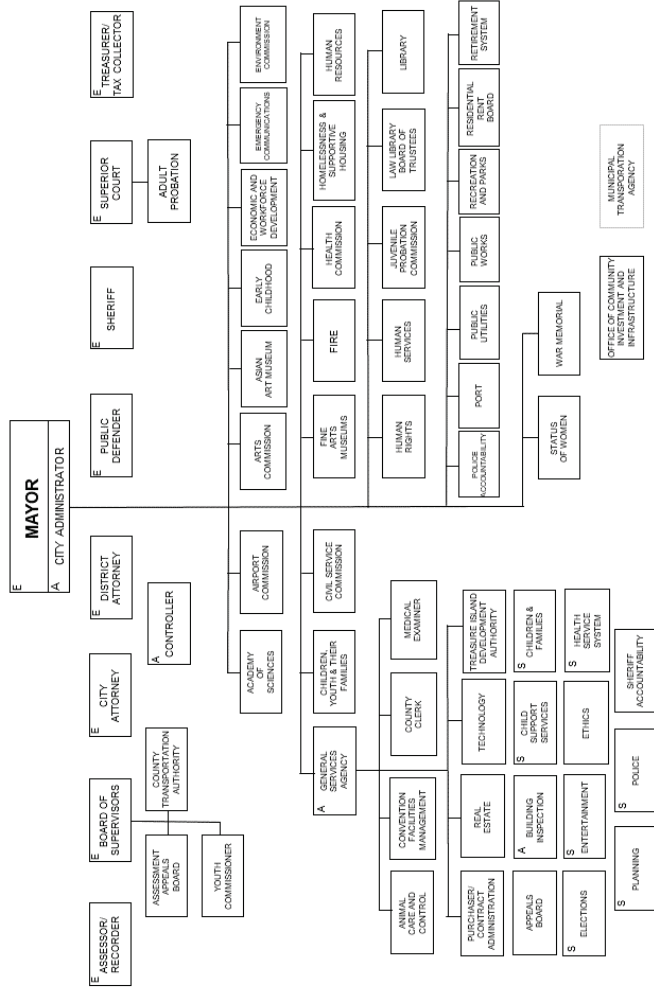
June 30, 2022

Christopher P. Morill

Executive Director/CEO

City and County of San Francisco Organization Chart

(As of June 30, 2023)



A = Appointed / E = Elected / S = Shared - appointed by various elected officials.

CITY AND COUNTY OF SAN FRANCISCO

List of Principal Officials
As of June 30, 2023

ELECTED OFFICIALS

| | |
|-------------------------|-------------------|
| Mayor | London Breed |
| Board of Supervisors: | |
| President | Aaron Peskin |
| Supervisor | Dean Preston |
| Supervisor | Shamann Walton |
| Supervisor | Rafael Mandelman |
| Supervisor | Connie Chan |
| Supervisor | Hillary Ronen |
| Supervisor | Myrna Melgar |
| Supervisor | Catherine Stefani |
| Supervisor | Joel Engardio |
| Supervisor | Matt Dorsey |
| Supervisor | Asha Safai |
| Supervisor | Joaquín Torres |
| Assessor/Recorder | David Chiu |
| City Attorney | Brooke Jenkins |
| District Attorney | Manohar Raju |
| Public Defender | Paul Miyamoto |
| Sheriff | |

| | |
|-------------------------------|-------------------------------|
| Superior Courts | |
| Presiding Judge | Judge Anne-Christine Massullo |
| Treasurer/Tax Collector | José Cisneros |

APPOINTED OFFICIALS

| | |
|--------------------------|---------------------|
| City Administrator | Carmen Chu |
| Controller | Benjamin Rosenfield |

DEPARTMENT DIRECTORS/ADMINISTRATORS

| | |
|--|---------------------------------|
| Airport | Ivar C. Satero |
| Appeals Board | Julie Rosenberg |
| Arts Commission | Ralph Remington |
| Asian Art Museum | Jay Xu |
| Board of Supervisors | Angela Calvillo |
| Assessment Appeals Board | Alistair Gibson |
| County Transportation Authority | Tilly Chang |
| Building Inspection | Patrick O'Riordan |
| California Academy of Sciences | Scott D. Sampson |
| Child Support Services | Karen M. Roye |
| Children, Youth and Their Families | Maria Su |
| Civil Service | Sandra Eng |
| Early Childhood | Ingrid Mezquita |
| Economic and Workforce Development | Sarah Dennis Phillips |
| Elections | John Arntz |
| Emergency Management | Mary Ellen Carroll |
| Entertainment | Maggie Weiland |
| Environment | Tyrone Jue (Acting) |
| Ethics | Gayathri Thaikkendiyil (Acting) |
| Fine Arts Museums | Thomas P. Campbell |
| Fire | Jeanine Nicholson |

CITY AND COUNTY OF SAN FRANCISCO

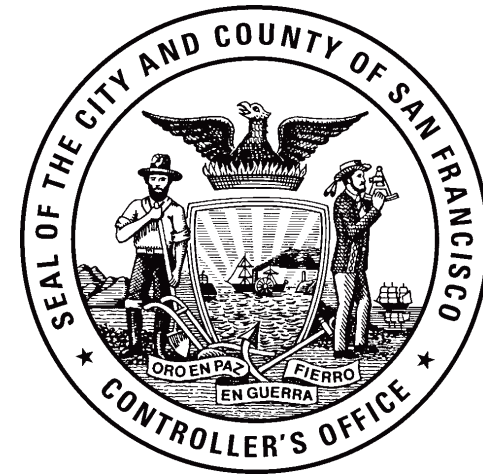
List of Principal Officials
As of June 30, 2023

DEPARTMENT DIRECTORS/ADMINISTRATORS (Continued)

| | |
|--|----------------------------|
| General Services Agency | |
| Animal Care and Control | Virginia Donohue |
| Convention Facilities Management | Kenneth Bukowski |
| County Clerk | Diane Rea |
| Medical Examiner | Christopher Liverman |
| Public Works | Carla Short (Interim) |
| Purchaser/Contract Administration | Sailaja Kurella |
| Real Estate | Andrico Penick |
| Department of Technology | Linda Gerull |
| Health Service System | Abbie Yant |
| Homelessness and Supportive Housing | Shireen McSpadden |
| Human Resources | Carol Isen |
| Human Rights | Sheryl Evans Davis |
| Human Services | Trent Rhorer |
| Aging and Adult Services | Kelly Dearman |
| Juvenile Probation | Katherine Weinstein Miller |
| Law Library Board of Trustees | Marcia Bell |
| Library | Michael Lambert |
| Municipal Transportation Agency | Jeffrey Tumlin |
| Planning | Rich Hillis |
| Police | William Scott |
| Police Accountability | Paul Henderson |
| Port | Elaine Forbes |
| Public Health | Grant Colfax |
| Public Utilities | Dennis Herrera |
| Recreation and Park | Phil Ginsburg |
| Residential Rent Board | Christina Varner |
| Retirement System | Alison Romano |
| Sheriff Accountability | Vacant |
| Small Business | Katy Tang |
| Status of Women | Kimberly Ellis |
| Successor Agency to the Redevelopment Agency | Thor Kaslofsky |
| Superior Court | Brandon E. Riley |
| Adult Probation | Cristel Tullock |
| War Memorial | Kate Sofis |

DISCRETELY PRESENTED COMPONENT UNIT

| | |
|---|----------------|
| Treasure Island Development Authority | Robert P. Beck |
|---|----------------|



FINANCIAL SECTION

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining Financial Statements and Schedules
- Other Information

Independent Auditor's Report

Honorable Mayor and Members of the Board of Supervisors
City and County of San Francisco, California

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City and County of San Francisco, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the San Francisco County Transportation Authority, San Francisco International Airport (major fund), and Municipal Transportation Agency (major fund), which collectively represent the following percentages of the assets, net position/fund balances, and revenues/additions of the following opinion units.

| Opinion Unit | Assets | Net Position/ Fund Balances | Revenues/ Additions |
|--|--------|--------------------------------|------------------------|
| Governmental activities | 1.1% | 2.4% | 1.6% |
| Business-type activities | 53.7% | 56.3% | 41.0% |
| Aggregate discretely presented component unit and remaining fund information | 0.4% | 0.1% | 0.7% |

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 4 to the basic financial statements, effective July 1, 2022, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the City's proportionate share of the net pension liability/(asset), the schedules of changes in net pension liability and related ratios, the schedules of changes in total pension liability and related ratios, the schedules of employer contributions – pension plans, the schedules of changes in net other postemployment benefits liability and related ratios, the schedules of employer contributions – other postemployment healthcare benefits plans, and the budgetary comparison schedule – General Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

CITY AND COUNTY OF SAN FRANCISCO

Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2023

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The City's management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory, other information and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Walnut Creek, California
December 29, 2023

This section of the City and County of San Francisco's (the City) Annual Comprehensive Financial Report (ACFR) presents a narrative overview and analysis of the financial activities of the City for the year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information in our transmittal letter.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the end of the fiscal year by approximately \$13.40 billion (net position). Of this balance, \$10.94 billion represents the City's net investment in capital assets, \$4.13 billion represents restricted net position, and unrestricted net position has a deficit of \$1.67 billion. The City's total net position increased by \$777.8 million, or 6.1 percent, from the previous fiscal year before a cumulative effect of accounting change which reduced net position by \$203.8 million, for a change of \$574.0 million after restatement. Of this amount, total net investment in capital assets and unrestricted net position increased by \$373.3 million or 3.5 percent and \$243.1 million or 12.7 percent, respectively, offset by a decrease in restricted net position of \$42.4 million or 1.0 percent.

The City's governmental funds reported total revenues of \$8.67 billion, which is a \$129.9 million or 1.5 percent increase from the prior year. Within this, revenues from property taxes, hotel room tax, other local taxes, interest and investment income and rent and concessions grew by approximately \$158.8 million, \$104.3 million, \$210.9 million, \$317.7 million and \$52.8 million, respectively, offset by decreases in federal revenues and real property transfer tax of \$461.0 million and \$334.1 million, respectively. Governmental funds expenditures totaled \$8.42 billion for this period, a \$663.8 million or 8.6 percent increase, reflecting an increase in demand for governmental services of \$729.7 million, offset by decreases in debt service of \$36.1 million and capital outlay of \$29.8 million.

The City's total short-term debt decreased by \$697.0 million in this fiscal year. The increase of \$9.0 million in the governmental activities was due to the issuance of Commercial Paper (CP) to finance the City's projects for the acquisition and development of affordable rental housing, critical repair, and improvements to City-owned buildings, to finance and refinance approved capital projects, including the Hope SF properties, Homeless Services Center, Laguna Honda Hospital Wings Reuse Project, and AITC Immunization and Travel Clinic Relocation, and improvement and equipping of certain existing real property including the Hall of Justice facilities, and purchase of police vehicles. The short-term debt in the business-type activities decreased by \$706.0 million. The Airport issued \$417.3 million to fund its capital improvement projects. The Water Enterprise and the Hetch Hetchy Water and Power issued a total of \$487.8 million of CP to fund their capital projects and repaid \$206.3 million and \$40.0 million of CP, respectively. The Airport, Water Enterprise and the Hetch Hetchy Water and Power reclassified \$497.8 million, \$371.5 million, and \$116.4 million of CP short-term debt repaid by revenue bonds issued in fiscal year 2023-24, to long-term debt. The Wastewater Enterprise paid off its outstanding CP of \$379.2 million through the issuance of revenue bonds.

The City's governmental activities long-term debt including lease and subscription liabilities decreased by \$123.9 million. A total of \$238.6 million in general obligation bonds with bond premium of \$5.4 million were issued to provide funds to acquire or improve real property to stabilize, improve and make permanent investment in supportive housing facilities that deliver services to persons experiencing mental health challenges, substance use disorder, and or homelessness, improve parks, open spaces and recreation facilities and condition of the City's streets; to protect the waterfront, BART and Muni infrastructure, buildings, historic piers, and road from earthquakes, flooding and rising sea level by repairing the 100 year-old Embarcadero Seawall; to finance the acquisition, construction and preservation of affordable housing to low and middle income households through programs that will prioritize vulnerable populations such as the City's working families, veterans, seniors and persons with disabilities, to assist in the acquisition, rehabilitation and preservation of affordable housing, assist the City's middle-income residents or workers in obtaining affordable rental or homeownership opportunities. The City, through the Infrastructure and Revitalization Financing District No. 1 (Treasure Island) also issued \$29.4 million in tax increment revenue bonds with bond premium of \$1.0 million to fund the acquisition of certain public facilities and improvement

CITY AND COUNTY OF SAN FRANCISCO
Management's Discussion and Analysis (Unaudited) (Continued)
 Year Ended June 30, 2023

for the Treasure Island/Yerba Buena Island Development project and to finance the acquisition and construction of affordable housing on Treasure Island. The increase in debt was offset by \$346.6 million scheduled debt service payments and amortization of bond premium of \$27.8 million. In addition, GASB 87 and GASB 96 requires recognizing lease liabilities of \$496.2 million and subscription liabilities of \$35.3 million with a net decrease of \$15.1 million and \$8.8 million, respectively due to principal payments made exceeded any new leases and subscriptions that commenced during the year.

The business-type activities long-term debt including lease and subscription liabilities increased by \$1.70 billion. The Airport issued \$241.9 million in revenue refunding bonds with bond premium of \$21.6 million to refund certain outstanding revenue bonds and repay outstanding CP notes. The Wastewater Enterprise issued \$1.11 billion in revenue bonds with bond premium of \$178.5 million to refinance the CP notes for Wastewater capital projects and to refund revenue bonds for debt service savings. The Water and the Wastewater Enterprises also drew down additional loan of \$60.4 million from the State of California to fund various water and sewer system improvement projects. The Wastewater Enterprise received a loan from the United States Environmental Protection Agency of \$122.4 million to fund a portion of the cost of its Biosolids Digester Facility Project. The Airport, Water Enterprise and the Hetch Hetchy Water and Power reclassified \$497.8 million, \$371.5 million, and \$116.4 million of CP short-term debt repaid by revenue bonds issued in fiscal year 2023-24, to long-term debt. The increase in debt was partially offset by \$900.6 million in refunded bonds and scheduled debt service payments and \$113.6 million of bond premium and discount amortization. In addition, GASB 87 and GASB 96 requires recognizing lease liabilities of \$230.2 million and subscription liabilities of \$2.8 million with a net decrease of \$5.7 million and \$0.9 million, respectively due to principal payments made exceeded any new leases and subscriptions that commenced during the year.

The City adopted the provisions of several Governmental Accounting Standards Board (GASB) Statements as of July 1, 2022. Statement No. 91, *Conduit Debt Obligations* clarifies the definition of conduit debt and establishes new recognition, measurement, and disclosure requirements. The net effect of this change was a \$106.6 million reduction in the City's beginning net position. Statement No. 96, *Subscription-Based Information Technology Arrangements* clarifies measurement and recognition of capitalizable costs, intangible assets, and subscription liabilities for arrangements which convey control of the right to use another party's software for a period of time in an exchange or exchange-like transaction. The net effect of this change was a \$5.2 million increase in the City's beginning net position. In addition, the City re-evaluated the reporting of Mission Rock Special Tax District (STD) and changed its reporting entity from a fiduciary component unit to a blended component unit. The impact of the change in reporting entity resulted in a decrease of \$102.3 million in the City's beginning net position.

CITY AND COUNTY OF SAN FRANCISCO
Management's Discussion and Analysis (Unaudited) (Continued)
 Year Ended June 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: (1) **Government-wide** financial statements, (2) **Fund** financial statements, and (3) **Notes** to the financial statements. This report also contains other **supplementary information** in addition to the basic financial statements themselves. These various elements of the Annual Comprehensive Financial Report (ACFR) are related as shown in the graphic below.

Organization of City and County of San Francisco Annual Comprehensive Financial Report

| | | | | | |
|---|----------------------------|--|---|---|--|
| ACFR | Introductory Section | INTRODUCTORY SECTION | | | |
| | | + | | | |
| | Financial Section | Management's Discussion and Analysis (MD&A) | | | |
| | | Government - wide Financial Statements | Fund Financial Statements | | |
| | | | | Governmental Funds | Proprietary Funds |
| | | Statement of net position | Balance sheet | Statement of net position | Statement of fiduciary net position |
| | | | | Statement of revenues, expenses, and changes in fund net position | |
| | | Statement of activities | Statement of revenues, expenditures, and changes in fund balances | Statement of revenues, expenses, and changes in fund net position | Statement of changes in fiduciary net position |
| | | | | Statement of cash flows | |
| | | Notes to the Financial Statements | | | |
| Required Supplementary Information Other Than MD&A | | | | | |
| Information on individual nonmajor funds and other supplementary information that is not required | | | | | |
| | + | | | | |
| Statistical Section | STATISTICAL SECTION | | | | |

CITY AND COUNTY OF SAN FRANCISCO
Management's Discussion and Analysis (Unaudited) (Continued)
Year Ended June 30, 2023

The following table summarizes the major features of the financial statements. The overview section below also describes the structure and contents of each of the statements in more detail.

| | Government - wide Financial Statements | Fund Financial Statements | | |
|---|--|---|--|--|
| | | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Scope | Entire entity (except fiduciary funds) | The day-to-day operating activities of the City for basic governmental services | The day-to-day operating activities of the City for business-type enterprises | Instances in which the City administers resources on behalf of others, such as employee benefits |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of balance information | All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term | Balances of spendable resources | All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term | All resources held in a trustee or custodial capacity for others |
| Type of inflow and outflow information | All inflows and outflows during year, regardless of when cash is received or paid | Near-term inflows and outflows of spendable resources | All inflows and outflows during year, regardless of when cash is received or paid | All additions and deductions during the year, regardless of when cash is received or paid |

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The **statement of net position** presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating.

CITY AND COUNTY OF SAN FRANCISCO
Management's Discussion and Analysis (Unaudited) (Continued)
Year Ended June 30, 2023

The **statement of activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and sick leave.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include public protection, public works, transportation and commerce, human welfare and neighborhood development, community health, culture and recreation, general administration and finance, distributions to other governments, and general City responsibilities. The business-type activities of the City include an airport, port, transportation system (including parking), water and power operations, an acute care hospital, a long-term care hospital, and sewer operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate development authority, the Treasure Island Development Authority (TIDA), for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government. Included within the governmental activities of the government-wide financial statements are the San Francisco County Transportation Authority (Transportation Authority), several infrastructure financing districts and infrastructure and revitalization financing districts, and San Francisco Finance Corporation. Included within the business-type activities of the government-wide financial statements is the operation of the San Francisco Parking Authority. Although legally separate from the City, these component units are blended with the primary government because of their governance or financial relationships to the City. The City also considers the Successor Agency to the Redevelopment Agency (Successor Agency) and various Community Facilities Districts as fiduciary component units of the City.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following three categories: **governmental** funds, **proprietary** funds, and **fiduciary** funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements – i.e. most of the City's basic services are reported in governmental funds. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available and the constraints for spending. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

CITY AND COUNTY OF SAN FRANCISCO
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Year Ended June 30, 2023

The City maintains several individual governmental funds organized according to their type (special revenue, debt service, capital projects and permanent funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. Proprietary funds are generally used to account for services for which the City charges customers – either outside customers, or internal units or departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary funds:

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations of the San Francisco International Airport (SFO or Airport), San Francisco Water Enterprise (Water), Hetch Hetchy Water and Power (Hetch Hetchy), San Francisco Municipal Transportation Agency (SFMTA), San Francisco General Hospital (SFGH), San Francisco Wastewater Enterprise (Wastewater), Port of San Francisco (Port), and the Laguna Honda Hospital (LHH), all of which are considered to be major funds of the City.
- **Internal Service funds** are used to report activities that provide supplies and services for certain City programs and activities. The City uses internal service funds to account for its fleet of vehicles, management information and telecommunication services, printing and mail services, and for lease-purchases of equipment by the San Francisco Finance Corporation. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City employees' pension and health plans, retirees' health care, the Successor Agency, the external portion of the Treasurer's Office investment pool, and the other custodial funds are reported under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's net pension liability (asset), pension contributions, net OPEB liability, and OPEB contributions.

The City adopts a rolling two-year budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

CITY AND COUNTY OF SAN FRANCISCO
Management's Discussion and Analysis (Unaudited) (Continued)
Year Ended June 30, 2023

Combining Statements and Schedules

The combining statements and schedules referred to earlier in connection with nonmajor governmental funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information.

Condensed Statement of Net Position
(in thousands)

| | Governmental activities | | Business-type activities | | Total | |
|--|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
| | 2023 | 2022 * | 2023 | 2022 * | 2023 | 2022 * |
| Assets: | | | | | | |
| Current and other assets..... | \$ 9,823,170 | \$ 11,106,323 | \$ 8,695,483 | \$ 8,664,608 | \$ 18,518,653 | \$ 19,770,931 |
| Capital assets..... | 7,803,629 | 7,587,262 | 25,146,242 | 24,258,288 | 32,949,871 | 31,845,550 |
| Total assets..... | 17,626,799 | 18,693,585 | 33,841,725 | 32,922,896 | 51,468,524 | 51,616,481 |
| Deferred outflows of resources: | 1,471,655 | 1,146,971 | 1,194,152 | 1,035,907 | 2,665,807 | 2,182,878 |
| Liabilities: | | | | | | |
| Current liabilities..... | 3,186,880 | 2,794,731 | 2,287,448 | 2,839,086 | 5,474,328 | 5,633,817 |
| Noncurrent liabilities..... | 9,413,014 | 7,668,025 | 22,575,386 | 19,802,906 | 31,988,400 | 27,470,931 |
| Total liabilities..... | 12,599,894 | 10,462,756 | 24,862,834 | 22,641,992 | 37,462,728 | 33,104,748 |
| Deferred inflows of resources: | 976,014 | 4,046,781 | 2,294,394 | 3,820,651 | 3,270,408 | 7,867,432 |
| Net position: | | | | | | |
| Net investment in capital assets **..... | 4,491,155 | 4,183,166 | 6,851,218 | 6,763,452 | 10,935,272 | 10,561,965 |
| Restricted **..... | 3,062,057 | 3,185,319 | 1,195,544 | 1,168,057 | 4,132,463 | 4,174,837 |
| Unrestricted (deficit) **..... | (2,030,666) | (2,037,466) | (168,113) | (435,349) | (1,666,540) | (1,909,623) |
| Total net position..... | \$ 5,522,546 | \$ 5,331,019 | \$ 7,878,649 | \$ 7,496,160 | \$ 13,401,195 | \$ 12,827,179 |

* Prior Year amounts have not been restated for implementation of GASB Statement Nos. 91, 94, and 96 and the change in reporting entity.

** See Note 10(d) to the basic financial statements.

Analysis of Net Position

The City's total net position, which may serve as a useful indicator of the government's financial position, was \$13.40 billion at the end of fiscal year 2022-23, a 4.5 percent increase over the prior year. The City's governmental activities account for \$5.52 billion of this total and \$7.88 billion stem from its business-type activities.

The largest portion of the City's net position is the \$10.94 billion in net investment in capital assets (e.g. land, buildings, and equipment) which includes the reclassification of \$407.1 million from governmental activities to business-type activities related to the City's general obligation bonds and certificates of participation that fund various enterprise fund department's projects. This reflects a \$373.3 million or 3.5 percent increase over the prior year. With that, increases of \$308.0 million in the governmental activities and \$87.8 million in the business-type activities, highlighted by increases of \$214.2 million at SFMTA and \$142.5 million at Wastewater Enterprise offset by decreases of \$276.4 million at Airport and \$8.0 million at Port, respectively. Since the City uses capital assets to provide services, these assets are not available for future spending. Further, the resources required to pay the outstanding debt must come from other sources since the capital assets themselves cannot be liquidated to pay that liability.

Another portion of the City's net position is the \$4.13 billion that represents restricted resources that are subject to external limitations regarding their use. The remaining portion of total net position is a deficit of \$1.65 billion, which consists of a \$2.03 billion deficit in governmental activities and \$168.1 million deficit in business-type activities. The governmental activities and business-type activities deficit is largely due to

CITY AND COUNTY OF SAN FRANCISCO
Management's Discussion and Analysis (Unaudited) (Continued)
 Year Ended June 30, 2023

recording net liabilities related to pension and other postemployment benefits (see Note 9). The governmental activities deficit also included \$532.2 million in long-term bonds liabilities that fund the LHH rebuild project, certain park facilities and Embarcadero seawall earthquake safety projects at the Port, improvement projects for reliable emergency water supply for the Water Enterprise, and road paving and street safety in SFMTA (see Note 10(d)). The business-type activities deficit also includes structural operating losses from SFGH and LHH subsidized by the General Fund.

Condensed Statement of Activities
(in thousands)

| | Governmental activities | | Business-type activities | | Total | |
|--|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2023 | 2022 * | 2023 | 2022 * | 2023 | 2022 * |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services..... | \$ 889,685 | \$ 785,299 | \$ 4,395,388 | \$ 3,848,186 | \$ 5,285,073 | \$ 4,633,485 |
| Operating grants and contributions..... | 1,762,809 | 2,185,343 | 444,009 | 545,636 | 2,206,818 | 2,730,979 |
| Capital grants and contributions..... | 150,625 | 105,459 | 235,952 | 185,816 | 386,577 | 291,275 |
| General revenues: | | | | | | |
| Property taxes..... | 3,167,382 | 3,004,800 | - | - | 3,167,382 | 3,004,800 |
| Business taxes..... | 1,290,918 | 1,326,675 | - | - | 1,290,918 | 1,326,675 |
| Sales and use tax..... | 309,385 | 293,155 | - | - | 309,385 | 293,155 |
| Hotel room tax..... | 278,961 | 174,609 | - | - | 278,961 | 174,609 |
| Utility users tax..... | 110,661 | 105,225 | - | - | 110,661 | 105,225 |
| Other local taxes..... | 564,753 | 676,304 | - | - | 564,753 | 676,304 |
| Interest and investment income (loss)..... | 157,267 | (160,687) | 108,704 | (108,628) | 265,971 | (269,315) |
| Other..... | 99,471 | 80,295 | 240,145 | 327,454 | 339,616 | 407,749 |
| Total revenues..... | 8,781,917 | 8,576,477 | 5,424,198 | 4,798,464 | 14,206,115 | 13,374,941 |
| Expenses | | | | | | |
| Public protection..... | 1,671,702 | 1,252,725 | - | - | 1,671,702 | 1,252,725 |
| Public works, transportation and commerce..... | 446,286 | 336,059 | - | - | 446,286 | 336,059 |
| Human welfare and neighborhood development..... | 2,883,425 | 2,332,530 | - | - | 2,883,425 | 2,332,530 |
| Community health..... | 1,206,314 | 1,151,847 | - | - | 1,206,314 | 1,151,847 |
| Culture and recreation..... | 537,393 | 398,314 | - | - | 537,393 | 398,314 |
| General administration and finance..... | 482,618 | 335,772 | - | - | 482,618 | 335,772 |
| Distributions to other governments..... | 49,113 | 47,296 | - | - | 49,113 | 47,296 |
| General City responsibilities..... | 175,522 | 129,138 | - | - | 175,522 | 129,138 |
| Unallocated interest on long-term debt..... | 155,749 | 155,467 | - | - | 155,749 | 155,467 |
| Airport..... | - | - | 1,278,517 | 1,175,430 | 1,278,517 | 1,175,430 |
| Transportation..... | - | - | 1,439,742 | 1,076,249 | 1,439,742 | 1,076,249 |
| Port..... | - | - | 127,817 | 110,108 | 127,817 | 110,108 |
| Water..... | - | - | 666,970 | 606,409 | 666,970 | 606,409 |
| Power..... | - | - | 544,742 | 477,202 | 544,742 | 477,202 |
| Hospitals..... | - | - | 1,419,409 | 1,300,196 | 1,419,409 | 1,300,196 |
| Sewer..... | - | - | 343,018 | 326,952 | 343,018 | 326,952 |
| Total expenses..... | 7,608,122 | 6,139,148 | 5,820,215 | 5,072,546 | 13,428,337 | 11,211,694 |
| Increase/(decrease) in net position before transfers..... | 1,173,795 | 2,437,329 | (396,017) | (274,082) | 777,778 | 2,163,247 |
| Transfers..... | (885,106) | (866,631) | 885,106 | 866,631 | - | - |
| Change in net position..... | 288,689 | 1,570,698 | 489,089 | 592,549 | 777,778 | 2,163,247 |
| Net position at beginning of year, as previously reported..... | 5,331,019 | 3,759,197 | 7,496,160 | 6,896,026 | 12,827,179 | 10,655,223 |
| Cumulative effect of accounting change..... | (97,162) | 1,124 | (106,600) | 7,585 | (203,762) | 8,709 |
| Net position at beginning of year, as restated..... | 5,233,857 | 3,760,321 | 7,389,560 | 6,903,611 | 12,623,417 | 10,663,932 |
| Net position at end of year..... | \$ 5,522,546 | \$ 5,331,019 | \$ 7,878,649 | \$ 7,496,160 | \$13,401,195 | \$12,827,179 |

* Prior Year amounts have not been restated for implementation of GASB Statement Nos. 91, 94, and 96 and the change in reporting entity.

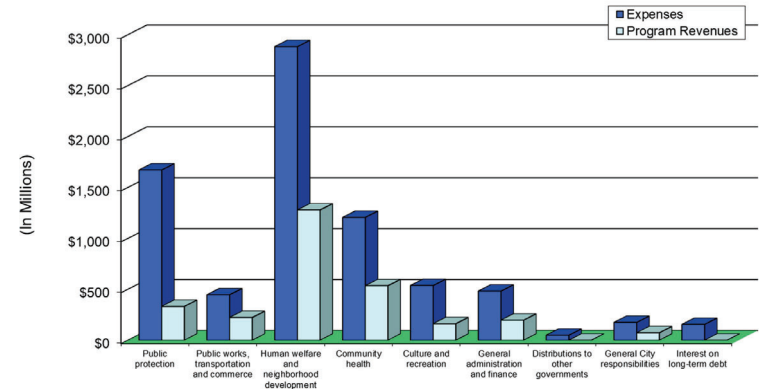
Analysis of Changes in Net Position

The City's change in net position was \$777.8 million in fiscal year 2022-23, a 64.0 percent decrease from the prior fiscal year before the cumulative effect of \$203.8 million for the adoption of GASB Statement Nos. 91 and 96 and change of reporting entity effective July 1, 2022, as noted above. The decrease in the change in net position was due to decreases of \$1.28 billion and \$103.5 million from governmental activities and business-type activities, respectively.

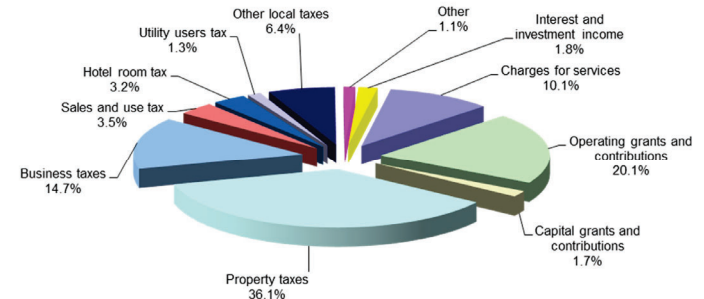
CITY AND COUNTY OF SAN FRANCISCO
Management's Discussion and Analysis (Unaudited) (Continued)
 Year Ended June 30, 2023

The City's governmental activities experienced a \$205.4 million or 2.4 percent growth in total revenues with an increase in total expenses of \$1.47 billion or 23.9 percent this fiscal year. Business-type activities revenues increased by \$625.7 million or 13.0 percent, and total expenses increased by \$747.7 million, or 14.7 percent. The net transfer to business-type activities increased by \$18.5 million. The major components of increased revenue Citywide are increased charges for services of \$651.6 million, property taxes of \$162.6 million and interest and investment income of \$535.3 million, offset by decreases of operating grants and contributions of \$524.2 million, business taxes of \$35.8 million and other local taxes of \$111.5 million. Discussion of these and other changes is presented in the governmental activities and business-type activities sections that follow.

Expenses and Program Revenues - Governmental Activities



Revenues By Source - Governmental Activities



CITY AND COUNTY OF SAN FRANCISCO

Management's Discussion and Analysis (Unaudited) (Continued)
Year Ended June 30, 2023

Governmental Activities. Governmental activities increased the City's total net position by \$288.7 million, excluding the impact of a \$97.2 million restatement. Key factors contributing to the changes are discussed below.

Overall, total revenues from governmental activities were \$8.78 billion, a \$205.4 million or 2.4 percent improvement over the prior year. For the same period, expenses totaled \$7.61 billion, a \$1.47 billion or 23.9 percent increase before transfers of \$885.1 million.

Property tax revenues rose by \$162.6 million or 5.4 percent mainly due to \$143.0 million increased collections of secured and unsecured property taxes and \$17.4 million growth of in-lieu of vehicle license fee. Business tax revenues, however, fell moderately by \$35.8 million or 2.7 percent primarily because of increased deferrals related to tax litigation for gross receipt taxes in fiscal year 2022-23.

Other local taxes dropped by \$111.6 million, or 16.5 percent, of which the real property transfer tax accounted for \$334.1 million decrease. This revenue is one of the most volatile of all sources due to its highly progressive rate structure, and is entirely driven by high-value transfers, predominately commercial properties in the City's downtown core. This tax is also highly sensitive to economic cycles and interest rates. Since the beginning of the COVID-19 pandemic in spring 2020, businesses in office-using sectors have largely adopted remote and hybrid work practices, resulting in persistently high office vacancies and reduced commercial real estate values. The rising interest rate environment increased the cost of borrowing and dampened investment in the commercial real sector. Additional factors affecting transfer tax revenue include credit availability, foreign capital flows, and the relative attractiveness of San Francisco real estate compared to other investment options. The number of transfers of high-value commercial real estate decreased from 101 in fiscal year 2021-22 to only 55 in fiscal year 2022-23. In addition, the fiscal year 2021-22 revenue included two once-in-a-generation transfers, which together yielded approximately \$88.0 million. The decrease in transfer tax revenues was partly offset by \$206.0 million of the Overpaid Executive Tax (OET) which was approved by voters in November 2020, and became effective in tax year 2022, with the first collections in fiscal year 2022-23. As pandemic restrictions eased and economic activity increased, the City's parking tax also saw an improvement of \$11.6 million, and traffic congestion mitigation tax an increase of \$2.3 million.

Hotel room tax was up by \$104.4 million owing to the steady and strong levels of domestic and international tourism and the return of some conferences and conventions. Total enplanements at San Francisco International Airport improved by 34.6 percent over fiscal year 2021-22, although still below that of fiscal year 2018-19. By region, international enplanement to Asia, Canada and Oceania had the strongest growth. Revenue per Available Room (RevPAR), a measure highly correlated with hotel tax revenue, is a function of occupancy and average daily room rates (ADR). The annual average RevPAR increased from \$108.16 in fiscal year 2021-22 to \$154.76 in fiscal year 2022-23, an improvement of \$46.60, or 43.1 percent. The annual ADR increased from \$194.24 in fiscal year 2021-22 to \$243.03 in fiscal year 2022-23, an improvement of \$48.79 or 25.1 percent. The annual average occupancy levels also lifted from 54.2 percent to 63.8 percent, or 9.6 percent over the prior year. In addition, there was a total of 33 conferences with over 286,000 attendees that took place in Moscone Center in the current year compared to 23 conferences and 126,000 attendees in the prior year. The effect of convention compression pricing drove the RevPar to spike with each event.

Sales and use tax revenue grew by \$16.2 million or 5.5 percent as business rebounded, primarily in restaurants and hotels sector as in-person activities, tourism, conventions and other events increased daytime population. This was followed by fuel and service stations from increased prices of crude oil, jet fuel, diesel and gasoline, consumer consumption and air travel. The gain was, however, slightly offset by decrease of allocation from e-commerce as a major online merchant began to deliver goods to San Franciscans through in-state fulfillment centers, resulting in shifting sales tax revenue from San Francisco to the jurisdictions in which the centers are located.

CITY AND COUNTY OF SAN FRANCISCO

Management's Discussion and Analysis (Unaudited) (Continued)
Year Ended June 30, 2023

Interest and investment income jumped by \$318.0 million, principally because the unrealized loss adjustment of the City Treasury investments pool decreased from \$259.7 million with an earned income yield of 0.91% at June 2022 to \$17.9 million and 3.01%, at June 2023. The variance is due to the inverted yield curve as the Federal Reserve continued to aggressively increase interest rates to stem surging inflation. Actual interest earnings also improved due to the Pool's higher year-to-date interest earning rate of 2.12% this fiscal year versus 0.6% in the prior year.

Total grants and contributions decreased by \$377.4 million or 16.5 percent. Operating grants and contributions declined by \$422.5 million or 19.3 percent primarily due to the reduction and expiration of the significant, one-time COVID disaster relief sources to the City. In fiscal years 2020-21 and 2021-22, the City received \$312.4 million of American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Fund (SLFRF) revenues in each year, and used the aid to replace revenue losses that the City experienced due to business closures and other dynamics related to the COVID-19 emergency. There were no SLFRF revenues in 2023. Additionally, the City received \$2.6 million of FEMA reimbursements for COVID-19 expenses compared to \$183.4 million in the prior year. The \$180.8 million reduction is primarily driven by FEMA's re-prioritization to review submissions of jurisdictions who have not yet received reimbursements of any COVID-related costs. The City expects additional reimbursement from FEMA in future years. Capital grants and contributions increased by \$45.2 million or 42.8 percent mostly driven by property acquisitions funded by federal grants for human welfare projects.

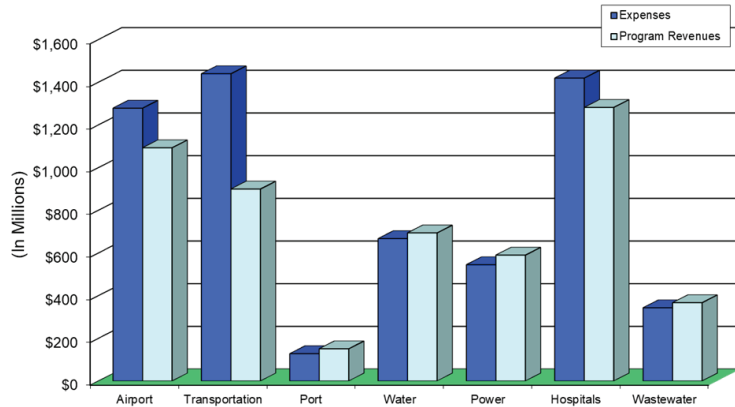
Total charges for services rose by \$104.4 million or 13.3 percent owing to the continual rebound in economic activity. Gains included \$54.0 million in rents and concessions from convention, performance, and recreational facilities, \$20.8 million in private grants, and \$15.2 million in services to other agencies. Licenses, permits, and other revenues made up the remaining increases.

Net transfers from governmental activities to business-type activities were \$885.1 million, a \$18.5 million or 2.1 percent increase from the prior year. Major changes included \$62.8 million more transfers from General Fund to General Hospital and \$23.0 million more to Laguna Honda Hospital, respectively, to support salary, fringe, pharmaceutical and other expenditure increases. The Port also received \$39.2 million transfers primarily from Series 2023B General Obligation Bond proceeds for seawall projects. This was partly offset by a decrease of net transfers to SFMTA primarily due to a total of \$122.3 million transfers of two general obligation bonds proceeds issued in the Street Improvement Capital Project Funds to fund the transportation and road improvement projects in the prior year versus no similar issuance in this fiscal year. Transfers from General Fund to SFMTA increased by \$36.9 million due in part to increased voter mandated funding requirements tied to aggregate discretionary revenue and the opening of the Central subway service in this fiscal year. The net transfers to SFMTA decreased by \$77.9 million compared to prior year. Water also received \$14.4 million less transfer due to the one-time bond proceeds from the Series 2021E Earthquake Safety and Emergency Response General Obligation Bonds issuance in fiscal year 2021-22. In addition, the transfer from the San Francisco International Airport to the General Fund increased by \$10.8 million due to higher concession, parking, and transportation revenues driven by the rise in air travel.

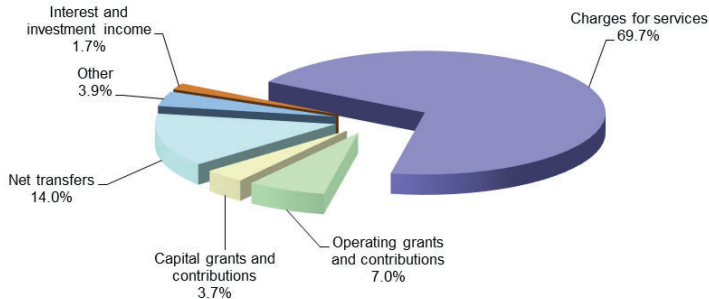
Total governmental expenses grew by \$1,469.0 million, or 23.9 percent, mainly attributed to the surge of pension liability expenses of \$668.4 million resulting from investment losses and changes in assumption of the discount rate from 7.4 percent to 7.2 percent. Though the loss was slightly offset by the decrease in the Supplemental COLA assumptions, there were liability experience losses that further increased the net pension liability and the related expenses. City grants payments increased by \$346.0 million, aid assistance payments and issuance of loans with related allowance have a combined increase of \$137.4 million. Salaries, fringe and overhead costs also increased by \$223.4 million due to citywide wage increases over the prior year. Departments in human welfare and neighborhood development functions had major combined increases in expenses of \$550.9 million, followed by public protection departments of \$419.0 million, and general administration and finance and culture and recreation of \$146.8 million and \$139.1 million, respectively.

CITY AND COUNTY OF SAN FRANCISCO
 Management's Discussion and Analysis (Unaudited) (Continued)
 Year Ended June 30, 2023

Expenses and Program Revenues - Business-type Activities



Revenues and Transfers By Source - Business-type Activities



CITY AND COUNTY OF SAN FRANCISCO
 Management's Discussion and Analysis (Unaudited) (Continued)
 Year Ended June 30, 2023

Business-type activities increased the City's net position by \$489.1 million and key factors contributing to this increase are as follows:

- The San Francisco International Airport had a decrease in net position at fiscal year-end of \$56.1 million, compared to a \$165.4 million decrease in the prior year, a \$109.3 million difference. Operating revenues totaled \$1,064.1 million for fiscal year 2022-23, an increase of \$242.9 million or 29.6 percent over the prior year and included an increase of \$161.4 million in aviation primarily due to passenger traffic beginning to rebound, \$22.9 million in rents and concessions, \$51.3 million in parking and transportation, and \$7.3 million in other revenues due to increased passenger traffic. For the same period, the Airport's operating expenses increased by \$92.9 million, or 11.5 percent, for a net operating income of \$161.4 million for the period. Net nonoperating activities saw a deficit of \$197.4 million versus \$180.0 million deficit in the prior year, a \$17.4 million increase. The increase of \$92.9 million in operating expenses is primarily due to an increase in personal services of \$66.8 million due to an increase in pension expenses as a result of investment losses, and \$16.3 million in contractual services due to increased expenses for various professional services contracts, such as parking, shuttle buses, and technology services. The net increase of \$17.4 million in nonoperating activities is primarily due to a decrease in other nonoperating revenues of \$144.9 million from the Federal ARPA grant being fully expended in fiscal year 2021-22, offset by an increase in interest income and investment income of \$106.7 million due to investment fair value adjustments, and an increase of \$19.5 million in passenger facility charges from the growth of passenger traffic and the easing of the COVID-19 restrictions. Capital contributions decreased by \$12.3 million primarily due to assets transferred from SFO Fuel to Airport in the prior year. Transfers out increased by \$10.8 million due to higher service payments to the City resulting from higher revenues.
- The City's Water Enterprise, the third largest such entity in California, reported an increase in net position of \$58.7 million at the end of fiscal year 2022-23, compared to a decrease of \$17.9 million at the end of the previous year, a \$76.6 million difference. Operating revenues totaled \$691.1 million, operating expenses totaled \$460.3 million, nonoperating activities totaled a net expense of \$154.9 million and the net decrease from transfers was \$20.0 million. Compared to the prior year, operating revenues increased \$118.0 million which was mainly due to an adopted rate increase of 15.9 percent for wholesale customers and a 5.0 percent drought surcharge for retail customers beginning July 1, 2022. The enterprise reported a total increase in operating expenses of \$58.5 million in fiscal year 2022-23 mostly due to an increase of \$52.3 million in personal services from adjustments to pension expenses based on actuarial estimates. Net nonoperating activity decreased by \$18.8 million of net expense primarily due to increased interest and investment income of \$22.1 million from prior year unrealized losses and higher interest earned on pooled cash. Transfers out increased \$20.0 million due to various Mountain Tunnel Improvement projects.
- Hetch Hetchy Water and Power and CleanPowerSF ended fiscal year 2022-23 with a net position increase of \$82.8 million, compared to a \$43.5 million increase the prior year, a difference of \$39.3 million. This change consisted of an increase in operating income of \$37.5 million, an increase in net nonoperating activities of \$8.8 million, an increase in capital contributions of \$2.5 million, and a decrease in net transfers from the City of \$9.5 million. This enterprise consists of three segments: Hetchy Water upcountry operations and water system, which reported a \$24.9 million increase in change in net position, Hetchy Power (also known as the Power Enterprise), which reported a \$24.2 million increase in change in net position, and CleanPowerSF, which reported a \$33.7 million increase in net position. Hetchy Water operating revenues increased by \$3.4 million mainly due to an increase in water assessment fees from the Water Enterprise to fund upcountry water-related costs, while operating expenses decreased by \$2.3 million mainly due to lower capital spending on the Mountain Tunnel Improvement Project. Hetchy Power's operating revenues increased by \$30.8 million mainly due to increases of \$19.5 million in wholesale revenue from Congestion Revenue Right credits from California Independent System Operator and \$12.2 million in billings from non-work order City departments as a result of increased operations due to easing of COVID-19 restrictions. On the operating expenses side, Hetchy Power reported an increase of \$35.2 million mainly attributed to an increase of \$20.4 million in purchased electricity and transmission, distribution, and other power costs attributed to volatile and higher pricing in power market and \$11.0 million in general and administrative

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Management's Discussion and Analysis (Unaudited) (Continued)
Year Ended June 30, 2023

expenses due to higher judgments and claims expenses. CleanPowerSF's operating revenues increased by \$68.9 million mostly due to increases in electricity sales to retail and commercial customers resulting from increased consumption. Operating expenses for CleanPowerSF increased by \$32.7 million mainly due to increases in purchased electricity and transmission, distribution, and other power costs due to volatile and increased pricing in power market, and higher resource adequacy capacity purchases related to compliance requirements from the California Public Utilities Commission.

- The City's Wastewater Enterprise's net position increased by \$36.2 million, compared to a \$60.1 million increase in the prior year, a \$23.9 million change. Operating revenues decreased by \$4.9 million primarily due to decreases in capacity fees resulting from fewer permits issued. Operating expenses increased by \$4.2 million mainly due to expenses related to GASB 68 pension adjustment and 5.25 percent increase in cost of living adjustment. Net nonoperating activities increased by \$17.8 million of net expense principally due to \$15.0 million federal and state grants received prior year for customer utility arrearage relief and principal forgiveness of capital project improvements for the Southeast Plant.
- The Port ended fiscal year 2022-23 with a net position increase of \$79.6 million, \$43.2 million more than the \$36.4 million increase in the previous year. In fiscal year 2022-23, operating revenues increased by \$7.7 million primarily due to increased commercial and industrial, and cruise activity. Operating expenses increased \$17.9 million over the prior year. This was primarily due to increases of \$6.4 million in personal services from increased pension expenses attributed to investment losses, and \$3.5 million of increased spending on contractual services primarily due to an increase in spending on the Waterfront Resilience Program and Mission Rock development project.
- The SFMTA had an increase in net position of \$158.1 million for fiscal year 2022-23, compared to an increase of \$527.8 million in the prior year, a \$369.7 million change. SFMTA's total operating revenues were \$350.2 million, while total operating expenses reached \$1.42 billion. Operating revenues increased by \$34.7 million compared to the prior year and is mainly due to increases in fare collections of \$26.8 million and parking of \$8.6 million. Operating expenses increased by \$363.4 million, primarily due to an increase in personal services by \$318.3 million primarily from significant increase in pension expenses and other postemployment benefits obligations based on actuarial reports. Net nonoperating activities decreased by \$17.4 million, mainly from a \$108.6 million decrease in federal grants, offset by an increase of \$55.0 million in interest and investment income and \$24.7 million increase in state grants, and \$7.8 million increase in development fees. Capital contributions increased by \$58.6 million. Transfers in decreased by \$82.0 million.
- LHH, the City's skilled nursing care hospital, had an increase in net position of \$15.0 million at the end of fiscal year 2022-23, compared to an increase of \$61.4 million at the end of the previous year, a \$46.4 million difference. The LHH's loss before transfers for the year was \$108.1 million versus a loss of \$26.3 million for the prior year. This change of \$81.8 million was mostly due to a \$3.7 million increase in operating revenues, a \$96.4 million increase in operating expenses, and a \$10.9 million increase in net nonoperating activities. Net transfers increased by approximately \$35.4 million, due to a \$24.6 million increase in transfers in and a \$10.8 million decrease in transfers out.
- SFGH, the City's acute care hospital, ended fiscal year 2022-23 with a net position increase of \$114.8 million, compared to an increase of \$46.8 million the prior year, a \$68.0 million change. Operating revenues increased \$42.2 million from prior year, mainly due to a \$37.3 million increase in net patient service revenue. Operating expenses increased approximately \$34.6 million, mainly due to a \$41.6 million increase in contractual services and \$16.8 million increase in materials and supplies, offset by a \$27.0 million decrease in personal services. Net nonoperating activities increased \$10.0 million, mainly due to a decrease in interest expense. Net transfers increased by approximately \$50.4 million, due to a \$61.7 million increase in transfers in and a \$11.3 million decrease in transfers out.

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Management's Discussion and Analysis (Unaudited) (Continued)
Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds statements is to provide information on near-term inflows, outflows, and balances of resources available for future spending. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, and the Permanent Fund.

At the end of fiscal year 2022-23, the City governmental funds reported combined fund balances of \$6.50 billion, a decrease of \$276.2 million or 4.1 percent over the prior year. Of the total fund balances, \$2.02 billion is assigned and \$475.6 million is unassigned. The assigned and unassigned balances of \$2.49 billion or 38.3 percent, represents the portion of the total fund balances that the City could potentially take administrative or legislative action to change prior appropriation decisions to make them available to meet the City's needs. Within these fund balance classifications, the General Fund has an assigned fund balance of \$1.72 billion. The remainder of the governmental fund balances includes \$1.5 million nonspendable for items that are not expected to be converted to cash such as advances, \$3.68 billion restricted for programs at various levels and \$330.0 million committed for other reserves.

The General Fund is the chief operating fund of the City. As a measure of liquidity, both the sum of assigned and unassigned fund balances and total fund balance can be compared to total fund expenditures. As of the end of the fiscal year, assigned and unassigned fund balances totaled \$2.20 billion while total fund balance was \$2.65 billion. Combined assigned and unassigned fund balances represent 41.8 percent of total expenditures, while total fund balance represents 50.2 percent of total expenditures. For the year, the General Fund's total revenues exceeded expenditures by \$867.7 million, before transfers and other items of \$1.12 billion, resulting in total fund balance decreasing by \$257.0 million. Overall, property tax collections increased by \$123.0 million, other local taxes grew by \$205.8 million mainly driven by the new OET, and hotel room taxes rose by \$94.7 million as the economy and tourism continued to recover. Interest and investment income rebounded from the historic low in prior year with a net increase of \$161.8 million primarily due to the significant reduction of the Pool's unrealized loss evaluation of \$158.9 million. The Pool's yield rate increased by 3.5 times to 2.12 percent at the end of the fiscal year as the Federal Reserve aggressively raised interest rates to stem surging inflation. State grants revenues also increased by \$34.7 million mostly for mental health programs and services. This growth was partly offset by the significant drop in federal grants revenues of \$489.2 million as prior year one time ARPA SLFRF revenues went away and FEMA shifted focus to reimbursing other jurisdictions' COVID response cost claims. Real property transfer tax also fell by \$334.1 million due to two once-in-a-generation high value property transfers in prior year, coupled with reduced total number of property transfers in current year. In addition, the net transfers out of General Fund were \$71.4 million more, largely attributed to increased subsidy to the two hospitals and baseline transfers to SFMTA.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the business-type activities section of the government-wide financial statements but with some additional detail.

At the end of fiscal year 2022-23, the unrestricted net position for the proprietary funds was as follows: Airport: \$47.1 million, Water Enterprise: \$115.9 million, Hetch Hetchy Water and Power: \$349.1 million, Wastewater Enterprise: \$160.1 million, and Port: \$204.8 million. In addition, the following funds had net deficits in unrestricted net position: SFMTA: \$354.8 million, San Francisco General Hospital: \$473.2 million, and Laguna Honda Hospital: \$217.2 million.

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Year Ended June 30, 2023

The following table shows actual revenues, expenses and the results of operations for the current fiscal year in the City's proprietary funds (in thousands). This shows that the total net position for these funds increased by approximately \$489.1 million due to the current year financial activities. Reasons for this change are discussed in the previous section on the City's business-type activities.

| | Operating Revenues | Operating Expenses | Operating Income (Loss) | Non-Operating Revenues (Expense) | Capital Contributions | Interfund Transfers, Net | Change in Net Position |
|-------------------------------------|--------------------|--------------------|-------------------------|----------------------------------|-----------------------|--------------------------|------------------------|
| Airport..... | \$ 1,064,104 | \$ 902,750 | \$ 161,354 | \$ (197,389) | \$ 28,679 | \$ (48,701) | \$ (56,057) |
| Water..... | 691,091 | 460,253 | 230,838 | (154,882) | 2,717 | (20,027) | 58,646 |
| Hetch Hetchy..... | 583,477 | 536,343 | 47,134 | 13,161 | 2,535 | 19,968 | 82,798 |
| Municipal Transportation Agency.... | 350,188 | 1,423,618 | (1,073,430) | 386,506 | 199,145 | 645,927 | 158,148 |
| General Hospital..... | 993,532 | 1,075,847 | (82,315) | 71,468 | - | 125,658 | 114,811 |
| Wastewater Enterprise..... | 363,936 | 261,350 | 102,586 | (69,202) | 2,740 | 43 | 36,167 |
| Port..... | 128,667 | 123,152 | 5,515 | 34,755 | 136 | 39,201 | 79,607 |
| Laguna Honda Hospital..... | 220,393 | 341,417 | (121,024) | 12,956 | - | 123,037 | 14,969 |
| Total..... | \$ 4,395,388 | \$ 5,124,730 | \$ (729,342) | \$ 97,373 | \$ 235,952 | \$ 885,106 | \$ 489,089 |

General Fund Budgetary Highlights

The City's final budget differs from the original budget in that it contains carry-forward appropriations for various programs and projects, and supplemental appropriations approved during the fiscal year.

During the year, actual revenues and other resources were lower than the final budget by \$50.3 million. The City realized \$152.3 million, \$87.3 million, \$66.3 million, \$64.0 million, \$61.3 million and \$28.0 million revenues above budget in other local taxes, property taxes, interest and investment income, hotel room tax, state grants and subventions and utility users tax. The greater than expected local taxes were predominately driven by the new OET with tax year 2022 as the first year of collection. The OET, generally, imposes an additional gross receipts tax on taxable gross receipts from businesses in which the highest-paid managerial employee, within or outside of San Francisco, earns more than 100 times the median compensation of employees based in San Francisco. The City did not require any quarterly prepayments in the first tax year, so the entire first year of the tax was due and paid in fiscal year 2022-23. Additionally, two quarterly prepayments for tax year 2023 were collected in this same fiscal period. Property tax was higher primarily due to \$43.7 million larger collection on secured annual and escape property tax than budgeted, \$25.8 million excess residual property tax increment returned to the City due to obligations to the Successor Agency of the Redevelopment Agency being less than expected, and \$16.5 million more Educational Revenue Augmentation Fund monies returned to General Fund than projected. Interest and investment income was better than budgeted by \$66.3 million as the City assumed more time lag between interest rate increases and increases to earned income yields in the Pool because the City makes higher-yield investment as lower-yield investment matures. The Pool's interest rates rose 3.5 times to 2.12% at the end of fiscal year 2022-23, as the Federal Reserve aggressively increased interest rates to stem the surge in inflation. The \$64.0 million above budget hotel tax was mainly derived from increased hotel stays with strong growth in international tourism and continued domestic recovery. State grants and subventions outperformed budget by \$61.3 million, primarily attributed to increased statewide sales tax collection and higher aid payments and caseload than assumed in the budget for the health and welfare realignment segment. As the economy continued to recover, pandemic restrictions lifted and higher prices from inflation, some taxes, including utility users, sales and use, franchise and parking, performed better than projected.

These favorable budget variances were offset by lower than budgeted revenues of \$262.2 million, \$204.2 million and \$51.7 million in federal grants and subventions, real property transfer tax and business taxes. The \$262.2 million below budgeted federal grant revenues were predominantly due to FEMA disaster relief reimbursements being reprioritized by FEMA to review claims of jurisdictions who have not yet received the funding. The real property transfer tax, the most volatile revenue stream of the City, was expected to return to the prior long-term rate-adjusted average by fiscal year 2024-25, taking prior year's levels as a low after

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Management's Discussion and Analysis (Unaudited) (Continued)
Year Ended June 30, 2023

adjusting for the two once-in-a-generation transfers in fiscal year 2021-22, to reflect a multi-year recovery in the commercial real estate sector. However, commercial transactions slowed substantially in response to higher interest rates and uncertainty about the future value of office space. In addition, the actual impact from the City's tiered property transfer tax was also about \$94.0 million less than anticipated. Business taxes were \$51.7 million lower than budget mostly driven by the significant increase of deferrals to pay potential refunds related to eight new litigation matters. The rebound in charges for services, rents and concessions and other resources was slightly slower than anticipated.

Differences between the final budget and the actual (budgetary basis) expenditures resulted in \$181.8 million in expenditure savings. Highlights of the variances include:

- \$40.1 million savings for community health primarily in professional services and salaries and fringe for Health Network Services for managed care, Maternal, Child & Adolescent Health, Behavioral Health and Public Health Administration Divisions.
- \$26.1 million savings for human welfare and neighborhood development largely due to less than budgeted expenditures for community-based organization services, salaries and fringe benefits and services from other City departments in Human Services Agency, Homelessness and Supporting Housing, Mayor's Office and Children, Youth and Their Families.
- \$23.2 million savings for general administration and finance, primarily in salaries and fringe and non-personnel services. General Services Agency - Administrative Services has \$5.6 million less spending than the budgeted for general administration, 311 Customer Services Center, Labor Standards, Procurement, Animal Care and Control, and other divisions. This is followed by Treasurer/Tax Collector, Planning and Elections, each with a saving of about \$3.0 million, respectively.
- \$17.9 million savings for public protection departments for salaries and fringe benefits and non-personnel services.
- Remaining savings for general city responsibilities, public works, transportation and commerce and culture and recreation departments are largely due to lower than budgeted salaries, fringe and overhead, capital outlay and services provided by other departments. The City also has a \$46.5 million budgetary reserve and designation for self-insurance funds.

These changes in operating revenues and expenditures, as well as appropriations of reserves, resulted in a net available budgetary fund balance of \$852.2 million at the end of fiscal year 2022-23. Within unassigned fund balances, the City's fiscal year 2023-24 and 2024-25 Adopted Original Budget assumed \$291.7 million as a source in fiscal year 2024-25 and \$499.3 million designated for various purposes, leaving \$3.1 million available for future appropriations (see also Note to the Required Supplementary Information for additional budgetary fund balance details). The Adopted 2023-24 and 2024-25 Budget spent \$193.5 million of reserves, including \$41.3 million of Federal and State Emergency Grant Disallowance Reserve, \$21.2 million of Public Health revenue anticipated and spent in FY 2023-24 but received in FY 2022-23, and the remaining balances of a number of other reserves: \$90.2 million Fiscal Cliff Reserve, and \$29.4 million Business Tax Stabilization Reserve, and \$11.4 million in other reserves.

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Year Ended June 30, 2023

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2023, increased by \$1.10 billion, 3.5 percent, to \$32.95 billion (net of accumulated depreciation). Capital assets include land, buildings and improvements, machinery and equipment, park facilities, roads, streets, bridges, and intangible assets. Governmental activities contributed \$216.4 million or 19.6 percent to this total while \$888.0 million or 80.4 percent was from business-type activities. Details are shown in the table below.

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|-------------------------|--------------|--------------------------|---------------|---------------|---------------|
| | 2023 | 2022* | 2023 | 2022* | 2023 | 2022* |
| | Land..... | \$ 936,793 | \$ 774,213 | \$ 360,765 | \$ 353,558 | \$ 1,297,558 |
| Construction in progress..... | 616,327 | 586,526 | 4,864,424 | 5,821,916 | 5,480,751 | 6,408,442 |
| Facilities and improvements..... | 4,401,005 | 4,400,210 | 14,474,718 | 14,582,595 | 18,875,723 | 18,982,805 |
| Machinery and equipment..... | 136,864 | 146,321 | 1,905,717 | 1,949,387 | 2,042,581 | 2,095,708 |
| Infrastructure..... | 1,101,023 | 1,079,859 | 3,273,550 | 1,275,202 | 4,374,573 | 2,355,061 |
| Right-to-use assets* | 512,708 | 502,781 | 222,777 | 228,503 | 735,485 | 731,284 |
| Intangible assets..... | 98,909 | 97,352 | 44,291 | 47,127 | 143,200 | 144,479 |
| Total..... | \$ 7,803,629 | \$ 7,587,262 | \$ 25,146,242 | \$ 24,258,288 | \$ 32,949,871 | \$ 31,845,550 |

* See Note 17 to the basic financial statements. Fiscal year 2021-22 balances were not restated for GASB Statement Nos. 94 and 96.

Major capital asset events during the current fiscal year included the following:

- Under governmental activities, net capital assets increased by \$216.4 million or 2.9 percent. About \$248.5 million worth of construction in progress work was substantially completed and capitalized as facilities and improvements and infrastructure. The completed projects include about \$88.2 million in the 333 12th street building for homeless residents project, \$41.3 million for Southeast Family Health Center, \$13.9 million in the Castro Mission Health Center renovation, \$9.6 million for Van Ness Bus Rapid Transit street paving project, \$6.1 million in Geary Street facility for public health crisis stabilization unit, \$5.8 million in Mission Street permanent supportive housing development to house families exiting homelessness, and \$4.8 million for County Jail #2 kitchen complex renovation. The remaining completed projects are mainly public works. Right-to-use assets increased by \$9.9 million which included \$33.6 million additions from the GASB Statement No. 96 implementation. The increases were offset by the \$23.7 million decrease in lease assets primarily caused by lease termination.
- Under business-type activities, net capital assets included right-to-use assets which arose from GASB Statement Nos. 87 and 96 and declined by \$5.7 million or 2.5 percent. The decreases were mainly due to \$8.7 million lease assets amortization, offset by \$3.0 million GASB Statement 96 implementation additions. Additional business-type activities are discussed below.
- The Water Enterprise's net capital assets increased by \$30.7 million or 0.5 percent, reflecting an increase in construction and capital improvement activities. Major additions to construction work in progress included Mountain Tunnel Improvements, San Francisco Westside Recycled Water Project, and New Water Utility Service Facilities. Facilities, improvements, machinery, and equipment decreased by \$51.1 million mainly due to depreciation and amortization. As of June 30, 2023, Water Enterprise's Water System Improvement Program was 99.0 percent completed with \$4.8 billion of project appropriations expended. The program consists of 35 local projects located within San Francisco and 52 regional projects spread over seven different counties from the Sierra Foothills to San Francisco. As of June 30, 2023, 35 local projects were completed. For regional projects, 48 projects are completed and for the remaining 4 projects the expected completion date is February 2027.
- SFMTA's net capital assets increased by \$204.6 million or 3.6 percent mainly from procurement of new revenue vehicles and from the Central Subway Project construction in progress offset by decrease in total leases and subscription IT assets. Equipment cost included light rail vehicles and motor buses

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Year Ended June 30, 2023

procurement, Central Control System upgrades, and parking meters replacement. Infrastructure costs incurred during the fiscal year were primarily for Central Subway Project, Muni Forward Program, traffic signs installation and calming, street improvements, and traffic signal upgrade.

- The Wastewater Enterprise net capital assets reported an increase of \$638.2 million or 15.8 percent reflecting an increase in construction and capital improvement activities. The Sewer System Improvement Program (SSIP) includes three phases over 20 years to improve the existing wastewater system. As of June 30, 2023, 43 projects were completed, 7 projects in pre-construction phase, 11 projects in construction phase, and 9 projects in close-out phase. The Westside Pump Station Reliability Improvements is on-going construction.
- Hetch Hetchy's net capital assets increased by \$80.1 million or 10.2 percent to \$867.3 million primarily from construction and capital improvement activities, and additions of facilities, improvements, machinery, and equipment for the Moccasin Powerhouse Rewind Project and the Mountain Tunnel Improvement Project.
- The Airport's net capital assets decreased by \$42.6 million or 0.6 percent primarily due to the disposal of assets. Due to the COVID-19 pandemic and the reduction in travel demand, the Airport has reprioritized its Capital Improvement Plan to focus on projects that are essential to Airport operations and resiliency priorities given the present-day recovery landscape. Construction activity continues on major projects such as the Terminal 1 (T1) Redevelopment Program, the Courtyard 3 Connector project, and the International Terminal Phase 2 project, which will make improvements to the building and expand both departures level security checkpoints. The T1 Redevelopment Program completed the Harvey Milk Boarding Area B, for a total of 22 operational gates, in May 2021. Construction activity continues in the Terminal 1 North area, and this work is forecasted to complete in fiscal year 2023-24. Notable projects that were completed in fiscal year 2022-23 included the completion of the Noise Insulation Program 2019-2023 Phase and the 12KV Cable Replacement and System Upgrade.

At the end of the year, the City's business-type activities had approximately \$1.51 billion in commitments for various capital projects. Of this, Water Enterprise had an estimated \$187.9 million, SFMTA had \$353.0 million, Wastewater had \$750.1 million, Airport had \$40.6 million, Hetch Hetchy had \$99.5 million, Port had \$12.4 million, Laguna Honda Hospital had \$52.5 million, and the General Hospital had \$13.4 million.

For government-wide financial statement presentation, all depreciable/amortizable capital assets were depreciated/amortized from acquisition date or lease/subscription inception date to the end of the current fiscal year. Governmental fund financial statements record capital asset purchases as expenditure.

Additional information about the City's capital assets can be found in Note 7 to the Basic Financial Statements.

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Management's Discussion and Analysis (Unaudited) (Continued)
Year Ended June 30, 2023

Debt Administration

At June 30, 2023, the City had total long-term and commercial paper debt outstanding of \$24.66 billion. Of this amount, \$2.84 billion which includes \$253.5 million of bond premium represents general obligation bonds secured by ad valorem property taxes without limitation as to rate or amount upon all property subject to taxation by the City. The remaining \$21.82 billion represents revenue bonds, commercial paper notes, certificates of participation, leases and other debts of the City secured solely by specified revenue sources. As noted previously, the City's total debt including all bonds, loans, commercial paper notes, leases and other debts increased by \$880.0 million or 3.7 percent during the fiscal year.

For the year ended June 30, 2023, the net decrease in the long-term debt in the governmental activities was \$123.9 million and the net increase in business-type activities was \$1.70 billion as discussed in the highlights above.

The City's Charter imposes a limit on the amount of general obligation bonds the City can have outstanding at any given time. That limit is three percent of the assessed value of taxable property in the City - estimated at \$332.02 billion in value as of the close of the fiscal year. As of June 30, 2023, the City had \$2.84 billion in authorized, outstanding general obligation bonds, which is equal to approximately 0.80 percent of gross (0.86 percent of net) taxable assessed value of property. As of June 30, 2023, there were an additional \$1.26 billion in bonds that were authorized but unissued. If all these general obligation bonds were issued and outstanding in full, the total debt burden would be approximately 1.16 percent of gross (1.23 percent of net) taxable assessed value of property.

The City's underlying ratings on general obligation bonds as of June 30, 2023, were:

| | |
|---------------------------------|-----|
| S&P Global Ratings | AAA |
| Moody's Investors Service, Inc. | Aaa |
| Fitch Ratings | AA+ |

During the fiscal year, S&P Global Ratings (S&P), Moody's Investors Service (Moody's) and Fitch Ratings maintained the City's general obligation bonds ratings of "AAA", "Aaa", and "AA+", respectively, with a stable rating outlook on all the City's outstanding general obligation bonds.

The City's business-type activities carried underlying debt ratings for the SFMTA of "A+" from S&P and "Aa3" from Moody's. Moody's and Fitch Ratings affirmed their underlying credit ratings on the outstanding debt of the Airport of "A1" and "A+", respectively. S&P raised its underlying long-term credit ratings on the outstanding debt of the Airport to "A+". The Water Enterprise carried underlying ratings of "Aa2" and "AA-" from Moody's and S&P, respectively. The Wastewater Enterprise carried underlying ratings of "Aa2" and "AA" from Moody's and S&P, respectively. The Hetch Hetchy Power Enterprise's power revenue bonds have been rated "AA-" by Fitch Ratings and "AA" by S&P as of June 30, 2023. In March 2023, S&P affirmed its "A" rating on Port's outstanding revenue bonds and revised its outlook from negative to stable. In April 2023, Fitch affirmed its "A" rating and stable outlook. In May 2023, Moody's affirmed its "Aa3" rating and revised its outlook from negative to stable on Port's outstanding revenue bonds.

Additional information in the City's long-term debt can be found in Note 8 to the basic financial statements.

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Management's Discussion and Analysis (Unaudited) (Continued)
Year Ended June 30, 2023

Economic factors and future budgets and rates

Recent trends in economic indicators paint an overall picture of slowing growth. Local job losses reversed between August and October, with a net growth of 3,300 jobs over the two months. Gains were led by the education, health and government sectors, while the tech-heavy information and professional service sectors continued to shed jobs.

Despite the uptick in employment, the unemployment rate stayed flat at 3.4 percent over the two months.

The Kastle return-to-office indicator was also flat from September through mid-November. Other indicators of downtown recovery, including BART and MUNI metro ridership, showed slight declines, as did bridge crossings.

Travel through San Francisco International Airport has nearly recovered to pre-pandemic levels, with both domestic and international travel above 95 percent of normal. City hotel revenues, however, were still pegged at 70 percent of normal in October.

While housing permits spiked in October, apartment asking rents are trending down, and local housing prices are not yet participating in the statewide housing recovery.

The FY 2023-24 and FY 2024-25 budget was balanced with a heavy reliance on one-time solutions, leaving the City with an ongoing structural deficit. To begin addressing the anticipated shortfall, the Mayor's Office issued General Fund mid-year target cuts of 3 percent to City departments in October 2023. Additional cut targets of 10 percent, plus a 5 percent contingency, were issued in December 2023, for the FY 2024-25 and FY 2025-26 budget years.

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Management's Discussion and Analysis (Unaudited) (Continued)
Year Ended June 30, 2023

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Below are the contacts for questions about this report or requests for additional financial information.

City and County of San Francisco

Office of the Controller
1 Dr. Carlton B. Goodlett Place, Room 316
San Francisco, CA 94102-4694

Department and Component Unit Financial Statements

San Francisco International Airport

Office of the Airport Deputy Director
Business and Finance Division
PO Box 8097
San Francisco, CA 94128

Port of San Francisco

Public Information Officer
Pier 1, The Embarcadero
San Francisco, CA 94111

San Francisco Water Enterprise

Hetch Hetchy Water and Power
San Francisco Wastewater Enterprise
Chief Financial Officer
525 Golden Gate Avenue, 13th Floor
San Francisco, CA 94102

Laguna Honda Hospital

Chief Financial Officer
375 Laguna Honda Blvd.
San Francisco, CA 94116

Municipal Transportation Agency

SFMTA Chief Financial Officer
1 South Van Ness Avenue, 7th Floor
San Francisco, CA 94103

Health Service System

Chief Financial Officer
1145 Market Street, Suite 300
San Francisco, CA 94103

Zuckerberg San Francisco General Hospital and Trauma Center

Chief Financial Officer
1001 Potrero Avenue, Suite 2A5
San Francisco, CA 94110

San Francisco Employees' Retirement System

Executive Director
1145 Market Street, 5th Floor
San Francisco, CA 94103

Successor Agency to the San Francisco Redevelopment Agency

1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103

Retiree Health Care Trust

c/o Employees' Retirement System
1145 Market Street, 5th Floor
San Francisco, CA 94103

San Francisco County Transportation Authority

Deputy Director for Administration and Finance
1455 Market Street, 22nd Floor
San Francisco, CA 94103

San Francisco Finance Corporation

Office of Public Finance
City Hall, Room 338
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

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CITY AND COUNTY OF SAN FRANCISCO

Statement of Net Position
Year Ended June 30, 2023
(In Thousands)

| | Primary Government | | | Component Unit Treasure Island Development Authority |
|--|----------------------------|-----------------------------|---------------|---|
| | Governmental Activities | Business-Type Activities | Total | |
| ASSETS | | | | |
| Current assets: | | | | |
| Deposits and investments with City Treasury..... | \$ 7,927,961 | \$ 3,456,847 | \$ 11,384,808 | \$ - |
| Deposits and investments outside City Treasury..... | 247,270 | 33,012 | 280,282 | - |
| Receivables (net of allowance for uncollectible amounts of \$434,559 for the primary government): | | | | |
| Property taxes and penalties..... | 190,786 | - | 190,786 | - |
| Other local taxes..... | 387,442 | - | 387,442 | - |
| Federal and state grants and subventions..... | 450,784 | 164,406 | 615,190 | 3,431 |
| Charges for services..... | 152,089 | 361,557 | 513,646 | 3,657 |
| Interest and other..... | 86,220 | 217,822 | 304,042 | 17 |
| Leases..... | 4,678 | 168,141 | 172,819 | 2,365 |
| Due from component units..... | 13,096 | 372 | 13,468 | - |
| Inventories..... | 14,604 | 117,096 | 131,700 | - |
| Due from primary government..... | - | - | - | 38 |
| Other assets..... | 24,253 | 13,228 | 37,481 | 4,206 |
| Restricted assets: | | | | |
| Deposits and investments with City Treasury..... | - | 737,613 | 737,613 | - |
| Deposits and investments outside City Treasury..... | 6,449 | 181,969 | 188,418 | - |
| Grants and other receivables..... | - | 113,587 | 113,587 | - |
| Total current assets..... | 9,505,632 | 5,565,650 | 15,071,282 | 13,714 |
| Noncurrent assets: | | | | |
| Loan receivables (net of allowance for uncollectible amounts of \$2,445,643)..... | 216,166 | - | 216,166 | - |
| Leases receivable..... | 83,909 | 1,426,181 | 1,510,090 | 16,588 |
| Advance to component unit..... | - | 6,805 | 6,805 | - |
| Other assets..... | 101 | 43,914 | 44,015 | - |
| Net pension asset..... | 17,362 | - | 17,362 | - |
| Restricted assets: | | | | |
| Deposits and investments with City Treasury..... | - | 929,063 | 929,063 | - |
| Deposits and investments outside City Treasury..... | - | 706,595 | 706,595 | - |
| Grants and other receivables..... | - | 17,275 | 17,275 | - |
| Capital assets: | | | | |
| Land and other assets not being depreciated/amortized. Facilities, infrastructure and equipment, net of depreciation/amortization..... | 1,554,026 | 5,237,232 | 6,791,258 | 34,846 |
| | 6,249,603 | 19,909,010 | 26,158,613 | 23,180 |
| Total capital assets..... | 7,803,629 | 25,146,242 | 32,949,871 | 58,026 |
| Total noncurrent assets..... | 8,121,167 | 28,276,075 | 36,397,242 | 74,614 |
| Total assets..... | 17,626,799 | 33,841,725 | 51,468,524 | 88,328 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized loss on refunding of debt..... | 5,965 | 156,111 | 162,076 | - |
| Pensions..... | 1,114,295 | 703,972 | 1,818,267 | 16 |
| OPEB..... | 351,395 | 334,069 | 685,464 | - |
| Total deferred outflows of resources..... | \$ 1,471,655 | \$ 1,194,152 | \$ 2,665,807 | \$ 16 |

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

CITY AND COUNTY OF SAN FRANCISCO

Statement of Net Position (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Primary Government | | | Component Unit Treasure Island Development Authority |
|---|----------------------------|-----------------------------|---------------|---|
| | Governmental Activities | Business-Type Activities | Total | |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable..... | \$ 680,111 | \$ 308,135 | \$ 988,246 | \$ 2,085 |
| Accrued payroll..... | 203,580 | 146,686 | 350,266 | 154 |
| Accrued vacation and sick leave pay..... | 128,356 | 89,830 | 218,186 | - |
| Accrued workers' compensation..... | 72,304 | 50,502 | 122,806 | - |
| Estimated claims payable..... | 155,464 | 46,288 | 201,752 | - |
| Bonds, loans, leases, and other payables..... | 369,811 | 285,803 | 655,614 | - |
| Accrued interest payable..... | 23,352 | 72,037 | 95,389 | - |
| Unearned grant and subvention revenues..... | 208,649 | - | 208,649 | - |
| Due to primary government..... | - | - | - | 9,846 |
| Due to component unit..... | 38 | - | 38 | - |
| Internal balances..... | 74,069 | (74,069) | - | - |
| Unearned revenues and other liabilities..... | 1,271,146 | 941,502 | 2,212,648 | 2,497 |
| Liabilities payable from restricted assets: | | | | |
| Bonds, loans, leases, and other payables..... | - | 20,075 | 20,075 | - |
| Accrued interest payable..... | - | 64,062 | 64,062 | - |
| Other..... | - | 336,597 | 336,597 | - |
| Total current liabilities..... | 3,186,880 | 2,287,448 | 5,474,328 | 14,582 |
| Noncurrent liabilities: | | | | |
| Accrued vacation and sick leave pay..... | 117,886 | 75,556 | 193,442 | - |
| Accrued workers' compensation..... | 305,486 | 225,544 | 531,030 | - |
| Estimated claims payable..... | 260,222 | 74,073 | 334,295 | - |
| Bonds, loans, leases, and other payables..... | 4,718,093 | 19,263,656 | 23,981,749 | - |
| Advance from primary government..... | - | - | - | 6,805 |
| Unearned revenues and other liabilities..... | - | 144,980 | 144,980 | - |
| Net pension liability..... | 1,954,150 | 1,113,763 | 3,067,913 | 11 |
| Net other postemployment benefits (OPEB) liability..... | 2,057,177 | 1,677,814 | 3,734,991 | - |
| Total noncurrent liabilities..... | 9,413,014 | 22,575,386 | 31,988,400 | 6,816 |
| Total liabilities..... | 12,599,894 | 24,862,834 | 37,462,728 | 21,398 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unamortized gain on refunding of debt..... | 79,536 | 12,387 | 91,923 | - |
| Pensions..... | 401,406 | 251,941 | 653,347 | 3 |
| OPEB..... | 402,124 | 343,577 | 745,701 | - |
| Leases..... | 87,017 | 1,686,489 | 1,773,506 | 18,570 |
| Public-private partnerships..... | 5,931 | - | 5,931 | - |
| Total deferred inflows of resources..... | 976,014 | 2,294,394 | 3,270,408 | 18,573 |
| NET POSITION | | | | |
| Net investment in capital assets, Note 10(d)..... | 4,491,155 | 6,851,218 | 10,935,272 | 58,026 |
| Restricted for: | | | | |
| Reserve for rainy day..... | 114,539 | - | 114,539 | - |
| Debt service..... | 156,851 | 171,232 | 328,083 | - |
| Capital projects, Note 10(d)..... | 319,105 | 1,014,138 | 1,208,105 | - |
| Community development..... | 998,679 | - | 998,679 | - |
| Transportation Authority activities..... | 72,024 | - | 72,024 | - |
| Building inspection programs..... | 74,418 | - | 74,418 | - |
| Children and families..... | 669,822 | - | 669,822 | - |
| Culture and recreation..... | 297,396 | - | 297,396 | - |
| Grants..... | 174,758 | - | 174,758 | - |
| Other purposes..... | 184,465 | 10,174 | 194,639 | - |
| Total restricted..... | 3,062,057 | 1,195,544 | 4,132,463 | - |
| Unrestricted (deficit), Note 10(d)..... | (2,030,666) | (168,113) | (1,666,540) | (9,653) |
| Total net position..... | \$ 5,522,546 | \$ 7,878,649 | \$ 13,401,195 | \$ 48,373 |

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, 2023
(In Thousands)

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|------------------|-------------------------|--|--|---|-----------------------------|---------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | |
| | | | | | Governmental Activities | Business-Type Activities | Total |
| Component Unit Treasure Island Development Authority | | | | | | | |
| | | | | | | | |
| General Revenues | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes..... | | | | | 3,167,382 | - | 3,167,382 |
| Business taxes..... | | | | | 1,290,918 | - | 1,290,918 |
| Sales and use tax..... | | | | | 309,385 | - | 309,385 |
| Hotel room tax..... | | | | | 278,961 | - | 278,961 |
| Utility users tax..... | | | | | 110,661 | - | 110,661 |
| Parking tax..... | | | | | 82,716 | - | 82,716 |
| Real property transfer tax..... | | | | | 186,247 | - | 186,247 |
| Other local taxes..... | | | | | 295,790 | - | 295,790 |
| Interest and investment income..... | | | | | 157,267 | 108,704 | 265,971 |
| Other..... | | | | | 99,471 | 240,145 | 339,616 |
| Transfers - internal activities of primary government..... | | | | | (885,108) | 885,106 | - |
| Total general revenues and transfers..... | | | | | 5,093,692 | 1,233,955 | 6,327,647 |
| Change in net position..... | | | | | 288,689 | 489,089 | 777,778 |
| Net position at beginning of year, as previously reported..... | | | | | 5,333,010 | 7,496,160 | 12,829,170 |
| Cumulative effect of accounting change..... | | | | | (97,162) | (106,600) | (203,762) |
| Net position at beginning of year, as restated..... | | | | | 5,235,857 | 7,389,560 | 12,625,417 |
| Net position at end of year..... | | | | | \$ 5,522,546 | \$ 7,878,649 | \$ 13,401,195 |

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, 2023
(In Thousands)

| | General Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--------------------------------|--------------------------------|
| Assets: | | | |
| Deposits and investments with City Treasury..... | \$ 3,709,353 | \$ 4,153,137 | \$ 7,862,490 |
| Deposits and investments outside City Treasury..... | 263 | 247,007 | 247,270 |
| Receivables (net of allowance for uncollectible amounts of \$366,442): | | | |
| Property taxes and penalties..... | 182,148 | 8,638 | 190,786 |
| Other local taxes..... | 277,384 | 110,058 | 387,442 |
| Federal and state grants and subventions..... | 244,642 | 206,142 | 450,784 |
| Charges for services..... | 130,109 | 21,761 | 151,870 |
| Interest and other..... | 56,090 | 29,714 | 85,804 |
| Leases..... | 81,413 | - | 81,413 |
| Due from other funds..... | 7,309 | 15,219 | 22,528 |
| Due from component units..... | 3,603 | 9,493 | 13,096 |
| Loans receivable (net of allowance for uncollectible amounts of \$2,445,643 in 2023) | 10,705 | 205,461 | 216,166 |
| Inventories..... | 14,604 | - | 14,604 |
| Other assets..... | 7,805 | 16,448 | 24,253 |
| Total assets..... | <u>\$ 4,725,428</u> | <u>\$ 5,023,078</u> | <u>\$ 9,748,506</u> |
| Liabilities: | | | |
| Accounts payable..... | \$ 417,250 | \$ 252,267 | \$ 669,517 |
| Accrued payroll..... | 165,431 | 34,468 | 199,899 |
| Unearned grant and subvention revenues..... | 33,593 | 175,056 | 208,649 |
| Due to other funds..... | 210 | 96,387 | 96,597 |
| Due to component units..... | - | 38 | 38 |
| Unearned revenues and other liabilities..... | 1,028,387 | 239,644 | 1,268,031 |
| Bonds, loans, leases, and other payables..... | - | 38,790 | 38,790 |
| Total liabilities..... | <u>1,644,871</u> | <u>836,650</u> | <u>2,481,521</u> |
| Deferred inflows of resources..... | <u>432,420</u> | <u>331,103</u> | <u>763,523</u> |
| Fund balances: | | | |
| Nonspendable..... | 1,174 | 356 | 1,530 |
| Restricted..... | 114,539 | 3,565,843 | 3,680,382 |
| Committed..... | 330,010 | - | 330,010 |
| Assigned..... | 1,724,903 | 291,062 | 2,015,965 |
| Unassigned..... | 477,511 | (1,936) | 475,575 |
| Total fund balances..... | <u>2,648,137</u> | <u>3,855,325</u> | <u>6,503,462</u> |
| Total liabilities, deferred inflows of resources and fund balances..... | <u>\$ 4,725,428</u> | <u>\$ 5,023,078</u> | <u>\$ 9,748,506</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 Position
June 30, 2023
(In Thousands)

| | |
|---|---------------------|
| Fund balances – total governmental funds | \$ 6,503,462 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 7,770,546 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds. | (5,972,094) |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources and are recognized as revenues in the period the amounts become available in the governmental funds. | 677,676 |
| Interest on long-term debt is not accrued in the funds, but rather is recognized as an expenditure when due. | (22,446) |
| Deferred outflows and inflows of resources in governmental activities related to refunding of debt are not financial resources and, therefore, are not reported in the governmental funds. | (73,971) |
| Net pension asset/liability and pension related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the governmental funds. | (1,209,646) |
| Net OPEB asset/liability and OPEB related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the governmental funds. | (2,064,500) |
| Internal service funds are used by management to charge the costs of lease financing, equipment maintenance services, printing and mailing services, and telecommunications and information systems to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position. | (86,481) |
| Net position of governmental activities | <u>\$ 5,522,546</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, 2023
(In Thousands)

| | General Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|---|---|
| Revenues: | | | |
| Property taxes..... | \$ 2,459,052 | \$ 697,986 | \$ 3,157,038 |
| Business taxes..... | 850,593 | 440,325 | 1,290,918 |
| Sales and use tax..... | 197,911 | 111,474 | 309,385 |
| Hotel room tax..... | 252,898 | 26,063 | 278,961 |
| Utility users tax..... | 110,661 | - | 110,661 |
| Parking tax..... | 82,716 | - | 82,716 |
| Real property transfer tax..... | 186,247 | - | 186,247 |
| Other local taxes..... | 278,112 | 17,678 | 295,790 |
| Licenses, permits and franchises..... | 28,953 | 14,203 | 43,156 |
| Fines, forfeitures, and penalties..... | 3,191 | 41,131 | 44,322 |
| Interest and investment income..... | 68,319 | 88,568 | 156,887 |
| Rents and concessions..... | 11,775 | 172,433 | 184,208 |
| Intergovernmental: | | | |
| Federal..... | 306,673 | 329,007 | 635,680 |
| State..... | 1,031,456 | 262,448 | 1,293,904 |
| Other..... | 1,582 | 7,356 | 8,938 |
| Charges for services..... | 243,234 | 144,319 | 387,553 |
| Other..... | 29,677 | 177,669 | 207,346 |
| Total revenues..... | 6,143,050 | 2,530,660 | 8,673,710 |
| Expenditures: | | | |
| Current: | | | |
| Public protection..... | 1,654,953 | 94,234 | 1,749,187 |
| Public works, transportation and commerce..... | 265,019 | 240,402 | 505,421 |
| Human welfare and neighborhood development..... | 1,577,163 | 1,421,283 | 2,998,446 |
| Community health..... | 967,381 | 201,222 | 1,168,603 |
| Culture and recreation..... | 172,832 | 340,295 | 513,127 |
| General administration and finance..... | 301,748 | 138,019 | 439,767 |
| General City responsibilities..... | 189,570 | - | 189,570 |
| Distributions to other governments..... | - | 49,113 | 49,113 |
| Debt service: | | | |
| Principal retirement..... | 66,707 | 334,253 | 400,960 |
| Interest and other fiscal charges..... | 7,970 | 173,493 | 181,463 |
| Bond issuance costs..... | - | 5,747 | 5,747 |
| Capital outlay..... | 72,033 | 148,884 | 220,917 |
| Total expenditures..... | 5,275,376 | 3,146,945 | 8,422,321 |
| Excess (deficiency) of revenues over (under) expenditures..... | 867,674 | (616,285) | 251,389 |
| Other financing sources (uses): | | | |
| Transfers in..... | 119,361 | 582,869 | 702,230 |
| Transfers out..... | (1,316,074) | (271,483) | (1,587,557) |
| Issuance of bonds: | | | |
| Face value of bonds issued..... | - | 267,975 | 267,975 |
| Premium on issuance of bonds..... | - | 6,364 | 6,364 |
| Inception of leases and subscriptions..... | 72,033 | - | 72,033 |
| Total other financing sources (uses)..... | (1,124,680) | 585,725 | (538,955) |
| Net changes in fund balances..... | (257,006) | (30,560) | (287,566) |
| Fund balances at beginning of year, as previously reported..... | 2,905,143 | 3,874,527 | 6,779,670 |
| Cumulative effect of accounting change..... | - | 11,358 | 11,358 |
| Fund balances at beginning of year, as restated..... | 2,905,143 | 3,885,885 | 6,791,028 |
| Fund balances at end of year..... | \$ 2,648,137 | \$ 3,855,325 | \$ 6,503,462 |

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, 2023
(In Thousands)

Net changes in fund balances - total governmental funds \$ (287,566)

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, the loss on disposal of capital assets, and contributed capital assets. 194,830

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. Certain long-term liabilities reported in the prior year statement of net position were paid during the current period resulting in expenditures in the governmental funds. This is the amount by which the increase in long-term liabilities exceeded expenditures in funds that do not require the use of current financial resources. 532,057

Property taxes are recognized as revenues in the period the amounts become available. This is the current period amount by which the deferred inflows of resources increased in the governmental funds. 10,344

Other revenues that were unavailable are reported as deferred inflows of resources in the governmental funds. This is the current period amount by which deferred inflows of resources increased in the governmental funds. 57,151

Governmental funds report revenues and expenditures primarily pertaining to long-term loan activities, which are not reported in the statement of activities. These activities are reported at the government-wide level in the statement of net position. This is the net revenues reported in the governmental funds. 14

Changes to net pension asset/liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (340,404)

Changes to net OPEB asset/liability and OPEB related deferred outflows and inflows of resources do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 4,930

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt, leases and subscriptions consume the current financial resources of governmental funds. These transactions, however, have no effect on net position. This is the amount by which principal retirement exceeded bond, lease and subscription proceeds in the current period. 60,952

Bond premiums are reported in the governmental funds when the bonds are issued, and are capitalized and amortized in the statement of net position. This is the amount of bond premiums capitalized during the current period. (6,364)

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 premiums and refunding losses and gains. 34,259

The activities of internal service funds are reported with governmental activities. 28,486

Change in net position of governmental activities \$ 288,689

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

CITY AND COUNTY OF SAN FRANCISCO
Statement of Net Position - Proprietary Funds
 June 30, 2023
 (In Thousands)

| | Business-Type Activities - Enterprise Funds | | | | | | | | | | Governmental Activities - Internal Service Funds |
|--|---|--------------------------------|------------------------------|---------------------------------|---------------------------------|-------------------------------------|-----------------------|-----------------------|--------------|-----------|--|
| | Major Funds | | | | | | | | | | |
| | San Francisco International Airport | San Francisco Water Enterprise | Hetch Hetchy Water and Power | Municipal Transportation Agency | General Hospital Medical Center | San Francisco Wastewater Enterprise | Port of San Francisco | Laguna Honda Hospital | Total | | |
| ASSETS | | | | | | | | | | | |
| Current assets: | | | | | | | | | | | |
| Deposits and investments with City Treasury..... | \$ 998,115 | \$ 402,885 | \$ 399,864 | \$ 722,409 | \$ 240,856 | \$ 355,770 | \$ 336,948 | \$ - | \$ 3,456,847 | \$ 65,471 | |
| Deposits and investments outside City Treasury..... | 23,773 | 192 | 154 | 8,708 | 7 | 173 | 5 | - | 33,012 | - | |
| Receivables (net of allowance for uncollectible amounts of \$68,117): | | | | | | | | | | | |
| Federal and state grants and subventions..... | - | - | 2,369 | 101,278 | 1,879 | - | 450 | 58,430 | 164,408 | - | |
| Charges for services..... | 67,438 | 69,514 | 54,307 | 4,727 | 82,249 | 40,093 | 18,168 | 25,081 | 381,557 | 219 | |
| Interest and other..... | 11,204 | 9,441 | 2,357 | 9,039 | 171,502 | 2,178 | 11,415 | 686 | 217,822 | 416 | |
| Leases..... | 114,523 | 3,521 | - | 7,437 | 375 | 212 | 41,963 | 110 | 168,141 | 15,120 | |
| Due from other funds..... | - | 115 | 4,309 | 77,100 | 17 | 128 | - | - | 81,669 | - | |
| Due from component unit..... | - | - | 372 | - | - | - | - | - | 372 | - | |
| Inventories..... | 3,232 | 8,191 | 1,840 | 84,716 | 12,328 | 3,340 | 1,875 | 1,574 | 117,098 | - | |
| Other assets..... | 4,952 | - | 7,312 | 308 | - | 570 | 176 | - | 13,228 | - | |
| Restricted assets: | | | | | | | | | | | |
| Deposits and investments with City Treasury..... | 575,751 | - | - | 802 | - | - | 58,688 | 102,374 | 737,613 | - | |
| Deposits and investments outside City Treasury..... | 111,574 | 10,863 | 5,371 | 17 | - | 48,717 | 5,402 | 25 | 181,989 | 6,449 | |
| Grants and other receivables..... | 54,646 | 39,657 | 4,151 | - | - | 15,133 | - | - | 113,587 | - | |
| Total current assets..... | 1,965,118 | 544,379 | 482,406 | 1,016,541 | 509,213 | 466,314 | 475,088 | 188,260 | 5,647,319 | 87,675 | |
| Noncurrent assets: | | | | | | | | | | | |
| Other assets..... | - | 19,103 | 21,105 | - | - | 1,457 | 2,249 | - | 43,914 | - | |
| Leases receivable..... | 831,198 | 40,109 | - | 82,081 | 7,426 | 1,245 | 463,121 | 1,001 | 1,426,181 | 75,347 | |
| Advance to component unit..... | - | - | 6,805 | - | - | - | - | - | 6,805 | - | |
| Restricted assets: | | | | | | | | | | | |
| Deposits and investments with City Treasury..... | 545,745 | 21,000 | 28,586 | 295,158 | - | 38,574 | - | - | 929,083 | - | |
| Deposits and investments outside City Treasury..... | 565,059 | 66,452 | 3,840 | 4,555 | 220 | 60,439 | - | - | 708,595 | - | |
| Grants and other receivables..... | 2,650 | 4 | - | 1,957 | - | 417 | - | - | 12,247 | - | |
| Capital assets: | | | | | | | | | | | |
| Land and other assets not being depreciated/amortized..... | 1,036,900 | 640,995 | 377,088 | 739,752 | 28,153 | 2,280,581 | 117,432 | 16,331 | 5,237,232 | 313 | |
| Facilities, infrastructure, and equipment, net of depreciation/amortization..... | 5,897,598 | 5,011,957 | 490,216 | 5,217,077 | 68,692 | 2,405,765 | 375,542 | 442,163 | 19,909,010 | 32,770 | |
| Total capital assets..... | 6,934,498 | 5,652,952 | 867,304 | 5,956,829 | 96,845 | 4,686,346 | 492,974 | 458,494 | 25,146,242 | 33,083 | |
| Total noncurrent assets..... | 8,879,150 | 5,799,650 | 927,640 | 6,340,580 | 104,491 | 4,794,478 | 959,344 | 471,742 | 28,276,075 | 108,430 | |
| Total assets..... | 10,844,268 | 6,344,029 | 1,410,046 | 7,357,121 | 613,704 | 5,260,792 | 1,433,432 | 680,002 | 33,623,394 | 196,105 | |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | | | | |
| Unamortized loss on refunding of debt..... | 30,534 | 124,635 | - | 786 | - | 8 | 148 | - | 156,111 | 602 | |
| Pensions..... | 105,957 | 70,101 | 20,976 | 236,265 | 157,362 | 32,569 | 14,987 | 63,732 | 703,972 | 18,551 | |
| OPEB..... | 38,931 | 28,616 | 8,226 | 124,604 | 87,540 | 11,493 | 5,702 | 28,957 | 334,069 | 9,052 | |
| Total deferred outflows of resources..... | 175,422 | 223,352 | 29,202 | 363,655 | 244,902 | 44,093 | 20,837 | 92,689 | 1,194,152 | 28,205 | |

The notes to the financial statements are an integral part of this statement.
 33

CITY AND COUNTY OF SAN FRANCISCO
Statement of Net Position - Proprietary Funds (Continued)
 June 30, 2023
 (In Thousands)

| | Business-Type Activities - Enterprise Funds | | | | | | | | | | Governmental Activities - Internal Service Funds |
|---|---|--------------------------------|------------------------------|---------------------------------|---------------------------------|-------------------------------------|-----------------------|-----------------------|--------------|------------|--|
| | Major Funds | | | | | | | | | | |
| | San Francisco International Airport | San Francisco Water Enterprise | Hetch Hetchy Water and Power | Municipal Transportation Agency | General Hospital Medical Center | San Francisco Wastewater Enterprise | Port of San Francisco | Laguna Honda Hospital | Total | | |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities: | | | | | | | | | | | |
| Accounts payable..... | \$ 78,054 | \$ 22,671 | \$ 50,347 | \$ 87,188 | \$ 23,908 | \$ 23,207 | \$ 6,353 | \$ 16,407 | \$ 308,135 | \$ 10,594 | |
| Accrued payroll..... | 19,383 | 11,807 | 4,836 | 50,364 | 36,497 | 7,631 | 2,695 | 13,473 | 146,686 | 3,681 | |
| Accrued vacation and sick leave pay..... | 12,328 | 7,057 | 3,393 | 31,093 | 21,479 | 6,040 | 1,818 | 6,624 | 89,830 | 2,652 | |
| Accrued workers' compensation..... | 2,710 | 1,914 | 617 | 32,236 | 7,035 | 1,509 | 611 | 3,870 | 50,502 | 256 | |
| Estimated claims payable..... | 122 | 11,125 | 766 | 32,400 | - | 1,850 | 225 | - | 46,288 | - | |
| Due to other funds..... | - | 2,440 | 1,946 | 594 | - | 2,620 | - | - | 7,600 | - | |
| Unearned revenues and other liabilities..... | 461,730 | 13,977 | 12,136 | 62,664 | 312,340 | 6,457 | 19,371 | 52,827 | 941,502 | 2,581 | |
| Accrued interest payable..... | - | 35,104 | 1,599 | 5,447 | 38 | 27,918 | 1,304 | 627 | 72,037 | 906 | |
| Bonds, loans, leases, and other payables..... | 73,941 | 139,951 | 2,233 | 20,695 | 4,728 | 33,000 | 4,567 | 6,660 | 295,803 | 24,884 | |
| Liabilities payable from restricted assets: | | | | | | | | | | | |
| Bonds, loans, leases, and other payables..... | 20,075 | - | - | - | - | - | - | - | 20,075 | - | |
| Accrued interest payable..... | 64,965 | - | - | - | - | - | - | - | 64,965 | - | |
| Other..... | 118,746 | 40,863 | 28,866 | 23,799 | - | 122,825 | - | 1,498 | 336,597 | - | |
| Total current liabilities..... | 851,148 | 286,909 | 106,739 | 346,480 | 406,023 | 232,857 | 36,944 | 102,016 | 2,369,117 | 45,364 | |
| Noncurrent liabilities: | | | | | | | | | | | |
| Accrued vacation and sick leave pay..... | 11,861 | 6,528 | 3,332 | 24,991 | 16,555 | 5,622 | 1,684 | 4,983 | 75,556 | 2,953 | |
| Accrued workers' compensation..... | 9,857 | 7,821 | 2,840 | 140,795 | 35,432 | 6,489 | 2,272 | 20,038 | 225,544 | 1,084 | |
| Estimated claims payable..... | 4,150 | 6,500 | 6,118 | 52,200 | - | 2,700 | 405 | - | 74,073 | - | |
| Unearned revenues and other liabilities..... | 24 | 1,271 | 580 | - | - | 7,988 | 135,117 | - | 144,980 | - | |
| Bonds, loans, leases, and other payables..... | 9,414,592 | 5,203,198 | 318,237 | 599,343 | 7,297 | 3,520,696 | 136,244 | 64,049 | 19,263,656 | 88,173 | |
| Net pension liability..... | 162,200 | 115,343 | 33,468 | 372,813 | 256,127 | 40,549 | 21,192 | 101,071 | 1,112,763 | 27,142 | |
| Net other postemployment benefits (OPEB) liability..... | 257,767 | 148,601 | 37,180 | 642,513 | 355,774 | 49,035 | 30,862 | 156,082 | 1,677,814 | 44,150 | |
| Total noncurrent liabilities..... | 9,860,451 | 5,491,262 | 401,755 | 1,832,655 | 673,185 | 3,642,079 | 327,776 | 346,223 | 22,575,386 | 163,502 | |
| Total liabilities..... | 10,711,600 | 5,778,171 | 508,494 | 2,179,135 | 1,079,208 | 3,874,936 | 364,720 | 448,239 | 24,944,503 | 208,866 | |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | | | |
| Unamortized gain on refunding of debt..... | - | - | - | - | - | 11,353 | - | - | 1,034 | 12,387 | 202 |
| Pensions..... | 37,892 | 28,504 | 10,500 | 80,301 | 57,206 | 10,023 | 4,830 | 22,885 | 251,941 | 5,662 | |
| OPEB..... | 50,948 | 27,075 | 9,775 | 125,493 | 89,337 | 6,286 | 6,573 | 26,090 | 343,577 | 8,207 | |
| Leases..... | 1,042,367 | 41,558 | - | 79,850 | 7,899 | 1,453 | 512,492 | 1,070 | 1,686,498 | 7,101 | |
| Total deferred inflows of resources..... | 1,131,007 | 97,137 | 20,275 | 285,644 | 154,242 | 31,116 | 523,696 | 51,079 | 2,294,384 | 21,172 | |
| NET POSITION | | | | | | | | | | | |
| Net investment in capital assets..... | (1,603,694) | 545,542 | 556,035 | 5,332,130 | 85,126 | 1,235,215 | 313,084 | 387,780 | 6,851,218 | 6,896 | |
| Restricted: | | | | | | | | | | | |
| Debt service..... | 75,798 | 14,625 | 56 | - | - | 3,510 | - | 77,243 | 171,232 | - | |
| Capital projects..... | 653,258 | 15,959 | 5,233 | 275,406 | 13,188 | - | 47,811 | 3,283 | 1,014,138 | - | |
| Other purposes..... | 4,660 | - | - | 3,284 | - | - | - | 2,230 | 10,174 | - | |
| Unrestricted (deficit)..... | 47,061 | 115,947 | 349,155 | (354,823) | (473,158) | 160,109 | 204,759 | (217,153) | (188,113) | (12,624) | |
| Total net position..... | \$ (822,917) | \$ 692,073 | \$ 910,479 | \$ 5,255,997 | \$ (374,844) | \$ 1,398,834 | \$ 565,654 | \$ 253,373 | \$ 7,876,649 | \$ (6,728) | |

The notes to the financial statements are an integral part of this statement.
 34

CITY AND COUNTY OF SAN FRANCISCO
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
 Year Ended June 30, 2023
 (In Thousands)

| | Business-Type Activities - Enterprise Funds | | | | | | | | | Governmental Activities - Internal Service Funds |
|---|---|--------------------------------------|------------------------------------|---------------------------------------|--|---|--------------------------|--------------------------|------------|---|
| | Major Funds | | | | | | | | | |
| | San Francisco International Airport | San Francisco Water Enterprise | Hetch Hetchy Water and Power | Municipal Transportation Agency | General Hospital Medical Center | San Francisco Wastewater Enterprise | Port of San Francisco | Laguna Honda Hospital | Total | |
| Operating revenues: | | | | | | | | | | |
| Airline..... | \$ 630,250 | - | - | - | - | - | - | - | \$ 630,250 | \$ - |
| Water and power service..... | - | 661,241 | 583,194 | - | - | - | - | - | 1,244,435 | - |
| Passenger fees..... | - | - | - | 87,803 | - | - | - | - | 87,803 | - |
| Net patient service revenue..... | - | - | - | - | 975,675 | - | - | 219,592 | 1,195,267 | - |
| Sewer service..... | - | - | - | - | - | 354,491 | - | - | 354,491 | - |
| Rents and concessions..... | 165,396 | 13,262 | 263 | 12,666 | 3,183 | 822 | 69,792 | - | 236,364 | 492 |
| Parking and transportation..... | 183,520 | - | - | 191,911 | - | - | 21,271 | - | 396,702 | - |
| Other charges for services..... | - | - | - | 30,642 | - | - | - | - | 30,642 | 186,002 |
| Other revenues..... | 84,338 | 10,568 | - | 27,426 | 14,674 | 6,623 | 7,604 | 801 | 186,534 | - |
| Total operating revenues..... | 1,084,104 | 691,091 | 583,477 | 390,188 | 993,532 | 393,938 | 128,667 | 220,383 | 4,956,389 | 186,574 |
| Operating expenses: | | | | | | | | | | |
| Personal services..... | 283,969 | 135,709 | 68,459 | 892,654 | 535,413 | 89,726 | 36,988 | 231,100 | 2,273,718 | 59,520 |
| Contractual services..... | 97,716 | 16,919 | 20,334 | 155,725 | 317,047 | 20,777 | 21,293 | 54,892 | 704,895 | 82,003 |
| Light, heat and power..... | 28,771 | - | 344,036 | - | - | 5,110 | - | - | 377,917 | - |
| Materials and supplies..... | 13,384 | 20,946 | 4,274 | 77,100 | 144,956 | 14,306 | 1,189 | 24,978 | 300,233 | 16,147 |
| Depreciation and amortization..... | 365,475 | 155,714 | 24,671 | 229,292 | 15,976 | 78,039 | 25,272 | 12,978 | 896,584 | 14,762 |
| General and administrative..... | 3,883 | 51,955 | 58,201 | (2,249) | 1,154 | 17,503 | - | - | 132,567 | 442 |
| Services provided by other departments..... | 27,247 | 79,910 | 16,368 | 93,497 | 59,693 | 40,999 | 27,798 | 17,871 | 363,383 | 16,337 |
| Other..... | 92,603 | - | - | (22,371) | 2,009 | - | 3,392 | - | 75,633 | 831 |
| Total operating expenses..... | 952,750 | 460,253 | 536,343 | 1,423,818 | 1,075,847 | 281,350 | 123,152 | 341,417 | 5,124,730 | 172,442 |
| Operating income (loss)..... | 131,354 | 230,838 | 47,134 | (1,073,630) | 892,315 | 102,588 | 5,515 | (121,034) | 729,349 | 14,132 |
| Nonoperating revenues (expenses): | | | | | | | | | | |
| Operating grants: | | | | | | | | | | |
| Federal..... | - | - | 1,776 | 147,596 | - | 152 | - | - | 149,524 | - |
| State / other..... | - | - | 1,961 | 202,515 | 66,767 | - | 22,024 | 1,218 | 294,485 | 225 |
| Interest and investment income..... | 42,540 | 11,156 | 4,603 | 27,561 | 5,163 | 2,556 | 13,950 | 1,175 | 108,704 | 2,321 |
| Interest expense..... | (200,349) | (204,842) | (7,907) | (16,524) | (462) | (81,133) | (4,530) | (667,130) | (1,663) | (3,146) |
| Other nonoperating revenues..... | 135,838 | 40,679 | 13,220 | 24,968 | - | 9,758 | 3,446 | 12,246 | 240,145 | 682 |
| Other nonoperating expenses..... | (25,418) | (1,175) | (492) | - | - | (535) | (135) | - | (28,355) | - |
| Total nonoperating revenues (expenses)..... | (197,369) | (154,865) | 13,161 | 386,506 | 71,468 | (89,202) | 34,725 | 12,666 | 97,374 | 82 |
| Income (loss) before capital contributions and transfers..... | (66,015) | 176,973 | 60,797 | (1,037,134) | 973,520 | 121,286 | 7,787 | (228,751) | 827,019 | 186,614 |
| Capital contributions..... | 28,979 | 2,717 | 2,535 | 199,145 | 137,369 | 75 | 39,233 | 123,165 | 965,804 | 362 |
| Transfers in..... | (48,701) | (20,032) | 5 | 20,000 | 645,927 | (32) | (3) | (128) | (80,989) | (141) |
| Transfers out..... | - | - | - | - | (11,741) | 79 | (32) | (128) | (11,741) | (111) |
| Change in net position..... | (66,437) | 58,646 | 62,796 | 198,148 | 114,811 | 36,167 | 79,607 | 14,869 | 469,998 | 14,435 |
| Net position (deficit) at beginning of year as previously reported..... | (690,243) | 633,418 | 827,678 | 5,097,849 | (489,655) | 1,362,682 | 496,477 | 238,404 | 7,496,160 | (20,163) |
| Cumulative effect of accounting change..... | (106,617) | 9 | 3 | - | (10,847) | 33,384 | 40,270 | (108,068) | (631,989) | 14,214 |
| Net position (deficit) at beginning of year, as restated..... | (796,860) | 633,427 | 827,681 | 5,097,852 | (489,655) | 1,362,687 | 496,517 | 238,404 | 7,269,560 | (20,163) |
| Net position (deficit) at end of year..... | (863,297) | 692,073 | 890,477 | 5,296,000 | (374,844) | 1,398,834 | 565,654 | 253,273 | 7,878,649 | (5,728) |

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, 2023
 (In Thousands)

| | Business-Type Activities - Enterprise Funds | | | | | | | | | Governmental Activities - Internal Service Funds |
|--|---|--------------------------------------|------------------------------------|---------------------------------------|--|---|--------------------------|-----------------------------|--------------|---|
| | Major Funds | | | | | | | | | |
| | San Francisco International Airport | San Francisco Water Enterprise | Hetch Hetchy Water and Power | Municipal Transportation Agency | General Hospital Medical Center | San Francisco Wastewater Enterprise | Port of San Francisco | Laguna Honda Hospital | Total | |
| Cash flows from operating activities: | | | | | | | | | | |
| Cash received from customers, including cash deposits..... | \$ 1,136,744 | \$ 597,435 | \$ 587,802 | \$ 395,054 | \$ 923,494 | \$ 364,896 | \$ 34,572 | \$ 237,473 | \$ 4,267,410 | \$ 203,491 |
| Cash received from tenants for rent..... | - | 13,098 | 287 | 3,190 | 842 | 3,126 | - | - | 89,808 | 110,351 |
| Cash paid for employees' services..... | (326,397) | (142,866) | (72,404) | (911,461) | (655,507) | (56,895) | (47,090) | (245,672) | (2,508,752) | (65,455) |
| Cash paid to suppliers for goods and services..... | (280,170) | (174,938) | (420,868) | (362,781) | (618,504) | (65,896) | (61,096) | (84,953) | (2,000,269) | (84,281) |
| Cash paid for judgments and claims..... | - | (6,927) | (7,654) | (17,658) | - | (5,520) | - | - | (37,633) | - |
| Net cash provided by (used in) operating activities..... | 528,177 | 275,802 | 87,213 | (893,606) | (260,605) | 170,968 | 18,234 | (93,152) | (168,939) | 43,725 |
| Cash flows from noncapital financing activities: | | | | | | | | | | |
| Operating grants..... | - | - | 2,108 | 361,529 | 66,304 | 177 | 116,429 | 1,218 | 547,765 | 225 |
| Transfers in..... | (48,701) | 5 | 20,000 | 584,145 | 137,399 | 75 | - | 122,784 | 864,408 | 362 |
| Transfers out..... | - | (20,032) | (32) | - | (11,741) | (32) | (32) | (128) | (60,666) | (141) |
| Other noncapital financing sources..... | 31,892 | 6,750 | 6,551 | 26,986 | - | 5,000 | 3,531 | - | 80,510 | - |
| Net cash provided by (used in) noncapital financing activities..... | (16,509) | (14,287) | (17) | 499 | - | (535) | - | - | (28,157) | - |
| Cash flows from capital and related financing activities: | | | | | | | | | | |
| Capital grants and other proceeds restricted for capital purposes..... | (42,357) | (15,052) | 28,128 | 972,660 | 191,962 | 4,685 | 119,928 | 123,874 | 1,383,828 | 446 |
| Net cash provided by (used in) capital and related financing activities..... | (42,357) | (15,052) | 28,128 | 972,660 | 191,962 | 4,685 | 119,928 | 123,874 | 1,383,828 | 446 |
| Net change in cash and cash equivalents..... | 469,363 | 246,503 | 115,104 | 107,182 | 126,317 | 175,566 | 118,134 | (67,476) | 1,297,601 | 46,286 |
| Cash and cash equivalents-beginning of year..... | 1,610,483 | 560,368 | 364,127 | 5,212,259 | 319,400 | 333,163 | 228,557 | 73,673 | 4,902,868 | 62,720 |
| Cash and cash equivalents-end of year..... | \$ 2,149,846 | \$ 806,871 | \$ 479,231 | \$ 5,319,441 | \$ 445,717 | \$ 508,726 | \$ 346,691 | \$ 66,197 | \$ 6,200,469 | \$ 109,006 |

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 Fiduciary Net Position
Fiduciary Funds
June 30, 2023
(In Thousands)

CITY AND COUNTY OF SAN FRANCISCO
Statement of Cash Flows – Proprietary Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Business-Type Activities - Enterprise Funds | | | | | | | | | | 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 Wastewater Enterprise | Port of San Francisco | Laguna Honda Hospital | Total | | |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | | | | | | | | |
| Operating income (loss) | \$ 161,354 | \$ 230,838 | \$ 47,134 | \$ (1,073,430) | \$ (82,315) | \$ 102,586 | \$ 5,515 | \$ (121,024) | \$ (729,342) | \$ 14,132 | |
| Adjustments for non-cash and other activities: | | | | | | | | | | | |
| Depreciation and amortization | 355,475 | 155,714 | 24,671 | 229,262 | 15,575 | 78,039 | 25,272 | 12,576 | 896,584 | 14,762 | |
| Provision for uncollectibles | - | 4,584 | 4,219 | (54) | - | 5,500 | (114) | - | 14,135 | - | |
| Write-off of capital assets | - | 4,028 | 403 | - | - | 911 | - | - | 5,942 | - | |
| Other | 532 | 4,832 | 8,725 | - | - | 886 | - | - | 14,775 | 52 | |
| Changes in assets and deferred outflows of resources/liabilities and deferred inflows of resources: | | | | | | | | | | | |
| Receivables, net | 8,026 | (6,946) | 841 | 3,879 | (16,105) | (5,557) | (508) | 26,250 | 9,880 | 13,899 | |
| Due from other funds | - | 63 | 345 | - | (17) | 1,208 | 369 | (31,066) | (20,988) | - | |
| Inventories | 92 | (1,389) | 37 | 188 | (744) | (382) | (301) | 1,007 | (1,465) | - | |
| Other assets | (1,053) | - | 6,152 | 338 | - | - | 44 | - | 5,479 | - | |
| Accounts payable | 8,127 | (1,811) | 1,699 | 5,222 | 5,032 | 830 | 1,400 | 10,404 | 33,133 | 3,851 | |
| Accrued payroll | 2,445 | 1,312 | 681 | 6,109 | 4,353 | 1,229 | 522 | 1,233 | 17,684 | 507 | |
| Accrued vacation and sick leave pay | 3 | (144) | 413 | 171 | 331 | 781 | 96 | (1,289) | 351 | 272 | |
| Accrued workers' compensation | 474 | 762 | (21) | 18,467 | 1,816 | 452 | 336 | 526 | 22,752 | (65) | |
| Estimated claims payable | - | (16,444) | 5,202 | (30,083) | - | (7,895) | 130 | - | (46,870) | - | |
| Due to other funds | - | 2,440 | 1,566 | 151 | - | 2,102 | - | 6,259 | - | (31) | |
| Unearned revenues and other liabilities | 44,677 | (34,080) | (5,516) | (10,038) | (50,763) | 60 | (365) | 23,298 | (86,957) | 2,863 | |
| Related to leases | (4,325) | 1,470 | - | - | (2,304) | 2,856 | (8,860) | (24) | (9,187) | (58) | |
| Net pension liability/asset and pension related deferred outflows and inflows of resources | (50,910) | (21,699) | (10,557) | (89,497) | (105,011) | (13,551) | (7,109) | (18,358) | (316,892) | (5,805) | |
| Net OPEB liability and OPEB related deferred outflows and inflows of resources | 3,460 | 10,042 | 5,218 | 45,751 | (31,083) | 863 | (2,252) | 3,306 | 35,405 | (434) | |
| Total adjustments | 368,823 | 44,964 | 40,079 | 179,804 | (178,290) | 68,412 | 10,719 | 27,872 | 960,403 | 29,623 | |
| Net cash provided by (used in) operating activities | \$ 528,177 | \$ 275,802 | \$ 87,213 | \$ (893,626) | \$ (260,600) | \$ 170,988 | \$ 16,234 | \$ (93,152) | \$ (468,939) | \$ 43,755 | |
| Reconciliation of cash and cash equivalents to the statement of net position: | | | | | | | | | | | |
| Deposits and investments with City Treasury: | | | | | | | | | | | |
| Unrestricted | \$ 998,115 | \$ 402,885 | \$ 399,884 | \$ 722,409 | \$ 240,856 | \$ 355,770 | \$ 336,948 | \$ - | \$ 3,456,847 | \$ 65,471 | |
| Restricted | 1,121,496 | 21,000 | 28,586 | 295,960 | - | 38,574 | 58,686 | 102,374 | 1,666,676 | - | |
| Deposits and investments outside City Treasury: | | | | | | | | | | | |
| Unrestricted | 23,773 | 192 | 154 | 8,708 | 7 | 173 | 5 | - | 33,012 | - | |
| Restricted | 676,633 | 77,345 | 9,211 | 4,572 | 220 | 115,156 | 5,402 | 25 | 888,564 | 6,448 | |
| Total deposits and investments | 2,820,017 | 501,422 | 437,815 | 1,031,649 | 241,083 | 509,673 | 401,041 | 102,399 | 6,045,969 | 71,920 | |
| Adjustments: Investments outside City Treasury not meeting the definition of cash equivalents and fair value adjustments | (672,585) | 13,479 | 13,649 | - | - | 12,551 | (265) | - | (833,171) | - | |
| Cash and cash equivalents at end of year on statement of cash flows | \$ 2,147,432 | \$ 514,901 | \$ 451,464 | \$ 1,031,649 | \$ 241,083 | \$ 522,224 | \$ 400,776 | \$ 102,399 | \$ 5,411,928 | \$ 71,920 | |
| Non-cash capital and related financing activities: | | | | | | | | | | | |
| Acquisition of capital assets on accounts payable and via leases and subscriptions | \$ 110,362 | \$ 40,863 | \$ 28,866 | \$ - | \$ - | \$ 122,825 | \$ 1,038 | \$ - | \$ 303,954 | \$ 3,370 | |
| Donated inventory | - | - | - | - | 2,760 | - | - | - | 2,760 | - | |
| Capital contributions and other non-cash capital items | - | 2,717 | 2,535 | - | - | 2,740 | 941 | - | 8,933 | - | |
| Bond refunding through fiscal agent | 263,976 | - | - | - | - | - | - | - | 263,976 | - | |
| Interfund loan | - | 2,440 | - | - | - | 2,820 | - | - | 5,060 | - | |
| Sale of land promissory note | - | 11,007 | - | - | - | - | - | - | 11,007 | - | |

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

| | Pension, Other Employee and Other Post- Employment Benefit Trust Funds | Private- Purpose Trust Fund | Custodial Funds | |
|--|--|-----------------------------------|--------------------------------|--------------------------|
| | | | External Investment Pool | Other Custodial Funds |
| Assets: | | | | |
| Deposits and investments with City Treasury | \$ 122,525 | \$ 185,710 | \$ 1,433,817 | \$ 1,232,871 |
| Deposits and investments outside City Treasury: | | | | |
| Cash and deposits | 17,929 | - | - | 163,776 |
| Short-term investments | 384,206 | - | - | - |
| Debt securities | 2,041,070 | - | - | - |
| Equity securities | 11,018,114 | - | - | - |
| Real assets | 5,243,926 | - | - | - |
| Private equity and other alternative investments | 15,891,557 | - | - | - |
| Foreign currency contracts, net | (1,029) | - | - | - |
| Invested securities lending collateral | 562,491 | - | - | - |
| Receivables: | | | | |
| Employer and employee contributions | 57,545 | - | - | - |
| Brokers, general partners and others | 135,854 | - | - | - |
| Federal and state grants and subventions | - | 1,553 | - | 8,537 |
| Charges for services | - | - | - | 4 |
| Taxes | - | - | - | 155,105 |
| Interest and other | 18,879 | 2,642 | 9,175 | 7,449 |
| Loans (net of allowance for uncollectible amounts) | - | 1,471 | - | - |
| Net OPEB asset | - | 2,118 | - | - |
| Other assets | 5,201 | 2,131 | - | - |
| Restricted assets: | | | | |
| Deposits and investments outside City Treasury | - | 319,563 | - | 28,885 |
| Capital assets: | | | | |
| Land and other assets not being depreciated | - | 4,152 | - | - |
| Total assets | \$ 35,498,268 | \$ 519,340 | \$ 1,442,992 | \$ 1,596,627 |
| Deferred outflows of resources: | | | | |
| Unamortized loss on refunding of debt | - | 33,862 | - | - |
| Pensions | - | 14,513 | - | - |
| OPEB | 2,366 | 3,619 | - | - |
| Total deferred outflows of resources | \$ 2,366 | \$ 51,994 | \$ - | \$ - |
| Liabilities: | | | | |
| Accounts payable | 66,283 | 52,768 | - | 12,160 |
| Estimated claims payable | 38,152 | - | - | - |
| Due to the primary government | - | 3,622 | - | - |
| Custodial obligations to State of California | - | - | - | 690 |
| Taxes payable to other governments | - | - | - | 252,451 |
| Accrued interest payable | - | 12,773 | - | - |
| Payable to brokers | 55,038 | - | - | - |
| Payable to borrowers of securities | 562,408 | - | - | - |
| Other liabilities | 3,999 | 1,067 | - | 117,083 |
| Long-term obligations | - | 876,559 | - | - |
| Net pension liability | - | - | 37,328 | - |
| Net OPEB liability | 11,279 | - | - | - |
| Total liabilities | \$ 737,159 | \$ 984,117 | \$ - | \$ 382,384 |
| Deferred inflows of resources: | | | | |
| Pensions | - | 5,095 | - | - |
| OPEB | 1,878 | 580 | - | - |
| Total deferred inflows of resources | \$ 1,878 | \$ 5,675 | \$ - | \$ - |
| Net position restricted for: | | | | |
| Pensions | 33,688,428 | - | - | - |
| Postemployment healthcare benefits | 968,425 | - | - | - |
| External pool participants | - | - | 1,442,992 | - |
| Individuals, organizations, and other governments | 104,744 | (418,458) | - | 1,214,243 |
| Total net position | \$ 34,761,597 | \$ (418,458) | \$ 1,442,992 | \$ 1,214,243 |

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 Position
Fiduciary Funds
Year Ended June 30, 2023
(In Thousands)

| | Pension, Other Employee and Other Post- Employment Benefit Trust Funds | Private- Purpose Trust Fund | Custodial Funds | |
|--|--|-----------------------------------|--------------------------------|-----------------------------|
| | | | External Investment Pool | Other Custodial Funds |
| Additions: | | | | |
| Property taxes..... | \$ - | \$ 122,603 | \$ - | \$ 5,596,107 |
| Charges for services..... | - | 18,391 | - | - |
| Contributions: | | | | |
| Employee contributions..... | 688,270 | - | - | - |
| Employer contributions..... | 1,820,021 | - | - | - |
| Contributions to pooled investments..... | - | - | 3,178,531 | - |
| Total contributions..... | 2,508,291 | 140,994 | 3,178,531 | 5,596,107 |
| Investment income (expenses): | | | | |
| Interest..... | 83,464 | 11,280 | 27,129 | 15,424 |
| Dividends..... | 94,883 | - | - | - |
| Net appreciation in fair value of investments..... | 1,630,129 | - | - | - |
| Securities lending income..... | 29,305 | - | - | - |
| Total investment income..... | 1,837,781 | 11,280 | 27,129 | 15,424 |
| Less investment expenses: | | | | |
| Other investment expenses..... | (80,465) | - | - | - |
| Net investment income..... | 1,757,316 | 11,280 | 27,129 | 15,424 |
| Custodial additions..... | - | - | - | 1,022,757 |
| Other additions..... | - | 13,040 | - | 51,829 |
| Total additions, net..... | 4,265,607 | 165,314 | 3,205,660 | 6,686,117 |
| Deductions: | | | | |
| Neighborhood development..... | - | 86,207 | - | - |
| Interest on debt..... | - | 40,581 | - | 29,393 |
| Benefit payments..... | 3,123,304 | - | - | - |
| Refunds of contributions..... | 24,096 | - | - | - |
| Distribution from pooled investments..... | - | - | 3,016,296 | - |
| Property taxes distributed to other governments..... | - | - | - | 5,551,457 |
| Custodial distributions to State..... | - | - | - | 12,822 |
| Other custodial deductions..... | - | - | - | 169,761 |
| Administrative expenses..... | 23,135 | 7,082 | - | - |
| Total deductions..... | 3,170,535 | 133,870 | 3,016,296 | 5,763,433 |
| Change in net position..... | 1,095,072 | 31,444 | 189,364 | 922,684 |
| Net position (deficit) at beginning of year, as previously reported..... | 33,666,525 | (449,902) | 1,253,628 | 302,917 |
| Cumulative effect of accounting change..... | - | - | - | (11,358) |
| Net position (deficit) at beginning of year, as restated..... | 33,666,525 | (449,902) | 1,253,628 | 291,559 |
| Net position (deficit) at end of year..... | \$ 34,761,597 | \$ (418,458) | \$ 1,442,992 | \$ 1,214,243 |

The notes to the financial statements are an integral part of this statement.
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CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements
June 30, 2023
(Dollars in Thousands)

(1) THE FINANCIAL REPORTING ENTITY

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

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

Blended Component Units

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

San Francisco County Transportation Authority (Transportation Authority) – The voters of the City created the Transportation Authority in 1989 to impose voter-approved sales and use tax of one-half of one percent, for a period not to exceed 20 years, to fund essential traffic and transportation projects. In 2003, the voters approved Proposition K, extending the city-wide one-half of one percent sales tax with a new 30-year plan. A board consisting of the eleven members of the City's Board of Supervisors serving ex officio governs the Transportation Authority. The Transportation Authority is reported in a special revenue fund in the City's basic financial statements. Financial statements for the Transportation Authority can be obtained from their finance and administrative offices at 1455 Market Street, 22nd Floor, San Francisco, CA 94103.

Infrastructure Financing Districts and Infrastructure and Revitalization Financing Districts (Tax Increment Financing Districts or "TIFD") – An infrastructure financing district (IFD) and an infrastructure and revitalization financing district (IRFD) are legally constituted government entities formed under California law, and with the approval of the Board of Supervisors. Several TIFDs have been established for the purpose of financing public infrastructure and affordable housing. The Board of Supervisors acts as the legislative body as it does for the City and is able to impose its will to allocate tax increments to the TIFDs, issue debt, as well as to appoint, hire, reassign, or dismiss City employees who administrate the TIFDs. There is also a financial burden relationship between the City and these TIFDs due to the allocation of tax increment revenues by the City to the TIFDs. As such, TIFDs are a blended component unit of the City. The TIFDs are reported in a special revenue fund in the City's financial statements. Separate financial statements are not prepared for TIFDs. Further information can be obtained from their administrative offices at City Hall, Room 338, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

Mission Rock Special Tax District (STD) – Mission Rock STD is a legally constituted governmental entity established pursuant to the San Francisco Special Tax Financing Law, which incorporates the State's Mello-Roos law. The Board of Supervisors acts as the legislative body as it does for the City and is able to impose its will to authorize the levy of special taxes and issuance of special tax debts, as well as to appoint, hire, reassign, or dismiss City employees who administrate the STD. Pursuant to the Pledge Agreement between the City and Mission Rock STD, certain increment taxes allocated to the City's Infrastructure Financing District (IFD) No. 2, Project Area I are pledged toward the debt service of Mission Rock STD Special Tax Bonds once a minimum of one hundred thousand dollars in increment taxes have been collected within a Sub-Project Area. In prior years, the increment taxes allocated to the IFD were below the one hundred thousand dollars threshold for each Sub-Project Area. Therefore, Mission Rock STD has historically been reported as a fiduciary component unit in custodial fund. In fiscal year 2023, the increment taxes allocated surpassed the one hundred thousand dollars threshold. Accordingly, the increment taxes collected are pledged towards the debt service of the Mission Rock STD Special Tax Bonds. The allocation of tax increment revenues to the Mission Rock STD created a

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
(Dollars in Thousands)

financial burden relationship between the City and Mission Rock STD. This change in circumstances triggered Mission Rock STD to become a blended component unit reported in a special revenue fund in the City's financial statements. Separate financial statements are not prepared for Mission Rock STD. Further information can be obtained from their administrative offices at City Hall, Room 338, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

San Francisco City and County Finance Corporation (Finance Corporation) – The Finance Corporation was created in 1990 by a vote of the electorate to allow the City to lease-purchase \$20.0 million (plus 5.0 percent per year growth) of equipment using tax-exempt obligations. Although legally separate from the City, the Finance Corporation is reported as if it were part of the primary government because its sole purpose is to provide lease financing to the City. The Finance Corporation is governed by a three-member board of directors approved by the Mayor and the Board of Supervisors. The Finance Corporation is reported as an internal service fund. Financial statements for the Finance Corporation can be obtained from their administrative offices at City Hall, Room 338, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

San Francisco Parking Authority (Parking Authority) – The Parking Authority was created in October 1949 to provide services exclusively to the City. In accordance with Proposition D authorized by the City's electorate in November 1988, a City Charter amendment created the Parking and Traffic Commission (PTC). The PTC consists of five commissioners appointed by the Mayor. Upon creation of the PTC, the responsibility to oversee the City's off-street parking operations was transferred from the Parking Authority to the PTC. The staff and fiscal operations of the Parking Authority were also incorporated into the PTC. Beginning on July 1, 2002, the responsibility for overseeing the operations of the PTC became the responsibility of the Municipal Transportation Agency (SFMTA) pursuant to Proposition E, which was passed by the voters in November 1999. Separate financial statements are not prepared for the Parking Authority. Further information about the Parking Authority can be obtained from the SFMTA Chief Financial Officer at 1 South Van Ness Avenue, 3rd Floor, San Francisco, CA 94103.

Discretely Presented Component Unit

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

The TIDA's governing body is not substantively the same as that of the City and does not provide services entirely or almost entirely to the City. The TIDA is reported in a separate column to emphasize that it is legally separate from the City. The City is financially accountable for the TIDA through the appointment of the TIDA's Board and the ability of the City to approve the TIDA's budget. Disclosures related to the TIDA, where significant, are separately identified throughout these notes. Separate financial statements are not prepared for TIDA. Further information about TIDA can be obtained from their administrative offices at 1 Avenue of the Palms, Suite 241, Treasure Island, San Francisco, CA 94130.

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
(Dollars in Thousands)

Fiduciary Component Units

Successor Agency to the Redevelopment Agency of the City and County of San Francisco (Successor Agency) – The Successor Agency was created on February 1, 2012, to serve as a custodian for the assets and to wind down the affairs of the former San Francisco Redevelopment Agency (Agency) pursuant to California Redevelopment Dissolution Law. The Successor Agency is governed by the Successor Agency Commission, commonly known as the Commission on Community Investment and Infrastructure, and is a separate public entity from the City. The Commission has five members, which serve at the pleasure of the City's Mayor and are subject to confirmation by the Board of Supervisors. The City is financially accountable for the Successor Agency through the appointment of the Commission and a requirement that the Board of Supervisors approve the Successor Agency's annual budget.

The financial statements present the Successor Agency and its component units, entities for which the Successor Agency is considered to be financially accountable. The City and County of San Francisco Redevelopment Financing Authority (Financing Authority) is a joint powers authority formed between the former Agency and the City to facilitate the long-term financing of the former Agency activities. The Financing Authority is included as a blended component unit in the Successor Agency's financial statements because the Financing Authority provides services entirely to the Successor Agency.

In order to facilitate construction and rehabilitation in the City, seven Community Facilities Districts (CFDs) were formed by the former Agency and Successor Agency. The Successor Agency can impose its will on the CFDs but does not have a financial benefit or burden from the CFDs. The CFDs are fiduciary component units of the Successor Agency and financial activities of the CFDs are included as custodial funds of the City.

Per the Redevelopment Dissolution Law, certain actions of the Successor Agency are also subject to the direction of an Oversight Board. The Oversight Board is comprised of seven-member representatives from local government bodies: four City representatives appointed by the Mayor of the City subject to confirmation by the Board of Supervisors of the City (such members represent a voting majority of the Oversight Board); the Vice Chancellor of the San Francisco Community College District; a Board member of the Bay Area Rapid Transit District; and the Executive Director of Policy and Operations of the San Francisco Unified School District.

In general, the Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, the Successor Agency will only be allocated revenues in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former Agency until all enforceable obligations of the former Agency have been paid in full and all assets have been liquidated. Based upon the nature of the Successor Agency's custodial role, the Successor Agency is reported in a fiduciary fund (private-purpose trust fund). Complete financial statements can be obtained from the Successor Agency's finance department at 1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103.

Community Facilities Districts and Special Tax Districts – A community facilities district (CFD) is a legally constituted governmental entity formed under the State's Mello-Roos law and with approval of the Board of Supervisors. A special tax district (STD) is established pursuant to the San Francisco Special Tax Financing Law, which incorporates the Mello-Roos law. Several CFDs and STDs were established for the sole purpose of financing facilities and services. Although there is no financial benefit or burden relation between the City and a CFD or STD, the Board of Supervisors acts as the legislative body as it does for the City and is able to impose its will to authorize the levy of special taxes and issuance of special tax debts, as well as to appoint, hire, reassign, or dismiss City employees who administer the CFD or STD. CFDs and STDs are fiduciary component units of the City because assets are held by the City for the benefit of the CFD or STD. The combined activities of all CFDs and STDs are presented as a custodial fund. Separate financial statements are not prepared for CFDs and STDs.

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
(Dollars in Thousands)

Further information can be obtained from their administrative offices at City Hall, Room 338, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

Non-Disclosed Organizations

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

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
(Dollars in Thousands)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from its legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

(b) Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenues are considered to be available if they are generally collected within 60 days of the end of the current fiscal period. It is the City's policy to submit reimbursement and claim requests for federal and state grant revenues within 30 days of the end of the program cycle and payment is generally received within the first or second quarter of the following fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to vacation, sick leave, claims and judgments, are recorded only when payment is due.

Property taxes, other local taxes, grants and subventions, licenses, charges for services, rents and concessions, and interest and investment income associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash.

The City reports the following major governmental fund:

- The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund.

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
(Dollars in Thousands)

The City reports the following major proprietary (enterprise) funds:

- The **San Francisco International Airport Fund** accounts for the activities of the City-owned commercial service airport in the San Francisco Bay Area.
- The **San Francisco Water Enterprise Fund** accounts for the activities of the San Francisco Water Enterprise (Water Enterprise). The Water Enterprise is engaged in the distribution of water to the City and certain suburban areas.
- The **Hetch Hetchy Water and Power Enterprise Fund** accounts for the activities of Hetch Hetchy Water and Power (Hetch Hetchy) and CleanPowerSF. Hetch Hetchy is engaged in the collection and conveyance of approximately 85.0% of the City's water supply and in the generation and transmission of electricity. CleanPowerSF aggregates the buying power of customers in San Francisco to purchase renewable energy.
- The **Municipal Transportation Agency Fund** accounts for the activities of the Municipal Transportation Agency (SFMTA). The SFMTA was established by Proposition E, passed by the City's voters in November 1999. The SFMTA includes the San Francisco Municipal Railway (Muni) and the operations of Sustainable Streets, which includes the Parking Authority. Muni was established in 1912 and is responsible for the operations of the City's public transportation system. Sustainable Streets is responsible for proposing and implementing street and traffic changes and oversees the City's off-street parking operations. Sustainable Streets is a separate department of the SFMTA. The parking garages fund accounts for the activities of various nonprofit corporations formed by the Parking Authority to provide financial and other assistance to the City to acquire land, construct facilities, and manage various parking facilities.
- The **General Hospital Medical Center Fund** accounts for the activities of the San Francisco General Hospital (SFGH), a City-owned acute care hospital.
- The **San Francisco Wastewater Enterprise Fund** was created after the San Francisco voters approved a proposition in 1976, authorizing the City to issue \$240.0 million in bonds for the purpose of acquiring, constructing, improving, and financing improvements to the City's municipal sewage treatment and disposal system.
- The **Port of San Francisco Fund** accounts for the operation, development, and maintenance of seven and one-half miles of waterfront property of the Port of San Francisco (Port). This was established in 1969 after the San Francisco voters approved a proposition to accept the transfer of the Harbor of San Francisco from the State of California.
- The **Laguna Honda Hospital Fund** accounts for the activities of Laguna Honda Hospital (LHH), the City-owned skilled nursing facility, which specializes in serving elderly and disabled residents.

Additionally, the City reports the following fund types:

- The **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.
- The **Debt Service Funds** account for the accumulation of property taxes and other revenues for periodic payment of interest and principal on general obligation and certain lease revenue bonds and related authorized costs.
- The **Capital Projects Funds** are used to account for financial resources that are restricted, committed or assigned to expenditures for the acquisition of land or acquisition and construction of major facilities other than those financed in the proprietary fund types.

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
(Dollars in Thousands)

- The **Permanent Fund** accounts for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support specific programs.
- The **Internal Service Funds** account for the financing of goods or services provided by one City department to another City department on a cost-reimbursement basis. Internal service funds account for the activities of the equipment maintenance services, centralized printing and mailing services, centralized telecommunications and information services, and lease financing through the Finance Corporation.
- The **Pension, Other Employee and Other Postemployment Benefit Trust Funds** reflect the activities of the Employees' Retirement System (Retirement System), the Health Service System and the Retiree Health Care Trust Fund. The Retirement System accounts for employee contributions, City contributions, and the earnings and profits from investments. It also accounts for the disbursements made for employee retirement benefits, withdrawals, disability and death benefits as well as administrative expenses. The Health Service System accounts for contributions from active and retired employees and surviving spouses, City contributions, and the earnings and profits from investments. It also accounts for the disbursements to various health plans and health care providers for the medical expenses of beneficiaries. The Retiree Health Care Trust Fund currently accounts for other postemployment benefit contributions from the City and the San Francisco Community College District, together with the earnings and profits from investments.
- The **Private-Purpose Trust Fund** accounts for the custodial responsibilities that are assigned to the Successor Agency with the passage of the Redevelopment Dissolution Law.
- The **Custodial Funds** account for the external portion of the Treasurer's Office investment pool and resources held by the City in a custodial capacity on behalf of the State of California and other governmental agencies; individuals; and human welfare, community health, and transportation programs. The external portion of the Treasurer's Office investment pool represents funds held for the San Francisco Community College District, San Francisco Unified School District, and the Trial Courts of the State of California.

The City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements. In general, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges to other City departments from the General Fund, Water Enterprise and Hetch Hetchy. These charges have not been eliminated because elimination would distort the direct costs and program revenues reported in the statement of activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges for customer services including: water, sewer and power charges, public transportation fees, airline fees and charges, parking fees, hospital patient service fees, commercial and industrial rents, printing services, vehicle maintenance fees, and telecommunication and information system support charges. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

(c) Deposits and Investments

Investment in the Treasurer's Pool

The Treasurer invests on behalf of most funds of the City and external participants in accordance with the City's investment policy and the California State Government Code. The City Treasurer, who reports

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
(Dollars in Thousands)

on a monthly basis to the Board of Supervisors, manages the Treasurer's pool. In addition, the function of the County Treasury Oversight Committee is to review and monitor the City's investment policy and to monitor compliance with the investment policy and reporting provisions of the law through an annual audit.

The Treasurer's investment pool consists of two components: 1) pooled deposits and investments and 2) dedicated investment funds. The dedicated investment funds represent restricted funds and relate to bond issues of the Enterprise Funds, and the General Fund's cash reserve requirement. In addition to the Treasurer's investment pool, the City has other funds that are held by trustees. These funds are related to the issuance of bonds and certain loan programs of the City. The investments of the Retirement System and of the Retiree Health Care Trust Fund are held by trustees.

The San Francisco Unified School District (School District), San Francisco Community College District (Community College District), and the City are involuntary participants in the City's investment pool. As of June 30, 2023, involuntary participants accounted for approximately 92.6 percent of the pool. Voluntary participants accounted for 7.4 percent of the pool. Further, the School District, Community College District, the Trial Courts of the State of California, and medical reimbursement recipients are external participants of the City's pool. At June 30, 2023, \$2.31 billion was held on behalf of these external participants. The total percentage share of the City's pool that relates to these four external participants is 14.4 percent. Internal participants accounted for 85.6 percent of the pool.

Investment Valuation

Investments are carried at fair value, except for certain non-negotiable investments that are reported at cost because they are not transferable and have terms that are not affected by changes in market interest rates, such as collateralized certificates of deposit and public time deposits. The fair value of investments is determined monthly and is based on current market prices. The fair value of participants' position in the pool approximates the value of the pool shares. The method used to determine the value of participants' equity is based on the book value of the participants' percentage participation. In the event that a certain fund overdraws its share of pooled cash, the overdraft is covered by the General Fund and a payable to the General Fund is established in the City's basic financial statements.

Retirement System – Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Securities that do not have an established market are reported at estimated fair value derived from third-party pricing services. Purchases and sales of investments are recorded on a trade date basis.

The fair values of the partnership interests, which include private equity, real assets, private credit, and some public equity investments are based on net asset values (NAV) provided by the general partners and investment managers.

The Absolute Return Program invests in limited partnerships and other alternative investment vehicles. The most common investment strategies include, but are not limited to equity, credit, macro, emerging markets, quantitative, multi-strategy, special situations/other, co-investments and commodities. These investments are valued using their respective NAV and are audited annually. The most significant input into the NAV of such an entity is the fair value of its investment holdings. These holdings are typically valued on a monthly basis by each fund's independent administrator and for certain illiquid investments, where no market exists, the General Partner may provide pricing input. The management assumptions are based upon the nature of the investment and the underlying business. Investments have the potential to become illiquid under stressed market conditions and, in certain circumstances, investors may be subject to redemption restrictions which can impede the timely return of capital. The valuation techniques vary based upon underlying investment type but are predominantly derived from observed market prices.

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
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San Francisco International Airport – The Airport has entered into certain derivative instruments, which it values at fair value, in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement No. 72, *Fair Value Measurement and Application*. The Airport applies hedge accounting for changes in the fair value of hedging derivative instruments, in accordance with GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions, an amendment of GASB Statement No. 53*. Under hedge accounting, if the derivatives are determined to be effective hedges, the changes in the fair value of hedging derivative instruments are reported as either deferred inflows or deferred outflows in the statement of net position, otherwise changes in fair value are recorded within the investment revenue classification. The Airport had an interest rate swap outstanding as of July 1, 2022, which was terminated during the year. As of June 30, 2023, the Airport did not have any outstanding derivative instruments. The Airport will implement the provisions of Statement No. 99 in the future when it is applicable.

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

Investment Income

Income from pooled investments is allocated at month end to the individual funds or external participants based on the fund or participant's average daily cash balance in relation to total pooled investments. City management has determined that the investment income related to certain funds should be allocated to the General Fund. On a budget basis, the interest income is recorded in the General Fund. On a generally accepted accounting principles (GAAP) basis, the income is reported in the fund where the related investments reside. A transfer is then recorded to transfer an amount equal to the interest earnings to the General Fund. This is the case for certain other governmental and internal service funds.

It is the City's policy to charge interest at month end to those funds that have a negative average daily cash balance. In certain instances, City management has determined that the interest expense related to the fund should be allocated to the General Fund. On a budget basis, the interest expense is recorded in the General Fund. On a GAAP basis, the interest expense is recorded in the fund and then a transfer from the General Fund for an amount equal to the interest expense is made to the fund. This is the case for certain other funds, LHH, SFGH, and the internal service funds.

Interest income related to certain funds in fiduciary activities that are recorded in the General Fund on a budget basis is recorded as other income instead of as a transfer on the GAAP basis.

(d) Loans Receivable

The Mayor's Office of Housing (MOH) and the Mayor's Office of Community Development (MOCD) administer several housing and small business subsidy programs and issue loans to qualified applicants. In addition, the Department of Building Inspection manages other receivables from organizations. Management has determined through policy that many of these loans may be forgiven or renegotiated and extended long into the future if certain terms and conditions of the loans are met. At June 30, 2023, it was determined that \$2,445.6 million of the \$2,661.8 million loan portfolio is not expected to be ultimately collected.

For the purposes of the fund financial statements, the governmental funds expenditures relating to long-term loans arising from loan subsidy programs are charged to operations upon funding and the loans are recorded, net of an estimated allowance for potentially uncollectible loans, with an offset to a

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deferred inflow of resources. For purposes of the government-wide financial statements, long-term loans are not offset by deferred inflows of resources.

(e) Inventories

Inventories recorded in the governmental funds consist of personal protective equipment and supplies related to the COVID-19 pandemic. Inventories recorded in the proprietary funds primarily consist of construction materials and maintenance supplies, as well as pharmaceutical supplies maintained by the hospitals. Generally, proprietary funds value inventory at cost or average cost and expense supply inventory as it is consumed. This is referred to as the consumption method of inventory accounting.

(f) Property Held for Resale

Property held for resale includes both residential and commercial property and is recorded as other assets at the lower of estimated cost or estimated conveyance value. Estimated conveyance value is management's estimate of net realizable value of each property parcel based on its current intended use. Property held for resale may, during the period it is held by the City, generate rental income, which is recognized as it becomes due and is considered collectible.

(g) Capital Assets

Capital assets, which include land, facilities and improvements, machinery and equipment, infrastructure assets, and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary and private-purpose trust funds. Capital assets, except for intangible assets, are defined as assets with an initial individual cost of more than \$5 and have an estimated life that extends beyond a single reporting period or more than a year. Intangible assets have a capitalization threshold of \$100. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Capital outlay is recorded as expenditures of the General Fund and other governmental funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold is met. Interest incurred during the construction phase of the capital assets of business-type activities prior to July 1, 2021 is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds of tax-exempt debt over the same period. Amortization of right-to-use assets under leases and subscriptions is included in depreciation and amortization.

Facilities and improvements, infrastructure, machinery and equipment, easements, and intangible assets of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Years |
|-----------------------------|------------------|
| Facilities and improvements | 15 to 175 |
| Infrastructure | 15 to 70 |
| Machinery and equipment | 2 to 75 |
| Intangible assets | Varies with type |

Works of art, historical treasures and zoological animals held for public exhibition, education, or research in furtherance of public service, rather than financial gain, are not capitalized. These items are protected, kept unencumbered, cared for, and preserved by the City. It is the City's policy to utilize proceeds from the sale of these items for the acquisition of other items for collection and display.

(h) Accrued Vacation and Sick Leave Pay

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

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amounts accumulated prior to December 6, 1978, are vested and payable upon termination of employment by retirement or disability caused by industrial accident or death.

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

(i) Bond Issuance Costs, Premiums, Discounts, and Interest Accretion

In the government-wide financial statements, the proprietary fund type and fiduciary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, proprietary fund or fiduciary fund statement of net position. Bond issuance costs related to prepaid insurance costs, bond premiums and discounts for San Francisco International Airport, San Francisco Water Enterprise, Hetch Hetchy Water and Power, SFMTA, and San Francisco Wastewater Enterprise are amortized over the life of the bonds using the effective interest method. The remaining bond prepaid insurance costs, bond premiums and discounts are calculated using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts as other financing sources and uses, respectively. Issuance costs including bond insurance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Interest accreted on capital appreciation bonds is reported as accrued interest payable in the government-wide, proprietary fund and fiduciary fund financial statements.

(j) Fund Equity

Governmental Fund Balance

As prescribed by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental funds report fund balance in one of five classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. The five fund balance classifications are as follows:

- *Nonspendable* – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The not in spendable form criterion includes items that are not expected to be converted to cash, such as prepaid amounts, as well as certain long-term receivables that would otherwise be classified as unassigned.
- *Restricted* – includes amounts that can only be used for specific purposes due to constraints imposed by external resource providers, by the City's Charter, or by enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed* – includes amounts that can only be used for specific purposes pursuant to an ordinance passed by the Board of Supervisors and signed by the Mayor. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally.
- *Assigned* – includes amounts that are not classified as nonspendable, restricted, or committed, but are intended to be used by the City for specific purposes. Intent is expressed by legislation or by action of the Board of Supervisors or the City Controller to which legislation has delegated the authority to assign amounts to be used for specific purposes.

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- *Unassigned* – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. Other governmental funds may only report a negative unassigned balance that was created after classification in one of the other four fund balance categories.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

Encumbrances

The City establishes encumbrances to record the amount of purchase orders, contracts, and other obligations, which have not yet been fulfilled, cancelled, or discharged. Encumbrances outstanding at year end are recorded as part of restricted or assigned fund balance.

Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- *Net Investment In Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation/amortization and the outstanding balances of debt, including debt related deferred outflows and inflows of resources, that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category represents net position that has external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the City, not restricted for any project or other purpose.

(k) Interfund Transfers

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

- Charges for services are recorded as revenues of the performing fund and expenditures/expenses of the requesting fund. Unbilled costs are recognized as an asset of the performing fund and a liability of the requesting fund at the end of the fiscal year.
- Reimbursements for expenditures, initially made by one fund, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed.

(l) Refunding of Debt

In governmental and business-type activities and proprietary and fiduciary funds, losses or gains from advance refundings are recorded as deferred outflows of resources and deferred inflows of resources, respectively, and amortized into expense.

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(m) Pollution Remediation Obligations

Pollution remediation obligations are measured at their current value using a cost-accumulation approach, based on the pollution remediation outlays expected to be incurred to settle those obligations. Each obligation or obligating event is measured as the sum of probability-weighted amounts in a range of possible estimated amounts. Some estimates of ranges of possible cash flows may be limited to a few discrete scenarios or a single scenario, such as the amount specified in a contract for pollution remediation services.

(n) Cash Flows

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

(o) Pensions

For purposes of measuring the net pension liability (asset) and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the SFERS and the California Public Employees' Retirement System (CalPERS) plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Plan member contributions are recognized in the period in which the contributions are due. Investments are reported at fair value.

(p) Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability (asset) and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Retiree Health Care Trust Fund (RHCTF) and California Employers' Retiree Benefit Trust Fund Program (CERBT) and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Plan member contributions are recognized in the period in which the contributions are due. Investments are reported at fair value.

(q) Restricted Assets

Certain proceeds of the City's governmental activities, enterprise and internal service funds bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because the use of the proceeds is limited by applicable bond covenants and resolutions. Restricted assets account for the principal and interest amounts accumulated to pay debt service, unspent bond proceeds, and amounts restricted for future capital projects.

(r) Deferred Outflows and Inflows of Resources

The City records deferred outflows or inflows of resources in its governmental, proprietary, fiduciary, and government-wide financial statements. Deferred outflows of resources represent a consumption of net assets that applies to future periods and deferred inflows of resources represent an acquisition of net assets that applies to future periods.

In governmental fund statements, deferred inflows of resources consist of revenues not collected within the availability period after fiscal year end. In government-wide financial statements, deferred outflows and inflows of resources are recorded for unamortized losses and gains on refunding of debt, amounts related to pensions and OPEB, lease-related items, and items related to public-private partnerships.

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(s) Leases and Subscription-Based Information Technology Arrangements

Leases are defined as the right-to-use an underlying asset for a specified period. The City is a lessee and lessor for various noncancellable leases. Subscription-based information technology arrangements (SBITAs) are defined as a contract that conveys control of the right to use another entity's IT software, alone or in combination with tangible capital assets for a specified period. The City has noncancellable subscription arrangements (similar to a lease) for the right to use various information technology hardware and software (SBITAs).

Measurement of Lease Amounts as Lessee or Subscriber

As lessee or subscriber, the City recognizes a lease liability or subscription liability and an intangible right-to-use asset at the beginning of a lease or subscription. The lease assets or subscription assets are valued based on the net present value of the future lease payments or subscription payments at inception, using the City's incremental borrowing rate. For SBITAs, subscription assets also include qualified software implementation costs. Subsequently, the lease asset or subscription asset is amortized on a straight-line basis over the shorter of the lease or subscription term or the useful life of the underlying asset. If the City is reasonably certain of exercising a purchase option contained in a lease or SBITA, the lease asset or subscription asset will be amortized over the useful life of the underlying asset.

Measurement of Lease Amounts as Lessor

As lessor, at the beginning of the lease term, the City recognizes a lease receivable based on the net present value of future lease payments to be received for the lease term and a deferred inflow of resources based on the net present value plus any payments received at or before the commencement of the lease term that relate to future periods with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. Amortization of the receivable is reported as lease and interest revenues. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease.

Remeasurement

The City monitors changes in circumstances that may require remeasurement of a lease or SBITA. When certain changes occur that are expected to significantly affect the amount of the lease receivable, lease liability or subscription liability, the receivable or liability is remeasured and a corresponding adjustment is made to the deferred inflow of resources, lease asset or subscription asset, respectively.

Short-term Leases or SBITAs

For short-term lease contracts or SBITAs, generally those with a maximum possible term of 12 months or less, the City recognizes revenue or expense based on the payment provisions of the lease contract or SBITA. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period.

(t) Estimates

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

(u) Change in the Reporting Entity

In fiscal year 2023, the City re-evaluated the reporting of Mission Rock Special Tax District (STD) and changed its reporting entity from a fiduciary component unit to a blended component unit (see Note 1).

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The impact of the change in reporting entity resulted in restatement of assets, liabilities, net position, and fund balance as of July 1, 2022, as follow:

| | Governmental Activities | Total Primary Government | | |
|--|------------------------------------|-------------------------------------|--------------------|--------------------|
| Assets: | | | | |
| Deposits and investments outside City Treasury: | | | | |
| Cash and deposits..... | \$ 11,529 | \$ 11,529 | | |
| Receivables: | | | | |
| Interest and other..... | 10 | 10 | | |
| Liabilities: | | | | |
| Accounts payable..... | (181) | (181) | | |
| Accrued interest payable..... | (1,592) | (1,592) | | |
| Bonds, loans, leases, and other payables..... | (112,107) | (112,107) | | |
| Change in beginning net position | <u>\$ (102,341)</u> | <u>\$ (102,341)</u> | | |
| Governmental Funds Fiduciary Funds | | | | |
| | Other | Total | Custodial | Total |
| | Governmental | Governmental | Funds | Fiduciary |
| | Funds | Funds | Funds | Funds |
| Assets: | | | | |
| Deposits and investments outside City Treasury: | | | | |
| Cash and deposits..... | \$ 11,529 | \$ 11,529 | \$ (11,529) | \$ (11,529) |
| Receivables: | | | | |
| Interest and other..... | 10 | 10 | (10) | (10) |
| Liabilities: | | | | |
| Accounts payable..... | (181) | (181) | 181 | 181 |
| Change in beginning fund balance | <u>\$ 11,358</u> | <u>\$ 11,358</u> | <u>\$ (11,358)</u> | <u>\$ (11,358)</u> |

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(3) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(a) Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position

Total fund balances of the City's governmental funds, \$6,503,462, differs from net position of governmental activities, \$5,522,546, reported in the statement of net position. The difference primarily results from the long-term economic focus in the statement of net position versus the current financial resources focus in the governmental funds balance sheet.

| | Total Governmental Funds | Long-term Assets, Liabilities (1) | Internal Service Funds (2) | Reclassifications and Eliminations | Statement of Net Position Totals |
|---|--------------------------|-----------------------------------|----------------------------|------------------------------------|----------------------------------|
| Assets | | | | | |
| Deposits and investments with City Treasury..... | \$ 7,862,490 | \$ - | \$ 65,471 | \$ - | \$ 7,927,961 |
| Deposits and investments outside City Treasury..... | 247,270 | - | 6,449 | - | 253,719 |
| Receivables, net | | | | | |
| Property taxes and penalties..... | 190,786 | - | - | - | 190,786 |
| Other local taxes..... | 387,442 | - | - | - | 387,442 |
| Federal and state grants and subventions..... | 450,784 | - | - | - | 450,784 |
| Charges for services..... | 151,870 | - | 219 | - | 152,089 |
| Interest and other..... | 85,804 | - | 416 | - | 86,220 |
| Leases..... | 81,413 | - | 7,174 | - | 88,587 |
| Due from other funds..... | 22,528 | - | - | (22,528) | - |
| Due from component units..... | 13,096 | - | - | - | 13,096 |
| Loans receivable, net..... | 216,166 | - | - | - | 216,166 |
| Inventories..... | 14,604 | - | - | - | 14,604 |
| Capital assets, net..... | - | 7,770,546 | 33,083 | - | 7,803,629 |
| Net pension asset..... | - | 17,362 | - | - | 17,362 |
| Other assets..... | 24,253 | 101 | - | - | 24,354 |
| Total assets..... | 9,748,506 | 7,788,009 | 112,812 | (22,528) | 17,626,799 |
| Deferred outflows of resources | | | | | |
| Unamortized loss on refunding of debt..... | - | 5,363 | 602 | - | 5,965 |
| Pensions..... | - | 1,095,744 | 18,551 | - | 1,114,295 |
| OPEB..... | - | 342,343 | 9,052 | - | 351,395 |
| Total deferred outflows of resources..... | - | 1,443,450 | 28,205 | - | 1,471,655 |
| Liabilities | | | | | |
| Accounts payable..... | 669,517 | - | 10,594 | - | 680,111 |
| Accrued payroll..... | 199,899 | - | 3,681 | - | 203,580 |
| Accrued vacation and sick leave pay..... | - | 240,637 | 5,605 | - | 246,242 |
| Accrued workers' compensation..... | - | 376,450 | 1,340 | - | 377,790 |
| Estimated claims payable..... | - | 415,686 | - | - | 415,686 |
| Accrued interest payable..... | - | 22,446 | 906 | - | 23,352 |
| Unearned grant and subvention revenues..... | 208,649 | - | - | - | 208,649 |
| Due to other funds..... | 96,597 | - | - | (22,528) | 74,069 |
| Due to component unit..... | 38 | - | - | - | 38 |
| Unearned revenues and other liabilities..... | 1,268,031 | 3,074 | 41 | - | 1,271,146 |
| Bonds, loans, leases, and other payables..... | 38,790 | 4,936,247 | 112,867 | - | 5,087,904 |
| Net pension liability..... | - | 1,927,008 | 27,142 | - | 1,954,150 |
| Net OPEB liability..... | - | 2,013,027 | 44,150 | - | 2,057,177 |
| Total liabilities..... | 2,481,521 | 9,934,575 | 206,326 | (22,528) | 12,599,894 |
| Deferred inflows of resources | | | | | |
| Unavailable revenue..... | 683,607 | (683,607) | - | - | - |
| Unamortized gain on refunding of debt..... | - | 79,334 | 202 | - | 79,536 |
| Pensions..... | - | 395,744 | 5,662 | - | 401,406 |
| OPEB..... | - | 393,917 | 8,207 | - | 402,124 |
| Leases..... | 79,916 | - | 7,101 | - | 87,017 |
| PPP..... | - | 5,931 | - | - | 5,931 |
| Total deferred inflows of resources..... | 763,523 | 191,319 | 21,172 | - | 976,014 |
| Fund balances/ net position | | | | | |
| Total fund balances/ net position..... | \$ 6,503,462 | \$ (894,435) | \$ (86,481) | \$ - | \$ 5,522,546 |

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(1) When capital assets (land, infrastructure, buildings, equipment, and intangible assets) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets, net of accumulated depreciation/amortization, among the assets of the City as a whole.

| | |
|--|---------------------|
| Cost of capital assets..... | \$10,821,006 |
| Accumulated depreciation/amortization..... | (3,050,460) |
| | <u>\$ 7,770,546</u> |

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

| | |
|---|-----------------------|
| Accrued vacation and sick leave pay..... | \$ (240,637) |
| Accrued workers' compensation..... | (376,450) |
| Estimated claims payable..... | (415,686) |
| Arbitrage rebate liability..... | (3,074) |
| Bonds, loans, leases, and other payables..... | (4,936,247) |
| | <u>\$ (5,972,094)</u> |

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

\$ (22,446)

Deferred outflows (inflows) of resources related to debt refundings in governmental activities are not financial resources, and therefore, are not reported in the governmental funds.

| | |
|--|--------------------|
| Unamortized loss on refunding of debt..... | \$ 5,363 |
| Unamortized gain on refunding of debt..... | (79,334) |
| | <u>\$ (73,971)</u> |

Net pension asset is not received in the current period and, therefore, is not reported in the governmental funds. Net pension liability is not due and payable in the current period, and accordingly is not reported as a fund liability. Deferred outflows (inflows) of resources related to pensions are not financial resources, and therefore, are not reported in the governmental funds.

| | |
|---|-----------------------|
| Net pension asset..... | \$ 17,362 |
| Net pension liability..... | (1,927,008) |
| Deferred outflows of resources related to pensions..... | 1,095,744 |
| Deferred inflows of resources related to pensions..... | (395,744) |
| | <u>\$ (1,209,646)</u> |

Net OPEB asset is not received in the current period and, therefore, is not reported in the governmental funds. Net OPEB liability is not due and payable in the current period, and accordingly is not reported as a fund liability. Deferred outflows (inflows) of resources related to OPEB are not financial resources, and therefore, are not reported in the governmental funds.

| | |
|---|-----------------------|
| Net OPEB asset..... | \$ 101 |
| Net OPEB liability..... | (2,013,027) |
| Deferred outflows of resources related to OPEB..... | 342,343 |
| Deferred inflows of resources related to OPEB..... | (393,917) |
| | <u>\$ (2,064,500)</u> |

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Because the focus of governmental funds is on the availability of resources, some assets will not be available to pay for current period expenditures and thus are not included in fund balance.

| | |
|--|-------------------|
| Revenue not collected within 60 days of the end of the current fiscal period | \$ 683,607 |
| PPP..... | <u>(5,931)</u> |
| | <u>\$ 677,676</u> |

(2) Internal service funds are used by management to charge the costs of certain activities, such as lease financing, equipment maintenance services, printing and mailing services, and telecommunications and information systems, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

| | |
|---|--------------------|
| Net position before adjustments | \$ (5,728) |
| Adjustments for internal balances with the San Francisco Finance Corporation: | |
| Receivables from other governmental and enterprise funds..... | (83,293) |
| Unearned revenues and other liabilities | <u>2,540</u> |
| | <u>\$ (86,481)</u> |

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(b) Explanation of certain differences between the governmental funds statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The net change in fund balances for governmental funds, \$(287,566), differs from the change in net position for governmental activities, \$288,689, reported in the statement of activities. The differences arise primarily from the long-term economic focus in the statement of activities versus the current financial resources focus in the governmental funds. The effect of the differences is illustrated below.

| | Total Governmental Funds | Long-term Revenues/ Expenses (3) | Capital- related Items (4) | Internal Service Funds (5) | Long-term Debt Transactions (6) | Statement of Activities Totals |
|---|--------------------------------|--|----------------------------------|----------------------------------|---------------------------------------|--------------------------------------|
| Revenues | | | | | | |
| Property taxes..... | \$ 3,157,038 | \$ 10,344 | \$ - | \$ - | \$ - | \$ 3,167,382 |
| Business taxes..... | 1,290,918 | - | - | - | - | 1,290,918 |
| Sales and use tax..... | 309,385 | - | - | - | - | 309,385 |
| Hotel room tax..... | 278,961 | - | - | - | - | 278,961 |
| Utility users tax..... | 110,661 | - | - | - | - | 110,661 |
| Parking tax..... | 82,716 | - | - | - | - | 82,716 |
| Real property transfer tax..... | 186,247 | - | - | - | - | 186,247 |
| Other local taxes..... | 295,790 | - | - | - | - | 295,790 |
| Licenses, permits and franchises..... | 43,156 | 1 | - | - | - | 43,157 |
| Fines, forfeitures, and penalties..... | 44,322 | 102 | - | - | - | 44,424 |
| Interest and investment income | 156,887 | - | - | 380 | - | 157,267 |
| Rents and concessions..... | 184,208 | 149 | - | - | - | 184,357 |
| Intergovernmental: | | | | | | |
| Federal..... | 635,680 | 605 | - | - | - | 636,285 |
| State..... | 1,293,904 | 13,792 | - | 58 | - | 1,307,754 |
| Other..... | 8,938 | 497 | - | 167 | - | 9,602 |
| Charges for services..... | 387,553 | 179 | - | - | - | 387,732 |
| Other..... | 207,346 | 41,826 | 40,055 | 52 | - | 289,279 |
| Total revenues..... | <u>8,673,710</u> | <u>67,495</u> | <u>40,055</u> | <u>657</u> | <u>-</u> | <u>8,781,917</u> |
| Expenditures/ Expenses | | | | | | |
| Current: | | | | | | |
| Public protection..... | 1,749,187 | (96,425) | 20,486 | (1,546) | - | 1,671,702 |
| Public works, transportation and commerce..... | 505,421 | (30,426) | (28,709) | - | - | 446,286 |
| Human welfare and neighborhood development..... | 2,996,446 | (33,182) | (81,839) | - | - | 2,883,425 |
| Community health..... | 1,168,603 | (13,038) | 50,749 | - | - | 1,206,314 |
| Culture and recreation..... | 513,127 | (9,998) | 48,992 | (14,728) | - | 537,393 |
| General administration and finance..... | 439,767 | (13,612) | 56,463 | - | - | 482,618 |
| Distributions to other governments..... | 49,113 | - | - | - | - | 49,113 |
| General City responsibilities..... | 189,570 | 84 | - | (14,132) | - | 175,522 |
| Debt service: | | | | | | |
| Principal retirement..... | 400,960 | - | - | - | (400,960) | - |
| Interest and other fiscal charges..... | 181,463 | - | - | 2,798 | (34,259) | 150,002 |
| Bond issuance costs..... | 5,747 | - | - | - | - | 5,747 |
| Capital outlay..... | 220,917 | - | (220,917) | - | - | - |
| Total expenditures..... | <u>8,422,321</u> | <u>(196,597)</u> | <u>(154,775)</u> | <u>(27,608)</u> | <u>(435,219)</u> | <u>7,608,122</u> |
| Excess (deficiency) of revenues over (under) expenditures..... | <u>251,389</u> | <u>264,092</u> | <u>194,830</u> | <u>28,265</u> | <u>435,219</u> | <u>1,173,795</u> |
| Other financing sources (uses) / changes in net position | | | | | | |
| Net transfers in (out)..... | (885,327) | - | - | 221 | - | (885,106) |
| Issuance of bonds: | | | | | | |
| Face value of bonds issued..... | 267,975 | - | - | - | (267,975) | - |
| Premium on issuance of bonds..... | 6,364 | - | - | - | (6,364) | - |
| Inception of lease and subscriptions..... | 72,033 | - | - | - | (72,033) | - |
| Total other financing sources (uses)..... | <u>(538,955)</u> | <u>-</u> | <u>-</u> | <u>221</u> | <u>(346,372)</u> | <u>(885,106)</u> |
| Net change for the year..... | <u>\$ (287,566)</u> | <u>\$ 264,092</u> | <u>\$ 194,830</u> | <u>\$ 28,486</u> | <u>\$ 88,847</u> | <u>\$ 288,689</u> |

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
(Dollars in Thousands)

- (3) Property taxes are recognized as revenues in the period the amount becomes available. This is the current period amount by which the deferred inflows of resources increased in the governmental funds. \$ 10,344
- Other revenues that were unavailable are reported as deferred inflows of resources in the governmental funds. This is the current period amount by which deferred inflows of resources increased in the governmental funds.
- | | |
|--|------------------|
| | 57,151 |
| | <u>\$ 67,495</u> |
- 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. Certain long-term liabilities reported in the prior year statement of net position were paid during the current period resulting in expenditures in the governmental funds. This is the amount by which the increase in long-term liabilities exceeded expenditures in funds that do not require the use of current financial resources. \$ 532,057
- Changes to net pension asset/liability and pension related deferred outflows and inflows of resources do not provide financial resources and, therefore, are not reported as expenditures in governmental funds. (340,404)
- Changes to net OPEB asset/liability and OPEB related deferred outflows and inflows of resources do not provide financial resources and, therefore, are not reported as expenditures in governmental funds. 4,930
- Governmental funds report revenues and expenditures primarily pertaining to long-term loan activities, which are not reported in the statement of activities. These activities are reported at the government-wide level in the statement of net position. This is the net revenues reported in the governmental funds.
- | | |
|--|-------------------|
| | 14 |
| | <u>\$ 196,597</u> |
- (4) When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year and the loss on disposal of capital assets.
- | | |
|---|-------------------|
| Capital expenditures | \$ 538,086 |
| Depreciation expense | (337,807) |
| Loss on disposal of capital assets | (396) |
| Gain on lease termination | 161 |
| Write-off of construction in progress | (5,214) |
| Difference | <u>\$ 194,830</u> |
- (5) Internal service funds are used by management to charge the costs of certain activities, such as lease financing, equipment maintenance services, printing and mailing services, and telecommunications and information systems to individual funds. The adjustments for internal service funds "close" those funds by charging additional amounts to participating governmental activities to completely cover the internal service funds' costs for the year. \$ 28,486

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
(Dollars in Thousands)

- (6) Bond premiums are a source of funds in the governmental funds when the bonds are issued, but are capitalized in the statement of net position. This is the amount of premiums capitalized during the current period. \$ (6,364)
- Repayment of bond, loans and other debt, lease and subscription principal are reported as expenditures in governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used. For the City as a whole, however, the principal payments reduce the liabilities in the statement of net position and do not result in expenses in the statement of activities. The City's bonded debt was reduced because principal payments were made to bond holders.
- | | |
|---|----------------|
| Bond and other debt principal payments made | \$ 334,253 |
| Lease principal payments made | 61,744 |
| Subscription principal payments made | 4,963 |
| | <u>400,960</u> |
- Bond, lease, and subscription proceeds are reported as other financing sources in governmental funds and thus contribute to the change in fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. Proceeds were received from:
- | | |
|--------------------------------|------------------|
| General obligation bonds | \$ (238,585) |
| Increment tax bonds | (29,390) |
| Leases | (70,997) |
| Subscriptions | (1,036) |
| | <u>(340,008)</u> |
- Interest expense in the statement of activities differs from the amount reported in governmental funds because (1) additional accrued and accreted interest was calculated for bonds, loans, leases and other payables, and (2) amortization of bond premiums and refunding losses and gains are not expended within the fund statements.
- | | |
|---|------------------|
| Increase in accrued interest | \$ (434) |
| Amortization of bond premiums | 28,692 |
| Amortization of bond refunding losses and gains | 9,075 |
| Increase in arbitrage rebate liability | (3,074) |
| | <u>\$ 34,259</u> |

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
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(4) EFFECTS OF NEW ACCOUNTING PRONOUNCEMENTS

During fiscal year 2023, the City implemented the following accounting standards:

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. GASB Statement No. 91 clarifies the definition of conduit debt and establishes new recognition, measurement, and disclosure requirements. The new standard is effective for periods beginning after December 15, 2021. As a result, the City restated the deferred inflows and beginning net position of the San Francisco International Airport in the City's Business-Type Activities and major enterprise fund as of July 1, 2022 to increase deferred inflows and decrease net position by \$106.6 million.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. GASB Statement No. 94 establishes standards for public-private and public-public partnerships (PPPs) and availability payment arrangements. A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. An availability payment arrangement is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The new standard requires reporting of related assets and deferred inflows that currently are not reported and is effective for periods beginning after June 15, 2022. As a result, the City restated its beginning balances as of July 1, 2022 as follows:

| | Governmental Activities | Total Primary Government |
|--------------------------------------|------------------------------------|-------------------------------------|
| Building/Facility..... | \$ 3,378 | \$ 3,378 |
| Equipment..... | 277 | 277 |
| Infrastructure..... | 1,046 | 1,046 |
| Deferred inflows related to PPP..... | (4,701) | (4,701) |

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 defines such arrangements as contracts that convey control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The standard clarifies measurement and recognition of capitalizable costs, intangible assets, and subscription liabilities for such arrangements and also requires additional disclosures related to such arrangements. As a result, the City restated its beginning balances as of July 1, 2022 as follows:

| | Governmental Activities | Business-Type Activities | Total Primary Government |
|---------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Right-to-use assets, net..... | \$ 49,277 | \$ 3,696 | \$ 52,973 |
| Subscription liabilities..... | (44,098) | (3,653) | (47,751) |
| Accrued interest..... | - | (26) | (26) |
| Change in beginning net position..... | \$ 5,179 | \$ 17 | \$ 5,196 |

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
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(Dollars in Thousands)

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. GASB Statement No. 99 addresses a variety of topics. The requirements related to extension of the use of the London Interbank Offered Rate, accounting for Supplemental Nutrition Assistance Program distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement No. 34, and terminology updates related to Statement No. 53 and Statement No. 63 were adopted by the City for the year ended June 30, 2022. The requirements related to leases, public-public and public-private partnerships, and subscription-based information technology arrangements are effective for fiscal years beginning after June 15, 2022 and did not have a significant impact on the City's for the year ended June 30, 2023. The City is currently analyzing its accounting practices to determine the potential impact of the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 which are effective for fiscal years beginning after June 15, 2023 and effective for the City's year ending June 30, 2024.

In addition, the City is currently analyzing its accounting practices to determine the potential impact of the following pronouncements:

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. GASB Statement No. 100 defines various types of accounting changes and prescribes accounting, reporting, and disclosure requirements for accounting changes and error corrections. The new standard is effective for periods beginning after June 15, 2023. Application of this statement is effective for the City's year ending June 30, 2024.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. GASB Statement No. 101 requires that liabilities for compensated absences be recognized if the leave is attributable to services already rendered and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means and establishes definitions, guidance, and disclosure requirements related to compensated absences. The new standard is effective for periods beginning after December 15, 2023. Application of this statement is effective for the City's year ending June 30, 2025.

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
(Dollars in Thousands)

(5) DEPOSITS AND INVESTMENTS

(a) Cash, Deposits and Investments Presentation

Total City cash, deposits and investments, at fair value, are as follows:

| | Primary Government | | | |
|--|----------------------------|-----------------------------|----------------------|----------------------|
| | Governmental Activities | Business-type Activities | Fiduciary Funds | Total |
| Deposits and investments with | | | | |
| City Treasury..... | \$ 7,927,961 | \$ 3,456,847 | \$ 2,974,923 | \$ 14,359,731 |
| Deposits and investments outside | | | | |
| City Treasury..... | 247,270 | 33,012 | 35,322,040 | 35,602,322 |
| Restricted assets: | | | | |
| Deposits and investments with | | | | |
| City Treasury..... | - | 1,666,676 | - | 1,666,676 |
| Deposits and investments outside | | | | |
| City Treasury..... | 6,449 | 888,564 | 348,448 | 1,243,461 |
| Total deposits and investments | \$ 8,181,680 | \$ 6,045,099 | \$ 38,645,411 | \$ 52,872,190 |
| Cash and deposits..... | | | | \$ 113,406 |
| Investments..... | | | | 52,758,784 |
| Total deposits and investments..... | | | | \$ 52,872,190 |

(b) Investment Policies

Treasurer's Pool

The City's investment policy addresses the Treasurer's safekeeping and custody practices with financial institutions in which the City deposits funds, types of permitted investment instruments, and the percentage of the portfolio which may be invested in certain instruments with longer terms to maturity. The objectives of the policy, in order of priority, are safety, liquidity, and earning a market rate of return on public funds. The City has established a Treasury Oversight Committee (Oversight Committee) as defined in the City Administrative Code section 10.80-3, comprised of various City officials, representatives of agencies with large cash balances, and members of the public, to monitor and review the management of public funds maintained in the investment pool in accordance with Sections 27130 to 27137 of the California Government Code. The Treasurer prepares and submits an investment report to the Mayor, the Board of Supervisors, members of the Oversight Committee and the investment pool participants every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost, and fair value.

The investment policy places maturity limits based on the type of security. Investments held by the Treasurer during the year did not include repurchase agreements or reverse repurchase agreements. The table below identifies the investment types that are authorized by the City's investment policy dated May 2021.

The table also identifies certain provisions of the City's investment policy that address interest rate risk and concentration of credit risk.

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
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| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|--|---------------------|---------------------------------------|---|
| U.S. Treasuries | 5 years | 100% | 100% |
| Federal Agencies | 5 years | 100% | 100% |
| State and Local Government Agency Obligations | 5 years | 20% * | 5% * |
| Public Time Deposits | 13 months * | None | None |
| Negotiable Certificates of Deposit/Yankee Certificates of Deposit | 5 years | 30% | None |
| Bankers Acceptances | 180 days | 40% | 30% |
| Commercial Paper | 270 days | 25% * | 10% |
| Medium Term Notes | 4-5 years* | 5%* | 10%* |
| | 3-4 years* | 5%* | 10%* |
| | 2-3 years* | 5%* | 10%* |
| | Up to 2 years* | Up to 30% | 10%* |
| Repurchase Agreements (Government Securities) | 1 year | None | None |
| Repurchase Agreements (Securities permitted by CA Government Code, Sections 53601 and 53635) | 1 year | 10% | None |
| Reverse Repurchase Agreements / Securities Lending | 45 days * | None | \$75 million * |
| Money Market (Institutional Government Funds) | N/A | 20% | N/A |
| Supranationals | 5 years | 30% | None |
| State of California Local Agency Investment Fund (LAIF) | N/A | Statutory | None |

* Represents restriction on which the City's investment policy is more restrictive than the California Government Code.

The Treasurer also holds for safekeeping bequests, trust funds, and lease deposits for other City departments. The bequests and trust funds consist of stocks and debentures. Those instruments are valued at par, cost, or fair value at the time of donation.

Other Funds

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

Employees' Retirement System

The Retirement System's investments are invested pursuant to investment policy guidelines as established by the Retirement Board. The objective of the policy is to maximize the expected return of the fund at an acceptable level of risk. The Retirement Board has established percentage guidelines for types of investments to ensure the portfolio is diversified.

Investment managers retained by the Retirement System follow specific investment guidelines and are evaluated against specific market benchmarks that represent their investment style. Any exemption from general guidelines requires approval from the Retirement Board. The Retirement System invests in securities with contractual cash flows, such as asset-backed securities, commercial mortgage-backed securities, and collateralized mortgage obligations. The value, liquidity, and related income of these securities are sensitive to changes in economic conditions, including real estate values, delinquencies or defaults, or both, and may be affected by shifts in the market's perception of the issuers and changes in interest rates.

The investment policy permits investments in domestic and international debt and equity securities, securities lending, foreign currency contracts, derivative instruments, private equity, real assets, private credit, and absolute return investments, which include investments in a variety of commingled partnership vehicles.

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
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The Retirement Board's asset allocation policies for the year ended June 30, 2023, are as follow:

| Asset Class | Target Allocation |
|-----------------|-------------------|
| Global Equity | 37.00% |
| Treasuries | 8.00% |
| Liquid Credit | 5.00% |
| Private Credit | 10.00% |
| Private Equity | 23.00% |
| Real Assets | 10.00% |
| Absolute Return | 10.00% |
| Leverage | -3.00% |
| | 100.00% |

The Retirement System is not directly involved in repurchase or reverse repurchase agreements. However, external investment managers retained by the Retirement System may employ repurchase arrangements if the securities purchased or sold comply with the manager's investment guidelines. The Retirement System monitors the investment activity of its investment managers to ensure compliance with guidelines. In addition, the Retirement System's securities lending cash collateral separately managed account is authorized to use repurchase arrangements. As of June 30, 2023, \$166,626 (or 29.6% of reinvested cash collateral) consisted of such agreements.

Retiree Health Care Trust Fund (RHCTF)

The RHCTF maintains cash in the Treasurer's Pool. The RHCTF's investments outside of the City Treasury are invested pursuant to investment policy guidelines as established by the RHCTF Board. The investment strategy of the RHCTF is designed to ensure the prudent investment of assets in such a manner as to provide real growth of assets over time while protecting the value of the assets from undue volatility or risk of loss. The RHCTF allocates its investments among numerous investment managers and in accordance with the investment policy approved by the RHCTF Board.

At its February 13, 2023 Board Meeting, the RHCTF Board approved a revised asset allocation policy for the City and County's Sub-Trust.

The asset allocation policy remains the same for the Community College District's Sub-Trust since May 2021. For the Community College District's Sub-Trust, the RHCTF Board anticipated that illiquid investments will not be appropriate given the portfolio liquidity needs. The current allocation offers a higher liquidity, lower risk levels profile for the Community College.

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
(Dollars in Thousands)

The RHCTF Board has established percentage guidelines for types of investments to ensure the portfolio is diversified, as follows:

| Asset Class | Target Allocation Since February 13, 2023 | |
|---|--|--------------------------------------|
| | City and County of San Francisco Sub-Trust | Community College District Sub-Trust |
| Equities | | |
| U.S. Equity Large Cap | 25.0% | 31.0% |
| U.S. Equity Small Cap | 2.0% | 3.0% |
| Developed Market Equity | 13.0% | 18.0% |
| Emerging Market Equity | 10.0% | 16.0% |
| Credit | | |
| High Yield Bonds | 3.0% | 3.0% |
| Bank Loans | 3.0% | 3.0% |
| Emerging Market Bonds | - | 3.0% |
| Rate Sensitive | | |
| Short-Term Treasury Inflation-Protected Securities (TIPS) | 5.0% | 3.0% |
| Investment Grade Corporate Bonds | 7.0% | 15.0% |
| Private Markets | | |
| Private Equity | 10.0% | - |
| Private Credit | 5.0% | - |
| Core Private Real Estate | 5.0% | - |
| Core Private Infrastructure | 2.0% | - |
| Risk Mitigating Strategies | | |
| Global Macro | 10.0% | - |
| Long-Term Government Bonds | - | 5.0% |
| | 100.0% | 100.0% |

| Asset Class | Target Allocation from May 2021 to February 2023 | |
|---|--|--------------------------------------|
| | City and County of San Francisco Sub-Trust | Community College District Sub-Trust |
| Equities | | |
| U.S. Equity Large Cap | 28.0% | 31.0% |
| U.S. Equity Small Cap | 3.0% | 3.0% |
| Developed Market Equity (Non-U.S.) | 15.0% | 18.0% |
| Emerging Market Equity | 13.0% | 16.0% |
| Credit | | |
| Bank Loans/ High Yield Bonds | 6.0% | 6.0% |
| Emerging Market Bonds | 3.0% | 3.0% |
| Rate Sensitive | | |
| Short-Term Treasury Inflation-Protected Securities (TIPS) | 4.0% | 3.0% |
| Investment Grade Bonds | 9.0% | 15.0% |
| Long-Term Government Bonds | 4.0% | 5.0% |
| Private Markets | | |
| Private Equity | 5.0% | - |
| Private Core Real Estate | 5.0% | - |
| Risk Mitigating Strategies | | |
| Global Macro | 5.0% | - |
| | 100.0% | 100.0% |

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
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(Dollars in Thousands)

(c) Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs (the City's Treasury pool and investments held by fiscal agents do not value any of its investments using Level 3 inputs). The inputs or methodology used for valuing securities are not an indication of risk associated with investing in those securities.

The following is a summary of inputs used in valuing the City's investments as of June 30, 2023:

| | Fair Value 6/30/2023 | Fair Value Measurements Using | | |
|--|-------------------------|--|---|-------------------------------------|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Unobservable Inputs (Level 3) |
| Primary Government: | | | | |
| Investments in City Treasury: | | | | |
| U.S. Treasuries | \$ 3,374,471 | \$ - | \$ 3,374,471 | \$ - |
| U.S. Agencies - Discount | 1,019,776 | - | 1,019,776 | - |
| U.S. Agencies - Coupon (no call option) | 4,936,264 | - | 4,936,264 | - |
| U.S. Agencies (callable option) | 1,167,062 | - | 1,167,062 | - |
| Negotiable Certificates of Deposit | 1,916,703 | - | 1,916,703 | - |
| Supranationals | 611,207 | - | 611,207 | - |
| Commercial Paper | 396,915 | - | 396,915 | - |
| Public Time Deposits | 30,000 * | - | - | - |
| Money Market Mutual Funds | 2,573,876 * | - | - | - |
| Subtotal Investments in City Treasury | 16,026,274 | \$ - | \$ 13,422,398 | \$ - |
| Investments Outside City Treasury: | | | | |
| U.S. Treasury Bonds | \$ 4,698 | \$ 4,698 | \$ - | \$ - |
| U.S. Treasury Notes | 607,351 | 547,250 | 60,101 | - |
| U.S. Agencies | 96,493 | - | 96,493 | - |
| State and Local Agencies | 4,177 | - | 4,177 | - |
| Corporate Notes | 1,563 | - | 1,563 | - |
| Supranationals | 2,382 | - | 2,382 | - |
| Commercial Paper | 19,302 | 1,340 | 17,962 | - |
| U.S. Treasury Money Market Funds | 188,521 * | - | - | - |
| Money Market Mutual Funds | 667,423 * | - | - | - |
| Certificates of Deposit | 265 * | - | - | - |
| Subtotal Investments Outside City Treasury | 1,592,175 | \$ 553,288 | \$ 182,678 | \$ - |

* Not subject to fair value hierarchy

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
(Dollars in Thousands)

| | Fair Value 6/30/2023 | Fair Value Measurements Using | | |
|--|-------------------------|--|---|-------------------------------------|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Unobservable Inputs (Level 3) |
| Employees' Retirement System Investments | | | | |
| Short-Term Investments | \$ 345,487 | \$ 318,714 | \$ - | \$ 26,773 |
| Debt Securities: | | | | |
| U.S. Government and Agency Securities | 812,141 | 807,738 | 4,403 | - |
| Other Debt Securities | 928,542 | 90,798 | 704,431 | 133,313 |
| Equity Securities: | | | | |
| Domestic Equity | 3,344,356 | 3,338,640 | 5,716 | - |
| International Equity | 1,579,322 | 1,579,322 | - | - |
| Foreign Currency Contracts, net | (1,029) | - | - | (1,029) |
| Invested Securities Lending Collateral | 562,491 | - | 562,500 | (9) |
| Subtotal | 7,571,310 | \$ 6,135,212 | \$ 1,277,050 | \$ 159,048 |
| Investments measured at the net asset value (NAV) | | | | |
| Short-Term Investments | 30,801 | | | |
| Fixed Income invested in: | | | | |
| Other Debt Securities | 94,577 | | | |
| Equity Funds invested in: | | | | |
| Domestic | 5,052,646 | | | |
| International | 472,372 | | | |
| Real Assets | 5,207,943 | | | |
| Private Credit | 2,606,909 | | | |
| Private Equity | 10,101,396 | | | |
| Absolute Return | 3,056,626 | | | |
| Total investments measured at the NAV | 26,623,270 | | | |
| Subtotal Investments in Employees' Retirement System | 34,194,580 | | | |
| Retiree Health Care Trust Investments measured at the NAV | | | | |
| Short-Term Investments | 7,918 | | | |
| Fixed Income: | | | | |
| Debt Index Funds | 205,810 | | | |
| Equities: | | | | |
| Domestic | 330,691 | | | |
| International | 238,727 | | | |
| Private Equity | 29,838 | | | |
| Real Estate | 35,983 | | | |
| Risk Mitigating Strategies | 96,788 | | | |
| Subtotal Investments in Retiree Health Care Trust | 945,755 | | | |
| Total Investments | \$ 52,758,784 | | | |

Investments Held in City Treasury

U.S. Treasury Bills and Notes totaling \$3.37 billion, U.S. Government Agencies totaling \$7.12 billion, Negotiable Certificates of Deposit totaling \$1.92 billion, Supranationals totaling \$611.2 million and Commercial Paper totaling \$396.9 million, in fiscal year 2023, are valued using a variety of techniques such as matrix pricing, market corroborated pricing inputs such as yield curve, indices, and other market related data and are classified in Level 2 of the fair value hierarchy.

Public Time Deposits totaling \$30.0 million and Money Market Funds totaling \$2.57 billion, in fiscal year 2023, have maturities of one year or less from fiscal year end and are exempt from Statement No. 72.

CITY AND COUNTY OF SAN FRANCISCO
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Investments Held Outside City Treasury

Debt securities classified in Level 1 are valued using quoted prices in active markets and classified in Level 1 of the fair value hierarchy. Debt securities classified in Level 2 are valued using a variety of techniques such as matrix pricing, market corroborated pricing inputs such as yield curve, indices, and other market related data and classified in Level 2. Certain investments such as Money Market Mutual Funds and Certificates of Deposit are not subject to the fair value hierarchy.

Employees' Retirement System Investments

Investments at Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In some cases, a valuation technique may have multiple inputs used to measure fair value, and each input might fall into a different level of the fair value hierarchy. The level in the fair value hierarchy within which a fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the measurement. The prices used in determining the fair value hierarchy are obtained from various pricing sources by the Retirement System's custodian bank.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using prices determined by the use of matrix pricing techniques maintained by the various pricing vendors for these securities. Debt securities including short-term instruments are priced based on evaluated prices. Such evaluated prices may be determined by factors which include, but are not limited to, market quotations, yields, maturities, call features, ratings, institutional size trading in similar groups of securities and developments related to specific securities. For equity securities not traded on an active exchange, or if the closing price is not available, corroborated indicative quotes obtained from pricing vendors are generally used. Debt and equity securities classified in Level 3 of the fair value hierarchy are securities whose stated market prices are unobservable by the market place. Many of these securities are priced using uncorroborated indicative quotes, adjusted prices based on inputs from different sources, or evaluated prices using unobservable inputs, such as extrapolated data, proprietary models, and indicative quotes from pricing vendors.

Investments at Net Asset Value (NAV)

The equity and debt funds are commingled funds that are priced at net asset value by industry vendors and fund families. NAV is the fair value of all securities owned by a fund, minus its total liabilities, divided by the number of shares issued and outstanding. The NAV of an open-end fund is its price.

The fair value of the Retirement System's investments in private equity, real assets, private credit, absolute return, and some public equity investments are based on NAV provided by the investment managers and general partners (hereinafter collectively referred to as the "General Partners"). Such value generally represents the Retirement System's proportionate share of the net assets of the limited partnerships. The partnership financial statements are audited annually as of December 31 and the NAV is adjusted by additional contributions to and distributions from the partnership, the Retirement System's share of net earnings and losses, and unrealized gains and losses resulting from changes in fair value, as determined by the General Partners.

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The General Partners may use one or more valuation methodologies outlined in FASB ASC 820, *Fair Value Measurement*. For some investments, little market activity may exist. The General Partners' determination of fair value is then based on the best information available in the circumstances and may involve subjective assumptions and estimates, including the General Partners' assessment of the information that market participants would use in valuing the investments. The General Partners may take into consideration a combination of internal and external factors, including but not limited to, appropriate risk adjustments for nonperformance and liquidity. Such fair value estimates involve subjective judgments of unrealized gains and losses.

The values provided by the General Partners may differ significantly from the values that would have been used had a ready market existed for these investments.

Private credit investment strategies include capital preservation, return maximization and opportunistic. Investments in the asset class are achieved through commingled funds and separate account partnerships. Private credit investments are mostly illiquid and distributions are received over the life of the investments. These investments are not typically redeemed, nor do they have set redemption schedules. There are seventeen public equity investments held in commingled funds valued at NAV. Two investments, value at \$175.5 million, are currently put in full redemption with proceeds expected in the next fiscal year. The remaining investments may be subject to varying lock-up provisions and redemption schedules. The real asset holdings are illiquid. Distributions are received over the life of the investments, which could equal or exceed ten years. They are not redeemed, nor do they have set redemption schedules. Private equity investment strategies include buyout, venture capital, growth capital, and special situations. Investments in the asset class are achieved primarily through commingled funds and separate account partnerships, but may also include direct and co-investment opportunities. Private equity investments are illiquid and distributions are received over the life of the investments, which could equal or exceed ten years. These investments are not typically redeemed, nor do they have set redemption schedules.

Absolute return investment strategies include equity, credit, macro, emerging markets, quantitative, multi-strategy, special situations/other, co-investments and commodities. Investments are achieved through limited partnerships. Investments have the potential to become illiquid under stressed market conditions and, in certain circumstances, investors may be subject to redemption restrictions that differ from the standard terms and conditions summarized here, which can impede the return of capital according to those terms and conditions.

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The table below provides a summary of the terms and conditions upon which the Retirement System may redeem its debt and equity funds, private equity, real assets, private credit, and absolute return investments.

| Investment Type | NAV as of June 30, 2023 | Unfunded Commitment | Redemption Frequency | Redemption Notice Period | NAV Lock Up and Years |
|---------------------------------|-------------------------|---------------------|---|---|--|
| Debt securities | \$ 44,379 | N/A | Monthly | On a business day (BD) at least 15 days prior to the last BD of the month | |
| | 49,393 | | Daily | 2 business days | |
| | 805 | | N/A | N/A | |
| Total: | \$ 94,577 | | | | |
| Domestic equity securities | 328,459 | N/A | Semi-monthly | 6 business days | |
| | 841,811 | | Semi-monthly | 9 business days | |
| | 165,704 | | Semi-annually * SFERS has requested full redemption as of 6/30/2023. Proceeds are expected in fiscal year 2023-2024. | 60 calendar days | |
| | 9,836 | | Semi-annually * SFERS has requested full redemption as of 6/30/2023. Proceeds are expected in fiscal year 2023-2024. | 90 calendar days | |
| | 184,470 | | Semi-annually | 60 calendar days | |
| | 596,971 | | Semi-annually | 90 calendar days | |
| | 325,636 | | Quarterly | 30 calendar days | |
| | 677,181 | | Quarterly | 45 calendar days | |
| | 80,171 | | Quarterly | 60 calendar days | |
| | 883,518 | | Quarterly | 90 calendar days | |
| | 621,425 | | Monthly | 30 calendar days | |
| | 337,464 | | Annually | 60 calendar days | |
| | Total: | | \$ 5,052,646 | | |
| International equity securities | \$ 472,372 | N/A | Monthly | 30 calendar days | |
| Absolute return | 1,364,321 | 62,674 | Monthly | 5-95 Days | No Lock Up |
| | 1,068,669 | | Quarterly | 45-180 Days | \$999,505 / No Lock Up \$99,164 / Less than 1 Year |
| | 566,070 | | Semi-annually | 60-90 Days | No Lock Up |
| | 57,566 | | N/A | N/A | No Lock Up |
| Total: | \$ 3,056,626 | | | | |
| Real assets | 52,039 | 1,871,190 | Annually, subject to available liquidity | No later than June 30 of applicable fiscal year | N/A |
| | 772,528 | | Quarterly, subject to available liquidity | 90 calendar days | N/A |
| | 4,383,376 | | Illiquid | N/A | N/A |
| Total: | \$ 5,207,843 | | | | |
| Private credit | 116,031 | 2,408,911 | Capital returned on a realized basis | 90 days | One year hard lock followed by one year soft lock (both expired) |
| | 203,579 | | Capital returned on a realized basis | 90 days | One year hard lock (expired) |
| | 423,265 | | Capital returned on a realized basis subject to 3-year maximum | 180 days | N/A |
| | 61,142 | | Quarterly, subject to 33% investor-level gate | 30 days | One year hard lock (expired) |
| | 1,802,892 | | Illiquid | N/A | N/A |
| Total: | \$ 2,606,909 | | | | |
| Private equity | \$ 10,101,396 | 3,517,233 | Illiquid | N/A | N/A |

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Retiree Health Care Trust Fund

Investments at Net Asset Value (NAV)

At June 30, 2023, the RHCTF had cash and investments in the City Treasury pool, commingled funds, mutual funds, feeder funds, and money market funds. The funds are priced at net asset value (NAV) by industry vendors and fund families. NAV is the fair value of all securities owned by a fund, minus its total liabilities, divided by the number of shares issued and outstanding. As of June 30, 2023, one debt security investment, valued at \$64.3 million, has quarter-end redemptions with a 90 day advance written notice requirement. In addition, one international equity investment, valued at \$111.9 million, has weekly redemptions with a three-day advance notification requirement. Both investments have 5% holdbacks for a full liquidation. In addition, \$96.8 million of RHCTF's risk mitigating strategies allows redemptions on a weekly basis with four-day notice. There are no redemption restrictions for the remaining commingled funds.

The fair value of the RHCTF's investments in private equity and real estate are based on NAV provided by the investment managers and general partners (hereinafter collectively referred to as the "General Partners"). Such value generally represents the RHCTF's proportionate share of the net assets of the limited partnerships. The partnership financial statements are audited annually as of December 31 and the NAV is adjusted by additional contributions to and distributions from the partnership, the RHCTF's share of net earnings and losses, and unrealized gains and losses resulting from changes in fair value, as determined by the General Partners. The General Partners may use one or more valuation methodologies outlined in FASB ASC 820, *Fair Value Measurement*. For some investments, little market activity may exist. The General Partners' determination of fair value is then based on the best information available in the circumstances and may involve subjective assumptions and estimates, including the General Partners' assessment of the information that market participants would use in valuing the investments. The General Partners may take into consideration a combination of internal and external factors, including but not limit to, appropriate risk adjustments for nonperformance and liquidity. Such fair value estimates involve subjective judgments of unrealized gains and losses.

The values provided by the General Partners may differ significantly from the values that would have been used had a ready market existed for these investments.

(d) Investment Risks

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits.

The California Government Code requires California banks and savings and loan associations to secure the City's deposits not covered by FDIC insurance by pledging government and/or local agency securities as collateral. The fair value of such pledged securities must equal at least 110% and be of the type authorized in California Government Code, Section 53651 (a) through (i). The collateral must be held at the pledging bank's trust department or another bank, acting as the pledging bank's agent, in the City's name. At June 30, 2023, all banks with funds deposited by the Treasurer secured deposits with sufficient collateral or FDIC insurance.

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Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. Information about the sensitivity to the fair values of the City's investments to interest rate fluctuations is provided by the following tables, which shows the distribution of the City's investments by maturity. The Retirement System's and Retiree Health Care Trust Fund's interest rate risk information is discussed in sections (f) and (g), respectively, of this note.

| | S&P Rating | Fair Value | Investment Maturities | | | |
|---|-----------------------|----------------------|-----------------------|---------------------|---------------|--------------------|
| | | | Less than 1 year | 1 to 5 years | 5 to 10 years | More than 10 years |
| Primary Government: | | | | | | |
| Investments in City Treasury: | | | | | | |
| U.S. Treasury Notes | AA+ | \$ 3,374,471 | \$ 734,713 | \$ 2,639,758 | \$ - | \$ - |
| U.S. Agencies | NR, AA+ | 7,123,102 | 2,881,869 | 4,241,233 | - | - |
| Negotiable Certificates of Deposit | A-1, A-1+ | 1,816,703 | 1,816,703 | - | - | - |
| Money Market Mutual Funds | AAAm | 2,573,876 | 2,573,876 | - | - | - |
| Public time deposits | NR | 30,000 | 30,000 | - | - | - |
| Supranationals | AAA | 611,207 | 122,255 | 488,952 | - | - |
| Commercial Paper | A-1, A-1+ | 396,915 | 396,915 | - | - | - |
| Less: Retiree Health Care Trust Investments with City Treasury | n/a | (2,558) | (2,558) | - | - | - |
| Subtotal pooled investments | | 16,023,716 | \$ 8,653,773 | \$ 7,369,943 | \$ - | \$ - |
| Investments Outside City Treasury: (Governmental and Business - Type) | | | | | | |
| U.S. Treasury Bonds | AA+ | \$ 4,698 | \$ - | \$ - | \$ - | \$ 4,698 |
| U.S. Treasury Money Market Funds | AAAm | 188,521 | 188,521 | - | - | - |
| U.S. Treasury Notes | AA+, A-1+ | 607,351 | 188,872 | 418,479 | - | - |
| U.S. Agencies | AA+ | 96,493 | 17,972 | 78,521 | - | - |
| State and Local Agencies | NR, AAA, AA+, AA, AA- | 4,177 | 1,979 | 2,198 | - | - |
| Supranationals | AAA | 2,382 | 441 | 1,942 | - | - |
| Corporate notes | AA, A+ | 1,563 | - | 1,563 | - | - |
| Money Market Mutual Funds | AAAm, A-1+, A-1 | 667,423 | 667,423 | - | - | - |
| Commercial Paper | AAAm, A-1 | 19,302 | 19,302 | - | - | - |
| Negotiable Certificates of Deposit | n/a | 265 | 265 | - | - | - |
| Subtotal investments outside City Treasury | | 1,592,175 | \$ 1,084,774 | \$ 502,703 | \$ - | \$ 4,698 |
| Retiree Health Care Trust Investments | | 948,313 | - | - | - | - |
| Employees' Retirement System investments | | 34,194,580 | - | - | - | - |
| Total Investments | | \$ 52,758,784 | | | | |

As of June 30, 2023, the investments in the City Treasury had a weighted average maturity of 442 days.

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Notes to Basic Financial Statements (Continued)
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Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to pay the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The S&P Global Ratings (S&P) rating for each of the investment types are shown in the table above.

Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments; however, it is the practice of the City Treasurer that all investments are insured, registered or held by the Treasurer's custodial agent in the City's name. The governmental and business-type activities also have investments with trustees related to the issuance of bonds that are uninsured, unregistered and held by the counterparty's trust departments but not in the City's name. These amounts are included in the investments outside City Treasury shown in the table above.

Concentration of Credit Risk

The City's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code and/or its investment policy. U.S. Treasury and agency securities explicitly guaranteed by the U.S. government are not subject to single issuer limitation.

As of June 30, 2023, the City Treasurer has investments that represent 5.0% or more of the total Pool in the following:

| | |
|-------------------------------|-------|
| Federal Farm Credit Bank..... | 20.5% |
| Federal Home Loan Bank | 18.4% |

In addition, the following major fund holds investments with trustees that represent 5.0% or more of the funds' investments outside City Treasury as of June 30, 2023:

| | |
|---|------|
| Airport: | |
| Federal National Mortgage Association | 6.6% |

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
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(e) Treasurer's Pool

The following represents a condensed statement of net position and changes in net position for the Treasurer's Pool as of and for the year ended June 30, 2023:

| | |
|---|----------------------|
| Statement of Net Position | |
| Net position held in trust for all pool participants..... | <u>\$ 16,026,407</u> |
| Equity of internal pool participants..... | \$ 14,592,590 |
| Equity of external pool participants..... | 1,433,817 |
| Total equity..... | <u>\$ 16,026,407</u> |
| | |
| Statement of Changes in Net Position | |
| Net position at July 1, 2022..... | \$ 14,471,926 |
| Net change in investments by pool participants..... | 1,554,481 |
| Net position at June 30, 2023..... | <u>\$ 16,026,407</u> |

The following provides a summary of key investment information for the Treasurer's Pool as of June 30, 2023:

| Type of Investment | Rates | Maturities | Par Value | Carrying Value |
|---|---------------|-------------------------|----------------------|----------------------|
| Pooled Investments: | | | | |
| U.S. Treasury Notes..... | 0.20% - 5.40% | 07/31/2023 - 03/31/2027 | \$ 3,625,000 | \$ 3,374,471 |
| U.S. Agencies..... | 0.19% - 5.94% | 07/05/2023 - 08/23/2027 | 7,373,032 | 7,123,102 |
| Public Time Deposits..... | 4.85% - 5.46% | 07/10/2023 - 12/18/2023 | 30,000 | 30,000 |
| Negotiable CDs..... | 3.73% - 5.89% | 07/03/2023 - 06/28/2024 | 1,920,000 | 1,916,703 |
| Commercial Paper..... | 5.05% - 5.61% | 07/03/2023 - 11/06/2023 | 400,000 | 396,915 |
| Money Market Mutual Funds..... | 4.99% - 5.04% | 07/01/2023 - 07/01/2023 | 2,573,876 | 2,573,876 |
| Supranationals..... | 0.57% - 5.75% | 10/04/2023 - 06/15/2026 | 636,156 | 611,207 |
| | | | <u>\$ 16,558,064</u> | <u>16,026,274</u> |
| Carrying amount of deposits with Treasurer..... | | | | 133 |
| Total cash and investments with Treasurer..... | | | | <u>\$ 16,026,407</u> |

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
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(f) Retirement System's Investments

The Retirement System's investments as of June 30, 2023, are summarized as follows:

| | |
|--|----------------------|
| Fixed Income Investments: | |
| Short-term investments | \$ 376,288 |
| Debt securities: | |
| U.S. government and agency securities | 812,141 |
| Other debt securities | 1,023,119 |
| Subtotal debt securities | <u>1,835,260</u> |
| Total fixed income investments | <u>2,211,548</u> |
| Equity securities: | |
| Domestic | 8,397,002 |
| International | 2,051,694 |
| Total equities securities: | <u>10,448,696</u> |
| Real assets | 5,207,943 |
| Private credit | 2,606,909 |
| Private equity | 10,101,396 |
| Absolute return | 3,056,626 |
| Foreign currency contracts, net | (1,029) |
| Invested securities lending collateral | 562,491 |
| Total Retirement System Investments | <u>\$ 34,194,580</u> |

Interest Rate Risk

The Retirement System does not have a specific policy to manage interest rate risk. Below is a table depicting the segmented time distribution for fixed income investments based upon the expected maturity (in years) as of June 30, 2023:

Investments at Fair Value as of June 30, 2023

| Investment Type | Fair Value | Maturities | | | |
|---------------------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|
| | | Less than 1 year | 1-5 years | 6-10 years | 10+ years |
| Asset-Backed Securities | \$ 12,625 | \$ - | \$ 820 | \$ 1,114 | \$ 10,691 |
| Bank Loans | 131,153 | 1,533 | 82,751 | 46,869 | - |
| Collateralized Bonds | 11,502 | - | - | 3,526 | 7,976 |
| Commercial Mortgage-Backed | 73,494 | 1,027 | 2,120 | 2,227 | 68,120 |
| Commingled and Other | | | | | |
| Fixed Income Funds | 179,481 | (6,375) | - | 50,198 | 135,658 |
| Corporate Bonds | 345,818 | 4,867 | 140,757 | 129,106 | 71,088 |
| Corporate Convertible Bonds | 104,829 | 1,046 | 89,616 | 13,362 | 805 |
| Government Bonds | 885,862 | 3,663 | 503,161 | 327,642 | 51,396 |
| Government Mortgage-Backed Securities | 3,456 | - | - | - | 3,456 |
| Municipal/Provincial Bonds | 946 | - | 607 | 339 | - |
| Non-Government Backed | | | | | |
| Collateralized Mortgage Obligations | 74,732 | - | - | - | 74,732 |
| Options | 10 | - | 10 | - | - |
| Short-Term Investment Funds | 376,288 | 376,288 | - | - | - |
| Swaps* | 10,962 | 12,795 | (1,754) | (175) | 96 |
| Total | <u>\$ 2,211,158</u> | <u>\$ 394,844</u> | <u>\$ 818,088</u> | <u>\$ 574,208</u> | <u>\$ 424,018</u> |

* \$390 Credit default swaps are excluded because they are not subject to interest rate risk.

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Notes to Basic Financial Statements (Continued)
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Credit Risk

Fixed income investment managers retained by the Retirement System follow specific investment guidelines and are evaluated against specific market benchmarks that represent their investment style. Fixed income managers typically are limited within their portfolios to no more than 5% exposure in any single security, with the exception of United States Treasury and government agency securities. The Retirement System's credit risk policy is embedded in the individual investment manager agreements as prescribed and approved by the Retirement Board.

Investments are classified and rated using the lower of (1) S&P Global Ratings (S&P) rating or (2) Moody's Investors Service (Moody's) rating corresponding to the equivalent S&P rating. If only a Moody's rating is available, the rating equivalent to S&P is used for the purpose of this disclosure.

The following table illustrates the Retirement System's exposure to credit risk as of June 30, 2023. Investments issued or explicitly guaranteed by the U.S. government of \$807,737 as of June 30, 2023, are exempt from the credit rating disclosures and are excluded from the table below.

| Credit Rating | Fair Value | Fair Value as a Percentage of Total |
|---------------|---------------------|-------------------------------------|
| AAA | \$ 14,240 | 1.0% |
| AA | 9,573 | 0.7% |
| A | 49,135 | 3.5% |
| BBB | 128,182 | 9.1% |
| BB | 145,855 | 10.4% |
| B | 214,804 | 15.3% |
| CCC | 28,942 | 2.1% |
| CC | 3,504 | 0.2% |
| D | 6,461 | 0.5% |
| Not Rated | 803,115 | 57.2% |
| Total | \$ 1,403,811 | 100.0% |

The securities listed as "Not Rated" include short-term investment funds, government mortgage-backed securities, and investments that invest primarily in rated securities, such as commingled funds and money market funds, but do not themselves have a specific credit rating. Excluding these investments, the "not rated" component of credit would be approximately 11.0% for 2023.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Retirement System's investment in a single issuer. Securities issued or guaranteed by the U.S. government or its agencies are exempt from this limit. As of June 30, 2023, the Retirement System had no investments of a single issuer that equaled or exceeded 5% of total Retirement System's investments or net position.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government may not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Retirement System does not have a specific policy addressing custodial credit risk for investments, but investments are generally insured, registered, or held by the Retirement System or its agent in the Retirement System's name. As of June 30, 2023, \$146,106 of the Retirement System's investments were exposed to custodial credit risk because they were not insured or registered in the name of the Retirement System, and were held by the counterparty's trust department or agent but not in the Retirement System's name.

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Notes to Basic Financial Statements (Continued)
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Foreign Currency Risk

The Retirement System's exposure to foreign currency risk derives from its positions in foreign currency denominated cash, equity, fixed income, private equity, real assets, and private credit. The Retirement System's investment policy allows international managers to enter into foreign exchange contracts, which are limited to hedging currency exposure existing in the portfolio.

The Retirement System's net exposures to foreign currency risk as of June 30, 2023, are as follows:

Foreign Currency Risk Analysis as of June 30, 2023

| Currency | Cash | Equities | Fixed Income | Private Equities | Real Assets | Private Credit | Foreign Currency Contracts | Total |
|-----------------------|------------------|---------------------|-------------------|-------------------|-------------------|-------------------|----------------------------|---------------------|
| Argentina peso | \$ - | \$ - | \$ 28 | \$ - | \$ - | \$ - | \$ - | \$ 28 |
| Australian dollar | - | 11,281 | 96 | 29,683 | 2,247 | - | 3,750 | 47,057 |
| Brazil real | - | 16,852 | 4,357 | - | - | - | 4,495 | 25,704 |
| Canadian dollar | - | 20,105 | 193 | - | - | - | 6,964 | 27,262 |
| Chilean peso | - | 1,699 | 2,282 | - | - | - | 67 | 4,048 |
| Chinese r yuan HK | - | - | - | - | - | - | (5,494) | (5,494) |
| Chinese yuan renminbi | 42,763 | 220,576 | 5,419 | - | - | - | (13,784) | 254,974 |
| Colombian peso | - | - | 5,877 | - | - | - | (2,302) | 3,575 |
| Czech koruna | - | - | (220) | - | - | - | 2,317 | 2,097 |
| Danish krone | - | 56,215 | - | - | - | - | (64) | 55,151 |
| Dominican Rep peso | - | - | 1,355 | - | - | - | - | 294 |
| Euro | - | 516,428 | 44,790 | 100,233 | 436,236 | 122,022 | (43,537) | 1,176,172 |
| Hong Kong dollar | - | 62,255 | - | - | - | - | (204) | 62,051 |
| Hungarian forint | - | 1,865 | 1,940 | - | - | - | 1,107 | 4,912 |
| Indian rupee | - | 28,079 | - | - | - | - | 367 | 28,446 |
| Indonesian rupiah | - | 5,707 | 5,564 | - | - | - | 553 | 11,824 |
| Israeli shekel | - | 1,027 | - | - | - | - | - | 1,027 |
| Japanese yen | - | 62,830 | 1,874 | - | 48,532 | - | 15,209 | 128,445 |
| Malaysian ringgit | - | 2,617 | 3,682 | - | - | - | 157 | 6,456 |
| Mexican peso | - | 2,017 | 7,627 | - | - | - | 798 | 10,442 |
| New Taiwan dollar | - | 31,319 | - | - | - | - | - | 31,319 |
| Norwegian krone | - | 1,713 | - | - | - | - | - | 1,713 |
| Peruvian sol | - | - | 1,094 | - | - | - | (441) | 653 |
| Philippines peso | - | - | - | - | - | - | 28 | 28 |
| Polish zloty | - | - | 1,360 | - | - | - | 3,108 | 4,468 |
| Pound sterling | - | 148,565 | 5,761 | 94,364 | 61,580 | - | (9,958) | 300,312 |
| Romanian leu | - | - | 562 | - | - | - | 763 | 1,325 |
| Singapore dollar | - | 4,864 | - | - | - | - | (415) | 4,449 |
| South African rand | - | 6,027 | 7,587 | - | - | - | (2,542) | 11,072 |
| South Korean won | - | 19,237 | - | - | - | - | - | 19,237 |
| Swedish krona | - | 39,222 | - | - | - | - | - | 39,222 |
| Swiss franc | - | 81,422 | - | - | - | - | - | 81,422 |
| Thaiand baht | - | 5,574 | 2,226 | - | - | - | 1,457 | 9,257 |
| Turkish lira | - | 960 | - | - | - | - | - | 960 |
| UAE dirham | - | 9,380 | - | - | - | - | - | 9,380 |
| Total | \$ 42,763 | \$ 1,356,836 | \$ 103,454 | \$ 224,280 | \$ 548,595 | \$ 122,022 | \$ (38,662) | \$ 2,359,288 |

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
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Money-Weighted Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of investment expenses, adjusted for the changing amounts actually invested, was 5.26%.

Derivative Instruments

As of June 30, 2023, the derivative instruments held by the Retirement System are considered investments and not hedges for accounting purposes. The gains and losses arising from this activity are recognized as incurred in the statement of changes in fiduciary net position. All investment derivatives discussed below are included within the investment risk schedules, which precede this subsection. Investment derivative instruments are disclosed separately to provide a comprehensive and distinct view of this activity and its impact on the overall investment portfolio.

The fair value of the exchange traded derivative instruments, such as futures, options, rights, and warrants are based on quoted market prices. The fair values of forward foreign currency contracts are determined using a pricing service, which uses published foreign exchange rates as the primary source. The fair values of swaps are determined by the Retirement System's investment managers based on quoted market prices of the underlying investment instruments or by an external pricing service using various proprietary methods.

The table below presents the notional amounts, the fair values, and the related net appreciation (depreciation) in the fair value of derivative instruments that were outstanding at June 30, 2023.

| Derivative Type / Contracts | Notional Amount | Fair Value | Net Appreciation (Depreciation) in Fair Value |
|-----------------------------|-----------------|------------------|---|
| Forwards | | | |
| Foreign Exchange Contracts | \$ 196,874 | \$ (1,029) | \$ (832) |
| Futures | | | |
| Bond Futures Long | 9,493 | (93) | (12) |
| Equity Index Futures Long | 898 | 28 | 28 |
| Treasury Futures Long | 25,373 | (129) | 4,766 |
| Treasury Futures Short | (8,038) | 102 | 69 |
| Options | | | |
| Credit Contracts | - | - | 1 |
| Foreign Exchange Contracts | 200 | 10 | (1) |
| Swaps | | | |
| Credit Contracts | 23,853 | 391 | 116 |
| Currency Contracts | 440 | 416 | 106 |
| Interest Rate Contracts | 152,092 | (2,458) | (260) |
| Total Return Contracts | 227,227 | 13,004 | 9,803 |
| Rights/Warrants | | | |
| Equity Contracts | 61,328 shares | 80,566 | 11,495 |
| Total | | <u>\$ 90,808</u> | <u>\$ 25,279</u> |

All investment derivatives are reported as investments at fair value in the statement of fiduciary net position. Rights, warrants, and equity index futures are reported in equity securities. Foreign exchange contracts are reported in foreign currency contracts, which also include spot contracts that are not derivatives. All other derivative contracts are reported in other debt securities. All changes in fair value are reported as net appreciation (depreciation) in fair value of investments in the statement of changes in fiduciary net position.

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
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Counterparty Credit Risk

The Retirement System is exposed to credit risk on non-exchange traded derivative instruments that are in asset positions. The table below presents those investments being classified and rated using the lower of (1) S&P Global Ratings (S&P) rating or (2) Moody's Investors Service (Moody's) rating corresponding to the equivalent S&P rating. If only a Moody's rating is available, the rating equivalent to S&P is used for the purpose of this disclosure.

| Credit Rating | Fair Value |
|---------------|------------------|
| AA | \$ 202 |
| A | 16,278 |
| BBB | 1,563 |
| Not Rated | 31 |
| Total | <u>\$ 18,074</u> |

Custodial Credit Risk

The custodial credit risk disclosure for exchange traded derivative instruments is made in accordance with the custodial credit risk disclosure requirements of GASB Statement No. 40. At June 30, 2023, all of the Retirement System's investments in derivative instruments are held in the Retirement System's name and are not exposed to custodial credit risk.

Interest Rate Risk

The table below describes the maturity periods of the derivative instruments exposed to interest rate risk at June 30, 2023.

| Derivative Type / Contracts | Fair Value | Maturities | | | |
|-----------------------------|------------------|------------------|-------------------|-----------------|--------------|
| | | Less than 1 year | 1-5 years | 6-10 years | 10+ years |
| Futures | | | | | |
| Treasury Futures Long | \$ (129) | \$ (129) | \$ - | \$ - | \$ - |
| Treasury Futures Short | 102 | 102 | - | - | - |
| Options | | | | | |
| Foreign Exchange Contracts | 10 | - | 10 | - | - |
| Swaps | | | | | |
| Currency Contracts | 416 | 307 | 109 | - | - |
| Interest Rate Contracts | (2,458) | (516) | (1,863) | (175) | 96 |
| Total Return Contracts | 13,004 | 13,004 | - | - | - |
| Total | <u>\$ 10,945</u> | <u>\$ 12,768</u> | <u>\$ (1,744)</u> | <u>\$ (175)</u> | <u>\$ 96</u> |

CITY AND COUNTY OF SAN FRANCISCO
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The following table details the reference rate, notional amount, and fair value of interest rate swaps that are highly sensitive to changes in interest rates as of June 30, 2023:

| Investment Type | Reference Rate | Notional Value | Fair Value |
|---------------------------|--|----------------|------------|
| Interest Rate Swap | Receive Fixed 0.00%, Pay Variable 1-Day SOFR | \$ 22,800 | \$ (178) |
| Interest Rate Swap | Receive Fixed 0.25%, Pay Variable 1-Day SOFR | 46,800 | (2,386) |
| Interest Rate Swap | Receive Fixed 0.48%, Pay Variable 6-Month PRIBOR | 684 | (65) |
| Interest Rate Swap | Receive Fixed 0.57%, Pay Variable 6-Month WIBOR | 1,255 | (124) |
| Interest Rate Swap | Receive Fixed 1.48%, Pay Variable 6-Month PRIBOR | 1,221 | (194) |
| Interest Rate Swap | Receive Fixed 2.00%, Pay Variable 1-Day BUBOR | 1,002 | (59) |
| Interest Rate Swap | Receive Fixed 2.56%, Pay Variable 1-Day BUBOR | 2,041 | (331) |
| Interest Rate Swap | Receive Fixed 3.34%, Pay Variable 3-Month KLIBOR | 214 | (5) |
| Interest Rate Swap | Receive Fixed 3.36%, Pay Variable 1-Day SOFR | 11,230 | (290) |
| Interest Rate Swap | Receive Fixed 4.68%, Pay Variable 6-Month PRIBOR | 620 | 24 |
| Interest Rate Swap | Receive Fixed 4.72%, Pay Variable 6-Month PRIBOR | 726 | 6 |
| Interest Rate Swap | Receive Fixed 4.74%, Pay Variable 6-Month PRIBOR | 872 | 9 |
| Interest Rate Swap | Receive Fixed 4.81%, Pay Variable 28-Day MXBR | 1,533 | (102) |
| Interest Rate Swap | Receive Fixed 4.87%, Pay Variable 1-Day BIDOR | 3,524 | (454) |
| Interest Rate Swap | Receive Fixed 5.26%, Pay Variable 3-Month JIBAR | 609 | (36) |
| Interest Rate Swap | Receive Fixed 5.60%, Pay Variable 1-Day COOVIBR | 81 | (11) |
| Interest Rate Swap | Receive Fixed 7.13%, Pay Variable 28-Day MXBR | 204 | (19) |
| Interest Rate Swap | Receive Fixed 9.06%, Pay Variable 28-Day MXBR | 991 | 16 |
| Interest Rate Swap | Receive Fixed 11.91%, Pay Variable 1-Day BIDOR | 1,244 | 50 |
| Interest Rate Swap | Receive Fixed 11.98%, Pay Variable 1-Day BIDOR | 4,436 | 16 |
| Interest Rate Swap | Receive Variable 1-Day COOVIBR, Pay Fixed 1.20% | 778 | 81 |
| Interest Rate Swap | Receive Variable 1-Day SOFR, Pay Fixed 0.36% | 22,800 | 1,305 |
| Interest Rate Swap | Receive Variable 1-Day SOFR, Pay Fixed 2.94% | 2,630 | 126 |
| Interest Rate Swap | Receive Variable 3-Month BBA, Pay Fixed 0.00% | 22,800 | 175 |
| Interest Rate Swap | Receive Variable 3-Month CLICP, Pay Fixed 5.67% | 997 | (12) |
| Total Interest Rate Swaps | | \$ 152,092 | \$ (2,458) |

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Notes to Basic Financial Statements (Continued)
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Foreign Currency Risk

At June 30, 2023, the Retirement System is exposed to foreign currency risk on its derivative investments denominated in foreign currencies. Below is the derivative instruments foreign currency risk analysis as of June 30, 2023:

| Currency | Rights/ | | | | Total |
|-----------------------|-------------|----------|------------|---------|-------------|
| | Forwards | Warrants | Swaps | Futures | |
| Argentina peso | \$ - | \$ - | \$ (27) | \$ - | \$ (27) |
| Australian dollar | 3,750 | - | - | - | 3,750 |
| Brazil real | 4,495 | - | (388) | - | 4,107 |
| Canadian dollar | 6,964 | - | - | (11) | 6,953 |
| Chilean peso | 67 | - | (12) | - | 55 |
| Chinese r y uan HK | (5,494) | - | - | - | (5,494) |
| Chinese yuan renminbi | (13,784) | - | - | - | (13,784) |
| Colombian peso | (2,302) | - | 70 | - | (2,232) |
| Czech koruna | 2,317 | - | (220) | - | 2,097 |
| Danish krone | (64) | - | - | - | (64) |
| Dominican Rep peso | (1,061) | - | - | - | (1,061) |
| Euro | (43,537) | 82 | 35 | (76) | (43,496) |
| Hong Kong dollar | (204) | - | - | - | (204) |
| Hungarian forint | 1,107 | - | (390) | - | 717 |
| Indian rupee | 367 | - | - | - | 367 |
| Indonesian rupiah | 553 | - | - | - | 553 |
| Japanese yen | 15,209 | - | - | - | 15,209 |
| Malaysian ringgit | 157 | - | (5) | - | 152 |
| Mexican peso | 798 | - | (105) | - | 693 |
| Peruvian sol | (441) | - | - | - | (441) |
| Philippines peso | 28 | - | - | - | 28 |
| Polish zloty | 3,108 | - | (124) | - | 2,984 |
| Pound sterling | (9,958) | - | - | (7) | (9,965) |
| Romanian leu | 763 | - | - | - | 763 |
| Singapore dollar | (415) | - | - | - | (415) |
| South African rand | (2,542) | - | (36) | - | (2,578) |
| Swiss franc | - | 11 | - | - | 11 |
| Thailand baht | 1,457 | - | - | - | 1,457 |
| Total | \$ (38,662) | \$ 93 | \$ (1,202) | \$ (94) | \$ (39,865) |

Contingent Features

At June 30, 2023, the Retirement System held no positions in derivatives containing contingent features.

Securities Lending

The Retirement System lends U.S. government obligations, domestic and international bonds, and equities to various brokers with a simultaneous agreement to return collateral for the same securities plus a fee in the future. The securities lending agent manages the securities lending program and receives securities and cash as collateral. Cash and non-cash collateral is pledged at 102% to 110% depending on security type. There are no restrictions on the number of securities that can be lent at one time. The term to maturity of the loaned securities is generally not matched with the term to maturity of the investment of the corresponding collateral.

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The Retirement System does not have the ability to pledge or sell collateral securities unless a borrower defaults. The securities collateral is not reported on the statement of fiduciary net position. As of June 30, 2023, the Retirement System has no credit risk exposure to borrowers because the amounts the Retirement System owes them exceed the amounts they owe the Retirement System. As with other extensions of credit, the Retirement System may bear the risk of delay in recovery or of rights in the collateral should the borrower of securities fail financially. However, the lending agent indemnifies the Retirement System against all borrower defaults.

As of June 30, 2023, the Retirement System has lent \$1,243,298 in securities and received collateral of \$562,409 and \$760,562 in cash and securities, respectively, from borrowers. The cash collateral is invested in a separate account managed by the lending agent using investment guidelines approved by the Retirement Board. Due to the increase in the fair value of assets held in the separately managed account, the Retirement System's invested cash collateral was valued at \$562,491. The net unrealized gain of \$82 is presented as part of the net appreciation (depreciation) in fair value of investments in the statement of changes in fiduciary net position in the year in which the unrealized gains and losses occur. The Retirement System is exposed to investment risk including the possible loss of principal value in the separately managed cash collateral reinvestment account due to the fluctuation in the fair value of the assets held in the account.

The Retirement System's securities lending transactions as of June 30, 2023 are summarized in the following table.

| Investment Type | Fair Value of | | Non-Cash Collateral |
|---|---------------------|-------------------|---------------------|
| | Loaned Securities | Cash Collateral | |
| Securities on Loan for Cash Collateral | | | |
| U.S. Corporate Fixed Income | \$ 84,817 | \$ 86,851 | \$ - |
| U.S. Equities | 228,462 | 231,649 | - |
| U.S. Government Fixed Income | 223,974 | 229,057 | - |
| International Fixed Income | 10,263 | 10,816 | - |
| International Equities | 3,685 | 4,036 | - |
| Securities on Loan for Non-Cash Collateral | | | |
| U.S. Corporate Fixed Income | 1,497 | - | 1,529 |
| U.S. Equities | 229,768 | - | 242,733 |
| U.S. Government Fixed Income | 297,101 | - | 332,691 |
| International Fixed Income | 3,234 | - | 3,387 |
| International Equities | 160,497 | - | 180,222 |
| | <u>\$ 1,243,298</u> | <u>\$ 562,409</u> | <u>\$ 760,562</u> |

The following table presents the segmented time distribution for the reinvested cash collateral account based upon the expected maturity (in years) as of June 30, 2023.

| Investment Type | Fair Value | Maturities | |
|-----------------------|-------------------|-------------------|--|
| | | Less Than 1 Year | |
| Floating Rate Notes | \$ 379,128 | \$ 379,128 | |
| Commercial Paper | 16,746 | 16,746 | |
| Repurchase Agreements | 166,626 | 166,626 | |
| Payable/Receivable | (9) | (9) | |
| Total | <u>\$ 562,491</u> | <u>\$ 562,491</u> | |

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Notes to Basic Financial Statements (Continued)
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The Retirement System's exposure to credit risk in its reinvested cash collateral account as of June 30, 2023 is as follows:

| Credit Rating | Fair Value | Fair Value as a Percentage of Total |
|---------------|-------------------|-------------------------------------|
| A-1 | \$ 59,289 | 10.5% |
| AA | 128,026 | 22.8% |
| A | 208,559 | 37.1% |
| Not Rated * | 166,617 | 29.6% |
| Total | <u>\$ 562,491</u> | <u>100.0%</u> |

* This figure includes \$166,626 in repurchase agreements and \$9 in payable.

Investments in Real Assets

Real assets investments represent the Retirement System's interests in real assets limited partnerships and separate accounts. The changes in these investments during the year ended June 30, 2023, are summarized as follows:

| | |
|--------------------------------|---------------------|
| Beginning of the year | \$ 5,113,451 |
| Capital investments | 593,518 |
| Equity in net earnings | 103,109 |
| Net depreciation in fair value | (73,552) |
| Capital distributions | (528,583) |
| End of the year | <u>\$ 5,207,943</u> |

(g) Retiree Health Care Trust Fund

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The RHCTF does not have a specific policy to manage interest rate risk but invests in a diversified portfolio of stocks and bonds with a goal of reducing sensitivity to any one interest rate regime.

As of June 30, 2023, the weighted average maturities in years for the RHCTF's fixed income investments were as follows:

| Investment Type | Weighted Average Maturity in Years |
|-------------------------------------|------------------------------------|
| US Debt Index Fund | 8.7 |
| Government Bond Index Fund | 22.5 |
| Inflation Protected Debt Index Fund | 2.6 |
| Emerging Markets Debt Fund | 11.6 |
| Multi-Sector Debt Fund | 6.2 |
| City Investment Pool | 1.2 |
| Treasury Money Market Fund | 0.03 |

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Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment may not fulfill its obligations. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The RHCTF's investments in the US Debt Index Fund, Government Bond Index Fund, Inflation Protected Debt Index Fund, Emerging Markets Debt Fund, Multi-Sector Debt Fund, City investment pool and Treasury Money Market Fund are not rated. Although those funds may invest in rated securities, and securities issued or explicitly guaranteed by the U.S. Government that are exempt from the credit rating disclosures, the funds do not themselves have a specific credit rating.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. Securities issued or explicitly guaranteed by the U.S. Government are excluded from this disclosure. As of June 30, 2023, the RHCTF had only commingled funds and a partnership investment that equaled or exceeded 5% of the plan's fiduciary net position. However, there is no position within the funds or partnership investment that has equal to or greater than 5% at the issuer level and likely very little, if any, overlap.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the RHCTF would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The RHCTF does not have a specific policy addressing custodial credit risk for investments, but investments are generally insured, registered, or held by the RHCTF's custodial agent in the RHCTF's name. As of June 30, 2023, none of the RHCTF's investments were exposed to custodial credit risk because they were either insured or registered in the name of the RHCTF and were held by the custodian bank's trust department or agent. Investments in the City pool are held by the City's custodial agent and are not subject to custodial credit risk.

Foreign Currency Risk

The RHCTF allows investments in international equity. The RHCTF's investments in the commingled funds are denominated in U.S. dollars, but may consist of underlying securities that are denominated in foreign currencies. The RHCTF's investment managers value investments denominated in foreign currencies by converting them into U.S. dollars using the most appropriate exchange rates as identified by each manager. Also, the cost of purchases and proceeds from sales of investments, interest and dividend income are translated into U.S. dollars using the spot market rate of exchange prevailing on the respective dates of such transactions.

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 10.4%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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(6) PROPERTY TAXES

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

Since the passage of California's Proposition 13, beginning with fiscal year 1978-1979, general property taxes are based either on a flat 1.0% rate applied to the adjusted 1975-1976 value of the property and new construction value added after the 1975-1976 valuation or on a flat 1.0% rate of the sales price of the property for changes in ownership. Taxable values on properties (exclusive of increases related to sales and construction) can rise or be adjusted at the lesser of 2.0% per year or the inflation rate as determined by the Board of Equalization's California Consumer Price Index.

The Proposition 13 limitations on general property taxes do not limit taxes levied to pay the interest and redemption charges on any indebtedness approved by the voters prior to June 6, 1978 (the date of passage of Proposition 13). Proposition 13 was amended in 1986 to allow property taxes in excess of the 1.0% tax rate limit to fund general obligation bond debt service when such bonds are approved by two-thirds of the local voters. In 2000, California voters approved Proposition 39, which set the approval threshold at 55.0% for school facilities-related bonds. These "override" taxes for the City's debt service amounted to approximately \$354.0 million for the year ended June 30, 2023.

Taxable valuation for the year ended June 30, 2023, (net of non-reimbursable exemptions, reimbursable exemptions, and tax increment allocations to the Successor Agency) was approximately \$309.84 billion, an increase of 8.61% compared to the prior fiscal year. The secured tax rate was \$1.1797 per \$100 of assessed valuation. After adjusting for a State mandated property tax shift to schools, the tax rate is comprised of about \$0.65 for general government, about \$0.35 for other taxing entities including the San Francisco Unified School District, San Francisco County Office of Education, San Francisco Community College District, the Bay Area Air Quality Management District, and the San Francisco Bay Area Rapid Transit District, and \$0.1797 for voter-approved bond debt service for four of the taxing entities. Delinquencies in the current year on secured taxes and unsecured taxes amounted to 0.79% and 1.93%, respectively, of the current year tax levy, for an average delinquency rate of 0.85% of the current year tax levy.

As established by the Teeter Plan, the Controller allocates to the City and other agencies 100.0% of the secured annual and escape property taxes billed but not yet collected by the City; in return, as the delinquent property taxes and associated penalties and interest are collected, the City retains such tax amounts in the custodial fund. To the extent the custodial fund balances are higher than required; transfers may be made to benefit the City's General Fund on a budgetary basis. The balance of the tax loss reserve as of June 30, 2023, was \$38.0 million, which is included in the custodial fund for reporting purposes. The City has funded payment of accrued and current delinquencies, together with the required reserve, from interfund borrowing.

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(7) CAPITAL ASSETS

Primary Government

Capital asset activity of the primary government for the year ended June 30, 2023, was as follows:

| | Balance July 1, 2022 ⁽¹⁾ | Increases ⁽²⁾ | Decreases ⁽²⁾ | Balance June 30, 2023 |
|---|---|--------------------------|--------------------------|-----------------------------|
| Governmental Activities: | | | | |
| Capital assets, not being depreciated/amortized: | | | | |
| Land..... | \$ 774,213 | \$ 162,830 | \$ (250) | \$ 936,793 |
| Intangible assets..... | 906 | - | - | 906 |
| Construction in progress..... | <u>586,526</u> | <u>283,466</u> | <u>(253,665)</u> | <u>616,327</u> |
| Total capital assets, not being depreciated/amortized.. | <u>1,361,645</u> | <u>446,296</u> | <u>(253,915)</u> | <u>1,554,026</u> |
| Capital assets, being depreciated/amortized: | | | | |
| Facilities and improvements ⁽³⁾ | 6,120,159 | 147,357 | (431) | 6,267,085 |
| Machinery and equipment ⁽³⁾ | 646,323 | 22,694 | (2,710) | 666,307 |
| Infrastructure ⁽³⁾ | 1,539,804 | 90,121 | - | 1,629,925 |
| Right-to-use assets ⁽³⁾ | 626,100 | 75,093 | (31,603) | 669,590 |
| Intangible assets..... | <u>142,224</u> | <u>10,839</u> | <u>-</u> | <u>153,063</u> |
| Total capital assets, being depreciated/amortized..... | <u>9,074,610</u> | <u>346,104</u> | <u>(34,744)</u> | <u>9,385,970</u> |
| Less accumulated depreciation/amortization for: | | | | |
| Facilities and improvements ⁽³⁾ | 1,716,571 | 149,940 | (431) | 1,866,080 |
| Machinery and equipment ⁽³⁾ | 499,725 | 32,282 | (2,564) | 529,443 |
| Infrastructure ⁽³⁾ | 458,899 | 70,003 | - | 528,902 |
| Right-to-use assets ⁽³⁾ | 74,042 | 91,062 | (8,222) | 156,882 |
| Intangible assets..... | <u>45,778</u> | <u>9,282</u> | <u>-</u> | <u>55,060</u> |
| Total accumulated depreciation/amortization..... | <u>2,795,015</u> | <u>352,569</u> | <u>(11,217)</u> | <u>3,136,367</u> |
| Total capital assets, being depreciated/amortized, net. | <u>6,279,595</u> | <u>(6,465)</u> | <u>(23,527)</u> | <u>6,249,603</u> |
| Governmental activities capital assets, net..... | <u>\$ 7,641,240</u> | <u>\$ 439,831</u> | <u>\$ (277,442)</u> | <u>\$ 7,803,629</u> |

⁽¹⁾ Balance of July 1, 2022, as restated due to implementation of GASB 96 SBITAs and GASB 94 Public-Private Partnership. See Note 17 for additional information.
⁽²⁾ The increases and decreases include transfers of categories of capital assets from construction in progress to depreciable categories.
⁽³⁾ See Note 17 for additional information.

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| | Balance July 1, 2022 ⁽¹⁾ | Increases ⁽²⁾ | Decreases ⁽²⁾ | Balance June 30, 2023 |
|---|---|--------------------------|-----------------------------------|-----------------------------|
| Total Business-type Activities: | | | | |
| Capital assets, not being depreciated/amortized: | | | | |
| Land..... | \$ 353,558 | \$ 7,326 | \$ (119) | \$ 360,765 |
| Intangible assets..... | 12,043 | - | - | 12,043 |
| Construction in progress..... | <u>5,821,916</u> | <u>1,781,861</u> | <u>(2,739,353)</u> ⁽⁴⁾ | <u>4,864,424</u> |
| Total capital assets, not being depreciated/amortized.. | <u>6,187,517</u> | <u>1,789,187</u> | <u>(2,739,472)</u> | <u>5,237,232</u> |
| Capital assets, being depreciated/amortized: | | | | |
| Facilities and improvements..... | 22,878,575 | 444,913 | (16,511) | 23,306,977 |
| Machinery and equipment..... | 4,107,985 | 217,254 | (155,821) ⁽⁵⁾ | 4,169,418 |
| Infrastructure..... | 2,123,636 | 2,054,518 | (907) | 4,177,247 |
| Right-to-use assets ⁽³⁾ | 264,230 | 15,290 | (10,459) | 269,061 |
| Intangible assets..... | <u>120,709</u> | <u>3,070</u> | <u>(478)</u> | <u>123,301</u> |
| Total capital assets, being depreciated/amortized..... | <u>29,495,135</u> | <u>2,735,045</u> | <u>(184,176)</u> | <u>32,046,004</u> |
| Less accumulated depreciation/amortization for: | | | | |
| Facilities and improvements..... | 8,295,980 | 552,791 | (16,512) | 8,832,259 |
| Machinery and equipment..... | 2,158,598 | 257,912 | (152,809) ⁽⁵⁾ | 2,263,701 |
| Infrastructure..... | 848,434 | 55,263 | - | 903,697 |
| Right-to-use assets ⁽³⁾ | 32,031 | 24,712 | (10,459) | 46,284 |
| Intangible assets..... | <u>85,625</u> | <u>5,906</u> | <u>(478)</u> | <u>91,053</u> |
| Total accumulated depreciation/amortization..... | <u>11,420,668</u> | <u>896,584</u> | <u>(180,258)</u> | <u>12,136,994</u> |
| Total capital assets, being depreciated/amortized, net. | <u>18,074,467</u> | <u>1,838,461</u> | <u>(3,918)</u> | <u>19,909,010</u> |
| Business-type activities capital assets, net..... | <u>\$ 24,261,984</u> | <u>\$ 3,627,648</u> | <u>\$ (2,743,390)</u> | <u>\$ 25,146,242</u> |

⁽¹⁾ Balance of July 1, 2022, as restated due to implementation of GASB 96 SBITAs. See Note 17 for additional information.
⁽²⁾ The increases and decreases include transfers of categories of capital assets from construction in progress to depreciable categories.
⁽³⁾ See Note 17 for additional information.
⁽⁴⁾ For fiscal year 2023, decreases in construction in progress were higher than increases to the total capital assets primarily due to \$41.1 million in capital project write-offs.
⁽⁵⁾ The decreases include equipment transfers between departments.

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Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

| | |
|--|-------------------|
| Governmental Activities: | |
| Public protection..... | \$ 31,293 |
| Public works, transportation and commerce..... | 95,621 |
| Human welfare and neighborhood development..... | 26,898 |
| Community health..... | 55,034 |
| Culture and recreation..... | 60,930 |
| General administration and finance..... | 68,031 |
| Capital assets held by the City's internal service funds charged to the various functions on a prorated basis..... | <u>14,762</u> |
| Total depreciation/amortization expense - governmental activities..... | <u>\$ 352,569</u> |
| Business-type Activities: | |
| Airport..... | \$ 355,475 |
| Water..... | 155,714 |
| Power..... | 24,671 |
| Transportation..... | 229,262 |
| Hospitals..... | 28,151 |
| Wastewater..... | 78,039 |
| Port..... | <u>25,272</u> |
| Total depreciation/amortization expense - business-type activities..... | <u>\$ 896,584</u> |

Equipment is generally estimated to have useful lives of 2 to 40 years, except for certain equipment of the Water Enterprise that has an estimated useful life of up to 75 years. Facilities and improvements are generally estimated to have useful lives from 15 to 50 years, except for utility type assets of the Water Enterprise, Hetch Hetchy, the Wastewater Enterprise, the SFMTA, and the Port that have estimated useful lives from 51 to 175 years. These long-lived assets include reservoirs, aqueducts, pumping stations of Hetch Hetchy, Cable Car Barn facilities and structures of SFMTA, and pier substructures of the Port, which totaled \$5.37 billion as of June 30, 2023. Hetch Hetchy Water had intangible assets of water rights having estimated useful lives from 51 to 100 years, which totaled \$45.6 million as of June 30, 2023. The Airport had \$6.9 million in intangible assets of permanent easements. In addition, the Water Enterprise had utility type assets with useful lives over 100 years, which totaled \$6.8 million as of June 30, 2023.

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Component Unit

Capital asset activity of the component unit for the year ended June 30, 2023, was as follows:

| | Balance July 1, 2022 | Increases | Decreases | Balance June 30, 2023 |
|---|----------------------------|------------------|--------------------|-----------------------------|
| Treasure Island Development Authority: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land..... | \$ 34,344 | \$ - | \$ - | \$ 34,344 |
| Construction in progress..... | 13,093 | 1,995 | (14,586) | 502 |
| Total capital assets, not being depreciated..... | <u>47,437</u> | <u>1,995</u> | <u>(14,586)</u> | <u>34,846</u> |
| Capital assets, being depreciated: | | | | |
| Facilities and improvements..... | 4,844 | - | - | 4,844 |
| Machinery and equipment..... | 36 | - | - | 36 |
| Infrastructure..... | 6,854 | 14,586 | - | 21,440 |
| Total capital assets, being depreciated..... | <u>11,734</u> | <u>14,586</u> | <u>-</u> | <u>26,320</u> |
| Less accumulated depreciation for: | | | | |
| Facilities and improvements..... | 514 | 109 | - | 623 |
| Machinery and equipment..... | 35 | 1 | - | 36 |
| Infrastructure..... | - | 2,481 | - | 2,481 |
| Total accumulated depreciation..... | <u>549</u> | <u>2,591</u> | <u>-</u> | <u>3,140</u> |
| Total capital assets, being depreciated, net..... | <u>11,185</u> | <u>11,995</u> | <u>-</u> | <u>23,180</u> |
| Component unit capital assets, net..... | <u>\$ 58,622</u> | <u>\$ 13,990</u> | <u>\$ (14,586)</u> | <u>\$ 58,026</u> |

During the year ended June 30, 2023, TIDA recorded construction in progress for the building improvements. The Southgate Road project was completed in fiscal year 2022-23. For the overall Treasure Island Development Project, construction began in late 2018, with the complete buildout of the project occurring over fifteen to twenty years. For additional information, refer to Note 15.

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(8) BONDS, LOANS, LEASES AND OTHER PAYABLES

The changes in short-term obligations for governmental and business-type activities for the year ended June 30, 2023, are as follows:

| Commercial Paper | July 1, 2022 | Additional Obligation | Current Maturities | June 30, 2023 |
|---|-------------------|--------------------------|-----------------------|------------------|
| Governmental activities: | | | | |
| Multiple Capital Projects..... | \$ 29,771 | \$ 240,491 | \$ (231,472) | \$ 38,790 |
| Governmental activities short-term obligations.. | <u>\$ 29,771</u> | <u>\$ 240,491</u> | <u>\$ (231,472)</u> | <u>\$ 38,790</u> |
| Business-type activities: | | | | |
| San Francisco International Airport *..... | \$ 85,975 | \$ 417,250 | \$ - | \$503,225 |
| San Francisco Water Enterprise**..... | 206,297 | 371,459 | (206,297) | 371,459 |
| Hetch Hetchy Water and Power***..... | 40,019 | 116,352 | (40,019) | 116,352 |
| San Francisco Wastewater Enterprise..... | 379,157 | - | (379,157) | - |
| Business-type activities short-term obligations.. | <u>\$ 711,448</u> | <u>\$ 905,061</u> | <u>\$ (625,473)</u> | <u>\$991,036</u> |

* The \$503.2 million in outstanding CP by the Airport includes \$497.8 million CP that was repaid by the Series 2023CD bonds that were issued in November 2023. The \$497.8 million CP has been reclassified to long-term debt in the financial statements as of June 30, 2023.

** The \$371.5 million outstanding CP by the Water Enterprise was repaid by the Series 2023AB bonds that were issued in July 2023. The \$371.5 million CP has been reclassified to long-term debt in the financial statements as of June 30, 2023.

*** The \$116.4 million outstanding CP by the Hetch Hetchy Water and Power Enterprise was repaid by the Series 2023A bonds that were issued in October 2023. The \$116.4 million CP has been reclassified to long-term debt in the financial statements as of June 30, 2023.

City and County of San Francisco Commercial Paper Program

The City launched a commercial paper (CP) program to pay for project costs in connection with the acquisition, improvement, renovation and construction of real property and the acquisition of capital equipment and vehicles (Resolution No. 85-09) in March 2009, when the Board of Supervisors established a \$150.0 million commercial paper program. Pursuant to Resolution 247-13, the authorization of the commercial paper program was increased from \$150.0 million to \$250.0 million in July 2013. The City currently has revolving credit agreements (RCA) supporting the \$250.0 million program.

CP is an alternative form of short-term (or interim) financing for certain capital projects, vehicles and equipment, that permits the City to pay project costs as project expenditures are incurred. The CP has a fixed maturity date from one to 270 days and in the City's general practice, matures between 14 to 90 days. On the maturity date of a CP note, the note may be rolled (or refinanced) with the re-issuance of CP notes for additional periods of up to 270 days until the CP is refunded with the issuance of long-term obligations.

The City issues CP in series based on the bank providing the applicable credit facility. The City's CP program has had several credit facilities, which included two RCAs issued by State Street Bank and Trust Company (State Street Bank) and U.S. Bank National Association, that supported the issuance of Commercial Paper Certificates of Participation Series 1&2 (Series 1&2). In March 2023, the two RCAs supporting Series 1&2 were replaced by an RCA issued by Wells Fargo Bank (WFB RCA) in the maximum principal and interest commitment not to exceed \$150.0 million and \$13.5 million, respectively. The WFB RCA will only support the Commercial Paper Certificates of Participation Series 2 and it will not support in any respect the payment of the principal of and interest with respect to any

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Series 1/1-T Commercial Paper Certificates. Additionally, no letter of credit, revolving line of credit, or similar facility established by any bank or financial institution with respect to any other obligation of the City is anticipated to be available in any respect to pay the principal of and interest with respect to any Series 1/1-T Commercial Paper Certificates. The WFB RCA stipulates a quarterly commitment fee of 0.25%, on the maintenance of ratings of at least "AA+" by Fitch, "AA+" by S&P, and "Aa1" by Moody's. The WFB RCA is scheduled to expire on March 30, 2026.

The Commercial Paper Certificates of Participation Series 3 (Series 3) is supported by an RCA with Bank of the West (BOTW RCA), in the maximum principal and interest commitment not to exceed \$100.0 million and \$9.0 million, respectively. The BOTW RCA stipulates a semiannual commitment fee of 0.12%, on the maintenance of ratings at least "AA-" by Fitch, "AA-" by S&P, and "Aa3" by Moody's. The BOTW RCA is scheduled to expire on April 30, 2026.

In fiscal year 2023, the City issued \$240.5 million and retired \$231.5 million of CP notes to provide interim financing for the development, acquisition, construction or rehabilitation of affordable rental housing projects; to finance and refinance capital projects at certain HOPE SF properties; to fund approved capital improvement projects, including but not limited to certain projects generally known as the Homeless Services Center, Laguna Honda Hospital Wings Reuse Project, and AITC Immunization and Travel Clinic Relocation; to finance critical repairs, renovations and improvements to City-owned buildings, facilities and works utilized by various City departments; to provide financing for the acquisition of police vehicles; and to finance and refinance improvement and equipping of certain existing real property including the existing Hall of Justice facilities and related facilities. As of June 30, 2023, the outstanding principal of taxable and tax-exempt CP of governmental activities was \$20.1 million and \$18.7 million with an interest rate of 5.25% and 3.20%, respectively.

Events of default under the RCA for Commercial Paper Series 2, consist of failure by the City to pay any Reimbursement Obligation or interest thereon to the Bank; failure by the City to perform certain covenants, including the failure to make rental payments under the Sublease, which is an agreement by which the City is obligated to make annual rental payments to a trustee by leasing back City-owned property from the trustee; the City fails to make payment on any other Special Lease Obligation Debt; City files for bankruptcy or has certain types of involuntary cases or proceedings filed against it that remain undismissed or unstayed for 60 days; a non-appealable judgment or legislation or order or decree invalidates the Agreement or Certificates; City is downgraded below investment grade; City sustains unsatisfied judgment of \$25.0 million or more. Upon the occurrence and during the continuance of an Event of Default, advances and all other amounts outstanding under the credit facility shall bear interest at the default rate, the Commitment shall automatically and immediately terminate with respect to all outstanding Certificates and the Bank's obligation to make any Revolving Loan or Advances shall terminate; the Bank may exercise any other rights or remedies available by law or under contract. The RCA for Series 2 has no acceleration provision.

Events of default under the RCA for Commercial Paper Series 3, consist of failure by the City to pay any Reimbursement Obligation to the Bank; failure by the City to perform certain covenants, including the failure to make rental payments under the Sublease, which is an agreement by which the City is obligated to make annual rental payments to a trustee by leasing back City-owned property from the trustee; the City fails to make payment on any other material debt; City or trustee files for bankruptcy or has certain types of involuntary cases or proceedings filed against it that remain undismissed or unstayed for 60 days; City is downgraded below "BBB+/Baa1"; City sustains unsatisfied judgment of \$25.0 million or more; the IRS declares the interest taxable with respect to any Certificate issued as tax-exempt; any governmental authority of appropriate jurisdiction declares a moratorium with respect to any of the debt of the City. Upon the occurrence of an event of default under the RCA, the Credit Bank may terminate the RCA. No additional Certificates shall be issued, the available Commitment shall immediately be reduced to the then outstanding principal amount of Certificates, and the available Commitment shall further be reduced in a similar manner as and when such Certificates mature. Revolving Bank Certificate, and some or all of Reimbursement Obligations or other Obligations may be converted to Term Loans at the Default Rate. For any special event of default, the RCA shall

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automatically and immediately terminate with respect to all outstanding Certificates and the Bank shall have no obligation to make any revolving loan. The RCA for Series 3 has no acceleration provision.

San Francisco International Airport

In May 1997, the Airport adopted Resolution No. 97-0146, as amended, and supplemented (the 1997 Note Resolution), authorizing the issuance of subordinate CP notes in an aggregate principal amount not to exceed the lesser of \$600.0 million or the stated amount of the letter(s) of credit (LOC) securing the CP.

The Airport issues CP in series based on tax status that are divided into subseries according to the bank providing the applicable direct-pay LOC. In addition to the applicable LOC, the CP notes are further secured by a pledge of the Net Revenues of the Airport, subject to the prior payment of the Airport's Second Series Revenue Bonds (the Senior Bonds) outstanding from time to time under Resolution No. 91-0210, adopted by the Airport on December 3, 1991, as amended and supplemented (the 1991 Master Bond Resolution).

Net Revenues are generally defined in the 1997 Note Resolution as all revenues earned by the Airport from or with respect to its construction, possession, management, supervision, maintenance, extension, operation, use and control of the Airport (not including certain amounts specified in the 1997 Note Resolution), less Operation and Maintenance Expenses (as defined in the 1997 Note Resolution).

The CP notes are special, limited obligations of the Airport, and the payment of the principal of and interest on the CP notes is secured by a pledge of, lien on and security interest in the Net Revenues and amounts in the funds and accounts as provided in the 1997 Note Resolution, subject to the prior payment of principal of and interest on the Senior Bonds. The CP notes are secured on a parity with any other bonds or other obligations from time to time outstanding under the 1997 Note Resolution.

As of June 30, 2023, the CP program was supported by six direct-pay LOC with a combined maximum stated principal amount of \$600.0 million, from State Street Bank and Trust Company (\$100.0 million, expires May 2, 2024), Sumitomo Mitsui Banking Corporation, acting through its New York Branch (\$100.0 million, expires April 7, 2027), Barclays Bank PLC (\$100.0 million, expires May 24, 2024), Sumitomo Mitsui Banking Corporation, acting through its New York Branch (\$100.0 million, expires June 6, 2028), Barclays Bank PLC (\$125.0 million, expires April 23, 2027), and Bank of America, N.A. (\$75.0 million, expires May 4, 2026). Each of the LOC supports a separate subseries of CP notes.

The following table summarizes CP activity during the year ended June 30, 2023:

| Commercial Paper | Interest rate | July 1, 2022 | Increases | Decreases | June 30, 2023 |
|--|---------------|------------------|------------------|-------------|-------------------|
| Commercial paper (Taxable) - short-term... | 3.50% - 5.45% | \$ 2,700 | \$ 2,750 | \$ - | \$ 5,450 |
| Commercial paper (AMT) - long-term..... | 2.32% - 3.42% | 65,225 | 392,000 | - | 457,225 |
| Commercial paper (Non-AMT) - long-term.. | 2.42% - 3.35% | 18,050 | 22,500 | - | 40,550 |
| Total | | <u>\$ 85,975</u> | <u>\$417,250</u> | <u>\$ -</u> | <u>\$ 503,225</u> |

The table presents the CP notes' net increase and decrease activity during the fiscal year 2022-23. This excludes the issuance of CP notes to repay maturing CP notes.

As of June 30, 2023, the Airport had \$503.2 million in outstanding CP including \$497.8 million that was repaid by Series 2023CD bonds that were issued in November 2023. The \$497.8 million has been reclassified to long-term debt in the financial statements as of June 30, 2023. See Note 19 Subsequent Events.

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As of June 30, 2023, there were no obligations other than the CP notes outstanding under the 1997 Note Resolution.

During fiscal year 2022-23, the Airport issued new money CP notes in the aggregate principal amount of \$392.0 million (AMT), \$22.5 million (Non-AMT), and \$2.8 million (Taxable) to fund capital improvement projects.

Events of default for the CP notes include nonpayment events, bankruptcy events, noncompliance with covenants, and default under the 1991 Master Bond Resolution. The CP notes are not subject to acceleration.

Events of default with respect to the LOC supporting the CP notes include nonpayment events (both on CP notes and Senior Bonds), bankruptcy events, noncompliance with covenants, default on debt in excess of a specified threshold amount, default under the 1997 Note Resolution, or a determination of taxability of interest on the tax-exempt CP notes. A downgrade of the Airport's Senior Bonds to below "Baa1" by Moody's or "BBB+" by S&P or Fitch is an event of termination with respect to all of the LOC supporting the CP notes. In addition, the State Street Bank and Trust LOC supporting \$100.0 million of CP notes includes certain changes in law affecting the Airport's payment obligations to the bank as events of termination. Remedies include the LOC bank's ability to stop issuance of the CP notes it supports and to require a final drawing on the LOC. If not repaid when due, drawings under the respective LOC supporting the CP notes are amortized over a three-, four- or five-year period.

San Francisco Water Enterprise

The San Francisco Public Utilities Commission and the Board of Supervisors have authorized the issuance of up to \$500.0 million in CP pursuant to the voter-approved 2002 Proposition E. As of June 30, 2023, the amount outstanding under Proposition E was \$371.5 million. CP interest rates ranged from 1.2% to 5.3%. With maturities up to 270 days, the Water Enterprise intends to maintain the program by remarketing the CP upon maturity over the near-to-medium term, at which time outstanding CP will likely be refunded with revenue bonds. This is being done to take advantage of the continued low interest rate environment. If the CP interest rates rise to a level that exceeds these benefits, the Water Enterprise will refinance the CP with long-term, fixed rate debt. The Water Enterprise had \$128.5 million in unused authorization as of June 30, 2023.

As of June 30, 2023, the Water Enterprise had \$371.5 million in outstanding CP which was repaid by the 2023 Series AB Water Revenue Bonds issued in July 2023. The \$371.5 million CP has been reclassified to long-term debt in the financial statements as of June 30, 2023. See Note 19 Subsequent Events.

Events of default as specified in the Reimbursement Agreements, or Revolving Credit Agreement include payment defaults; material breach of warranty, representation, or other non-remedied breach of covenants as specified in the respective agreements (not cured within applicable grace periods); and bankruptcy and insolvency events, which may result in all outstanding obligations to be immediately due and payable (unless waived by the respective Bank, if applicable); or issuance of a No-Issuance Notice, reduction in credit to outstanding amounts plus interest coverage, and/or termination of the respective agreement. As of June 30, 2023, there were no such events described herein.

Hetch Hetchy Water and Power

Effective March 2019, under Charter Sections 9.107(6) and 9.107(8), and 2018 Proposition A, the San Francisco Public Utilities Commission and Board of Supervisors authorized the issuance of up to \$250.0 million in CP for the purpose of reconstructing, replacing, expanding, repairing or improving power facilities of Hetchy Power. Interest rates for the CP ranged from 1.1% to 3.2% in fiscal year 2022-23. Hetch Hetchy Water and Power had \$116.4 million CP outstanding and \$133.6 million in unused authorization as of June 30, 2023.

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As of June 30, 2023, The Hetch Hetchy Water and Power had \$116.4 million CP which was repaid by the 2023 Series A bonds issued in October 2023. The \$116.4 million CP has been reclassified to long-term debt in the financial statements as of June 30, 2023. See Note 19 Subsequent Events.

Events of default as specified in the Reimbursement Agreements include non-payment; material breach of warranty, representation, or other non-remedied breach of covenants as specified in the respective agreements; and bankruptcy, which may result in all outstanding obligations to be immediately due and payable (unless waived by the respective Bank, if applicable); or issuance of a No-Issuance Notice, reduction in credit to outstanding amount plus interest coverage, and/or termination of the respective agreement. As of June 30, 2023, there were no such events described herein.

San Francisco Wastewater Enterprise

Under the voter-approved 2002 Proposition E, the San Francisco Public Utilities Commission and Board of Supervisors authorized the issuance of up to \$750.0 million in CP for the purpose of reconstructing, expanding, repairing, or improving the Wastewater Enterprise's facilities. The Wastewater Enterprise has no CP outstanding as of June 30, 2023.

Significant events of default as specified in the Reimbursement Agreements, Revolving Credit and Term Loan Agreements or Revolving Credit Agreements include payment defaults, material breach of warranty, representation, or other non-remedied breach of covenants as specified in the respective agreements (not cured within applicable grace periods), bankruptcy and insolvency events, which may result in all outstanding obligations to be immediately due and payable (unless waived by the respective Bank, if applicable); or issuance of a No-Issuance Notice, reduction in credit to outstanding amount plus interest coverage, and/or termination of the respective agreement. As of June 30, 2023, there were no such events described herein.

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Long-Term Obligations

The following is a summary of long-term obligations of the City as of June 30, 2023:

GOVERNMENTAL ACTIVITIES

| Type Of Obligation and Purpose | Final Maturity Date | Remaining Interest Rates | Amount |
|---|---------------------|--------------------------|---------------------|
| GENERAL OBLIGATION BONDS ^(a): | | | |
| Affordable housing | 2048 | 0.396% - 6.00% | \$ 421,865 |
| Earthquake safety and emergency response..... | 2046 | 2.25% - 5.00% | 315,685 |
| Clean and safe neighborhood parks | 2037 | 2.00% - 6.26% | 86,025 |
| Health and recovery | 2048 | 4.00% - 5.00% | 193,180 |
| Preservation and seismic safety (PASS) program | 2060 | 0.616% - 4.321% | 162,280 |
| Public health and safety | 2045 | 3.00% - 5.00% | 205,125 |
| Road repaving and street safety | 2035 | 2.25% - 5.00% | 30,095 |
| San Francisco General Hospital..... | 2030 | 5.30% - 6.26% | 117,950 |
| Seismic safety loan program | 2031 | 3.36% - 5.83% | 12,173 |
| Transportation and road improvement | 2046 | 2.00% - 5.00% | 302,655 |
| Refunding | 2035 | 4.00% - 5.00% | 740,765 |
| General obligation bonds | | | <u>2,587,798</u> |
| LEASE REVENUE BONDS: | | | |
| San Francisco Finance Corporation ^{(b), (e) & (f)} | 2030 | 2.20% - 5.00% * | 83,085 |
| SALES TAX REVENUE BONDS | | | |
| SFCTA revenue bonds ^(g) | 2034 | 3.00% - 4.00% | 194,185 |
| CERTIFICATES OF PARTICIPATION: | | | |
| Certificates of participation ^{(c) & (d)} | 2050 | 2.00% - 5.00% | 1,102,005 |
| SPECIAL TAX BONDS: | | | |
| Development special tax bonds ^(h) | 2052 | 3.00% - 5.25% | 106,230 |
| INCREMENT TAX BONDS: | | | |
| Tax increment revenue bonds ⁽ⁱ⁾ | 2053 | 5.00% | 29,390 |
| OTHER LONG-TERM OBLIGATIONS: | | | |
| Loans ^{(d), (f)} | 2045 | 4.50% | 19,900 |
| Lease purchase - Public Safety Radio Replacement ^(g) | 2027 | 1.6991% | 12,619 |
| Governmental activities total long-term obligations..... | | | <u>\$ 4,135,212</u> |

* Includes the Moscone Center West Expansion Project Refunding Bonds Series 2008-1 & 2, both of which were financed with variable rate bonds that reset weekly. The rate at June 30, 2023 for Series 2008-1 & 2 averaged 2.20%.

Debt service payments are made from the following sources:

- (a) Property tax recorded in the Debt Service Fund.
- (b) Lease revenues from participating departments in the General and Special Revenue Funds.
- (c) Revenues recorded in the Special Revenue Funds.
- (d) Revenues recorded in the General Fund.
- (e) Hotel taxes and other revenues recorded in the General and Special Revenue Funds.
- (f) User-charge reimbursements from the General and Special Revenue Funds.
- (g) Sales tax revenues by the San Francisco County Transportation Authority.
- (h) Certain tax increment revenue by Infrastructure Financing District and special tax revenue by Special Tax District.
- (i) Tax increment revenue by the Infrastructure and Revitalization Financing District.

Internal Service Funds serve primarily the governmental funds. Accordingly, long-term liabilities for the Internal Service Funds are included in the above amounts.

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BUSINESS-TYPE ACTIVITIES

| Entity and Type of Obligation | Final Maturity Date | Remaining Interest Rates | Amount |
|---|---------------------------|--------------------------------|----------------------|
| San Francisco International Airport: | | | |
| Revenue bonds * | 2058 | 1.98% - 5.50%* | \$ 8,049,665 |
| San Francisco Water Enterprise: | | | |
| Revenue bonds | 2051 | 0.26% - 6.95% | 4,459,365 |
| Certificates of participation | 2042 | 2.00% - 6.49% | 92,499 |
| State Revolving fund loans | 2051 | 1.00% - 1.10% | 163,627 |
| Hetch Hetchy Water and Power: | | | |
| Energy and revenue bonds | 2052 | 3.00% - 5.00% | 162,984 |
| Certificates of participation | 2042 | 2.00% - 6.49% | 12,593 |
| Municipal Transportation Agency: | | | |
| Revenue bonds | 2051 | 0.389% - 5.00% | 430,365 |
| Loans | 2047 | 3.30% | 10,934 |
| San Francisco General Hospital: | | | |
| Certificates of participation | 2026 | 5.55% | 5,388 |
| San Francisco Wastewater Enterprise: | | | |
| Revenue bonds | 2052 | 1.00% - 5.82% | 2,397,670 |
| Revenue notes | 2027 | 1.00% | 347,465 |
| Certificates of participation | 2042 | 2.00% - 6.49% | 24,458 |
| State Revolving fund loans | 2056 | 0.80% - 1.80% | 318,689 |
| WIFIA Loans | 2059 | 1.45% | 122,357 |
| Port of San Francisco: | | | |
| Revenue bonds | 2044 | 1.79% - 5.0% | 38,490 |
| Certificates of participation | 2043 | 4.75% - 5.25% | 24,765 |
| Loans | 2037 | 4.50% | 6,229 |
| Laguna Honda Hospital: | | | |
| Certificates of participation | 2031 | 3.00% - 5.00% | 63,120 |
| Business-type activities total long-term obligations | | | \$ 16,730,663 |

* Includes Second Series Revenue Bonds Issue 2018B and 2018C, which were issued as variable rate bonds in a weekly model. For the year ended June 30, 2023, the average interest rates on Issue 2018B and 2018C, were 1.99% and 2.03%, respectively.

Sources of funds to meet debt service requirements are revenues derived from user fees and charges for services recorded in the respective enterprise funds.

Debt Compliance

The City believes it's in compliance with all significant limitations and restrictions contained in the various bond indentures.

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Legal Debt Limit and Legal Debt Margin

As of June 30, 2023, the City's general obligation bond debt limit (3% of valuation subject to taxation) was \$9.96 billion. The total amount of debt applicable to the debt limit was \$2.84 billion. The resulting legal debt margin was \$7.12 billion.

Arbitrage

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after August 31, 1986, is subject to arbitrage rebate requirements. The requirements stipulate, in general, that the actual earnings from the investment of tax-exempt bond proceeds, which exceed related interest earnings if such investments were invested at a rate equal to the yield of the bonds, must be remitted to the Federal government on every fifth anniversary of each bond issuance. The City has evaluated each series of tax-exempt general obligation bonds, lease revenue bonds, and certificates of participation, and other direct loans issued by the City and the Finance Corporation. The City has recognized an arbitrage liability of \$3.1 million, and the Finance Corporation does not have an arbitrage liability as of June 30, 2023. Each enterprise fund has performed a similar analysis of its debt which was subject to arbitrage rebate requirements. Any material arbitrage liability related to the debt of the enterprise funds has been recorded as a liability in the respective fund.

Conduit Debt Obligations

Mortgage Revenue Bonds

The City, through the Mayor's Office of Housing and Community Development and the former San Francisco Redevelopment Agency has issued various mortgage revenue bonds for the financing of multifamily rental housing and to facilitate affordable housing construction and rehabilitation in the City. These obligations were issued on behalf of various property owners and developers who retain full responsibility for the payment of the debt. These bonds are secured by the related project revenues and other sources of funds, and are not considered obligations of the City. No commitments beyond the maintenance of the tax-exempt status of the conduit debt obligation were extended by the City for any of the mortgage revenue bonds. As of June 30, 2023, the total obligation outstanding was \$2.20 billion.

San Francisco International Airport Special Facilities Lease Revenue Bonds

In February 2019, the Airport issued San Francisco International Airport Special Facilities Lease Revenue Bonds (SFO FUEL COMPANY LLC), Series 2019A (AMT) and Series 2019B (Federally Taxable) (Fuel Bonds), in an aggregate principal amount of \$125.0 million to refund all of the then-outstanding special facilities lease revenue bonds previously issued by the Airport for the benefit of SFO FUEL COMPANY LLC (SFO Fuel), finance capital improvements to the jet fuel distribution and related facilities at San Francisco International Airport, pay capitalized interest on a portion of the Series 2019A Bonds, make a deposit to a reserve account for the Fuel Bonds, and pay costs of issuance. As of June 30, 2023, the outstanding balance was \$96.7 million. The 2019 Fuel Bonds have a final maturity of January 1, 2047.

SFO Fuel, a special purpose limited liability company formed by certain airlines operating at the Airport, is required to pay facilities rent to the Airport pursuant to a lease agreement between the Airport and SFO Fuel with respect to the on-Airport jet fuel distribution facilities in an amount equal to debt service payments on the Fuel Bonds and any required bond reserve account deposits. The principal and interest on the Fuel Bonds are paid solely from the facilities rent payable by SFO Fuel to the Airport. The lease payments, and therefore the Fuel Bonds, are payable from charges imposed by SFO Fuel on air carriers for into-plane fueling at the Airport and are not payable from or secured by the Net Revenues of the Airport. The Airport assigned its right to receive the facilities rent to the Fuel Bonds trustee to pay and secure the payment of the Fuel Bonds. Neither the Airport nor the City is obligated

CITY AND COUNTY OF SAN FRANCISCO
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in any manner for the repayment of the Fuel Bonds other than from the facilities rent received from SFO Fuel.

Community Facilities Districts and Special Tax Districts Bonds

Community Facilities District No. 2014-1 (Transbay Transit Center)

The following is a summary of long-term obligations of the City and County of San Francisco Community Facilities District No. 2014-1 (CFD 2014-1) as of June 30, 2023:

| Bonds | Remaining Interest Rates | Final Maturity Date | Amount |
|--------------------------------|--------------------------|---------------------|-------------------|
| Special Tax Bonds Series 2017A | 2.750% - 4.00% | 2049 | \$ 34,710 |
| Special Tax Bonds Series 2017B | 2.750% - 4.00% | 2049 | 164,865 |
| Special Tax Bonds Series 2019A | 3.038% - 4.25% | 2050 | 32,485 |
| Special Tax Bonds Series 2019B | 3.028% - 4.371% | 2050 | 151,975 |
| Special Tax Bonds Series 2020B | 1.683% - 3.572% | 2051 | 80,060 |
| Special Tax Bonds Series 2021B | 0.645% - 3.482% | 2051 | 33,450 |
| Special Tax Bonds Series 2022A | 5.00% | 2053 | 31,190 |
| Special Tax Bonds Series 2022B | 4.798% - 6.332% | 2052 | 47,380 |
| Total obligations | | | <u>\$ 576,115</u> |

In December 2022, the City, on behalf of the City and County of San Francisco Community Facilities District No. 2014-1 (CFD 2014-1) issued Special Tax Bonds, Series 2022A (Tax-Exempt) and Series 2022B (Federally Taxable – Green Bonds) in the par amounts of \$31.2 million and \$47.4 million, respectively. The 2022A Bonds were issued to fund streetscape and pedestrian improvements around the Salesforce Transit Center, acquisition of transit vehicles, and enhancements at BART Embarcadero Station. The 2022B Bonds were issued to fund planning, design, engineering, right of way acquisition and construction of certain capital improvements that are part of the Transbay Program's Downtown Rail Extension. The 2022A Bonds bear an interest rate of 5.0%, with principal amortizing from September 1, 2023, through September 1, 2052. The 2022B Bonds bear interest rates ranging from 4.798% to 6.332%, with principal amortizing from September 1, 2023, through September 1, 2051.

The Special Tax Bonds of CFD 2014-1 are secured under the provisions of a Fiscal Agent Agreement and will be payable solely from Special Tax Revenues and funds pledged under that agreement. These bonds are not payable from any revenues or assets of the City. Neither the faith and credit nor the taxing power of the City, the State, or any political subdivision thereof are pledged for the payment of the principal or interest on Special Tax Bonds of CFD 2014-1.

Community Facilities District No. 2016-1 (Treasure Island)

The following is a summary of long-term obligations of the City and County of San Francisco Community Facilities District No. 2016-1 (CFD 2016-1) as of June 30, 2023:

| Bonds | Remaining Interest Rates | Final Maturity Date | Amount |
|--|--------------------------|---------------------|------------------|
| Improvement Area No.1 Special Tax Bonds Series 2020 | 3.00% - 4.00% | 2051 | \$ 16,825 |
| Improvement Area No.1 Special Tax Bonds Series 2021 | 4.00% | 2052 | 41,340 |
| Improvement Area No.2 Special Tax Bonds Series 2022A | 4.00% | 2053 | 25,130 |
| Total obligations | | | <u>\$ 83,295</u> |

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The Special Tax Bonds of CFD 2016-1 Improvement Area No. 1 and Improvement Area No. 2 were issued in order to finance infrastructure and development costs for the Treasure Island/Yerba Buena Island Development Project. The bonds are secured under the provisions of their respective Fiscal Agent Agreements and will be payable solely from Special Tax Revenues and funds pledged under those agreements. These bonds are not payable from any revenues or assets of the City. Neither the faith and credit nor the taxing power of the City, the State, or any political subdivision thereof are pledged for the payment of the principal or interest on Special Tax Bonds of CFD 2016-1.

Changes in Long-Term Obligations

The changes in long-term obligations for the year ended June 30, 2023, are as follows:

| | Restated July 1, 2022 | Additional Obligations, and Net Increases | Current Maturities, Retirements, and Net Decreases | June 30, 2023 | Amounts Due Within One Year |
|--|-----------------------|---|--|---------------------|-----------------------------|
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 2,625,533 | \$ 238,585 | \$ (276,320) | \$ 2,587,798 | \$ 179,681 |
| Lease revenue bonds | 96,340 | - | (13,255) | 83,085 | 14,455 |
| Sales tax revenue bonds | 208,310 | - | (14,125) | 194,185 | 14,545 |
| Certificates of participation | 1,140,925 | - | (38,920) | 1,102,005 | 40,985 |
| Special tax bonds* | 106,230 | - | - | 106,230 | - |
| Increment tax bonds | - | 29,390 | - | 29,390 | 465 |
| Subtotal | 4,177,338 | 267,975 | (342,620) | 4,102,693 | 250,131 |
| Issuance premiums: | | | | | |
| Add: unamortized premiums* | 403,789 | 6,364 | (27,785) | 382,368 | - |
| Total bonds payable, net | 4,581,127 | 274,339 | (370,405) | 4,485,061 | 250,131 |
| Loans | 20,418 | - | (518) | 19,900 | 542 |
| Others | 16,089 | - | (3,470) | 12,619 | 3,530 |
| Accrued vacation and sick leave pay | 243,885 | 166,974 | (164,617) | 246,242 | 128,356 |
| Accrued workers' compensation | 359,835 | 86,314 | (68,359) | 377,790 | 72,304 |
| Estimated claims payable | 296,919 | 182,206 | (63,439) | 415,686 | 155,464 |
| Lease liabilities | 511,317 | 74,057 | (89,178) | 496,196 | 62,481 |
| Subscription liabilities ** | 44,098 | 1,036 | (9,796) | 35,338 | 14,337 |
| Arbitrage rebate liability | - | 3,074 | - | 3,074 | 3,074 |
| Governmental activities long-term obligations .. | <u>\$ 6,073,688</u> | <u>\$ 788,000</u> | <u>\$ (769,782)</u> | <u>\$ 6,091,906</u> | <u>\$ 690,219</u> |

* Restated 7/1/2022 balance due to change of reporting entity for Mission Rock Special Tax District

**Restated 7/1/2022 balance due to implementation of GASB 96 - Subscription-Based Information Technology Arrangements (SBITAs)

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| | Restated July 1, 2022 | Additional Obligations, and Net Increases | Current Maturities, Retirements, and Net Decreases | June 30, 2023 | Amounts Due Within One Year |
|--|-----------------------------|--|--|------------------|--------------------------------------|
| Business-type Activities: | | | | | |
| Bonds payable: | | | | | |
| Revenue bonds | \$ 15,027,450 | \$ 1,353,375 | \$ (881,270) | \$ 15,499,555 | \$ 267,525 |
| Revenue notes | 347,465 | - | - | 347,465 | - |
| Clean renewable energy bonds | 40,956 | - | (1,972) | 38,984 | 710 |
| Certificates of participation | 236,940 | - | (14,117) | 222,823 | 14,073 |
| Subtotal | 15,652,811 | 1,353,375 | (897,359) | 16,108,827 | 282,308 |
| Issuance premiums / discounts: | | | | | |
| Add: unamortized premiums | 1,528,556 | 200,058 | (113,636) | 1,614,978 | - |
| Less: unamortized discounts | (130) | - | 15 | (115) | - |
| Total bonds payable, net | 17,181,237 | 1,553,433 | (1,010,980) | 17,723,690 | 282,308 |
| Commercial paper notes - long-term * | - | 985,586 | - | 985,586 | - |
| Notes, loans, and other payables | 442,353 | 182,734 | (3,251) | 621,836 | 3,333 |
| Accrued vacation and sick leave pay | 165,036 | 70,908 | (70,558) | 165,386 | 89,830 |
| Accrued workers' compensation | 253,294 | 83,459 | (60,707) | 276,046 | 50,502 |
| Estimated claims payable | 167,117 | 37,195 | (83,951) | 120,361 | 46,288 |
| Lease liabilities | 235,905 | 17,122 | (22,842) | 230,185 | 13,100 |
| Subscription liabilities ** | 3,653 | 2,697 | (3,563) | 2,787 | 1,687 |
| Arbitrage rebate liability | - | 188 | - | 188 | - |
| Business-type activities long-term obligations | \$ 18,448,595 | \$ 2,933,322 | \$ (1,255,852) | \$ 20,126,065 | \$ 487,048 |

* CP notes repaid by long-term debt in fiscal year 2024 were reclassified to long-term debt

**Restated 7/1/2022 balance due to implementation of GASB 96 - Subscription-Based Information Technology Arrangements (SBITAs)

Internal Service Funds serve primarily the governmental funds, the long-term liabilities of which are included as part of the above totals for governmental activities. Also, for the governmental activities, claims and judgments, workers' compensation and compensated absences are generally liquidated by the General Fund.

Annual debt service requirements to maturity for all bonds and loans outstanding as of June 30, 2023, for governmental and business-type activities are as follows:

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| Governmental Activities ⁽¹⁾ | | | | | | | | |
|---|-----------------------------|-------------------------|------------------------|-------------------------|--------------------------------|------------|--------------|--------------|
| Fiscal Year Ending June 30 | General Obligation Bonds | | Lease Revenue Bonds | | Other Long-Term Obligations | | Total | |
| | Principal | Interest ⁽²⁾ | Principal | Interest ⁽³⁾ | Principal | Interest | Principal | Interest |
| | 2024 | \$ 179,681 | \$ 104,758 | \$ 14,455 | \$ 2,682 | \$ 60,067 | \$ 58,952 | \$ 254,203 |
| 2025 | 181,456 | 96,441 | 13,105 | 2,166 | 63,629 | 56,302 | 258,190 | 154,909 |
| 2026 | 168,787 | 88,137 | 13,730 | 1,721 | 64,794 | 53,540 | 247,311 | 143,398 |
| 2027 | 175,771 | 80,526 | 14,375 | 1,256 | 65,889 | 50,659 | 256,035 | 132,441 |
| 2028 | 182,379 | 72,846 | 8,735 | 808 | 66,983 | 47,823 | 258,097 | 121,477 |
| 2029-2033 | 793,649 | 252,750 | 18,685 | 680 | 378,821 | 194,950 | 1,191,155 | 448,380 |
| 2034-2038 | 432,100 | 130,609 | - | - | 308,542 | 128,661 | 740,642 | 259,270 |
| 2039-2043 | 230,790 | 72,238 | - | - | 266,743 | 68,839 | 497,533 | 141,077 |
| 2044-2048 | 172,265 | 29,092 | - | - | 120,846 | 28,457 | 293,111 | 57,549 |
| 2049-2053 | 28,690 | 10,734 | - | - | 68,015 | 5,489 | 96,705 | 16,223 |
| 2054-2058 | 34,325 | 5,102 | - | - | - | - | 34,325 | 5,102 |
| 2059-2060 | 7,905 | 368 | - | - | - | - | 7,905 | 368 |
| Total | \$ 2,587,798 | \$ 943,601 | \$ 83,085 | \$ 9,313 | \$ 1,464,329 | \$ 693,672 | \$ 4,135,212 | \$ 1,646,586 |

| Business-Type Activities ⁽¹⁾ | | | | | | | | |
|--|--|---------------|---|------------|--------------------------------|------------|---------------|---------------|
| Fiscal Year Ending June 30 | Revenue Bonds and Revenue Notes ⁽⁴⁾⁽⁵⁾ | | Certificates of Participation ⁽⁵⁾ | | Other Long-Term Obligations | | Total | |
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| | 2024 | \$ 268,235 | \$ 717,051 | \$ 14,073 | \$ 12,289 | \$ 3,333 | \$ 2,116 | \$ 285,641 |
| 2025 | 358,989 | 707,251 | 14,754 | 11,502 | 6,428 | 3,311 | 380,171 | 722,064 |
| 2026 | 632,138 | 689,491 | 14,297 | 10,681 | 10,324 | 5,397 | 656,759 | 705,569 |
| 2027 | 586,791 | 667,627 | 13,775 | 9,918 | 13,943 | 7,920 | 614,509 | 685,465 |
| 2028 | 485,680 | 645,047 | 14,430 | 9,150 | 14,149 | 7,715 | 514,259 | 661,912 |
| 2029-2033 | 2,349,351 | 2,893,474 | 61,994 | 35,424 | 77,720 | 36,890 | 2,489,065 | 2,965,788 |
| 2034-2038 | 2,723,395 | 2,303,994 | 44,475 | 21,309 | 81,853 | 31,178 | 2,849,723 | 2,356,481 |
| 2039-2043 | 3,188,525 | 1,621,606 | 45,025 | 6,183 | 86,262 | 25,436 | 3,319,812 | 1,653,225 |
| 2044-2048 | 3,040,330 | 920,428 | - | - | 111,234 | 18,851 | 3,151,564 | 939,279 |
| 2049-2053 | 2,174,150 | 211,849 | - | - | 120,444 | 11,014 | 2,294,594 | 222,863 |
| 2054-2058 | 78,420 | 7,839 | - | - | 85,263 | 3,629 | 163,683 | 11,468 |
| 2059-2060 | - | - | - | - | 10,883 | 119 | 10,883 | 119 |
| Total | \$ 15,886,004 | \$ 11,385,657 | \$ 222,823 | \$ 116,456 | \$ 621,836 | \$ 153,576 | \$ 16,730,663 | \$ 11,655,689 |

(1) The specific year for payment of estimated claims payable, accrued vacation and sick leave pay and accrued workers' compensation is not practicable to determine.

(2) The interest is before the federal subsidy for the General Obligation Bonds Series 2010C and Series 2010D. The subsidy is approximately \$10.2 million and \$2.1 million, respectively, through the year ending 2030. The federal sequester reduction was 5.7% in fiscal year 2023. Future interest subsidy may be reduced as well.

(3) Includes the Moscone Center Expansion Project Lease Revenue Refunding Bonds Series 2008-1 & 2 which bear interest at a weekly rate. An assumed rate of 2.20%, together with liquidity fee of 0.27% and remarketing fee of 0.05% were used to project the interest rate payment in this table.

(4) Debt service for the Airport is per debt service requirement. In the event the letters of credit securing the Airport's outstanding variable rate bonds had to be withdrawn upon to pay such bonds and the amount drawn had to be repaid by the Airport pursuant to the terms of the related agreement with banks providing such letters of credit, the total interest would be \$190.8 million less.

(5) The interest is before the federal subsidy for the Revenue Bonds, Certificates of Participation, Clean Renewable Energy, and Energy Conservation Bonds by the San Francisco Water, San Francisco Wastewater and Hetch Hetchy Water and Power. Federal subsidy was reduced by 5.7% or a total reduction of \$18.8 million, \$2.5 million, and \$201, respectively, over the life of the bonds, assuming the sequestration rate will remain the same.

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Notes to Basic Financial Statements (Continued)
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Governmental Activities Long-term Liabilities

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition or improvement of real property and construction of affordable housing. General obligation bonds have been issued for both governmental and business-type activities. The net authorized and unissued governmental activities general obligation bonds for the year ended June 30, 2023, are as follows:

| Governmental Activities - General Obligation Bonds | |
|---|---------------------|
| Authorized and unissued as of June 30, 2022..... | \$ 1,496,115 |
| Bonds issued: | |
| Series 2023A Health and Recovery | (28,785) |
| Series 2023B Embarcadero Seawall Earthquake Safety | (39,020) |
| Series 2023C Social Bonds - Affordable Housing | <u>(170,780)</u> |
| Net authorized and unissued as of June 30, 2023..... | <u>\$ 1,257,530</u> |

In April 2023, the City issued Tax-Exempt General Obligation Bonds Series 2023A (Health and Recovery), and Taxable General Obligation Series 2023B (Embarcadero Seawall Earthquake Safety) and Series 2023C (Social Bonds – Affordable Housing) with the par value of \$28.8 million, \$39.0 million, and \$170.8 million, respectively.

The proceeds of the Series 2023A bonds will be used to finance the acquisition or improvement of real property, including to stabilize, improve, and make permanent investments in supportive housing facilities, shelters, and/or facilities that deliver services to persons experiencing mental health challenges, substance use disorder, and/or homelessness; improve the accessibility, safety and quality of parks, open spaces and recreation facilities; improve the accessibility, safety and condition of the City's streets and other right-of-way and related assets; and to pay certain costs related to the issuance of the Series 2023A bonds. The Series 2023A bonds bear interest rates of 4.0% and 5.0% and with maturities from June 2024 through June 2048.

The proceeds of the Series 2023B bonds will be used to finance projects to protect the waterfront, BART and MUNI infrastructure, buildings, historic piers, and roads from earthquakes, flooding and rising sea level by repairing the 100-year-old Embarcadero Seawall, strengthening the Embarcadero roadway, fortifying transit infrastructure and utilities serving residents and businesses and to pay certain costs related to the issuance of the Series 2023B bonds. The Series 2023B bonds bear an interest rate of 6.0% and finally matured in June 2023.

The proceeds of the Series 2023C bonds will be used to finance the construction, development, acquisition, and preservation of affordable housing to extremely-low, low and middle-income households through programs that will prioritize vulnerable populations such as the City's working families, veterans, seniors, and persons with disabilities; to assist in the acquisition, rehabilitation, and preservation of existing affordable housing to prevent displacement of residents; to repair and reconstruct distressed and dilapidated public housing developments and their underlying infrastructure; to assist the City's middle-income residents or workers in obtaining affordable rental or home ownership opportunities including down payment assistance and support for new construction of affordable housing for San Francisco Unified School District and City College of San Francisco employees; and to pay related costs on the issuance of the Series 2023C bonds. The Series 2023C bonds bear interest rates ranging from 4.45% to 6.0% with principal amortizing from June 2023 through June 2048.

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Notes to Basic Financial Statements (Continued)
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The General Obligation Bonds debt service payments are funded through ad valorem taxes on property. The City is obligated to levy ad valorem taxes without limitation as to rate or amount on all real property subject to taxation (except in certain limited circumstances) for the payment of general obligation bonds. No City property is pledged to the repayment of general obligation bonds nor is the City required to maintain a reserve fund for the payment of principal and interest.

An event of default is the non-payment of interest or principal, when due. Remedies include mandamus action for payment. General Obligation Bonds are not subject to acceleration.

Certificates of Participation

As of June 30, 2023, the City has a total of \$1.10 billion of certificates of participation, excluding business-type activities, payable by pledged revenues from the base rental payments payable by the City. A Reserve Fund has been established for payment of certain COP issuances, equivalent to either 50% or 100% of the lesser of maximum annual debt service, 125% of average annual debt service, or 10% of the original principal amount of the COPs. The total debt service requirement on the certificates of participation is \$1.62 billion payable through April 1, 2050. For the year ended June 30, 2023, principal and interest paid by the City totaled \$38.9 million and \$46.6 million, respectively.

An event of default on every outstanding series of Certificates of Participation, include: (i) the failure to make lease payments when due; or (ii) failure to observe covenants under the respective Project Lease. In an event of default, the trustee may enforce all of its rights and remedies under the Project Lease, including reletting the leased property for the account of the City, or hold the Project Lease and sue each year for rent. Certificates of Participation are not subject to acceleration.

Lease Revenue Bonds

The changes in governmental activities - lease revenue bonds for the year ended June 30, 2023, were as follows:

| Governmental Activities - Lease Revenue Bonds | |
|--|-------------------|
| Authorized and unissued as of June 30, 2022..... | \$ 204,916 |
| Increase in authorization in this fiscal year: | |
| Current year annual increase in Finance Corporation's equipment program... | <u>4,538</u> |
| Authorized and unissued as of June 30, 2023..... | <u>\$ 209,454</u> |

Finance Corporation

The purpose of the Finance Corporation is to provide a means to publicly finance, through lease financings, the acquisition, construction and installation of facilities, equipment, and other tangible real and personal property for the City's general governmental purposes.

The Finance Corporation uses lease revenue bonds to finance the purchase or construction of property and equipment, which are in turn leased to the City under the terms of an Indenture and Equipment Lease Agreement. These assets are then recorded in the basic financial statements of the City. Since the sole purpose of the bond proceeds is to provide lease financing to the City, any amount that is not applied towards the acquisition or construction of real and personal property such as unapplied acquisition fund, bond issuance costs, funds withheld pursuant to a reserve fund requirement, and amounts designated for capitalized interest are recorded as unearned revenues in the internal service fund until such time it is used for its intended purpose. The unearned amounts are eliminated in the governmental activities statement of net position.

The lease revenue bonds are payable by pledged revenues from the base rental payments payable by the City, pursuant to a Master Lease Agreement between the City and the Finance Corporation for the use of equipment and facilities acquired, constructed, and improved by the Finance Corporation. The

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
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total debt service requirement remaining on the lease revenue bonds is \$92.4 million payable through June 2030. For the year ended June 30, 2023, principal and interest paid by the Finance Corporation in the form of lease payments by the City totaled \$13.3 million and \$2.7 million, respectively.

Equipment Lease Program - In the June 5, 1990, election, the voters of the City approved Proposition C, which amended the City Charter to allow the City to lease-purchase up to \$20.0 million of equipment through a nonprofit corporation using tax-exempt obligations. Beginning July 1, 1991, the Finance Corporation was authorized to issue lease revenue bonds up to \$20.0 million in aggregate principal amount outstanding plus 5% annual adjustment each July 1. As of June 30, 2023, all the previously issued equipment lease revenue bonds have been repaid. \$95.3 million of unused authorization is still available for new issuance.

Events of Default and Remedies

Moscone Lease Revenue Refunding Bonds, Series 2008-1 and 2008-2 - Events of default as specified in the Letter of Credit Agreements include: (i) the City fails to pay when due the amounts of any drawing, the principal or interest on any Liquidity Advance, or otherwise fails to pay the Credit Bank when due; (ii) the City fails to observe any covenant under Credit Agreement; (iii) the San Francisco Finance Corporation fails to observe any covenant or warranty under Credit Agreement; (iv) the City defaults on any appropriation debt; (v) the City files for bankruptcy; (vi) downgrade of the City's rating on the Bonds or any other Lease Obligation Debt below "BBB" (or its equivalent). Upon the occurrence of an Event of Default, the bank's remedies are as follows: (i) by notice require the City to post collateral up to the Available Amount of the letter of credit (except the City has no such right upon bankruptcy event), (ii) declare all Obligations due and payable (except such declaration is automatic upon bankruptcy event), (iii) by notice to Trustee declare Event of Default and cause a mandatory tender of bonds, thereby causing the letter of credit to expire 15 days thereafter; (iv) pursue other rights under the Indenture and otherwise available under equity and law.

Emergency Communications System Lease Revenue Refunding Bonds, Series 2010-R1 - Events of default as specified in the Master Trust Agreement include: (i) failure to make lease payments when due; or (ii) failure to observe covenants under the Master Lease. In an event of default, the trustee may enforce all of its rights and remedies under the Master Lease, including the right to terminate the Master Lease, enter the leased property, and remove all persons and property, reletting leased property for account of the City for public purpose, or hold the Master Lease and sue each year for rent. The bonds are not subject to acceleration.

Open Space Fund Lease Revenue Refunding Bonds, Series 2018A and Branch Library Improvement Program Lease Revenue Refunding Bonds, Series 2018B - Events of default as specified in the Project Lease include: (i) failure to make lease payments when due, (ii) or failure to observe covenants under the Project Lease. In an event of default, the trustee may enforce all of its rights and remedies under the Project Lease, including reletting property for account of the City, or sue each year for rent. The bonds are not subject to acceleration.

San Francisco County Transportation Authority Long-Term Debt

In November 2017, the San Francisco County Transportation Authority (SFCTA) issued Senior Sales Tax Revenue Bonds, Series 2017 (the Series 2017 Bonds) with a par value of \$248.3 million to finance the cost of construction, acquisition and improvement of certain transit, street, and traffic facilities and other transportation projects, repay a portion of the outstanding amount of a revolving credit agreement, pay capitalized interest on a portion of the Series 2017 Bonds and pay cost of issuance of the Series 2017 Bonds. The Series 2017 Bonds bear interest rates ranging from 3.0% to 4.0% and have final maturity date of February 1, 2034. The outstanding principal on June 30, 2023, is \$194.2 million. The Series 2017 Bonds are repaid and secured by a pledge of Prop K half-cent sales tax and other legally available revenues of the SFCTA. Based on the total sales tax revenue of \$111.5 million for the year ended June 30, 2023, the total debt service payments of \$21.3 million on the Series 2017 Bonds, the SFCTA's senior debt service coverage ratio was 522% or 5.22x. Events of default for the bonds include

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nonpayment events, bankruptcy events, and noncompliance with covenants. The Series 2017 Bonds are not subject to acceleration.

In October 2021, the SFCTA entered into a Revolving Credit Agreement (RCA) with U.S. Bank National Association for \$125.0 million. The RCA is secured by a lien on the SFCTA's sales tax revenues subordinate to the lien on the sales tax revenues securing the Series 2017 Bonds and will expire in October 2024. The SFCTA will use the RCA to fund the capital projects and programs included in the Prop K Expenditure Plan. As of June 30, 2023, the SFCTA has no outstanding balance in the RCA. Events of Default under the RCA include nonpayment events, noncompliance with covenants, default on other specified debt, bankruptcy events, specified litigation events, or a ratings downgrade below "Baa2" by Fitch, "BBB" by Moody's or "BBB" by S&P. Remedies include acceleration (subject in some, but not all, circumstances to a 270-day notice period) and the termination of the right of the SFCTA to borrow under the RCA.

Events of Default and Remedies - Other Long-Term Obligations

Marina West Harbor Loans - Events of default include the failure to make loan payments within 30 days of the due date, or failure to observe or comply with requirements under the Agreement within 180 days of receipt of written notice. Remedies by the Department of Boating and Waterways by the State of California includes the repossession of the project area, declaring that the loan is immediately due and payable, and the exercise of all other rights and remedies available by law. The Marina West Harbor Loan is subject to an acceleration provision.

Public Safety Radio Lease Financing - Events of default include the failure to make lease payments when due, or failure to observe covenants under the Lease Purchase Financing Agreement. Remedies of the lender are repossessing the leased equipment, enforcing rights under the Lease, and other remedies available by law. The Public Safety Radio Lease Financing has no acceleration provision.

Special Tax District No. 2020-1 (Mission Rock Facilities and Services)

The following is a summary of long-term obligations of the City and County of San Francisco Special Tax District No. 2020-1 as of June 30, 2023:

| Bonds | Remaining Interest Rates | Final Maturity Date | Amount |
|--|--------------------------------|---------------------------|-------------------|
| Development Special Tax Bonds Series 2021A | 3.00% - 4.00% | 2052 | \$ 41,950 |
| Development Special Tax Bonds Series 2021B | 4.00% - 5.25% | 2050 | 54,280 |
| Development Special Tax Bonds Series 2021C | 4.00% | 2052 | 10,000 |
| Total obligations | | | <u>\$ 106,230</u> |

The Development Special Tax Bonds of STD 2020-1 were issued in order to finance infrastructure and development costs for the Mission Rock Development Project. The bonds are secured under the provisions of a Fiscal Agent Agreement and will be payable solely from the Revenues and funds pledged under that agreement. Revenues generally consist of Special Tax Revenues and certain tax increment of the City's Infrastructure Financing District No. 2, Project Area I pledged to the bonds under a Pledge Agreement.

In fiscal year 2022-23, tax increment revenues collected from the City's Infrastructure Financing District No. 2, Project Area I surpassed the one hundred thousand dollars threshold stipulated in the Pledge Agreement. Accordingly, the taxes increment revenues collected were pledged by the City to the Special Tax District. The pledge of allocated tax increment revenues to the STD created a financial burden relationship between the City and the STD. This change in circumstance triggered Mission Rock STD to become a blended component unit reported in a special revenue fund in the City's financial statements. These bonds are not payable from any other revenues or assets of the City. Neither the

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faith and credit nor the taxing power of the City, the State, or any political subdivision thereof are pledged for the payment of the principal or interest on Special Tax Bonds of STD 2020-1.

The District is obligated to fund the 2021A Reserve Fund for the benefit of the 2021A bonds, the 2021C Bonds and any other 2021A Related parity Bonds in an amount equal to the 2021A Reserve Requirement, or the lesser of: (i) maximum annual debt service on the 2021A Bonds, 2021C Bonds and any 2021A Related Parity Bonds; (ii) 125% of average annual debt service on the 2021A Bonds, 2021C Bonds and any 2021A Related Parity Bonds; or (iii) 10% of the outstanding principal amount of the 2021A Bonds, 2021C Bonds and any 2021A Related Parity Bonds.

The District is obligated to fund the 2021B Reserve Fund for the benefit of the 2021B bonds and any 2021B Related Parity Bonds in an amount equal to the 2021B Reserve Requirement, or the lesser of: (i) maximum annual debt service on the 2021B Bonds and any 2021B Related Parity Bonds; (ii) 125% of average annual debt service on the 2021B bonds and any 2021B Related Parity Bonds; or (iii) 10% of the outstanding principal amount of the 2021B Bond and any 2021B Related Parity Bonds.

As authorized under the Special Tax Financing Law, the City covenants with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced as hereinafter provided, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Development Special Tax or installment thereof not paid when due. If by May 1 of each fiscal year, the City determines that any single Leasehold Interest in a Taxable Parcel subject to the Development Special Taxes is delinquent in the payment of one or more installments, then the City shall cause notice to be sent to the owner of the Leasehold Interest within 45 days of such determination, and (if the delinquency remains unsecured) foreclosure proceedings shall be commenced by the City within 60 days of such determination. The City may defer any of such actions if (i) the District is participating in the Teeter Plan, (ii) the amount in the 2021A Reserve Fund is at least equal to the 2021A Reserve Requirement and (iii) the amount in the reserve account for any Parity Bonds that are not 2021A Related Parity Bonds is at least equal to the required amount. The principal of the Bonds shall not be subject to acceleration.

Infrastructure and Revitalization Financing District No. 1 (Treasure Island)

The following is a summary of long-term obligations of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) as of June 30, 2023:

| Bonds | Remaining Interest Rates | Final Maturity Date | Amount |
|--|--------------------------------|---------------------------|------------------|
| Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) | 5.00% | 2053 | \$ 24,270 |
| Tax Increment Revenue Bonds, Series 2022B (Housing Increment) | 5.00% | 2053 | 5,120 |
| Total obligations | | | <u>\$ 29,390</u> |

In September 2022, the City, on behalf of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) issued Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) and Series 2022B (Housing Increment) (the 2022A Bonds and 2022B Bonds) in the original par amounts of \$24.3 million and \$5.1 million, respectively. The 2022A Bonds were issued to fund the acquisition of certain public facilities and improvements for the Treasure Island/Yerba Buena Island Development Project, and the 2022B Bonds were issued to finance the acquisition and construction of affordable housing on Treasure Island. The 2022A Bonds bear an interest rate of 5.0%, with principal amortizing from September 1, 2023, through September 1, 2052. The 2022B Bonds bear an interest rate of 5.0%, with principal amortizing from September 1, 2023, through September 1, 2052.

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The 2022A Bonds and 2022B Bonds are secured under the provisions of separate Indentures of Trust and will be payable solely from Pledged Facilities Increment and Pledged Housing Increment, respectively, pledged under those agreements. Revenues generally consist of tax increment of the City's Infrastructure Revitalization and Financing District No. 1, Project Areas A, B, C, D, and E. These bonds are not a debt of the City, the State, or any political subdivision (other than the IRFD).

The District is obligated to fund the 2022 Facilities Reserve Requirement in an amount equal to the least of (a) Maximum Annual Debt Service on the Series 2022A Facilities Bonds and 2022 Related Facilities Bonds, if any, (b) 125% of average Annual Debt Service on the Series 2022A Facilities Bonds and 2022 Related Facilities Bonds, if any and (c) 10% of the original principal of the Series 2022A Facilities Bonds and 2022 Related Facilities Bonds.

The District is also obligated to fund the 2022 Housing Reserve Requirement in an amount equal to the least of (a) Maximum Annual Debt Service on the Series 2022B Housing Bonds and 2022 Related Housing Bonds, if any, (b) 125% of average Annual Debt Service on the Series 2022B Housing Bonds and 2022 Related Housing Bonds, if any and (c) 10% of the original principal of the Series 2022B Housing Bonds and 2022 Related Housing Bonds.

Events of default as specified in the Indenture of Trust for the Facilities Bonds consist of (i) default by the IRFD in the due and punctual payment of principal and interest or redemption premium (if any) on the Bonds when due and payable; (ii) default by the IRFD in the observance of any of the covenants, agreements, or conditions in the Indenture or Facilities Bonds; and (iii) IRFD files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the U.S. In an Event of Default, the Trustee, may, and, if requested in writing by the Owners of a majority in aggregate principal amount of the Facilities Bonds then Outstanding the Trustee shall (i) declare the principal of the Facilities Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in the Indenture or in the Facilities Bonds to the contrary notwithstanding, and (ii) exercise any other remedies available to the Trustee and the Owners of the Facilities Bonds in law or at equity.

Events of default as specified in the Indenture of Trust for the Housing Bonds consist of (i) default by the IRFD in the due and punctual payment of principal and interest or redemption premium (if any) on the Bonds when due and payable; (ii) default by the IRFD in the observance of any of the covenants, agreements, or conditions in the Indenture or Housing Bonds; and (iii) IRFD files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the U.S. In an Event of Default, the Trustee, may, and, if requested in writing by the Owners of a majority in aggregate principal amount of the Housing Bonds then Outstanding the Trustee shall (i) declare the principal of the Housing Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in the Indenture or in the Housing Bonds to the contrary notwithstanding, and (ii) exercise any other remedies available to the Trustee and the Owners of the Housing Bonds in law or at equity.

Business-Type Activities Long-Term Liabilities

The following provides a brief description of the current year additions to the long-term debt of the business-type activities.

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San Francisco International Airport

Second Series Revenue Bonds (Capital Plan Bonds)

Pursuant to resolutions adopted between fiscal years 2008 and 2022, as of June 30, 2023, the Airport has authorized the issuance of up to \$10.8 billion of San Francisco International Airport Second Series Revenue Bonds (Capital Plan Bonds) to finance and refinance the construction, acquisition, equipping, and development of capital projects undertaken by the Airport, including retiring all or a portion of the Airport's outstanding subordinate commercial paper notes (CP) issued for capital projects, funding debt service reserves, funding capitalized interest, and for paying costs of issuance. As of June 30, 2023, \$4.2 billion of the authorized capital plan bonds remained unissued.

Second Series Revenue Refunding Bonds

Pursuant to resolutions adopted between fiscal years 2005 and 2023, as of June 30, 2023, the Airport has authorized the issuance of up to \$17.1 billion of San Francisco International Airport Second Series Revenue Refunding Bonds for the purposes of refunding outstanding 1991 Master Bond Resolution Bonds and outstanding CP, funding debt service reserves, and paying costs of issuance, including any related bond redemption premiums. As of June 30, 2023, \$7.2 billion of the authorized refunding bonds remained authorized but unissued.

During fiscal year 2022-23, the Airport issued the following bonds for refunding and other purposes under the 1991 Master Bond Resolution:

In March 2023, the Airport issued its fixed rate Second Series Revenue Bonds, Series 2023A (AMT), and Second Series Revenue Bonds, Series 2023B (Non-AMT/Governmental Purpose), in an aggregate principal amount of \$241.9 million to refund a combined \$261.5 million of its Series 2010A Bonds, Series 2013A Bonds, and Series 2013B Bonds, to fund the termination payment of an interest rate swap, and to pay costs of issuance.

The proceeds of the Series 2023A, and Series 2023B, (consisting of \$241.9 million par amount and original issue premium of \$21.6 million, less underwriters' discount of \$0.5 million), together with \$8.6 million accumulated in the debt service fund were used to deposit \$265.0 million into redemption accounts and escrow funds with the Senior Trustee to refund \$261.5 million in revenue bonds as described below, \$5.5 million to fund the swap termination to payment, and \$1.1 million to pay costs of issuance.

The Series 2010A bonds were redeemed on March 31, 2023, and Series 2013A and Series 2013B bonds identified in the table below were redeemed on May 1, 2023.

| | <u>Interest Rate</u> | <u>June 30, 2022</u> | <u>Amount Refunded</u> | <u>June 30, 2023</u> |
|---|----------------------|----------------------|------------------------|----------------------|
| Second Series Revenue Bonds Issue: | | | | |
| Series 2010A1 (AMT) | variable | \$ 71,845 | \$ 71,845 | \$ - |
| Series 2010A2 (AMT) | variable | 47,900 | 47,900 | - |
| Series 2013A (AMT) | 5.00%-5.50% | 295,650 | 53,860 | 241,790 |
| Series 2013B (Non-AMT/Governmental Purpose) | 5.00% | 87,860 | 87,860 | - |
| Total | | <u>\$ 503,255</u> | <u>\$ 261,465</u> | <u>\$ 241,790</u> |

In aggregate, the Series 2023A/B refundings resulted in the recognition of a deferred accounting loss of \$3.5 million for the year ended June 30, 2023. The Series 2023A/B refundings decreased the Airport's aggregate gross debt service payments by approximately \$23.9 million over the life of the

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bonds and obtained an economic gain (the difference between the present values of the debt service on the old debt and the new debt) of \$10.6 million.

Variable Rate Demand Bonds

As of June 30, 2023, the Airport had outstanding aggregate principal amount of \$276.3 million, consisting of Second Series Variable Rate Revenue Refunding Bonds, Series 2018B and Series 2018C, (collectively, the "Variable Rate Bonds") with final maturity dates of May 1, 2058 (Series 2018B and 2018C). The Variable Rate Bonds are long-term, tax-exempt bonds that currently bear interest at a rate that is adjusted weekly, and that are subject to tender at par at the option of the holder thereof on seven days' notice. Any tendered Variable Rate Bonds are remarketed by the applicable remarketing agent in the secondary market to other investors. The interest rate on the Variable Rate Bonds can be converted to other interest rate modes, including a term rate or fixed rates to maturity, upon appropriate notice by the Airport.

The scheduled payment of the principal of and interest on, and payment of purchase price of, the Variable Rate Bonds is secured by separate irrevocable letters of credit issued to the Senior Trustee for the benefit of the applicable bondholders by the banks identified in the table below.

Amounts drawn under a letter of credit that are not reimbursed by the Airport constitute "Repayment Obligations" under the 1991 Master Bond Resolution and are accorded the status of other outstanding bonds to the extent provided in the Resolution. The commitment fees for the letters of credit range between 0.34% and 0.37% per annum. As of June 30, 2023, there were no unreimbursed draws under these facilities.

The letters of credit securing the Variable Rate Bonds included in long-term debt as of June 30, 2023, are as follows:

| | <u>Series 2018B</u> | <u>Series 2018C</u> |
|------------------|-------------------------|---------------------|
| Principal amount | \$ 138,170 | \$ 138,170 |
| Expiration date | June 3, 2026 | April 5, 2027 |
| Credit provider | Barclays ⁽¹⁾ | SMBC ⁽²⁾ |

(1) Barclays Bank PLC

(2) Sumitomo Mitsui Banking Corporation, acting through its New York branch

Hotel Special Facility Bonds

Pursuant to resolutions adopted in fiscal years 2017, 2018 and 2019, the Airport authorized the issuance of \$260.0 million of Special Facility Bonds to finance an on-Airport Hotel. These resolutions also designated the on-Airport Hotel as a "Special Facility" under the 1991 Master Bond Resolution, which allows the hotel revenues to be segregated from the Airport's other revenues and used to pay hotel operating expenses and debt service on the Hotel Special Facility Bonds through the Hotel Special Facility Bond trustee. In June 2018, the Airport issued its fixed rate Special Facility Revenue Bonds (San Francisco International Airport Hotel), Series 2018 (Hotel Special Facility Bonds), in the aggregate principal amount of \$260.0 million to finance the on-Airport Hotel and to fund a capitalized interest account.

The Hotel Special Facility Bonds are issued pursuant to a Trust Agreement (Hotel Trust Agreement). In February 2021, the Hotel Special Facility Bonds, and the trust agreement pursuant to which they were issued were amended and restated, including to delay the initial principal repayment until April 1, 2025 (instead of April 1, 2022) and temporarily reduce the interest rate on the Hotel Special Facility Bonds from 3.00% to 0.086% from April 1, 2020, through September 30, 2023. The interest rate will then increase incrementally until it is restored to 3.00% beginning on April 1, 2029. In addition, the

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amendments provided that October 1, 2020, is no longer an interest payment date, and there is no requirement to pay interest accrued on the Hotel Special Facility Bonds until October 1, 2023. The maximum principal amount of the Hotel Special Facility Bonds is not limited by the Hotel Trust Agreement, but the Airport must satisfy an additional bonds test prior to the issuance of any such bonds.

The Hotel Special Facility Bonds are limited obligations of the Airport. Under the Hotel Trust Agreement, the Airport has pledged the Revenues of the on-Airport Hotel, together with other assets, to the payment of the principal of and interest on the Hotel Special Facility Bonds. Revenues are generally defined in the Hotel Trust Agreement as all revenue and income of any kind derived directly or indirectly from operations at the on-Airport Hotel (not including certain amounts specified in the Hotel Trust Agreement). Operating expenses of the on-Airport Hotel are payable prior to payment of principal of and interest on the Hotel Special Facility Bonds. The Airport does not maintain a reserve account for the Hotel Special Facility Bonds. The Hotel Special Facility Bonds are subject to acceleration upon the occurrence of an event of default. Events of default include nonpayment events, bankruptcy events, noncompliance with covenants, condemnation of the hotel, or a failure by the Airport to maintain a third-party manager for the hotel. The Hotel Special Facility Bonds are not payable from or secured by the Airport's Net Revenues (as defined under the 1991 Master Bond Resolution). However, because the Airport is the owner of the on-Airport Hotel, the Airport is obligated to repay the Hotel Special Facility Bonds from the net revenues of the hotel.

Because the Airport is the issuer of the Hotel Special Facility Bonds and the sole beneficiary of the trust entity serving as holder of the Hotel Special Facility Bonds, neither the Hotel Special Facility Bonds debt service payments nor the Airport's receipts from the trust are included in the accompanying financial statements. The financial statements net the interest income received from the trust against the combined interest expenses of the Hotel Special Facility Bonds and the Series 2018B/C Bonds.

As of June 30, 2023, the Airport had \$260.0 million of outstanding Hotel Special Facility Bonds.

Interest Rate Swaps

The Airport entered into forward starting interest rate swaps in connection with the anticipated issuance of its Second Series Variable Rate Revenue Refunding Bonds, Series 2010A, on February 10, 2010. The swap structure was intended as a means to increase the Airport's debt service savings by setting a low synthetic fixed rate in advance of the first date that tax-exempt variable rate refunding bonds could be issued in the future to refinance callable bonds.

The Airport terminated these interest rate swaps in August 2019 and March 2023.

Debt Service Reserves and Requirements

Issue 1 Reserve Account - As of June 30, 2023, the reserve requirement for the Issue 1 Reserve Account was \$534.9 million, which was satisfied by \$539.5 million of cash and investment securities, and reserve fund surety policies in the initial principal amount of \$108.6 million. All of the providers of such reserve policies have one or more credit ratings below the Airport's rating or are no longer rated. In addition, \$27.5 million of such surety policies have likely experienced a reduction in value in accordance with their terms.

2017 Reserve Account - As of June 30, 2023, the reserve requirement for the 2017 Reserve Account was \$40.6 million, which was satisfied by \$57.1 million in cash and investment securities.

Series Not Secured by Reserve Accounts - The Airport does not maintain reserve accounts for its Second Series Variable Rate Revenue Refunding Bonds, Series 2018B/C, all of which are secured by letters of credit.

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Cash Defeasance of Bonds

In June 2023, the Airport legally defeased \$28.8 million of its Series 2019D Bonds, using monies previously deposited by the Airport in the Debt Service Fund.

The outstanding balance of Series 2019D Bonds for the year ended June 30, 2023, is as follows:

| Bond Series | June 30, 2022 | Cash Defeasance Amount | |
|-------------|---------------|------------------------|---------------|
| | | June 30, 2022 | June 30, 2023 |
| 2019D | \$ 402,115 | \$ 28,820 | \$ 373,295 |

Events of default for the bonds include nonpayment events, bankruptcy events, and noncompliance with covenants, including the rate covenants described below. The bonds are not subject to acceleration.

Payment of principal, interest and purchase price of bonds that bear interest at variable interest rates are supported by letters of credit. Events of default with respect to the letters of credit supporting the bonds include nonpayment events, bankruptcy events, noncompliance with covenants, default on debt in excess of a specified threshold amount, default under the 1991 Master Bond Resolution, or a determination of taxability of interest on tax-exempt bonds supported by the letter of credit. A downgrade of the Airport's Senior Bonds to below "Baa1" or "BBB+" or withdrawal or suspension of a bond rating for credit-related reasons by any rating agency is an event of termination under the letters of credit supporting the bonds. Remedies include the letter of credit bank's ability to cause a mandatory tender of the supported bonds or to accelerate amounts due and payable to the bank; provided that payments made on a parity with the bonds are capped based on provisions in the 1991 Master Bond Resolution. If there are no default events pending, drawings under the respective letters of credit supporting the bonds are amortized over a three- or five-year period; provided that payments made on a parity with the bonds are capped based on provisions in the 1991 Master Bond Resolution.

San Francisco Water Enterprise

Clean Water State Revolving Fund (CWSRF) Loan and Grant

In September 2017, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a Clean Water State Revolving Fund (CWSRF) Loan and Grant to fund the Water Enterprise's SF Westside Recycled Water Project. The CWSRF loan is in the amount of \$186.2 million, which includes \$15.0 million of principal forgiveness, or a grant. It will bear an interest rate of 1.0% for a 30-year term, with loan repayment beginning one year after substantial completion of project construction. The CWSRF loan is secured on a parity lien basis with the Enterprise's outstanding revenue bonds. The principal outstanding as of June 30, 2023, was \$131.5 million. In addition, there was \$15.0 million of principal forgiveness.

Drinking Water State Revolving Fund (DWSRF) Loan

In April 2022, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a Drinking Water State Revolving Fund (DWSRF) Loan to fund the Enterprise's Mountain Tunnel Improvement Project. The DWSRF loan is in the amount of \$238.2 million. It will bear an interest rate of 1.1% for a 30-year term, with interest payments beginning annually after the initial loan proceed draw occurs and loan principal repayment beginning one year after substantial completion of project construction. Power Enterprise is responsible for repayment for its share of SRF Loan debt service costs representing up to its allocable share of the cost of the Mountain Tunnel Project by a Memorandum of Understanding that will be executed with the Water Enterprise. The DWSRF loan is

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secured on a parity lien basis with the Enterprise's outstanding revenue bonds. The principal outstanding as of June 30, 2023, was \$32.1 million.

Events of Default and Remedies

Water Revenue Bonds, and State Revolving Fund Loans - Events of default as specified in the Water Enterprise Indenture, include non-payment, material breach of warranty, representation, or indenture covenants (not cured within applicable grace periods), and bankruptcy and insolvency events, which may result in the Trustee (upon written request by the majority of the owners, by aggregate amount of the bond obligations or of a credit provider), declaring the principal and the interest accrued thereon, to be due and payable immediately. As of June 30, 2023, there were no such events described herein.

Hetch Hetchy Water and Power

Events of Default and Remedies

Power Revenue Bonds and Energy Bonds - Significant events of default as specified in the Power Enterprise Indenture and Equipment Lease/Purchase Agreement include non-payment, material breach of warranty, representation, or indenture covenants (not cured within applicable grace periods), and bankruptcy and insolvency events, which may result in the Trustee (upon written request by the majority of the owners by aggregate amount of the bond obligations) declare the principal and the interest accrued thereon to be due and payable immediately. As of June 30, 2023, there were no such events described herein.

Wastewater Enterprise

Wastewater Revenue Refunding Bonds 2022 Series B

In July 2022, the Wastewater Enterprise issued tax-exempt revenue bonds, 2022 Series B in the aggregate amount of \$137.1 million on a forward delivery basis. The 2022 Series B bonds were issued for the purpose of refunding a portion of the outstanding 2013 Series A bonds maturing on October 1, 2024, and October 1, 2025, and a portion of the outstanding 2013 Series B bonds maturing on October 1, 2024, through October 1, 2034.

The 2022 Series B bonds include serial bonds, each with an interest rate of 5.0% and have a final maturity in 2034. The refunding resulted in the recognition of a deferred accounting gain of \$6.9 million, gross debt service savings of \$12.4 million and an economic gain of \$12.0 million or 8.0% of refunded bonds.

Wastewater Revenue Refunding Bonds 2023 Series ABC

In April 2023, the Wastewater Enterprise issued tax-exempt revenue bonds, 2023 Series ABC in an aggregate principal amount of \$974.4 million to refund approximately \$557.8 million aggregate principal amount of CP notes, finance various capital projects of the Wastewater Enterprise, and refund certain outstanding revenue bonds.

The \$530.6 million 2023 Series A bonds were issued as tax-exempt Green Bonds to refund approximately \$400.9 million of CP notes for SSIP capital projects and finance certain capital projects benefitting the Wastewater Enterprise. The Series A bonds were issued as serial bonds with coupons of 5.0% and 5.3% and a final maturity of 2042.

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The \$278.1 million 2023 Series B bonds were issued as tax-exempt bonds to refund a portion of the outstanding 2013 Series B bonds maturing on October 1, 2035, through October 1, 2039, refund approximately \$156.9 million of CP notes for certain capital projects benefitting the Wastewater Enterprise. The Series B bonds were issued as serial bonds with coupons of 4.0% and 5.0% and a final maturity of 2042. The refunding resulted in the recognition of a deferred accounting gain of \$5.3 million and gross debt service savings of \$10.6 million.

The \$165.7 million 2023 Series C bonds were issued as tax-exempt Green Bonds to refund all of the outstanding 2018 Series C bonds. The Series C bonds were issued as serial bonds with a coupon of 4.0% and a final maturity of 2048. The refunding resulted in the recognition of a deferred accounting gain of \$1.0 million, gross debt service savings of \$24.6 million, and an economic gain of \$15.8 million or 8.8% of refunded bonds.

Lake Merced Green Infrastructure Project CWSRF Loan

In January 2016, then amended in May 2016, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a Clean Water State Revolving Fund (CWSRF) Loan to fund the Lake Merced Green Infrastructure Project of the Sewer System Improvement Program. The aggregate amount of the CWSRF loans is \$7.4 million. The loan bears an interest rate of 1.6% which was equal to one-half of the State of California's most recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project's construction; completion was in October 2020. The CWSRF loan is secured on a parity lien basis with the Enterprise's outstanding revenue bonds. The SFPUC has received loan disbursements to date totaling \$6.1 million and a construction period interest of \$0.17 million transferred to principal. As of June 30, 2023, the principal amount outstanding of the loan was \$5.9 million.

Southeast Plant (SEP) 521/522 and Disinfection Upgrade Project CWSRF Loan

In September 2017, then amended in December 2017 and May 2018, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the SEP 521/522 and Disinfection Upgrade Project of the Sewer System Improvement Program. The aggregate amount of the CWSRF loans is \$40.0 million. The loan bears an interest rate of 1.8% which was equal to one-half of the State of California's most recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project's construction; substantial completion occurred in July 2019. The CWSRF loan is secured on a parity lien basis with the Enterprise's outstanding revenue bonds. The SFPUC has received proceeds from loan disbursements to date totaling \$39.7 million. As of June 30, 2023, the principal amount outstanding of the loan was \$36.4 million.

North Point Facility Outfall Rehabilitation Project CWSRF Loan

In September 2017, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the North Point Facility Outfall Rehabilitation Project of the Sewer System Improvement Program. The aggregate amount of the CWSRF loans is \$20.2 million. The loan bears an interest rate of 1.8% which was equal to one-half of the State of California's most recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project's construction; substantial completion occurred in February 2018. The CWSRF loan is secured on a parity lien basis with the Enterprise's outstanding revenue bonds. The SFPUC has received proceeds from loan disbursements to date totaling \$17.7 million. As of June 30, 2023, the principal amount outstanding of the loan was \$15.2 million.

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Southeast Plant (SEP) Primary/Secondary Clarifier Upgrade Project CWSRF Loan

In September 2017, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the SEP Primary/Secondary Clarifier Upgrade Project of the Sewer System Improvement Program. The aggregate amount of the CWSRF loans is \$34.4 million. The loan bears an interest rate of 0.8% which was equal to one-half of the State of California's most recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project's construction; substantial completion occurred in June 2018. The CWSRF loan is secured on a parity lien basis with the Enterprise's outstanding revenue bonds. The SFPUC has received proceeds from loan disbursements to date totaling \$29.2 million. As of June 30, 2023, the principal amount outstanding of the loan was \$25.3 million.

Oceanside (OSP) Digester Gas Utilization Upgrade Project

In May 2020, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the OSP Digester Gas Utilization Upgrade Project of the Sewer System Improvement Program. The CWSRF loan is in the amount of \$54.4 million, which includes \$4.0 million of principal forgiveness, or a grant. The loan bears an interest rate of 1.4% which was equal to one-half of the State of California's most recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project's construction. The CWSRF loan is secured on a parity lien basis with the Enterprise's outstanding revenue bonds. The SFPUC has received proceeds from loan disbursements to date totaling \$33.2 million, which included a loan forgiveness grant of \$4.0 million. As of June 30, 2023, the principal amount outstanding of the loan was \$29.2 million.

Southeast Plant (SEP) Biosolids Digester Facilities Project

In May 2020, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the SEP Biosolids Digester Facilities Project of the Sewer System Improvement Program. The CWSRF loan is in the amount of \$132.0 million, which includes \$4.0 million of principal forgiveness, or a grant. The loan bears an interest rate of 1.4% which was equal to one-half of the State of California's most recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project's construction; substantial completion is expected in May 2026. The CWSRF loan is secured on a parity lien basis with the Enterprise's outstanding revenue bonds. The SFPUC has received proceeds from loan disbursements to date totaling \$132.0 million, which includes a \$4.0 million loan forgiveness grant. As of June 30, 2023, the principal amount outstanding of the loan was \$128.0 million.

Southeast Plant (SEP) New Headworks (Grit) Replacement Project

In May 2021, the SFPUC entered into an Installment Sale Agreement with the State Water Resources Control Board for a CWSRF Loan to fund the SEP New Headworks (Grit) Replacement Project of the Sewer System Improvement Program. The CWSRF loan is in the amount of \$112.0 million. The loan bears an interest rate of 1.1% which was equal to one-half of the State of California's most recent 30-year General Obligation Bond true interest cost at the time the agreement was executed. The CWSRF loan will have a 30-year term, with loan repayment beginning one year after substantial completion of each project's construction; substantial completion is expected in March 2024. The CWSRF loan is secured on a parity lien basis with the Enterprise's outstanding revenue bonds. The SFPUC has received proceeds from loan disbursements to date totaling \$64.7 million and a receivable for reimbursement of \$13.9 million. As of June 30, 2023, the principal amount outstanding of the loan was \$78.6 million.

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WIFIA Loan Agreement-Biosolids Digester Facility Project

In July 2018, the SFPUC entered into a Water Infrastructure Finance and Innovation Act (WIFIA) Loan Agreement (WIFIA Loan) with the United States Environmental Protection Agency in the amount of \$699.2 million. The WIFIA Loan was entered into pursuant to the WIFIA statute authorized by Congress in 2014. The WIFIA Loan will fund 49% of the costs of the Wastewater Enterprise's Biosolids Digester Facility Project plus certain eligible expenses. Payment of the WIFIA Loan will be secured by a senior lien pledge of the Wastewater Enterprise's net revenues and is on a parity lien basis with the SFPUC's outstanding Wastewater Revenue Bonds and CWSRF Loans entered into with the California State Water Resources Control Board.

The original 2018 loan bears a fixed interest rate of 3.09% for a 35-year term, with loan repayment expected to begin in fiscal year 2026, after substantial completion of the project construction. In June 2020, the SFPUC re-executed the WIFIA Loan Agreement to have a fixed interest rate of 1.45% for a 35-year term. All other terms of the WIFIA Loan Agreement were unchanged.

In March of 2023, the SFPUC received disbursement of \$122.3 million in respect to eligible project costs and a capitalized interest of \$74 added to principal. As of June 30, 2023, the principal amount of loan outstanding was \$122.4 million.

WIFIA Loan Agreement-Southeast Treatment Plant Improvements

In June 2020, the SFPUC entered into a WIFIA Loan with the United States Environmental Protection Agency in the amount of \$513.9 million. The WIFIA Loan was entered into pursuant to the WIFIA statute authorized by Congress in 2014. The WIFIA Loan will fund 49% of the costs of the Wastewater Enterprise's SEP New Headworks Replacement Project and additional costs of the revised Biosolids Digester Facility Project plus certain eligible expenses. Payment of the WIFIA Loan will be secured by a senior lien pledge of the Wastewater Enterprise's net revenues and is on a parity lien basis with the SFPUC's outstanding Wastewater Revenue Bonds and CWSRF Loans entered into with the California State Water Resources Control Board. The loan will bear a fixed interest rate of 1.45% for a 35-year term, with loan repayment expected to begin in fiscal year 2025, after substantial completion of project construction. The SFPUC has not submitted any requests for loan disbursements to date and there is no outstanding loan principal as of June 30, 2023.

WIFIA Master Loan Agreement and Project 1 Loan Agreement

In April 2023, the SFPUC entered into a Loan Agreement with the United States Environmental Protection Agency. The WIFIA Master Agreement and Project 1 Loan was entered into pursuant to the WIFIA authorized by Congress in 2014. The SFPUC entered the WIFIA Master Loan Agreement with the EPA in an amount not to exceed \$791.3 million to provide partial funding for projects in the Wastewater Enterprise Capital Plan. The Master Agreement defines the general terms for funding a series of WIFIA loans, the first of which is the "Project 1 Loan Agreement". The incurrence of the Project 1 Loan Agreement, in an aggregate initial principal amount not to exceed \$369.3 million will provide partial funding for six Wastewater Enterprise capital improvement projects. Those projects are Westside Pump Station Reliability Improvements, North Shore Pump Station Wet Weather Improvements, Wawona Area Stormwater Improvement, New Treasure Island Wastewater Treatment Plant, Folsom Area Stormwater Improvement, and Yosemite Creek Daylighting. Proceeds of the loan will fund 49% of project costs plus eligible expenses. The Project 1 Loan is on a parity lien basis with the SFPUC's outstanding Wastewater Revenue Bonds and CWSRF Loans entered into with the California State Water Resources Control Board. The loan will bear a fixed interest rate of 3.65% for a 32-year term, with loan repayment expected to begin in fiscal year 2033. The SFPUC has not yet submitted any requests for loan disbursements to date and there is no outstanding loan principal as of June 30, 2023.

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Events of Default and Remedies

Wastewater Revenue Bonds, SRF Loans, and WIFIA Loan - Events of default as specified in the Wastewater Enterprise Indenture include non-payment, material breach of warranty, representation, or indenture covenants which are not cured within applicable grace periods, and bankruptcy and insolvency events. The trustee, upon written request, by majority of the owners (by aggregate amount of the bond obligations or of a credit provider), shall declare the principal and interest accrued thereon, to be due and payable immediately. As of June 30, 2023, there were no such events described herein.

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(9) EMPLOYEE BENEFIT PROGRAMS

(a) Retirement Plans

General Information About the Pension Plans – The San Francisco City and County Employees' Retirement System (Retirement System) administers a cost-sharing multiple-employer defined benefit pension plan (SFERS Plan), which covers substantially all of the employees of the City and County of San Francisco, and certain classified and certificated employees of the San Francisco Community College and Unified School Districts, and San Francisco Trial Court employees other than judges. The San Francisco City and County Charter and the Administrative Code are the authority which establishes and amends the benefit provisions and employer obligations of the SFERS Plan. The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the SFERS Plan. That report may be obtained on the Retirement System's website at <http://mysfers.org> or by writing to the San Francisco City and County Employees' Retirement System, 1145 Market Street, 5th Floor, San Francisco, CA 94103 or by calling (415) 487-7000.

Replacement Benefits Plan – The Replacement Benefits Plan (RBP) is a qualified excess benefit plan established in October 1989. Internal Revenue Code Section 415(m) provides for excess benefit arrangements that legally permit benefit payments above the Section 415 limits, provided that the payments are not paid from the SFERS Trust. The RBP allows the City to pay SFERS retirees any portion of the Charter-mandated retirement allowance that exceeds the annual Section 415(b) limit. The RBP plan does not meet the criteria of a qualified trust under GASB Statement No. 73 because RBP assets are subject to the claims of the employer's general creditors under federal and State law in the event of insolvency.

In addition, some City employees are eligible to participate in the Public Employees' Retirement Fund (PERF) of the California Public Employees' Retirement System (CalPERS) Safety Plan, an agent multi-employer pension plan, or the CalPERS Miscellaneous Rate Plan, included in CalPERS public agency cost-sharing multiple-employer pension plan. Some employees of the Transportation Authority, a blended component unit, and the Successor Agency, a fiduciary component unit, are eligible to participate in a CalPERS Miscellaneous Rate Plan or a CalPERS Public Employees' Pension Reform Act (PEPRA) Miscellaneous Rate Plan, both rate plans are included in CalPERS public agency cost-sharing multiple-employer pension plan. In addition, some employees of the Treasure Island Development Authority, a discretely presented component unit, are eligible to participate in the CalPERS Miscellaneous Rate Plan included in CalPERS public agency cost-sharing multiple-employer pension plan.

CalPERS acts as a common investment and administrative agent for various local and State governmental agencies within the State of California. Benefit provisions and other requirements are established by State statute, employer contract with CalPERS, by City resolution and resolution of component units. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

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Benefits

SFERS – The SFERS Plan provides service retirement, disability, and death benefits based on specified percentages of defined final average monthly salary and provides annual cost-of-living adjustments (COLA) after retirement. The SFERS Plan also provides pension continuation benefits to qualified survivors. The Retirement System pays benefits according to the category of employment and the type of benefit coverage provided by the City. The four main categories of SFERS Plan members are:

- Miscellaneous Non-Safety Members – staff, operational, supervisory, and all other eligible employees who are not in special membership categories.
- Sheriff's Department and Miscellaneous Safety Members – sheriffs assuming office on and after January 7, 2012, and undersheriffs, deputized personnel of the Sheriff's Department, and miscellaneous safety employees hired on and after January 7, 2012.
- Firefighter Members – firefighters and other employees whose principal duties are in fire prevention and suppression work or who occupy positions designated by law as firefighter member positions.
- Police Members – police officers and other employees whose principal duties are in active law enforcement or who occupy positions designated by law as police member positions.

The membership groups and the related service retirement benefits are summarized as follows:

Miscellaneous Non-Safety Members who became members prior to July 1, 2010, qualify for a service retirement benefit if they are at least 50 years old and have at least 20 years of credited service or if they are at least 60 years old and have at least 10 years of credited service. The service retirement benefit is calculated using the member's final compensation (highest one-year average monthly compensation) multiplied by the member's years of credited service times the member's age factor up to a maximum of 75% of the member's final compensation.

Miscellaneous Non-Safety Members who became members on or after July 1, 2010, and prior to January 7, 2012 qualify for a service retirement benefit if they are at least 50 years old and have at least 20 years of credited service or if they are at least 60 years old and have at least 10 years of credited service. The service retirement benefit is calculated using the member's final compensation (highest two-year average monthly compensation) multiplied by the member's years of credited service times the member's age factor up to a maximum of 75% of the member's final compensation.

Miscellaneous Non-Safety Members who became members on or after January 7, 2012, qualify for a service retirement benefit if they are at least 53 years old and have at least 20 years of credited service or if they are at least 60 years old and have at least 10 years of credited service. The service retirement benefit is calculated using the member's final compensation (highest three-year average monthly compensation) multiplied by the member's years of credited service times the member's age factor up to a maximum of 75% of the member's final compensation.

Sheriff's Department Members and Miscellaneous Safety Members who were hired on or after January 7, 2012 qualify for a service retirement benefit if they are at least 50 years old and have at least 5 years of credited service. The service retirement benefit is calculated using the member's final compensation (highest three-year average monthly compensation) multiplied by the member's years of credited service times the member's age factor up to a maximum of 90% of the member's final compensation.

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Firefighter Members and Police Members who became members before November 2, 1976, qualify for a service retirement benefit if they are at least 50 years old and have at least 25 years of credited service. The service retirement benefit is calculated using the member's final compensation (monthly salary earnable at the rank or position the member held for at least one year immediately prior to retiring) multiplied by the member's years of credited service times the member's age factor up to a maximum of 90% of the member's final compensation.

Firefighter Members and Police Members who became members on or after November 2, 1976, and prior to July 1, 2010 qualify for a service retirement benefit if they are at least 50 years old and have at least 5 years of credited service. The service retirement benefit is calculated using the member's final compensation (highest one-year average monthly compensation) multiplied by the member's years of credited service times the member's age factor up to a maximum of 90% of the member's final compensation.

Firefighter Members and Police Members who became members on or after July 1, 2010, and prior to January 7, 2012 qualify for a service retirement benefit if they are at least 50 years old and have at least 5 years of credited service. The service retirement benefit is calculated using the member's final compensation (highest two-year average monthly compensation) multiplied by the member's years of credited service times the member's age factor up to a maximum of 90% of the member's final compensation.

Firefighter Members and Police Members who became members on or after January 7, 2012, qualify for a service retirement benefit if they are at least 50 years old and have at least 5 years of credited service. The service retirement benefit is calculated using the member's final compensation (highest three-year average monthly compensation) multiplied by the member's years of credited service times the member's age factor up to a maximum of 90% of the member's final compensation.

All members are eligible to apply for a disability retirement benefit, regardless of age, when they have 10 or more years of credited service and they sustain an injury or illness that prevents them from performing their duties. Safety members are eligible to apply for an industrial disability retirement benefit from their first day on the job if their disability is caused by an illness or injury that they receive while performing their duties.

All members' qualified surviving spouses and qualified domestic partners are eligible to apply for death benefits prior to or after member's retirement.

Death benefit prior to retirement generally, upon death of the active member who is eligible for a service retirement, qualified surviving spouse and qualified domestic partner receive continuation benefits equal to 50% to 100% of the member's retirement allowance that the member would have received had he or she retired on the date of death. The qualified surviving spouses and qualified domestic partners of Safety members who die prior to becoming eligible for service retirement and whose death is due to an injury received in or illness caused by the performance of duty, salary continuation is provided to the qualified survivor until such time as the member would have qualified for service retirement had he or she lived at which time a continuation benefit equal to 100% of the member's service retirement allowance is provided to the qualified survivor. A lump sum death payment equal to 6 months' earnable salary plus the member's accumulated contributions is provided upon the death of an active employee not yet eligible for a service retirement to the member's named beneficiary or estate.

Death benefit after retirement generally, upon the death of a retired member, the Retirement System provides continuation benefits to a qualified surviving spouse or qualified domestic partner equal to 50% to 100% of the member's retirement allowance as of the date of death.

All retired members receive a benefit adjustment each July 1, which is the Basic COLA. The majority of adjustments are determined by changes in the Consumer Price Index (CPI) with increases capped at 2%. The SFERS Plan provides for a Supplemental COLA in years when there are sufficient "excess" investment earnings in the Plan. The maximum benefit adjustment each July 1 is 3.5% including the

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Basic COLA. Effective July 1, 2012, voters approved changes in the criteria for payment of the Supplemental COLA benefit, so that Supplemental COLAs would only be paid when the Plan is also fully funded on a market value of assets basis. Certain provisions of this voter-approved proposition were challenged in the Courts. A decision by the California Courts modified the interpretation of the proposition. Effective July 1, 2012, members who retired before November 6, 1996, will receive a Supplemental COLA only when the Plan is also fully funded on a market value of assets basis. However, the "full funding" requirement does not apply to members who retired on or after November 6, 1996, and were hired before January 7, 2012. For all members hired before January 7, 2012, all Supplemental COLAs paid to them in retirement benefits will continue into the future even when an additional Supplemental COLA is not payable in any given year. For members hired on and after January 7, 2012, a Supplemental COLA will only be paid to retirees when there are sufficient "excess" investment earnings in the Plan and the Plan is also fully funded on a market value of asset basis and in addition for these members, Supplemental COLAs will not be permanent adjustments to retirement benefits. That is, in years when a Supplemental COLA is not paid, all previously paid Supplemental COLAs will expire.

CalPERS – CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on a final compensation, which is the highest average pay rate and special compensation during any consecutive one-year or three-year period. The cost-of-living adjustments for the CalPERS plans are applied as specified by the Public Employees' Retirement Law. The California PEPRA, which took effect in January 2013, changes the way CalPERS retirement and health benefits are applied, and places compensation limits on members. As such, members who established CalPERS membership on or after January 1, 2013, are known as "PEPRA" members.

The CalPERS' provisions and benefits in effect at June 30, 2023, are summarized as follows:

CalPERS' Provisions and Benefits

| | City Safety Plan | |
|--------------------------------------|------------------------------|----------------------|
| | Prior to | On or after |
| | January 1, 2013 | January 1, 2013 |
| Hire date | | |
| Benefit formula | 2% @ 50, 2% @ 55, or 3% @ 55 | 2% @ 57 or 2.7% @ 57 |
| Benefit vesting schedule | 5 years of service | 5 years of service |
| Benefit payments | Monthly for life | Monthly for life |
| Required employee contribution rates | 7.00% to 9.00% | 11.50% to 14.50% |
| Required employer contribution rates | 23.70% | 23.70% |

* For the City Miscellaneous Plan and the Treasure Island Miscellaneous Plan there are no current active employees.

| | Transportation Authority Miscellaneous Plan | | Successor Agency Miscellaneous Plan | |
|--------------------------------------|---|--------------------|-------------------------------------|--------------------|
| | Prior to | On or after | Prior to | On or after |
| | January 1, 2013 | January 1, 2013 | January 1, 2013 | January 1, 2013 |
| Hire date | | | | |
| Benefit formula | 2% @ 55 | 2% @ 62 | 2% @ 55 | 2% @ 62 |
| Benefit vesting schedule | 5 years of service | 5 years of service | 5 years of service | 5 years of service |
| Benefit payments | Monthly for life | Monthly for life | Monthly for life | Monthly for life |
| Required employee contribution rates | 6.91% | 6.75% | 6.92% | 7.25% |
| Required employer contribution rates | 10.87% | 7.47% | 11.65% | 7.65% |

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At June 30, 2023, the following current and former employees were covered by the benefit terms under each pension plan:

| | SFERS Plan | City CalPERS Miscellaneous Plan | City CalPERS Safety Plan | Transportation Authority CalPERS Classic & PEPRA Miscellaneous Plans | Successor Agency CalPERS Classic & PEPRA Miscellaneous Plans | Treasure Island Development Authority CalPERS Miscellaneous Plan |
|---|------------|---------------------------------|--------------------------|--|--|--|
| Inactive employees or beneficiaries currently receiving benefits..... | 32,104 | 62 | 1,270 | 16 | 189 | 1 |
| Inactive employees entitled to but not yet receiving benefits..... | 12,657 | 1 | 250 | 65 | 100 | - |
| Active employees..... | 34,017 | - | 660 | 39 | 43 | - |
| Total..... | 78,778 | 63 | 2,180 | 120 | 332 | 1 |

Contributions

For the year ended June 30, 2023, the City's actuarial determined contributions were as follows:

| | |
|---|------------|
| SFERS Plan..... | \$ 638,003 |
| City CalPERS Miscellaneous Plan..... | - |
| City CalPERS Safety Plan..... | 50,754 |
| Transportation Authority CalPERS Classic & PEPRA Miscellaneous Plans..... | 689 |
| Successor Agency CalPERS Classic & PEPRA Miscellaneous Plans..... | 2,934 |
| Treasure Island Development Authority CalPERS Miscellaneous Plan..... | 2 |
| Total..... | \$ 692,382 |

SFERS – Contributions are made to the basic SFERS Plan by both the City and the participating employees. Employee contributions are mandatory as required by the Charter. Employee contribution rates for fiscal year 2022-23 varied from 7.5% to 12.0% as a percentage of gross covered salary. For the year ended June 30, 2023, most employee groups agreed through collective bargaining for employees to contribute the full amount of the employee contributions on a pretax basis. The City is required to contribute at an actuarially determined rate. Based on the July 1, 2021, actuarial report, the required employer contribution rates for fiscal year 2022-23 were 17.85% to 21.35%.

CalPERS – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the PERF are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by public employees during the year, with an additional amount to finance any unfunded accrued liability.

Replacement Benefits Plan – The RBP is and will remain unfunded and the rights of any participant and beneficiary are limited to those specified in the RBP. The RBP constitutes an unsecured promise by the City to make benefit payments in the future to the extent funded by the City. The City paid \$4.5 million replacement benefits in the year ended June 30, 2023.

Pension liabilities are financed by governmental funds, enterprise funds, fiduciary funds and discrete component unit that are responsible for the charges.

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Net Pension Liability (Asset)

The table below shows how the net pension liability (NPL) or (net pension asset) (NPA) as of June 30, 2023, is distributed.

| | Net Pension Asset | Net Pension Liability | Total |
|--|--------------------|-----------------------|---------------------|
| Governmental activities..... | \$ (17,362) | \$ 1,954,150 | \$ 1,936,788 |
| Business-type activities..... | - | 1,113,763 | 1,113,763 |
| Fiduciary funds..... | - | 37,328 | 37,328 |
| Component Unit - Treasure Island Development Authority.. | - | 11 | 11 |
| Total..... | <u>\$ (17,362)</u> | <u>\$ 3,105,252</u> | <u>\$ 3,087,890</u> |

As of June 30, 2023, the City's NPL/(NPA) is comprised of the following:

| | Proportionate Share | Share of Net Pension Liability (Asset) |
|---|---------------------|--|
| SFERS Plan..... | 94.8676% | \$ 2,552,996 |
| City CalPERS Miscellaneous Plan..... | -0.1503% | (17,362) |
| City CalPERS Safety Plan..... | N/A | 355,592 |
| Transportation Authority CalPERS Classic & PEPR Miscellaneous Plans. | 0.0294% | 3,394 |
| Successor Agency CalPERS Classic & PEPR Miscellaneous Plans..... | 0.3232% | 37,328 |
| Treasure Island Development Authority CalPERS Miscellaneous Plan..... | 0.0001% | 11 |
| Replacement Benefits Plan..... | N/A | 155,931 |
| Total..... | | <u>\$ 3,087,890</u> |

The City's NPL/(NPA) for each of its cost-sharing plans is measured as a proportionate share of the plans' NPL/(NPA). The City's NPL/(NPA) for each of its cost-sharing plans is measured as of June 30, 2022, and the total pension liability for each cost-sharing plan used to calculate the NPL/(NPA) was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. The City's proportion of the NPL/(NPA) for the SFERS Plan was based on the City's long-term share of contributions to SFERS relative to the projected contributions of all participating employers, actuarially determined. The City's proportions of the NPL/(NPA) for the CalPERS plans were actuarially determined as of the valuation date.

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The City's proportionate share and NPL/(NPA) of each of its cost-sharing plans as of June 30, 2022 and 2021 were as follows:

| | June 30, 2022 (Measurement Date) | | June 30, 2021 (Measurement Date) | |
|---|-------------------------------------|--|-------------------------------------|--|
| | Proportionate Share | Share of Net Pension Liability (Asset) | Proportionate Share | Share of Net Pension Liability (Asset) |
| SFERS Plan..... | 94.8676% | \$ 2,552,996 | 94.8421% | \$ (2,446,565) |
| City CalPERS Miscellaneous Plan..... | -0.1503% | (17,362) | -0.4126% | (22,316) |
| Transportation Authority CalPERS Classic & PEPR Miscellaneous Plans. | 0.0294% | 3,394 | 0.0160% | 868 |
| Successor Agency CalPERS Classic & PEPR Miscellaneous Plans..... | 0.3232% | 37,328 | 0.4073% | 22,028 |
| Treasure Island Development Authority CalPERS Miscellaneous Plan..... | 0.0001% | 11 | 0.0001% | 6 |
| Total..... | | <u>\$ 2,576,367</u> | | <u>\$ (2,445,979)</u> |

The City's NPL for the CalPERS City Safety Plan (agent plan) is measured as the total pension liability, less the CalPERS Safety Plan's fiduciary net position. The change in the NPL for the City CalPERS Safety Plan is as follows:

| | Increase (Decrease) | | |
|--|-------------------------|-----------------------------|-----------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| Balance at June 30, 2021 (MD)..... | \$ 1,590,799 | \$ 1,446,527 | \$ 144,272 |
| Change in year: | | | |
| Service cost..... | 27,820 | - | 27,820 |
| Interest on the total pension liability..... | 109,898 | - | 109,898 |
| Changes of assumptions..... | 45,696 | - | 45,696 |
| Differences between expected and actual experience..... | (19,162) | - | (19,162) |
| Contributions from the employer..... | - | 55,172 | (55,172) |
| Contributions from employees..... | - | 7,885 | (7,885) |
| Net investment loss..... | - | (109,224) | 109,224 |
| Benefit payments, including refunds of employee contributions..... | (77,028) | (77,028) | - |
| Administrative expense..... | - | (901) | 901 |
| Net changes during measurement period..... | <u>87,224</u> | <u>(124,096)</u> | <u>211,320</u> |
| Balance at June 30, 2022 (MD)..... | <u>\$ 1,678,023</u> | <u>\$ 1,322,431</u> | <u>\$ 355,592</u> |

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
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The City's pension liability for the Replacement Benefits Plan is measured as the total pension liability as there are no assets in the plan. The change in the total pension liability for the City Replacement Benefits Plan is as follows:

| | <u>Increase (Decrease)</u> | |
|---|--------------------------------|----------------|
| | <u>Total Pension Liability</u> | |
| Balance at June 30, 2021 (MD)..... | \$ | 219,574 |
| Change in year: | | |
| Service cost..... | | 2,894 |
| Interest..... | | 4,726 |
| Differences between expected and actual experience..... | | (24,639) |
| Assumption changes..... | | (42,151) |
| Benefit payments..... | | (4,473) |
| Net changes during measurement period..... | | (63,643) |
| Balance at June 30, 2022(MD)..... | \$ | <u>155,931</u> |

Pension Expenses/(Benefits) and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2023, the City recognized pension expense/(benefit) including amortization of deferred outflows/inflows related to pension items as follows:

| | Primary Government | | | Component Unit | Total |
|--|-------------------------|--------------------------|-----------------|---------------------------------------|-------------|
| | Governmental Activities | Business-type Activities | Fiduciary Funds | Treasure Island Development Authority | |
| SFERS Plan..... | \$ (5,916) | \$ (7,280) | \$ - | \$ - | \$ (13,196) |
| City CalPERS Miscellaneous Plan..... | 18,937 | - | - | - | 18,937 |
| City CalPERS Safety Plan..... | 47,305 | - | - | - | 47,305 |
| Transportation Authority CalPERS Classic & PEPR Miscellaneous Plans..... | 1,415 | - | - | - | 1,415 |
| Successor Agency CalPERS Classic & PEPR Miscellaneous Plans..... | - | - | (7,327) | - | (7,327) |
| Treasure Island Development Authority CalPERS Miscellaneous Plan..... | - | - | - | (1) | (1) |
| Replacement Benefits Plan..... | 8,101 | 6,866 | - | - | 14,967 |
| Total pension expense/(benefit)..... | \$ 69,842 | \$ (414) | \$ (7,327) | \$ (1) | \$ 62,100 |

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
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At June 30, 2023, the City's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

| | SFERS Plan | | CalPERS City Miscellaneous Plan | | CalPERS Transportation Authority Miscellaneous Plan | | CalPERS Successor Agency Miscellaneous Plan | |
|---|--------------------------------|-------------------------------|---------------------------------|-------------------------------|---|-------------------------------|---|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Pension contributions subsequent to measurement date..... | \$ 638,003 | \$ - | \$ - | \$ - | \$ 689 | \$ - | \$ 2,934 | \$ - |
| Change in assumptions..... | 663,373 | 317,349 | - | 1,779 | 348 | - | 3,825 | 502 |
| Difference between expected and actual experience..... | 233,032 | - | - | 115 | 68 | 46 | 750 | - |
| Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions..... | 73,364 | 55,246 | 10,641 | 2,401 | 492 | 111 | 166 | 4,593 |
| Net difference between projected and actual earnings on plan investments..... | - | 199,056 | - | 3,180 | 622 | - | 6,838 | - |
| Total..... | \$ 1,607,772 | \$ 571,651 | \$ 10,641 | \$ 7,475 | \$ 2,219 | \$ 157 | \$ 14,513 | \$ 5,095 |

| | CalPERS Treasure Island Development Authority Miscellaneous Plan | | City CalPERS Safety Plan | | Replacement Benefits Plan | | Total | |
|---|--|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Pension contributions subsequent to measurement date..... | \$ 2 | \$ - | \$ 50,754 | \$ - | \$ - | \$ - | \$ 692,382 | \$ - |
| Change in assumptions..... | 1 | - | 23,936 | - | 25,082 | 33,721 | 716,565 | 353,351 |
| Difference between expected and actual experience..... | 8 | - | 264 | 10,039 | 20,567 | 19,711 | 254,689 | 29,911 |
| Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions..... | 3 | 3 | - | - | 10,593 | 10,593 | 95,259 | 72,947 |
| Net difference between projected and actual earnings on plan investments..... | 2 | - | 66,439 | - | - | - | 73,901 | 202,236 |
| Total..... | \$ 16 | \$ 3 | \$ 141,393 | \$ 10,039 | \$ 56,242 | \$ 64,025 | \$ 1,832,796 | \$ 658,445 |

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
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At June 30, 2023, the City reported \$692.4 million as deferred outflows of resources related to contributions subsequent to the measurement date, which will be recognized as an adjustment to net pension liability/(asset) in the reporting year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense in the reporting year as follows:

| Year Ending June 30 | SFERS Plan | CalPERS City Miscellaneous Plan | CalPERS Transportation Authority Miscellaneous Plan | CalPERS Successor Agency Miscellaneous Plan | CalPERS Treasure Island Development Authority Miscellaneous Plan | CalPERS Safety Plan | Replacement Benefits Plan | Total |
|---------------------|--------------|---------------------------------|---|---|--|---------------------|---------------------------|-------------|
| 2024..... | \$ (136,819) | \$ 1,703 | \$ 447 | \$ 913 | \$ 4 | \$ 23,510 | \$ 10,599 | \$ (99,643) |
| 2025..... | (178,373) | 2,014 | 359 | 869 | 3 | 10,750 | 1,969 | (162,409) |
| 2026..... | (382,574) | 1,394 | 187 | 520 | 2 | 4,657 | (6,994) | (382,808) |
| 2027..... | 1,095,884 | (1,945) | 380 | 4,182 | 2 | 41,683 | (13,357) | 1,126,829 |
| Total | \$ 988,118 | \$ 3,169 | \$ 1,373 | \$ 6,484 | \$ 11 | \$ 80,600 | \$ (7,783) | \$ 481,969 |

Actuarial Assumptions

A summary of the actuarial assumptions and methods used to calculate the total pension liability as of June 30, 2022 is provided below, assumptions were consistent with the July 1, 2021 actuarial valuation.

| | SFERS Plan | CalPERS Miscellaneous and Safety Plans |
|---------------------------------|---|--|
| Valuation date..... | June 30, 2021 updated to June 30, 2022 | June 30, 2021 |
| Measurement date..... | June 30, 2022 | June 30, 2022 |
| Actuarial cost method..... | Entry-age normal cost method | Entry-age normal cost method |
| Investment rate of return..... | 7.20%, net of pension plan investment expenses | 6.90%, net of pension plan investment expenses, includes inflation |
| Municipal bond yield..... | 3.54% as of June 30, 2022 Bond Buyer 20-Bond GO Index, June 30, 2022 | |
| Inflation..... | 2.50% | 2.30% |
| Projected salary increases..... | 3.25% plus merit component based employee classification and years of service | Varies by Entry Age and Service |
| Discount rate..... | 7.20% as of June 30, 2022 | 6.90% as of June 30, 2022 |
| Basic COLA..... | Old Miscellaneous and All New Plans..... 2.00% Old Police and Fire: Protection Allowance Floor on Purchasing Power applies. Pre 7/1/75 Retirements..... 1.90% Chapters A8.595 and A8.596..... 2.50% Chapters A8.559 and A8.585..... 3.60% | Miscellaneous Contract COLA up to 2.30% until Purchasing Power Allowance Floor on Purchasing Power applies. Safety standard COLA 2.0% |

For SFERS, mortality rates for healthy Miscellaneous members were based upon adjusted PubG-2010 Employee and Retiree tables for non-annuitants and retirees, respectively. Mortality rates were then projected generationally from the base year using the MP-2019 projection scale.

The actuarial assumptions used in the SFERS valuation at the June 30, 2022, measurement date were based upon the results of an experience study for the period July 1, 2014, through June 30, 2019, and an economic experience study as of July 1, 2021.

For CalPERS, the mortality table used was developed based on CalPERS' specific data. The rates incorporate generational mortality to capture ongoing mortality improvements using 80% of Scale MP 2020 published by the Society of Actuaries. All other actuarial assumptions were based on the results of the 2021 actuarial experience study. The Experience Study report can be obtained at CalPERS' website.

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Notes to Basic Financial Statements (Continued)
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GASB Statement No. 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The CalPERS discount was 6.90% as of the June 30, 2022, measurement date.

For the Replacement Benefits Plan beginning of the year measurement is also based on the census data used in the actuarial valuation as of July 1, 2021.

Discount Rates

SFERS – The discount rate used to measure SFERS's total pension liability as of June 30, 2022, was 7.20%. The projection of cash flows used to determine the discount rate assumed that plan members and employers contributions will continue to be made at the rates specified in the Charter. Employer contributions were assumed to be made in accordance with the contribution policy in effect for July 1, 2021, actuarial valuation.

While the contributions and measure of the Actuarial Liability in the valuation do not anticipate any future Supplemental COLAs, the projected contributions for the determination of the discount rate include the anticipated future amortization payments on future Supplemental COLAs for current members when they are expected to be granted. For members who worked after November 6, 1996, and before Proposition C passed (Post 97 Retirees), a Supplemental COLA is granted if the actual investment earnings during the year exceed the expected investment earnings on the Actuarial Value of Assets. For members who did not work after November 6, 1996, and before Proposition C passed, the Market Value of Assets must also exceed the Actuarial Liability at the beginning of the year for a Supplemental COLA to be granted. When a Supplemental COLA is granted, the amount depends on the amount of excess earnings and the basic COLA amount for each membership group. The large majority of members receive a 1.50% Supplemental COLA when granted.

Because the probability of a Supplemental COLA depends on the current funded level of the Retirement System, the Retirement System developed an assumption as of June 30, 2022, of the probability and amount of Supplemental COLA for each future year. No Supplemental COLA was payable as of July 1, 2022 due to the unfavorable investment returns for fiscal year 2021-22.

The table below shows the net assumed Supplemental COLAs for members with a 2.00% basic COLA for sample years.

| Assumed Supplemental COLA for Members with a 2.00% Basic COLA | | |
|--|-------------|--------------------------------|
| Year Ending June 30 | 96 - Prop C | Before 11/6/96 or After Prop C |
| 2024 | 0.75% | 0.70% |
| 2025 | 0.75% | 0.60% |
| 2026 | 0.75% | 0.60% |
| 2027+ | 0.75% | 0.50% |

The projection of benefit payments to current members for determining the discount rate includes the payment of anticipated future Supplemental COLAs.

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Notes to Basic Financial Statements (Continued)
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Based on these assumptions, the Retirement System's fiduciary net position was projected to be available to make projected future benefit payments for current members. Projected benefit payments are discounted at the long-term expected return on assets of 7.20% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 3.54% to the extent they are not available. The single equivalent rate used to determine the total pension liability as of June 30, 2022, is 7.20%.

The long-term expected rate of return on pension plan investments was 7.20%. It was set by the Retirement Board after consideration of both expected future returns and historical returns experienced by the Retirement System. Expected future returns were determined by using a building-block method in which best-estimate ranges of expected future real rates of return were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Target allocation and best estimates of geometric long-term expected real rates of return (net of pension plan investment expense and inflation) for each major asset class are summarized in the following table.

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------|--------------------------|---|
| Global Equity | 37.0% | 4.8% |
| Treasuries | 8.0% | 0.6% |
| Liquid Credit | 5.0% | 3.5% |
| Private Credit | 10.0% | 5.8% |
| Private Equity | 23.0% | 7.9% |
| Real Assets | 10.0% | 4.7% |
| Hedge Funds/Absolute Return | 10.0% | 3.4% |
| Leverage | -3.0% | 0.6% |

CalPERS - The discount rate used to measure each of the CalPERS Miscellaneous Rate Plans and the Safety Plan total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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Notes to Basic Financial Statements (Continued)
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The table below reflects long-term expected real rates of return by asset class.

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Real Return^{(1),(2)}</u> |
|----------------------------------|--------------------------|--------------------------------------|
| Global equity - cap-weighted | 30.00% | 4.54% |
| Global equity - non-cap-weighted | 12.00% | 3.84% |
| Private equity | 13.00% | 7.28% |
| Treasury | 5.00% | 0.27% |
| Mortgage-backed securities | 5.00% | 0.50% |
| Investment grade corporates | 10.00% | 1.56% |
| High yield | 5.00% | 2.27% |
| Emerging market debt | 5.00% | 2.48% |
| Private debt | 5.00% | 3.57% |
| Real estate | 15.00% | 3.21% |
| Leverage | -5.00% | -0.59% |

⁽¹⁾ An expected price inflation of 2.30% used for this period.
⁽²⁾ Figures are based on the 2021-22 Asset Liability Management study.

Replacement Benefits Plan – The discount rate was 3.54% as of June 30, 2022. This reflects the yield for a 20-year, tax-exempt general obligation municipal bond with an average rating of AA/Aa or higher. The Municipal Bond Yield is the Bond Buyer 20-Year GO Index as of June 30, 2022. This is the rate used to determine the total pension liability as of June 30, 2022.

The inflation assumption of 2.50% compounded annually was used for projecting the annual IRC Section 415(b) limitations. However, the actual IRC Section 415(b) limitations published by the IRS of \$245 thousand was used for the 2022 measurement date.

The SFERS assumptions about Basic and Supplemental COLA previously discussed also apply to the Replacement Benefits Plan, including the impact of the State Appeals Court determination that the full funding requirement for payment of Supplemental COLA included in Proposition C was unconstitutional and the impact is accounted for as a change in benefits.

At June 30, 2023, the membership in the RBP had a total of 327 active members and 160 retirees and beneficiaries currently receiving benefits.

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Notes to Basic Financial Statements (Continued)
 June 30, 2023
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Sensitivity of Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the NPL/(NPA) for each of the City's cost-sharing retirement plans, calculated using the discount rate, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

| Cost-Sharing Pension Plans | 1% Decrease Share of NPL/(NPA) @ 6.20% | Current Share of NPL/(NPA) @ 7.20% | 1% Increase Share of NPL/(NPA) @ 8.20% |
|---|---|--|---|
| Proportionate Share of Net Pension Liability | | | |
| SFERS..... | \$ 6,991,061 | \$ 2,552,996 | \$ (1,105,652) |

| City CalPERS Miscellaneous Plan..... | 1% Decrease Share of NPL/(NPA) @ 5.90% | Current Share of NPL/(NPA) @ 6.90% | 1% Increase Share of NPL/(NPA) @ 7.90% |
|--|---|--|---|
| City CalPERS Miscellaneous Plan..... | \$ (14,925) | \$ (17,362) | \$ (19,367) |
| Transportation Authority CalPERS Classic & PEPR Miscellaneous Plans..... | 5,908 | 3,394 | 1,324 |
| Successor Agency CalPERS Classic & PEPR Miscellaneous Plans..... | 52,513 | 37,328 | 24,834 |
| Treasure Island Development Authority CalPERS Miscellaneous Plan..... | 22 | 11 | 2 |

The following presents the NPL/(NPA) for the City's CalPERS Safety Plan (agent multiple-employer plan) and the total pension liability for the City's Replacement Benefits Plan, calculated using the discount rate, in effect as of the measurement date, as well as what the net/total pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

| Agent Pension Plan | 1% Decrease @ 5.90% | Measurement Date @ 6.90% | 1% Increase @ 7.90% |
|-------------------------------|------------------------|-----------------------------|------------------------|
| City CalPERS Safety Plan..... | \$ 575,864 | \$ 355,592 | \$ 173,450 |

| Single Employer Plan | 1% Decrease @ 2.54% | Measurement Date @ 3.54% | 1% Increase @ 4.54% |
|--------------------------------|------------------------|-----------------------------|------------------------|
| Replacement Benefits Plan..... | \$ 184,981 | \$ 155,931 | \$ 133,074 |

Detailed information about the CalPERS Safety Plan's fiduciary net position is available in a separately issued CalPERS financial report, copies may be obtained from the CalPERS website at www.calpers.ca.gov.

Deferred Compensation Plan

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

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

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Health Service System

The Health Service System was established in 1937. Health care benefits of employees, retired employees and surviving spouses are financed by beneficiaries and by the City through the Health Service System. The employers' contribution, which includes the San Francisco Community College District, San Francisco Unified School District and the San Francisco Superior Court, amounted to approximately \$873.6 million in fiscal year 2022-23. The employers' contribution is mandated and determined by Charter provision based on similar contributions made by the ten most populous counties in California and the contribution models negotiated with the unions. Included in this amount is \$257.2 million to provide postemployment health care benefits for 30,788 retired participants, of which \$215.5 million related to City employees. The City's liability for postemployment health care benefits is enumerated below. The City's contribution is paid out of current available resources and funded on a pay-as-you-go basis. The Health Service System issues a publicly available financial report that includes financial statements. That report may be obtained by writing to the San Francisco Health Service System, 1145 Market Street, Suite 300, San Francisco, CA 94103 or from the City's website.

(b) Postemployment Health Care Benefits

City (excluding the Transportation Authority and the Successor Agency)

The City maintains a defined benefit other postemployment benefits plan (the OPEB Plan). The OPEB Plan provides postemployment medical, dental and vision insurance benefits to eligible employees, retired employees, surviving spouses, and domestic partners. Health benefit provisions are established and may be amended through negotiations between the City and the respective bargaining units.

GASB Statement No. 75 requires that reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

San Francisco Health Service System OPEB Plan

| | |
|-------------------------|-------------------------------|
| Valuation Date (VD) | June 30, 2022 |
| Measurement Date (MD) | June 30, 2022 |
| Measurement Period (MP) | July 1, 2021 to June 30, 2022 |

The City prefunds its OPEB obligations through the Retiree Health Care Trust Fund (RHCTF) that allows participating employers to prefund certain postemployment benefits other than pensions for their covered employees. The RHCTF is an agent multiple-employer trust fund and has two participating employers: (i) the City and County of San Francisco and (ii) the San Francisco Community College District. The RHCTF is administered by the City and is presented as an other postemployment benefit trust fund herein. The RHCTF's administrator, the City and County of San Francisco's Retirement System (SFERS), issues a publicly available financial report consisting of financial statements and required supplementary information for the RHCTF in aggregate. The report may be obtained by writing to SFERS, 1145 Market Street, 5th Floor, San Francisco, CA 94103.

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Former employees of the City and County of San Francisco who were members of the Health Service System and who retire under SFERS or CalPERS are eligible for postretirement health benefits from the City and County of San Francisco. Effective with Proposition B, passed June 3, 2008, employees hired on or after January 10, 2009, must retire within 180 days of separation in order to be eligible for retiree healthcare benefits from the City. The eligibility requirements are as follows:

| | | |
|---|---|---|
| <i>City and County of San Francisco's Retirement System (SFERS)</i> | | |
| Normal Retirement | Miscellaneous | Age 50 with 20 years of credited service ¹ |
| | | Age 60 with 10 years of credited service |
| | Safety | Age 50 with 5 years of credited service |
| Disabled Retirement ² | Any age with 10 years of credited service | |
| Terminated Vested | 5 years of credited service at separation | |

| | | |
|---|---|--|
| <i>California Public Employees' Retirement System (CalPERS)</i> | | |
| Normal Retirement | Age 50 with 5 years of credited service | |
| Disabled Retirement ² | Any age with 5 years of credited service | |
| Terminated Vested | 5 years of credited service at separation | |

¹ Age 53 with 20 years of credited service, age 60 with 10 years of credited service, or age 65 for Miscellaneous members hired on or after January 7, 2012 under Charter Section 8.603.
² No service requirement for Safety members retiring under the industrial disability benefit or for surviving spouses / domestic partners of those killed in the line of duty.

Retiree healthcare benefits are administered by the San Francisco Health Service System and include the following:

- Medical: PPO – Blue Shield (self-insured) and UHC Medicare Advantage (fully-insured)
 HMO – Kaiser (fully-insured) and Blue Shield (flex-funded), and Health Net (flex-funded)
- Dental: Delta Dental, DeltaCare USA and UnitedHealthcare Dental
- Vision: Vision benefits are provided under the medical insurance plans and are administered by Vision Service Plan.

Projections of the sharing of benefit related costs are based on an established pattern of practice.

As of the June 30, 2022, valuation date, the following current and former employees were covered by the benefit terms under the healthcare plan:

| | |
|---|------------------|
| | <u>City Plan</u> |
| Active plan members..... | 31,621 |
| Inactive employees entitled to but not yet receiving benefit payments..... | 2,211 |
| Inactive employees or beneficiaries currently receiving benefit payments... | 23,624 |
| Total..... | <u>57,456</u> |

CITY AND COUNTY OF SAN FRANCISCO
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 June 30, 2023
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San Francisco County Transportation Authority and Successor Agency

The Transportation Authority's defined benefit postemployment healthcare plan provides healthcare benefits to eligible employees and their surviving spouses. Employees become eligible to retire and receive healthcare benefits upon reaching the age of 50 and meeting program vesting requirements or being converted to disability status and retiring directly from the Transportation Authority. Dental and vision benefits are not available to retirees. The Transportation Authority is a contracting agency under the Public Employees' Medical and Hospital Care Act (PEMHCA), which is administered by CalPERS for the provision of healthcare insurance programs for both active and retired employees.

Effective February 1, 2012, upon the operation of law to dissolve the former Agency, the Successor Agency assumed the former Agency's other postemployment benefits plan. The Successor Agency sponsors a defined benefit plan providing OPEB to employees who retire directly from the former Agency and/or the Successor Agency. The Successor Agency pays 100% of the premiums of CalPERS medical plan to eligible employees that satisfied the required services years and minimum age.

The Transportation Authority and the Successor Agency participate in the California Employers' Retiree Benefit Trust Fund Program (CERBT), an agent multiple-employer postemployment health plan, to prefund other postemployment benefits through CalPERS. CalPERS issues publicly available financial reports for all plans it administers and a separate GASB Statement No. 75 report for CERBT that can be found on CalPERS website.

Projections of the sharing of benefit related costs are based on an established pattern of practice.

As of the June 30, 2022, actuarial valuation, the following current and former employees were covered by the benefit terms under the healthcare plan:

| | | |
|--|---------------------------------|-------------------------|
| | <u>Transportation Authority</u> | <u>Successor Agency</u> |
| Active plan members..... | 39 | 36 |
| Inactive employees entitled to but not yet receiving benefit payments..... | - | - |
| Inactive employees or beneficiaries currently receiving benefit payments.. | 9 | 103 |
| Total..... | <u>48</u> | <u>139</u> |

Contributions

The City's benefits provided under the OPEB Plan are currently paid through "pay-as-you-go" funding. Additionally, under the City Charter, active officers and employees of the City who commenced employment on or after January 10, 2009, shall contribute to the RHCTF a percentage of compensation not to exceed 2% of pre-tax compensation. The City shall contribute 1% of compensation for officers and employees who commenced employment on or after January 10, 2009, until the City's actuary has determined that the City's portion of the RHCTF is fully funded. At that time, the City's 1% contribution shall cease, and officers and employees will each contribute 50% of the maximum 2% of pre-tax compensation.

Starting July 1, 2016, active officers and employees of the City who commenced employment on or before January 9, 2009, shall contribute 0.25% of pre-tax compensation into the RHCTF. Beginning on July 1st of each subsequent year, the active officers and employees of the City who commenced employment on or before January 9, 2009, shall contribute an additional 0.25% of pre-tax compensation up to a maximum of 1%. Starting July 1, 2016, the City contributes 0.25% of compensation into the RHCTF for each officer and employee who commenced employment on or before January 9, 2009. Beginning on July 1st of each subsequent year, the City contributes an additional 0.25% of compensation, up to a maximum of 1% for each officer and employee who commenced employment on or before January 9, 2009. When the City's actuary has determined that the City's portion of the

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Notes to Basic Financial Statements (Continued)
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RHCTF is fully funded, the City's 1% contribution shall cease, and officers and employees will each contribute 50% of the maximum 1% of pre-tax compensation. Additional or existing contribution requirements may be established or modified by amendment to the City's Charter.

For the year ended June 30, 2023, the City's funding was based on "pay-as-you-go" plus a contribution of \$45.2 million to the RHCTF. The "pay-as-you-go" portion paid by the City was \$215.4 million for a total contribution subsequent to the measurement date of \$260.6 million for the year ended June 30, 2023.

The Transportation Authority's contribution requirements are established and may be amended by the Board. The Transportation Authority makes contributions on an actuarial basis, funding the full actuarially determined contributions (ADC). The Transportation Authority's employees are not required to contribute to the OPEB plan. For the year ended June 30, 2023, the Transportation Authority contributed \$105 thousand to the CERBT plan. The Successor Agency's OPEB funding policy is to contribute 100% or more of the ADC annually by contributing to the CERBT. For the year ended June 30, 2023, the Successor Agency contributed \$2.4 million to the plan. There are no employee contributions to the Successor Agency's plan. The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

OPEB liabilities are financed by governmental funds, enterprise funds and fiduciary funds that are responsible for the charges.

Net OPEB Liability/(Asset)

The table below shows how the net OPEB liability/(asset) as of June 30, 2023, is distributed.

| | Net OPEB Asset | Net OPEB Liability | Total |
|-------------------------------|-------------------|---------------------|---------------------|
| Governmental activities..... | \$ (101) * | \$ 2,057,177 | \$ 2,057,076 |
| Business-type activities..... | - | 1,677,814 | 1,677,814 |
| Fiduciary funds..... | (2,118) | 11,279 | 9,161 |
| Total..... | <u>\$ (2,219)</u> | <u>\$ 3,746,270</u> | <u>\$ 3,744,051</u> |

* Amount is reported in other assets on the statement of net position.

As of June 30, 2023, the City's net OPEB liability (asset) is comprised of the following:

| | Share of Net OPEB Liability (Asset) |
|---|---|
| City defined benefit healthcare plan..... | \$ 3,746,270 |
| Transportation Authority defined benefit healthcare plan..... | (101) |
| Successor Agency defined benefit healthcare plan..... | (2,118) |
| Total..... | <u>\$ 3,744,051</u> |

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
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The changes in the City OPEB Plan's net OPEB liability are as follows:

| | Increase (Decrease) | | |
|---|-------------------------|-----------------------------------|-----------------------|
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
| Balance at June 30, 2021 (MD)..... | \$ 4,409,899 | \$ 718,778 | \$ 3,691,121 |
| Changes during the measurement period..... | | | |
| Service cost..... | 154,800 | - | 154,800 |
| Interest..... | 306,758 | - | 306,758 |
| Differences between expected and actual experience... | (224,065) | - | (224,065) |
| Changes of assumptions..... | 49,784 | - | 49,784 |
| Contributions - employer..... | - | 252,866 | (252,866) |
| Contributions - member..... | - | 66,455 | (66,455) |
| Net investment loss..... | - | (87,003) | 87,003 |
| Benefit payments, including refunds of member contributions..... | (211,025) | (211,025) | - |
| Administrative expense..... | - | (190) | 190 |
| Net changes during the measurement period..... | <u>76,252</u> | <u>21,103</u> | <u>55,149</u> |
| Balance at June 30, 2022 (MD)..... | <u>\$ 4,486,151</u> | <u>\$ 739,881</u> | <u>\$ 3,746,270</u> |

The changes in net OPEB liability (asset) for the plans of the Transportation Authority and Successor Agency are as follows:

| | Transportation Authority | | | Successor Agency | | |
|---|--------------------------|-----------------------------------|----------------------------------|-------------------------|--------------------------------|----------------------------------|
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability (Asset) | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability (Asset) |
| Balance at June 30, 2021 (MD)..... | \$ 1,956 | \$ 2,493 | \$ (537) | \$ 11,217 | \$ 14,740 | \$ (3,523) |
| Changes during the measurement period..... | | | | | | |
| Service cost..... | 123 | - | 123 | 314 | - | 314 |
| Interest..... | 150 | - | 150 | 694 | - | 694 |
| Differences between expected and actual experience... | (3) | - | (3) | - | - | - |
| Changes of assumptions..... | (99) | - | (99) | - | - | - |
| Contributions from the employer..... | - | 70 | (70) | - | 1,689 | (1,689) |
| Benefit payments..... | (70) | (70) | - | (854) | (854) | - |
| Administrative expense..... | - | (1) | 1 | - | (6) | 6 |
| Net investment loss..... | - | (334) | 334 | - | (2,080) | 2,080 |
| Net changes during the measurement period..... | <u>101</u> | <u>(335)</u> | <u>436</u> | <u>154</u> | <u>(1,251)</u> | <u>1,405</u> |
| Balance at June 30, 2022 (MD)..... | <u>\$ 2,057</u> | <u>\$ 2,158</u> | <u>\$ (101)</u> | <u>\$ 11,371</u> | <u>\$ 13,489</u> | <u>\$ (2,118)</u> |

CITY AND COUNTY OF SAN FRANCISCO
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OPEB Expenses/(Benefits) and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB expense/(benefit) including amortization of deferred outflows/inflows related to OPEB items as follows:

| | Primary Government | | | Total |
|---|----------------------------|-----------------------------|--------------------|-------------------|
| | Governmental Activities | Business-type Activities | Fiduciary Funds | |
| City defined benefit healthcare plan..... | \$ 147,653 | \$ 109,259 | \$ 62 | \$ 256,974 |
| Transportation Authority defined benefit healthcare plan... | 86 | - | - | 86 |
| Successor Agency defined benefit healthcare plan..... | - | - | (291) | (291) |
| Total OPEB expense/ (benefit)..... | <u>\$ 147,739</u> | <u>\$ 109,259</u> | <u>\$ (229)</u> | <u>\$ 256,769</u> |

As of June 30, 2023, the City reported deferred outflows/inflows of resources related to OPEB from the following sources:

| | City Plan | | Transportation Authority | |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Contributions subsequent to measurement date..... | \$ 260,649 | \$ - | \$ 105 | \$ - |
| Differences between expected and actual experience..... | 83,173 | 623,707 | 160 | 451 |
| Changes in assumptions..... | 159,935 | - | - | 139 |
| Changes in proportion..... | 123,282 | 123,282 | - | - |
| Net difference between projected and actual earnings on plan investments..... | 60,306 | - | 220 | - |
| Total..... | <u>\$ 687,345</u> | <u>\$ 746,989</u> | <u>\$ 485</u> | <u>\$ 590</u> |

| | Successor Agency | | Total | |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Contributions subsequent to measurement date..... | \$ 2,429 | \$ - | \$ 263,183 | \$ - |
| Differences between expected and actual experience..... | - | 501 | 83,333 | 624,659 |
| Changes in assumptions..... | - | 79 | 159,935 | 218 |
| Changes in proportion..... | - | - | 123,282 | 123,282 |
| Net difference between projected and actual earnings on plan investments..... | 1,190 | - | 61,716 | - |
| Total..... | <u>\$ 3,619</u> | <u>\$ 580</u> | <u>\$ 691,449</u> | <u>\$ 748,159</u> |

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
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At June 30, 2023, the City reported \$260.6 million as deferred outflows of resources related to contributions subsequent to the measurement date, which will be recognized as an adjustment to net OPEB liability/(asset) in the reporting year ending June 30, 2024.

Amounts reported as deferred outflows/inflows will be amortized annually and recognized in OPEB expense as follows:

| Year ending June 30: | City | Transportation Authority | Successor Agency | Total |
|-------------------------|---------------------|-----------------------------|---------------------|---------------------|
| 2024..... | \$ (84,576) | \$ 8 | \$ (272) | \$ (84,840) |
| 2025..... | (83,580) | 4 | 122 | (83,454) |
| 2026..... | (45,951) | (11) | 150 | (45,812) |
| 2027..... | (55,431) | 67 | 610 | (54,754) |
| 2028..... | (50,755) | (38) | - | (50,793) |
| Thereafter..... | - | (240) | - | (240) |
| Total | <u>\$ (320,293)</u> | <u>\$ (210)</u> | <u>\$ 610</u> | <u>\$ (319,893)</u> |

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
 June 30, 2023
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Actuarial Assumptions

A summary of the actuarial assumptions and methods used to calculate the City Plan's total OPEB liability as of June 30, 2022 (measurement date) is provided below:

Key Actuarial Assumptions

| | |
|---|---|
| Valuation Date | June 30, 2022 |
| Measurement Date | June 30, 2022 |
| Actuarial Cost Method | The Entry Age Actuarial Cost Method is used to measure the Plan's Total OPEB Liability |
| Healthcare Cost Trend Rates | Pre-Medicare trend starts at 7.74% trending down to ultimate rate of 3.93% in 2076 Medicare trend starts at 7.74% trending down to ultimate rate of 3.94% in 2076 10-County average trend starts at 5.00% trending down to ultimate rate of 3.94% in 2076 Vision and dental expenses trend remains a flat 3.0% for all years |
| Expected Rate of Return on Plan Assets | 7.00% |
| Discount Rate | 7.00% |
| Salary Increase Rate | Wage Inflation Component: 3.25% Additional Merit Component (dependent on years of service): Police: 0.50% - 7.50% Fire: 0.50% - 14.00% Muni Drivers: 0.00% - 16.00% Craft: 0.50% - 3.75% Misc: 0.30% - 5.50% |
| Inflation Rate | Wage Inflation: 3.25% compounded annually Consumer Price Inflation: 2.50% compounded annually |
| Mortality Tables | Base mortality tables are developed by multiplying a published table by an adjustment factor developed in SFERS experience study for the period ended June 30, 2019. |

Non-Annuityants

| | Published Table | Adjustment Factor | |
|---------------|--------------------|-------------------|--------|
| | | Male | Female |
| Miscellaneous | PubG-2010 Employee | 0.834 | 0.866 |
| Safety | PubS-2010 Employee | 1.011 | 0.979 |

Healthy Retirees

| | Published Table | Adjustment Factor | |
|---------------|--------------------|-------------------|--------|
| | | Male | Female |
| Miscellaneous | PubG-2010 Employee | 1.031 | 0.977 |
| Safety | PubS-2010 Employee | 0.947 | 1.044 |

Disabled Retirees

| | Published Table | Adjustment Factor | |
|---------------|--------------------|-------------------|--------|
| | | Male | Female |
| Miscellaneous | PubG-2010 Employee | 1.045 | 1.003 |
| Safety | PubS-2010 Employee | 0.916 | 0.995 |

Beneficiaries

| | Published Table | Adjustment Factor | |
|---------------|--------------------|-------------------|--------|
| | | Male | Female |
| Miscellaneous | PubG-2010 Employee | 1.031 | 0.977 |
| Safety | PubG-2010 Employee | 1.031 | 0.977 |

The mortality rates in the base tables are projected generationally from the base year using the modified version of the MP-2019 projection scale.

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Notes to Basic Financial Statements (Continued)
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The Transportation Authority net OPEB asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined using an actuarial valuation as of June 30, 2021. The Successor Agency's net OPEB asset was measured as of June 30, 2022, and the total pension liability used to calculate the net OPEB asset was determined by an actuarial valuation as of June 30, 2021. A summary of the actuarial assumptions and methods used to calculate the total OPEB liability are as follows:

| Key Actuarial Assumptions | June 30, 2022 Measurement Date | |
|---|---|---|
| | Transportation Authority | Successor Agency |
| Actuarial Valuation Date | June 30, 2021 | June 30, 2021 |
| Discount Rate | 7.59% | 6.25% |
| General Inflation | 2.75% per annum | 2.50% |
| Salary Increases | 2.75% per annum, in aggregate | 2.75%; Merit based on 2017 CalPERS Experience Study |
| Investment Rate of Return | 7.59% | 6.25% |
| Mortality, Turnover, Disability, and Retirement | CalPERS 2017 Experience Study for the period from 1997 to 2015 | CalPERS 2017 Experience Study for the period from 1997 to 2015 Post-retirement mortality projected fully generational with Scale MP-2020 |
| Healthcare Cost Trend Rate | Initial 14% for non-medicare eligibles, 24.25% for spouse/domestic partner medicare eligibles and 6.5% medicare eligibles, all grading down to 4.0% | Non-Medicare - 6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076; Medicare (non-Kaiser)- 5.85% for 2022, decreasing to an ultimate rate of 3.75% in 2076; Medicare (Kaiser) - 4.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076 |

Sensitivity of Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability (asset) for each plan calculated using the healthcare cost trend rate, as well as what the plan's net OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1% lower or 1% higher than the current rate:

| Plan | June 30, 2022 (measurement year) | | |
|---------------------------|----------------------------------|------------------|--------------|
| | 1% Decrease | Healthcare Trend | 1% Increase |
| City Defined Benefit Plan | \$ 3,204,874 | \$ 3,746,270 | \$ 4,417,804 |
| Transportation Authority | (408) | (101) | 290 |
| Successor Agency | (3,269) | (2,118) | (748) |

Discount Rate

City OPEB Plan - The discount rate used to measure the total OPEB liability as of June 30, 2022 was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member and employer contributions will continue to be made at the rates specified in the Charter, and disbursements from the RHCTF will continue to be limited by the Charter until it is fully funded. Based on those assumptions, it was determined that the OPEB Plan's fiduciary net position was projected to be available to make all future benefit payments of current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected rate of return is based on the RHCTF's investment consultant's 10 and 20-year capital market assumptions for the RHCTF's asset allocation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return |
|---|-------------------|--|
| Equities | | |
| U.S. Large Cap | 28.0% | 6.8% |
| U.S. Small Cap | 3.0% | 7.4% |
| Developed Market Equity (non-U.S.) | 15.0% | 7.5% |
| Emerging Market Equity | 13.0% | 8.4% |
| Credit | | |
| Bank Loans | 3.0% | 4.0% |
| High Yield Bonds | 3.0% | 4.4% |
| Emerging Market Bonds | 3.0% | 4.2% |
| Rate Securities | | |
| Investment Grade Bonds | 9.0% | 2.4% |
| Long-term Government Bonds | 4.0% | 2.8% |
| Short-term Treasury Inflation-Protected Securities (TIPS) | 4.0% | 1.9% |
| Private Markets | | |
| Private Equity | 5.0% | 10.0% |
| Core Private Real Estate | 5.0% | 6.1% |
| Risk Mitigating Strategies | | |
| Global Macro | 5.0% | 5.0% |
| Total | <u>100.0%</u> | |

Transportation Authority and Successor Agency - The discount rates used to measure the total OPEB liability of the Transportation Authority and the Successor Agency were 7.59% and 6.25%, respectively. The projections of cash flows used to determine the discount rates assumed that Transportation Authority and Successor Agency contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on the OPEB plans' investments was applied to all periods of projected benefit payments to determine the total OPEB liability of each plan.

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The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Transportation Authority | | Successor Agency | |
|--|--------------------------|--|-------------------|--|
| | Target Allocation | Long-Term Expected Real Rate of Return | Target Allocation | Long-Term Expected Real Rate of Return |
| Global Equity | 59.00% | 5.25% | 49.00% | 4.56% |
| Fixed Income | 25.00% | 0.99% | 23.00% | 1.56% |
| Treasury Inflation Protection Securities | 5.00% | 0.45% | 5.00% | -0.08% |
| Real Estate Investment Trusts | 8.00% | 4.50% | 20.00% | 4.06% |
| Commodities | 3.00% | 3.00% | 3.00% | 1.22% |
| Total | <u>100.00%</u> | | <u>100.00%</u> | |

The following presents the net OPEB liability (asset) calculated using the discount rate, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate for each plan:

| Plan | June 30, 2022 (measurement year) | | |
|---|----------------------------------|---------------|--------------|
| | 1% Decrease | Discount Rate | 1% Increase |
| | 6.00% | 7.00 % | 8.00% |
| City Defined Benefit Plan | \$ 4,361,388 | \$ 3,746,270 | \$ 3,241,613 |
| June 30, 2022 (measurement year) | | | |
| | 1% Decrease | Discount Rate | 1% Increase |
| | 6.59% | 7.59% | 8.59% |
| Transportation Authority | \$ 211 | \$ (101) | \$ (357) |
| June 30, 2022 (measurement year) | | | |
| | 1% Decrease | Discount Rate | 1% Increase |
| | 5.25% | 6.25% | 7.25% |
| Successor Agency | \$ (957) | \$ (2,118) | \$ (3,100) |

CITY AND COUNTY OF SAN FRANCISCO
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(10) FUND EQUITY

(a) Governmental Fund Balance

Fund balances for all the major and nonmajor governmental funds as of June 30, 2023, were distributed as follows:

| | <u>General Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|---------------------|--|---|
| Nonspendable | | | |
| Imprest Cash, Advances, and Long-Term Receivables.. | \$ 1,174 | \$ 356 | \$ 1,530 |
| Restricted | | | |
| Rainy Day..... | 114,539 | - | 114,539 |
| Public Protection | | | |
| Police..... | - | 12,316 | 12,316 |
| Sheriff..... | - | 1,177 | 1,177 |
| Other Public Protection..... | - | 41,789 | 41,789 |
| Public Works, Transportation & Commerce..... | - | 236,623 | 236,623 |
| Human Welfare & Neighborhood Development..... | - | 1,883,783 | 1,883,783 |
| Affordable Housing..... | - | 216,773 | 216,773 |
| Community Health..... | - | 72,100 | 72,100 |
| Culture & Recreation..... | - | 333,166 | 333,166 |
| General Administration & Finance..... | - | 46,191 | 46,191 |
| Capital Projects..... | - | 486,946 | 486,946 |
| Debt Service..... | - | 234,979 | 234,979 |
| Total Restricted..... | <u>114,539</u> | <u>3,565,843</u> | <u>3,680,382</u> |
| Committed | | | |
| Budget Stabilization..... | <u>330,010</u> | - | <u>330,010</u> |
| Assigned | | | |
| Public Protection | | | |
| Police..... | 17,039 | 3,835 | 20,874 |
| Sheriff..... | 11,167 | 722 | 11,889 |
| Other Public Protection..... | 68,721 | - | 68,721 |
| Public Works, Transportation & Commerce..... | 98,692 | 88,420 | 187,112 |
| Human Welfare & Neighborhood Development..... | 85,960 | 155,141 | 241,101 |
| Affordable Housing..... | 367,496 | - | 367,496 |
| Community Health..... | 237,714 | - | 237,714 |
| Culture & Recreation..... | 22,158 | 21,335 | 43,493 |
| General Administration & Finance..... | 85,554 | 21,609 | 107,163 |
| General City Responsibilities..... | 74,249 | - | 74,249 |
| Self-Insurance..... | 46,496 | - | 46,496 |
| Capital Projects..... | 196,299 | - | 196,299 |
| Litigation and Contingencies..... | 262,730 | - | 262,730 |
| Subsequent Year's Budget..... | <u>150,628</u> | - | <u>150,628</u> |
| Total Assigned..... | <u>1,724,903</u> | <u>291,062</u> | <u>2,015,965</u> |
| Unassigned..... | <u>477,511</u> | <u>(1,936)</u> | <u>475,575</u> |
| Total..... | <u>\$ 2,648,137</u> | <u>\$ 3,855,325</u> | <u>\$ 6,503,462</u> |

CITY AND COUNTY OF SAN FRANCISCO
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(b) General Fund Stabilization and Other Reserves

Rainy Day Reserve

The City maintains a "Rainy Day" or economic stabilization reserve under Charter Section 9.113.5, with separate accounts for the benefit of the City (the City Reserve) and the San Francisco Unified School District (the School Reserve). In any year when the City projects that total General Fund revenues for the upcoming budget year are going to be more than five percent higher than the General Fund revenues for the current year, the City automatically deposits one-half of the "excess revenues" in the Rainy Day Reserve. Seventy-five percent of the deposit is placed in the City Reserve and twenty-five percent is placed in the School Reserve. The total amount of money in the Rainy Day Reserve may not exceed ten percent of the City's actual total General Fund revenues. The City may spend money from the City Reserve for any lawful governmental purpose, but only in years when the City projects that total General Fund revenues for the upcoming year will be less than the current year's total General Fund revenues, i.e., years when the City expects to take in less money than it had taken in for the current year. In those years, the City may spend up to half the money in the City Reserve, but no more than is necessary to bring the City's total available General Fund revenues up to the level of the current year. The School District may withdraw up to half the money in the School Reserve when it expects to collect less money per student than the previous fiscal year and would have to lay off a significant number of employees. The School District's Board can override those limits and withdraw any amount in the School Reserve by a two-thirds vote. The City does not expect to routinely spend money from the Rainy Day Reserve after evaluating its recent General Fund revenues trends and its most recent update to the Five-Year Financial Plan covering fiscal years 2023-24 through 2027-28.

Budget Stabilization Reserve

The City sets aside as an additional reserve 75 percent of (1) real estate transfer taxes in excess of the average collected over the previous five years, (2) proceeds from the sale of land and capital assets, and (3) ending unassigned General Fund balances. The City will be able to spend those funds in years in which revenues decline or grow by less than two percent, after using the amount legally available from the Rainy Day Reserve. The City, by a resolution of the Board of Supervisors adopted by a two-thirds vote, may temporarily suspend these provisions following a natural disaster that has caused the Mayor or the Governor to declare an emergency, or for any other purpose. The City does not expect to routinely spend money from the Budget Stabilization Reserve after evaluating its recent General Fund revenues trends and its most recent update to the Five-Year Financial Plan covering fiscal years 2023-24 through 2027-28.

(c) Encumbrances

At June 30, 2023, encumbrances recorded in the General Fund and nonmajor governmental funds were \$424.3 million and \$869.8 million, respectively.

(d) Restricted Net Position

The City issued general obligation bonds and certificates of participation for the purpose of rebuilding and improving Laguna Honda Hospital. General obligation bonds were also issued for the purpose of reconstructing and improving waterfront parks and facilities on Port property and for the seismic strengthening and repair of the Embarcadero Seawall managed by the Port and for the retrofit and improvement work to ensure a reliable water supply managed by the Water Enterprise in an emergency or disaster and for certain street improvements managed by the SFMTA. These capital assets are reported in the City's business-type activities. However, the debt service will be paid with governmental revenues and as such these general obligation bonds and certificates of participation are reported with unrestricted net position in the City's governmental activities. In accordance with GASB guidance, the City reclassified \$532.2 million of unrestricted net position of governmental activities, of which \$407.1 million reduced net investment in capital assets and \$125.1 million reduced net position restricted for capital projects to reflect the total column of the primary government as a whole perspective.

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(e) Deficit Fund Balances and Net Position

The Senior Citizens Program Fund had a deficit of \$1.5 million as of June 30, 2023. The deficit relates to unavailable revenue in various programs, which is expected to be collected beyond 60 days of the end of fiscal year 2023.

The Street Improvement Fund had a \$0.4 million deficit as of June 30, 2023. The deficit relates to unavailable revenue in various programs, which is expected to be collected beyond 60 days of the end of fiscal year 2023.

The Central Shops Internal Service Fund had a deficit in total net position of \$20.0 million as of June 30, 2023, mainly due to the accrual of other postemployment benefits liability. The operating deficit is expected to be reduced in future years through anticipated rate increases or reductions in operating expenses. The rates are reviewed and updated annually.

Prior to February 1, 2012, the California Redevelopment Law provided tax increment financing as a source of revenue to redevelopment agencies to fund redevelopment activities. Due to the nature of the redevelopment financing, the former Agency liabilities exceeded assets. Therefore, the former Agency historically carried a deficit, which was expected to be reduced as future tax increment revenues were received and used to reduce its outstanding long-term debt. This deficit was transferred to the Successor Agency on February 1, 2012. The Successor Agency can only receive tax increment to the extent that it can show on an annual basis that it has incurred indebtedness that must be repaid with tax increment. At June 30, 2023, the Successor Agency has a deficit of \$418.5 million, which will be eliminated with future redevelopment property tax revenues distributed from the Redevelopment Property Tax Trust Fund administered by the City's Controller.

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(11) UNAVAILABLE RESOURCES IN GOVERNMENTAL FUNDS

The deferred inflows of resources balance in governmental funds as of June 30, 2023, consists of the following unavailable resources:

| | <u>General Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|------------------------------------|---------------------|---|---|
| Grant and subvention revenues..... | \$ 113,283 | \$ 118,086 | \$ 231,369 |
| Property tax..... | 179,335 | 7,556 | 186,891 |
| Teeter Plan..... | 40,685 | - | 40,685 |
| SB 90..... | 4,634 | - | 4,634 |
| PG&E franchise tax..... | 3,862 | - | 3,862 |
| Loans..... | 10,705 | 205,461 | 216,166 |
| Leases..... | 79,916 | - | 79,916 |
| Total..... | \$ 432,420 | \$ 331,103 | \$ 763,523 |

California Senate Bill 90 (SB90) was adopted in 1972 and added to the State Constitution in 1979. When the Governor or Legislature mandates a new program or higher level of service upon local agencies and school districts, SB90 requires the State to reimburse local agencies and school districts for the cost of these new programs or higher levels of service. The balance in deferred inflows of resources is the value of reimbursement claims submitted to the State, which are subject to audit for unallowable costs.

As described in Note 6, under the Teeter Plan the City is allocated secured property tax revenue, which has been billed but not collected. Collections which have not occurred within the availability period are included in deferred inflows of resources in the General Fund.

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(12) SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

The Transportation Authority was created in 1989 by a vote of the San Francisco electorate. The vote approved Proposition B, which imposed a sales tax of one-half of one percent (0.5%), for a period not to exceed 20 years, to fund essential transportation projects. The types of projects to be funded with the proceeds from the sales tax were set forth in the San Francisco County Transportation Expenditure Plan (Expenditure Plan), which was approved as part of Proposition B. The Transportation Authority was organized pursuant to Sections 131000 et seq. of the California Public Utilities Code. Collection of the voter-approved sales tax began on April 1, 1990. The Transportation Authority administers the following programs:

Sales Tax Program. San Francisco voters in November 2022 approved Proposition L, the Sales Tax for Transportation Projects measure that will direct \$2.60 billion (2020 dollars) in half-cent sales tax funds over 30 years to help deliver safer, smoother streets, more reliable transit, continue paratransit services for seniors and persons with disabilities, reduce congestion, and improve air quality. Proposition L replaced the 2003 Proposition K Expenditure Plan with a new 30-year Expenditure Plan. The Prop L Expenditure Plan includes investments in five major categories: 1) Major Transit Projects (such as Muni Rail Core Capacity, BART Core Capacity, and the Caltrain Downtown Rail Extension); 2) Transit Maintenance and Enhancements; 3) Paratransit (services for seniors and people with disabilities); 4) Streets and Freeways (including funds for pedestrian and bicycle improvements, signals and traffic calming, street repaving); and 5) Transportation System Development and Management (including funds for transportation demand management, neighborhood and equity-focused planning and implementation). Under Proposition L legislation, the Transportation Authority directs the use of the Sales Tax and may issue up to \$1.91 billion in bonds secured by the Sales Tax.

Congestion Management Agency (CMA) Programs. On November 6, 1990, the Transportation Authority was designated under State law as the CMA for the City. Responsibilities resulting from this designation include developing a Congestion Management Program, which provides evidence of the integration of land use, transportation programming, and air quality goals; preparing a long-range countywide transportation plan to guide the City's future transportation investment decisions; monitoring and measuring traffic congestion levels in the City; measuring the performance of all modes of transportation; and developing a computerized travel demand forecasting model and supporting databases. As the CMA, the Transportation Authority is responsible for establishing the City's priorities for certain state and federal transportation funds and works with the Metropolitan Transportation Commission to program those funds to San Francisco projects.

Transportation Fund for Clean Air (TFCA) Program. On June 15, 2002, the Transportation Authority was designated to act as the overall program manager for the local guarantee (40%) share of transportation funds available through the TFCA program. Funds from this program, administered by the Bay Area Air Quality Management District, come from a \$4 vehicle registration fee on automobiles registered in the Bay Area. Through this program, the Transportation Authority recommends projects that benefit air quality by reducing motor vehicle emissions.

Vehicle Registration Fee for Transportation Improvements Program. On November 2, 2010, San Francisco voters approved Proposition AA with a 59.6% affirmative vote, authorizing the Transportation Authority to collect an additional \$10 annual vehicle registration fee on motor vehicles registered in San Francisco, and to use the proceeds to fund transportation projects identified in the 30-year Expenditure Plan. Revenue collection began in May 2011. Proposition AA revenues must be used to fund projects from the following three programmatic categories. The percentage allocation of revenues, designated for each category over the 30-year Expenditure Plan period, is shown in parentheses for the following category name: Street Repair and Reconstruction (50%); Pedestrian Safety (25%); and Transit Reliability and Mobility Improvements (25%).

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Treasure Island Mobility Management Authority (TIMMA). The Treasure Island Transportation Management Act of 2008 (Assembly Bill 981, Leno) authorizes the creation or designation of a Treasure Island-specific transportation management agency. On April 1, 2014, the City's Board of Supervisors approved a resolution designating the Transportation Authority as the TIMMA to implement the Treasure Island Transportation Implementation Plan in support of the Treasure Island/Yerba Buena Island Development Project. In September 2014, Governor Brown signed Assembly Bill 141 (Ammiano), establishing TIMMA as a legal entity, distinct from the Transportation Authority, to help firewall the Transportation Authority's other functions. The 11 members of the Transportation Authority Board act as the Commissioners for TIMMA Board. The Transportation Authority financial statements include TIMMA as a blended special revenue component unit.

Traffic Congestion Mitigation Tax. The Traffic Congestion Mitigation Tax was approved by San Francisco voters on November 5, 2019, through approval of Proposition D. The measure, also referred to as the Transportation Network Company (TNC) Tax, is a surcharge on commercial ride-hailing trips that originate in San Francisco, for the portion of the trip within the City. The intent of the TNC Tax program is to support transit and street safety improvements on San Francisco's roadways, helping to mitigate the effects of increased congestion due to TNC vehicles. Beginning January 1, 2020, a 1.5% tax is charged on shared rides or rides taken in a zero-emission vehicle, and 3.25% is charged on rides with a single occupant. The measure also takes into account rides provided by autonomous vehicles that are taxed in this same manner and rides provided by private transit companies, if a company were to enter the market. The tax is in effect until November 2045. After a 2% set aside for administration by the City, 50% of the revenues are directed to the SFMTA for transit operations and improvements, and 50% to the Transportation Authority for bicycle and pedestrian safety improvements, traffic calming, traffic signals upgrades and retimings.

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(13) DETAILED INFORMATION FOR ENTERPRISE FUNDS

(a) San Francisco International Airport

San Francisco International Airport (the Airport or SFO), which is owned and operated by the City, is the principal commercial service airport for the San Francisco Bay Area. A five-member Commission is responsible for the operation, development and management of the Airport. The Airport is located 14 miles south of downtown San Francisco in an unincorporated area of San Mateo County, between the Bayshore Freeway (U.S. Highway 101) and the San Francisco Bay. The Airport is also a major origin and destination point and one of the nation's principal gateways for Pacific traffic.

The Airport has pledged all of the Net Revenues (as defined in bond resolutions adopted by the Airport Commission) to repay the following obligations, when due, in order of priority, (1) the San Francisco International Airport Second Series Revenue Bonds (Senior Bonds) and a portion of amounts due to reimburse drawings under the letters of credit securing the Senior Bonds, (2) the Subordinate Commercial Paper Notes and any other obligations (Subordinate Bonds) and amounts due to reimburse drawings under the letters of credit securing the Commercial Paper Notes, (3) remaining amounts due to reimburse drawings under the letters of credit securing the Senior Bonds, and (4) interest rate swap termination payments.

During fiscal year 2022-23, the original principal amount of the Senior Bonds and Commercial Paper Notes issued, principal and interest remaining due on outstanding Senior Bonds and Commercial Paper Notes, principal and interest paid on such obligations, and applicable Net Revenues are as set forth in the table below. There were no unreimbursed drawings under any letter of credit or interest rate swap termination payments due.

| | |
|---|------------|
| Bonds issued with revenue pledge | \$ 241,915 |
| Bond principal and interest remaining due at end of the fiscal year | 14,950,425 |
| Bond principal and interest paid in the fiscal year | 400,509 |
| Commercial paper issued with subordinate revenue pledge | 417,250 |
| Commercial paper principal and interest remaining due at end of the fiscal year ... | 504,135 |
| Commercial paper principal, interest and fees paid in the fiscal year | 6,291 |
| Net revenues | 511,495 |

In addition, pursuant to the Hotel Trust Agreement, the Airport has pledged all of the Revenues of the on-Airport Hotel and certain other assets pledged under the Amended and Restated Hotel Trust Agreement, to repay the Hotel Special Facility Bonds. This pledge is in force so long as the Hotel Special Facility Bonds are outstanding. The Hotel Special Facility Bonds mature in fiscal year 2057-58 and are subject to mandatory sinking fund redemption each year starting in 2025. The Hotel Special Facility Bonds are not payable from or secured by the Net Revenues of the Airport.

Reserves and Debt Service - Under the terms of the 1991 Master Bond Resolution, the Airport may establish one or more reserve accounts with different reserve requirements to secure one or more series of Senior Bonds. Accordingly, the Airport has established two reserve accounts in the Reserve Fund: the Issue 1 Reserve Account, and the 2017 Reserve Account, all held by the trustee for the Senior Bonds. The reserve requirement for the Issue 1 Reserve Account is equal to the maximum annual debt service accruing in any year during the life of all participating series of bonds secured by the Issue 1 Reserve Account. The reserve requirement for the 2017 Reserve Account is equal to the lesser of: (i) the maximum amount of aggregate annual debt service for all 2017 Reserve Series Bonds in any fiscal year during the period from the date of calculation to the final scheduled maturity of the 2017 Reserve Series Bonds, (ii) 10% of the outstanding aggregate principal amount of all 2017 Reserve Series Bonds (provided that the issue price of a Series of 2017 Reserve Series Bonds will be used in this calculation if such Series was sold with an original issue discount that exceeded 2% of the principal of such Series on its original date of sale), and (iii) 125% of the average aggregate annual debt service for all 2017 Reserve Series Bonds. As of June 30, 2023, only the Series 2017D, 2019B, and 2019D

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Bonds are secured by the 2017 Reserve Account. Alternatively, the Airport may establish a separate reserve account with a different reserve requirement to secure an individual series of Senior Bonds or may issue Senior Bonds without a reserve account.

While revenue bonds are outstanding, the Airport may not create liens on its property essential to operations, may not dispose of any property essential to maintaining revenues or operating the Airport, and must maintain specified levels of insurance or self-insurance.

Under the terms of the 1991 Master Bond Resolution, the Airport has covenanted that it will establish and at all times maintain rentals, rates, fees, and charges for the use of the Airport and for services rendered by the Airport so that:

- (i) Net revenues in each fiscal year will be at least sufficient (i) to make all required debt service payments and deposits in such fiscal year with respect to the bonds, any subordinate bonds, and any general obligation bonds issued by the City for the benefit of the Airport and (ii) to make the annual service payment to the City, and
- (ii) Net revenues, together with any transfer from the Contingency Account to the Revenue Account (both held by the City Treasurer), in each fiscal year will be at least equal to 125% of aggregate annual debt service with respect to the bonds for such fiscal year.

The methods required by the 1991 Master Bond Resolution for calculating debt service coverage differs from GAAP used to determine amounts reported in the Airport's financial statements.

Passenger Facility Charges –The Airport, as authorized by the Federal Aviation Administration (FAA) pursuant to the Aviation Safety and Capacity Expansion Act of 1990 (the Act), as amended, imposes a Passenger Facility Charge (PFC) of \$4.50 for each enplaned passenger at the Airport. Under the Act, air carriers are responsible for the collection of PFC and are required to remit PFC revenues to the Airport in the following month after they are recorded by the air carrier. As of June 30, 2023, the FAA has approved Airport applications (PFC #2 to PFC #9) for collection and use within a total cumulative collection amount of \$2.3 billion. The final charge expiration date is estimated to be December 1, 2030. For the year ended June 30, 2023, the Airport reported approximately \$99.4 million of PFC revenue, which is included in other nonoperating revenues in the accompanying basic financial statements.

Commitments and Contingencies - Purchase commitments for construction, material and services as of June 30, 2023, are as follows:

| | |
|--------------------|------------------|
| Construction | \$ 40,615 |
| Operating | <u>47,693</u> |
| Total | <u>\$ 88,308</u> |

Transactions with Other Funds. Pursuant to the Lease and Use Agreement between the Airport and most of the airlines operating at the Airport, the Airport makes an annual service payment to the City's General Fund equal to 15% of concession revenue (net of certain adjustments), but not less than \$5.0 million per fiscal year, in order to compensate the City for all indirect services provided to the Airport. The annual service payment for the year ended June 30, 2023, was \$48.7 million and was recorded as a transfer. In addition, the Airport pays for the cost of certain direct services provided by City departments to the Airport, including those provided by the Police Department, Fire Department, City Attorney, City Treasurer, City Controller, City Purchasing Agent and other City departments. The cost of direct services paid for by the Airport for the year ended June 30, 2023, was \$186.4 million.

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Business Concentrations - In addition to the Lease and Use Agreements with the airlines, the Airport leases other businesses to operate concessions at the Airport. For the year ended June 30, 2023, revenues realized from the following Airport tenant exceeded five percent of the Airport's total operating revenues:

United Airlines 26.2%

(b) Port of San Francisco

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

Pledged Revenues – The Port's revenues, derived primarily from property rentals to commercial and industrial enterprises and from maritime operations, which include cargo, fishing, harbor services, cruise and other maritime activities, are held in a separate enterprise fund and appropriated for expenditure pursuant to the budget and fiscal provisions of the City Charter, consistent with trust requirements. Under the public trust doctrine, the Burton Act, and the transfer agreement between the City and the State, Port revenues may be spent only for uses and purposes of the public trust.

The Port pledged future net revenues to repay its revenue bonds. As of June 30, 2023, the total principal and interest remaining to be paid on the bonds is \$55.2 million. The principal and interest payments made in 2023 were \$3.3 million and net revenue for the year ended June 30, 2023, was \$60.6 million.

The Port has entered into a loan agreement with the California Division of Boating and Waterways for \$3.5 million to finance certain Hyde Street Harbor improvements. The loan is subordinate to all bonds payable by the Port and is secured by gross revenues as defined in the loan agreement. The total principal and interest remaining to be paid on this loan is \$1.4 million. Annual principal and interest payments were \$0.2 million in 2023 and pledged harbor revenues were \$0.2 million for the year ended June 30, 2023.

Commitments and Contingencies – The Port is presently planning various development and capital projects that involve a commitment to expend significant funds. As of June 30, 2023, the Port's purchase commitments for construction-related services, materials and supplies, and other services were \$12.4 million for capital projects and \$3.8 million for general operations.

Transactions with Other Funds – The Port receives from, and provides services to, various City departments. In fiscal year 2022-23, the \$27.8 million in services provided by other City departments included \$8.8 million of insurance premiums and \$1.0 million in workers' compensation expense.

On September 27, 2018, the Port and Mayor's Office of Housing and Community Development (MOHCD) entered into a Memorandum of Understanding to implement the affordable housing development project at the Seawall Lot 322-1 ("88 Broadway"). In August 2019, the Port received \$15.0 million from MOHCD, which included additional interest accrued since June 30, 2019. As part of the 88 Broadway project, the Port entered into a Ground Lease with a developer in March 2019. The Ground Lease has a term of fifty-seven years plus one eighteen extension option (a 75-year maximum term but with expiration no later than December 31, 2105). The lease revenues are being amortized over the 75-year maximum term of the lease. At June 30, 2023, the Port has a deferred inflow balance in the amount of \$13.7 million related to this Ground Lease. In addition to the payment by MOHCD, the Developer will be required to make lease payments representing a share of any cash flow generated by commercial activities.

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In December 2017, the Port and the San Francisco Fire Department (SFFD) entered into a MOU for the use of water, apron, shed and office space at Pier 26 for berthing and servicing of fire boats for five years and on a month-to-month basis afterward. To facilitate these uses, SFFD repaired apron decking, replaced the fender system within the leasehold area and upgraded electrical services to Pier 26. In return, the Port allowed SFFD to apply a hundred percent rent credits toward the lease payments until all required capital improvements, approximately \$2.3 million, are fully offset. As of June 30, 2023, rent credits of \$0.7 million have been provided to SFFD.

In December 2019, the Port and San Francisco Fire Department (SFFD) entered into an MOU for the installation of the newly constructed Fireboat Station 35, a floating first response facility, at Pier 22½. This MOU replaced the existing License 501 for the use of the Pier 22½ shed as a firehouse building. In 2022, the Port authorized SFFD to apply \$0.9 million of rent credits toward the lease payments for the tenant improvements to the existing marginal wharf and substructure as part of the Project for a dedicated public access area. As of June 30, 2023, rent credits of \$0.08 million have been provided to SFFD.

South Beach Harbor Project Commitments – On May 1, 2019, the Successor Agency transferred South Beach Harbor operations to the Port. Under San Francisco Bay Conservation and Development Commission (BCDC) Permit Amendment No. 17 for the South Beach Harbor Project, certain public access and other improvements were to be completed by December 31, 2017. Construction estimates prepared by a Port consultant in 2014 indicate that the required uncompleted work would cost approximately \$7.9 million. The Port has worked with the water recreation community to develop an alternative public access improvement proposal for BCDC consideration. Port management believes that the alternative proposal will provide significant public access improvements that are relevant to the project area and at a lower cost. On December 18, 2020, BCDC issued Amendment No. 20 for the South Beach Harbor Permit (1984.002.20) requiring amended project work to be completed by December 31, 2024, including installation of a new guest dock, kayak launch, and hoists located at Pier 40.

Pollution Remediation Obligations – The Port's financial statements include liabilities, established and adjusted periodically, based on new information, in accordance with applicable GAAP, for the estimated costs of compliance with environmental laws and regulations and remediation of known contamination. As future development planning is undertaken, the Port evaluates its overall provisions for environmental liabilities in conjunction with the nature of future activities contemplated for each site and accrues a liability, if necessary. It is, therefore, reasonably possible that in future reporting periods current estimates of environmental liabilities could materially change.

Port lands are subject to environmental risk elements typical of sites with a mix of light industrial activities dominated by transportation, transportation-related and warehousing activities. Due to the historical placement of fill of varying quality, and widespread use of aboveground and underground tanks and pipelines containing and transporting fuel, elevated levels of petroleum hydrocarbons and lead are commonly found on Port properties. Consequently, any significant construction, excavation or other activity that disturbs soil or fill material or bay sediment may encounter hazardous materials and/or generate hazardous waste.

The Port has identified certain environmental issues related to Port property, including polychlorinated biphenyls, polycyclic aromatic hydrocarbons and other oil contamination. The Port may be required to perform certain clean-up work if it intends to develop or lease the property, or at such time as required by the City or State. There are sites where groundwater contamination may be later identified, where the Port has primary or secondary responsibility. The potential liability for all such risk cannot be reasonably made at this time.

A 69-acre area commonly known as "Pier 70" has been used for over 150 years for iron and steel works, ship building and repair, and other heavy industrial operations. Much of the site was owned and/or occupied by the U.S. Navy or its contractors for at least 60 years. A long history of heavy industrial use has turned this area into a "brownfield" – an underutilized property area where reuse is

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hindered by actual or suspected contamination. Fifteen acres remain occupied by an on-going ship repair facility. Environmental conditions exist that require investigation and remediation prior to any rehabilitation or development for adaptive reuse. The lack of adequate information about environmental conditions has hindered previous development proposals for Pier 70.

Investigation work completed in 2011 reduced the uncertainty regarding the nature and extent of contamination, potential need for remediation, and costs associated with implementation of a risk management plan. The Regional Water Quality Control Board approved the Risk Management Plan in January 2014. The Risk Management Plan provides institutional controls (e.g. use restrictions, health and safety plans) and engineering controls (e.g. capping contaminated soil) to protect current and future users and prevent adverse impact to the environment. The Risk Management Plan specifies how future development, operation, and maintenance will implement the remedy, by covering existing site soil with buildings, streets, plazas, hardscape or new landscaping, thereby minimizing or eliminating exposure to contaminants in soil.

The Port evaluates cost estimates annually based on additional information and transaction events that may impact the pollution remediation outlays. The accrued cost for pollution remediation at Pier 70 is estimated to be \$3.5 million at June 30, 2023. These are obligations not assumed by the Port development partners. In addition, the Port estimates the cost to install a sediment cap offshore along the former Pier 70 Shipyard and adjacent to Crane Cove Park at \$2.5 million and the cost to perform studies and risk assessments involving the Pier 70 Undeveloped Upland area at \$0.8 million.

The Port's Mission Bay Ferry Landing (MBFL) project is located adjacent to the south side of the former Pier 64. The MBFL project consists of approximately eight acres of in-water area, dredging, ferry berths, and a few hundred feet of armored shoreline. The Port completed phase one of MBFL construction in November 2020. A marine mattress and additional sand layer will be part of the phase two construction to protect the sand layer from erosion. Construction for phase two is scheduled for fiscal year 2024-25. As of June 30, 2023, the Port estimated this pollution remediation obligation to be \$3.7 million. This estimate is not intended to reflect an admission of liability.

Other environmental conditions on Port property include polycyclic aromatic hydrocarbons and oil contamination at various sites. As of June 30, 2023, pollution remediation liabilities are estimated at \$3.7 million for the rest of the Port's properties.

A summary of environmental liabilities, included in noncurrent liabilities, at June 30, 2023, is as follows:

| | Environmental Remediation |
|--|--------------------------------------|
| Environmental liabilities at July 1, 2022..... | \$ 9,683 |
| Current year claims and changes in estimates.... | 1,242 |
| Environmental liabilities at June 30, 2023..... | \$ 10,925 |

(c) San Francisco Water Enterprise

The San Francisco Water Enterprise (Water Enterprise) was established in 1930. The Water Enterprise, which consists of a system of reservoirs, storage tanks, water treatment plants, pump stations, and pipelines, is engaged in the collection, transmission and distribution of water to the City and certain suburban areas. In fiscal year 2022-23, the Water Enterprise sold water, approximately 62,227 million gallons annually, to a total population of approximately 2.7 million people who reside primarily in four Bay Area counties (San Francisco, San Mateo, Santa Clara and Alameda).

The San Francisco Public Utilities Commission, established in 1932, provides the operational oversight for the Water Enterprise, Hetch Hetchy Water and Power (Hetch Hetchy and CleanPowerSF), and the San Francisco Wastewater Enterprise. Under Proposition E, the City's Charter Amendment approved

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by the voters in June 2008, the Mayor nominates candidates subject to qualification requirements to the Commission and the Board of Supervisors votes to approve the nominees by a majority (at least six members).

Pledged Revenues – The Water Enterprise has pledged future revenues to repay various bonds and State Revolving Fund loans. Proceeds from the revenue bonds and State Revolving Fund loans provided financing for various capital construction projects and to refund previously issued bonds. These bonds and State Revolving Fund loans are payable solely from revenues of the Water Enterprise and are payable through fiscal year 2057-58.

The original amount of revenue bonds and State Revolving Fund loans issued, total principal and interest remaining, principal and interest paid during 2023 and applicable revenues for 2023 are as follows:

| | |
|---|--------------|
| Bonds issued with revenue pledge | \$ 4,882,130 |
| Principal and interest remaining due at end of the fiscal year | 7,193,317 |
| Clean Water State Revolving Fund (CWSRF) loans with revenue pledge..... | 163,627 |
| Bond principal and interest paid in the fiscal year | 307,062 |
| Net revenues | 372,689 |
| Funds available for revenue bond debt service | 566,764 |

Water Balancing Account – During fiscal year 2022-23, the wholesale revenue requirement, net of adjustments, charged to wholesale customers was \$300.5 million. Such amounts are subject to final review by wholesale customers, along with a trailing wholesale balancing account compliance audit of the wholesale revenue requirement calculation. As of June 30, 2023, the Wholesale Customers owed the Enterprise \$10.1 million under the Water Supply Agreement.

Commitments and Contingencies – As of June 30, 2023, the Water Enterprise had outstanding commitments with third parties of \$220.7 million for various capital projects and other purchase agreements.

Environmental Issue – As of June 30, 2023, the total pollution remediation liability was \$1.3 million, for the excavation of contaminated soil that contained polycyclic aromatic hydrocarbons from a gun club site in the Lake Merced area.

Transactions with Other Funds – The Water Enterprise purchases water from Hetch Hetchy Water and electricity from Hetch Hetchy Power at market rates. These amounts, totaling approximately \$49.6 million and \$11.4 million, respectively, for the year ended June 30, 2023, are included in the operating expenses for services provided by other departments in the Water Enterprise's financial statements.

A variety of other City departments provide services such as engineering, purchasing, legal, data processing, telecommunications, and human resources to the Water Enterprise and charge amounts designed to recover those departments' costs. These charges total approximately \$18.7 million for the year ended June 30, 2023 and have been included in services provided by other departments.

(d) Hetch Hetchy Enterprise

San Francisco Hetch Hetchy Water and Power (Hetch Hetchy or the Enterprise) was established as a result of the Raker Act of 1913, which granted water and power resources rights-of-way on the Tuolumne River in Yosemite National Park and Stanislaus National Forest to the City. CleanPowerSF, launched in May 2016, provides green electricity from renewable sources to residential and commercial customers in San Francisco and was reported as part of Hetch Hetchy starting fiscal year 2016. Hetch Hetchy is a stand-alone enterprise comprised of three funds, Hetchy Power (the Power Enterprise), CleanPowerSF and Hetchy Water, the portion of the Water Enterprise's operations, specifically the upcountry water supply and transmission service. Hetch Hetchy is engaged in the collection and conveyance of approximately 85.0% of the City's water supply and in the generation and transmission

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of electricity from that resource, as well as the City Power services including energy efficiency and renewable.

Approximately 61.0% of the electricity generated by Hetchy Power is used to provide electric service to the City's municipal customers (including the SFMTA, the Recreation and Park Department, the Port, the Airport and its tenants, SFGH, streetlights, Moscone Convention Center, and the Water and Wastewater Enterprises). The majority of the remaining 39.0% balance of electricity is sold to CleanPowerSF and the wholesale electric market. As a result of the 1913 Raker Act, energy produced above the City's Municipal Load is sold first to the Districts (Modesto Irrigation District and Turlock Irrigation District) to cover their agricultural pumping and municipal load needs and any remaining energy is either sold to other municipalities and/or government agencies (not for resale) or sold into the California Independent System Operator (CAISO). Hetch Hetchy operation is an integrated system of reservoirs, hydroelectric power plants, aqueducts, pipelines, and transmission lines.

Hetch Hetchy also purchases wholesale electric power from various energy providers that are used in conjunction with owned hydro resources to meet the power requirements of its customers. Operations and business decisions can be greatly influenced by market conditions, State and federal power matters before the California Public Utilities Commission (CPUC), the CAISO, and the Federal Energy Regulatory Commission (FERC). Therefore, Hetch Hetchy serves as the City's representative at CPUC, CAISO, and FERC forums and continues to monitor regulatory proceedings.

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Segment Information – Hetch Hetchy Power issued debt to finance its improvements. The Hetch Hetchy Water fund, the Hetch Hetchy Power fund, and CleanPowerSF fund are reported for in a single enterprise. However, investors in the debt rely solely on the revenue generated by the individual activities for repayment. Summary financial information for Hetch Hetchy is presented below:

| Condensed Statements of Net Position | Hetch Hetchy Water | Hetch Hetchy Power | CleanPowerSF | Total |
|---|-----------------------|-----------------------|-------------------|-------------------|
| Assets*: | | | | |
| Current assets..... | \$ 79,709 | \$ 251,534 | \$ 146,482 | \$ 477,725 |
| Receivables from other funds and component units..... | - | 11,486 | - | 11,486 |
| Noncurrent restricted cash and investments..... | 10,980 | 21,446 | - | 32,426 |
| Other noncurrent assets..... | 423 | 9,832 | 11,454 | 21,709 |
| Capital assets..... | 219,754 | 646,946 | - | 866,700 |
| Total assets..... | <u>310,866</u> | <u>941,244</u> | <u>157,936</u> | <u>1,410,046</u> |
| Deferred outflows of resources: | | | | |
| Pensions..... | 8,858 | 10,826 | 1,292 | 20,976 |
| Other postemployment benefits..... | 3,248 | 3,969 | 1,009 | 8,226 |
| Total deferred outflows of resources..... | <u>12,106</u> | <u>14,795</u> | <u>2,301</u> | <u>29,202</u> |
| Liabilities: | | | | |
| Current liabilities..... | 9,888 | 65,390 | 31,461 | 106,739 |
| Noncurrent liabilities..... | 31,730 | 363,468 | 6,557 | 401,755 |
| Total liabilities..... | <u>41,618</u> | <u>428,858</u> | <u>38,018</u> | <u>508,494</u> |
| Deferred inflows of resources: | | | | |
| Pensions..... | 4,142 | 5,062 | 1,296 | 10,500 |
| Other postemployment benefits..... | 3,084 | 3,769 | 2,922 | 9,775 |
| Total deferred inflows of resources..... | <u>7,226</u> | <u>8,831</u> | <u>4,218</u> | <u>20,275</u> |
| Net position: | | | | |
| Net investment in capital assets..... | 219,754 | 336,281 | - | 556,035 |
| Restricted for capital projects..... | 5,233 | - | - | 5,233 |
| Restricted for debt service..... | - | 56 | - | 56 |
| Unrestricted..... | 49,141 | 182,013 | 118,001 | 349,155 |
| Total net position..... | <u>\$ 274,128</u> | <u>\$ 518,350</u> | <u>\$ 118,001</u> | <u>\$ 910,479</u> |

* Certain amounts presented herein have been reclassified from the Statement of Net Position

| Condensed Statements of Revenues, Expenses, and Changes in Fund Net Position | Hetch Hetchy Water | Hetch Hetchy Power | CleanPowerSF | Total |
|---|-----------------------|-----------------------|-------------------|-------------------|
| Operating revenues..... | \$ 52,697 | \$ 204,003 | \$ 326,777 | \$ 583,477 |
| Depreciation expense..... | (6,524) | (17,877) | (270) | (24,671) |
| Other operating expenses..... | (43,487) | (173,675) | (294,510) | (511,672) |
| Operating income..... | 2,686 | 12,451 | 31,997 | 47,134 |
| Nonoperating revenues (expenses): | | | | |
| Federal and state grants..... | 1,627 | 937 | 1,173 | 3,737 |
| Interest and investment income..... | 457 | 3,741 | 405 | 4,603 |
| Interest expense..... | (4) | (9,486) | (1) | (9,491) |
| Other nonoperating revenues net of expenses..... | 180 | 14,025 | 107 | 14,312 |
| Capital contributions..... | - | 2,535 | - | 2,535 |
| Transfer in (out), net..... | 20,000 | (32) | - | 19,968 |
| Change in net position..... | 24,946 | 24,171 | 33,681 | 82,798 |
| Net position at beginning of year, as restated..... | 249,182 | 494,179 | 84,320 | 827,681 |
| Net position at end of year..... | <u>\$ 274,128</u> | <u>\$ 518,350</u> | <u>\$ 118,001</u> | <u>\$ 910,479</u> |

| Condensed Statements of Cash Flows | Hetch Hetchy Water | Hetch Hetchy Power | CleanPowerSF | Total |
|---|-----------------------|-----------------------|-------------------|-------------------|
| Net cash provided by (used in): | | | | |
| Operating activities..... | \$ (933) | \$ 48,520 | \$ 39,626 | \$ 87,213 |
| Noncapital financing activities..... | 20,535 | 4,244 | 3,349 | 28,128 |
| Capital and related financing activities..... | (26,042) | (7,474) | (272) | (33,788) |
| Investing activities..... | 914 | 3,663 | 1,207 | 5,784 |
| Increase (decrease) in cash and cash equivalents..... | (5,526) | 48,953 | 43,910 | 87,337 |
| Cash and cash equivalents at beginning of year..... | 97,383 | 208,857 | 57,887 | 364,127 |
| Cash and cash equivalents at end of year..... | <u>\$ 91,857</u> | <u>\$ 257,810</u> | <u>\$ 101,797</u> | <u>\$ 451,464</u> |

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Pledged Revenues – Hetch Hetchy Power has pledged future power revenues to repay the 2008 Clean Renewable Energy Bonds (CREBs), the 2011 Qualified Energy Conservation Bonds (QECCBs), and the 2015 New Clean Renewable Energy Bonds (NCREBs). Additionally, Hetch Hetchy Power has pledged future power revenues for 2015 Series AB power revenue bonds and 2021 Series AB power revenue bonds. Proceeds from the bonds provided financing for various capital construction and facility energy efficiency projects. 2015 Series AB and 2021 Series AB power revenue bonds are payable through fiscal year 2045-46 and 2051-52, respectively, and are solely payable from net revenues of Hetch Hetchy Power on a senior lien basis to the 2008 CREBs, the 2011 QECCBs, and the 2015 NCREBs.

The original amount of revenue bonds issued, total principal and interest remaining, principal and interest paid during fiscal year 2022-23, applicable net revenues, and funds available for debt service are as follows:

| | |
|---|------------|
| Hetch Hetchy Power | |
| Bonds issued with revenue pledge | \$ 182,271 |
| Bond principal and interest remaining due at end of the fiscal year | 281,546 |
| Bond principal and interest paid in the fiscal year* | 3,905 |
| Net revenues | 52,195 |
| Funds available for revenue bond debt service | 162,399 |

* Per Indenture, debt service for coverage is calculated using the amount of principal and interest paid during the year for the 2015 Series AB and 2021 Series AB power revenue bonds net of capitalized interest if any, which have a senior lien on Power Enterprise revenues; principal and interest paid during the year for the 2015 Series AB and 2021 Series AB power revenue bonds was \$2,567, net of capitalized interest.

Commitments and Contingencies – As of June 30, 2023, Hetch Hetchy had outstanding commitments with third parties of \$136.3 million for various capital projects and other purchase agreements for materials and services.

Hetch Hetchy Water

To meet certain requirements of the Don Pedro Reservoir operating license, the City entered into an agreement with the Modesto Irrigation District and Turlock Irrigation District (collectively the Districts) in which the Districts would be responsible for an increase in water flow releases from the reservoir in exchange for annual payments from the City, which are included in Hetchy Water’s operating expenses. Total payments were \$5.3 million in fiscal year 2022-23. The payments are to be made for the duration of the license but may be terminated with one year’s prior written notice after 2001. The City and the Districts have also agreed to monitor the fisheries, in the lower Tuolumne River, for the duration of the license. A maximum monitoring expense of \$1.4 million is to be shared between the City and the Districts over the term of the license. The City’s share of the monitoring costs is 52.0% and the Districts are responsible for 48.0% of the costs.

Hetch Hetchy Power

Upon expiration of the City’s previous Interconnection Agreement with PG&E, the City began taking service in 2015 under the Wholesale Distribution Tariff (WDT) for distribution service and under the CAISO Open-Access Transmission Tariff for transmission service. The FERC-regulated Wholesale Distribution Tariff is implemented by PG&E through the City specific Service Agreements and Interconnection Agreements. The terms of these agreements have been in contention since the effective date. The City is continuing to negotiate with PG&E and, where necessary, filing complaints and protests at FERC. In September 2020, PG&E filed a revised WDT. Under the terms of the new WDT, the City would pay substantially higher rates, at least twice to potentially four times the current charges, and be required to install costly and inefficient equipment not needed for technical, safety or reliability of operations. In addition, Hetchy Power would no longer be allowed to connect to the

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“network” grid in the center of San Francisco; have new secondary interconnections; and/or serve any small, typically unmeted loads, such as streetlights, traffic signal and bus shelters.

Staff prepare regular reporting to the Board of Supervisors outlining on-going disputes with PG&E over project requirements, costs and delays. During fiscal year 2022-23, Hetch Hetchy Power purchased distribution services for \$29.0 million from PG&E under the terms of the service agreements and Interconnection Agreements that implement the WDT. The City continues to litigate and dispute these terms at FERC and in the court systems; and pursue the purchase of PG&E’s electric grid in San Francisco.

Hetchy Power may purchase or sell energy and other related products (such as ancillary services, spinning reserves, resource adequacy products, and congestion revenue rights) with different market entities through the Western System Power Pool (WSPP) and the CAISO. During fiscal year 2022-23, Hetchy Power purchased \$3.7 million of power and other related products. There was \$1.2 million or 155,000 MWh of excess power sales after meeting Hetch Hetchy’s obligations in fiscal year 2022-23.

Hetchy Power (Buyer) purchases energy, capacity, and environmental attributes from a solar photovoltaic project located at Sunset Reservoir (the facility) pursuant to the 2009 25-year Power Purchase Agreement (PPA) with SFCity1, LP, owned by Duke Energy (Seller). In November 2010, the facility commenced commercial operation and began to provide Hetchy Power energy generated by the facility. The PPA sets the purchase price of generated energy at \$235/MWh, increased by 3.0% each year throughout the term of the agreement, and it is expected that the facility will generate 6,560 MWh per year. In fiscal year 2022-23, the facility generated 6,006 MWh and rate was at \$344/MWh.

In the event that the facility generates more energy than expected due to better than normal meteorological conditions, the PPA requires the Buyer to purchase all the excess energy but generation in excess of 120.0% of expected is purchased at no cost. The PPA also requires the Seller to generate a minimum amount of energy from the facility annually. If energy production falls below 50% of expected, the Seller must provide replacement power, and if energy falls below 90% of expected, the price for energy generated is lowered. In fiscal year 2022-23, purchases of energy under the PPA were \$2.0 million or 6,006 MWh.

Hetchy Power and CleanPowerSF participate in the CAISO energy markets which requires the SFPUC to have a contract with a certified Scheduling Coordinator (SC). In June 2022, CleanPowerSF renewed a 5-year contract with APX, Inc with contract amount not to exceed \$134.7 million to fulfill this requirement. APX, Inc provides a number of services including but not limited to an interface with the CAISO’s energy scheduling portal, manage invoice payments to the CAISO and communications between the CAISO and the SFPUC, and dispatch of the Hetch Hetchy plant 24 hours a day, seven days a week. The contract also provides that APX, Inc will act as the SC for renewable generation plants under some of CleanPowerSF’s Power Purchase Agreements. Hetchy Power’s share was \$0.5 million as of June 30, 2023. CleanPowerSF’s share was \$0.2 million June 30, 2023.

On January 6, 2023, Amendment No. 1 was requested and approved to increase this contract by \$125.0 million, increasing the total contract to \$259.7 million, with no change to the agreement duration. On March 17, 2023, Amendment No. 2, was approved to increase the contract by \$636.0 million for a total not to exceed contract amount of \$895.7 million, with no change to the agreement duration. The drivers for these Amendments were higher than anticipated power prices, due to extreme weather, draught conditions, and global energy shortages.

CleanPowerSF

CleanPowerSF regularly adds new short-term and medium-term contracts with multiple counterparties pursuant to master agreements, including the WSPP Master Agreement, to purchase renewable, carbon-free and conventional energy and resource adequacy capacity. CleanPowerSF has also entered into long-term contracts for renewable energy and capacity with renewable energy developers including sPower, Terra-Gen, NextEra, Intersect Power and EDF Renewables. These contracts have

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been entered to allow CleanPowerSF to meet its existing retail sales obligations, to support future retail sales from anticipated load growth, and to comply with State requirement that 65% of CleanPowerSF's Renewables Portfolio Standard (RPS) compliance targets be fulfilled by RPS-eligible electricity from contracts of 10 or more years. Citywide enrollment was completed in 2020. Since it began serving customers in 2016, CleanPowerSF's cumulative opt-out rate is 4.4% of all enrolled accounts. The total power purchase cost, net of wholesale sales, was \$259.5 million in fiscal year 2022-23.

CleanPowerSF contracts with Calpine Energy Solutions to provide meter data management, billing and customer care support. Calpine is responsible for calculating and providing CleanPowerSF charges to PG&E, which in turn bills both CleanPowerSF and PG&E customers for electricity transmission, distribution, and CleanPowerSF generation services. PG&E remits payments received from customers for CleanPowerSF charges to the City. During fiscal year 2022-23, amount paid was \$4.7 million.

In November 2020, CleanPowerSF executed a Power and Storage Purchase Agreement to purchase solar product and storage product from a solar powered generation facility and battery storage facility located at Livermore pursuant to the 25-year PPA with IP Aramis, LLC (Seller). As of June 30, 2022, CleanPowerSF received cash collateral of \$9.0 million for Development Assurance and Performance Assurance from the Seller. The \$9.0 million cash collateral was returned to the seller as of June 30, 2023.

In March 2018, CleanPowerSF entered into a five-year, \$75.0 million Credit Agreement with JPMorgan Chase Bank, National Association (Bank) to provide letters of credit or loans from the Bank to guarantee certain power purchase agreement payment obligations of CleanPowerSF and to meet working capital needs, if necessary. In November 2021, the Credit Agreement decreased the available amount from \$75.0 million to \$20.0 million, and the stated term of the agreement was extended to March 2024. Additional changes to the agreement effected by the November 2021 Amendments include elimination of target reserve requirements, revisions to debt service coverage (allowing for a liquidity test two times in the aggregate for any consecutive four quarters) and rate-setting covenants, changes to ongoing reporting requirements to the Bank, and changes to events of default, including the addition of an event of default if CleanPowerSF's long-term unenhanced credit rating is downgraded below investment grade or suspended, withdrawn or otherwise unavailable. In May 2022, CleanPowerSF executed another amendment to its Credit Agreement to eliminate and change certain financial covenants contained in the 2018 Credit Agreement. Specifically, this Amendment eliminated the covenant of the Commission to maintain a specified debt service coverage ratio and changed such financial covenant to commit the Commission to maintain a specified level of Day Liquidity on Hand (as defined in the Credit Agreement). The Credit Agreement is secured by CleanPowerSF's net revenues; there is no pledge of, or lien on net revenues that ranks senior to the obligations under the Credit Agreement. The Bank issued letters of credit in the face amounts totaling \$6.2 million for fiscal year ended June 30, 2023. CleanPowerSF did not draw on the Credit Agreement during fiscal year 2022-23. Accordingly, the uncommitted credit capacity under the Credit Agreement was \$13.8 million during fiscal year 2022-23.

Original financial covenants include that CleanPowerSF maintain a Debt Service Coverage Ratio as defined in the Credit Agreement of not less than 1.05 for each fiscal quarter, as determined for the four consecutive fiscal quarter periods ended on the last day of such fiscal quarter. CleanPowerSF was in compliance with all covenants and requirements of the Credit Agreement as amended as of June 30, 2023.

Significant events of default under the Credit Agreement, include 1) non-payment, 2) material breach of warranty, representation, or other non-remedied breach of covenants as specified in the agreement and 3) bankruptcy and insolvency events, which could result in all outstanding loans under the Credit Agreement to be immediately due and payable; or the immediate termination of the Bank's commitment to issue letters of credit or make loans under the Credit Agreement.

In June 2018, the CPUC established the Disadvantaged Communities-Green Tariff (DAC-GT) and Community Solar Green Tariff (CSGT) program to address barriers to solar adoption faced by low-

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income electric customers in neglected communities. The DAC-GT program provides a 20% rate discount on 100% RPS eligible electricity service to income-qualified customers residing in Disadvantaged Communities (DACs) as defined by the California Environmental Protection Agency's (Cal EPA). Similar to DAC-GT, the CSGT program allows primarily for the DACs to benefit from the development of solar generation projects located in their own or nearby DACs. CSGT projects must also have a local community-based sponsor that supports site selection and customer enrollment.

The CPUC approved CleanPowerSF's application to establish DAC-GT and CSGT programs in April 2021 and to receive funds to cover program administration and a portion of electricity supply costs. CleanPowerSF began enrolling customers in the DAC-GT program branded as "SuperGreen Saver" on June 1, 2022. The CSGT program is expected to start serving customers during fiscal year 2025-26, once CleanPowerSF is able to procure electricity from a CSGT-eligible solar project(s). As of June 30, 2023, CleanPowerSF received \$0.9 million from a combination of ratepayer funds and California Cap and Trade Auction proceeds.

Transactions with Other Funds – The Water Enterprise purchases water from Hetch Hetchy Water and power from Hetch Hetchy Power. Included in the operating revenues are the water assessment fees totaling \$49.6 million and purchased electricity for \$11.4 million for the year ended June 30, 2023. The water assessment fees represent a recovery to fund upcountry, water related costs that are not otherwise funded through water-related revenue. During fiscal year 2022-23, \$49.6 million of the water assessment fees were received from the Water Enterprise. In addition, the Wastewater Enterprise purchases power from Hetch Hetchy Power totaling \$14.9 million for the year ended June 30, 2023. Included in 2023 operating revenues are sales of power to departments within the City of \$121.0 million.

A variety of other City departments provide services such as engineering, purchasing, legal, data processing, telecommunications, and human resources to Hetch Hetchy and charge amounts designed to recover those departments' costs. These charges total approximately \$16.4 million for the year ended June 30, 2023 and have been included in services provided by other departments.

For the year ended June 30, 2023, operating expenses include purchase of power from Hetchy Power were \$5.8 million.

CleanPowerSF received program support services from Hetchy Power. This amount totaled \$2.9 million for the year ended June 30, 2023.

(e) San Francisco Municipal Transportation Agency

The San Francisco Municipal Transportation Agency (SFMTA) is governed by the SFMTA Board of Directors, who are appointed by the Mayor and Board of Supervisors. The SFMTA's financial statements include the entire City's surface transportation network that encompasses pedestrians, bicycling, transit (Muni), traffic and on- and off-street parking, regulation of the taxi industry, and two nonprofit parking garage corporations operated by separate nonprofit corporations whose operations are interrelated.

The SFMTA was established by voter approval of the addition of Article VIIIA to the Charter of the City (the Charter) in 1999 (Proposition E). The purpose of the Charter amendment was to consolidate all surface transportation functions within a single City department and to provide the transportation system with the resources, independence, and focus necessary to improve transit service and the City's transportation system. The voters approved additional Charter amendments: (1) in 2007 (Proposition A), which increased the autonomy of and revenue to the SFMTA; (2) in 2010 (Proposition G), which increased management flexibility related to labor contracts; (3) in 2014 (Proposition A), which provided \$500 million in general obligation bonds for transportation and street infrastructure; (4) in 2014 (Proposition B), which increases General Fund allocation to SFMTA based on the City's population increase; and (5) in 2019 (Proposition D), which imposes tax on fares charged by commercial shared and private rides to fund transportation operations and infrastructure for traffic congestion mitigation in the City.

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Muni is one of America's oldest public transit agencies, the largest in the Bay Area, and eighth largest system in the United States. Operating historic streetcars, modern light rail vehicles, diesel buses, alternative fuel vehicles, electric trolley coaches, and the world-famous cable cars, Muni's fleet is among the most diverse in the world.

The SFMTA's Sustainable Streets initiates and coordinates improvements to the City's streets, transit, bicycles, pedestrians, and parking infrastructure. It manages 21 City-owned garages and 18 metered parking lots.

Nonprofit corporations provide operational oversight to two garages, namely Japan Center Garage Corporation (Japan Center) and Portsmouth Plaza Parking Corporation (Portsmouth). Of these two garages, Portsmouth garage is owned by the Recreation and Park Department but managed by the SFMTA. The SFMTA approves and oversees the budget and capital improvements and as authorized by the City Charter, set the parking rates in garages under SFMTA's jurisdiction including the two parking garages. The financial statements of these nonprofit garages, which are audited by other auditors, are provided to the SFMTA and accounted for in the parking garages account. The nonprofit corporations' annual financial statements are publicly available.

Pledged Revenue – In 2007, San Francisco voters approved Proposition A, which authorized the SFMTA to issue revenue bonds and other forms of indebtedness without further voter approval but with approval by the SFMTA Board of Directors and concurrence by the Board of Supervisors. The SFMTA has pledged future revenues to repay various bonds. Proceeds from the revenue bonds provided financing for various capital construction projects and refunded previously issued bonds. These bonds are payable from all SFMTA operating revenues except for City General Fund allocations and restricted sources and are payable through fiscal year 2050-51.

Annual principal and interest payments for fiscal year 2022-23 were 62.4% of funds available for revenue bond debt service. The original amount of revenue bonds issued, total principal and interest remaining, principal and interest paid during fiscal year 2022-23, applicable net revenues, and funds available for bond debt service are as follows:

| | |
|---|------------|
| Bonds issued with revenue pledge | \$ 457,065 |
| Principal and interest remaining due at end of the year | 670,657 |
| Principal and interest paid during the year..... | 22,838 |
| Net revenues for the year..... | 13,744 |
| Funds available for revenue bond debt service | 36,582 |

Operating and Capital Grants and Subsidies – The amount of operating allocation provided to the SFMTA each year is limited to the amount set by the City Charter and budgeted by the City. Such allocation is recognized as revenue in the year received. The amount of General Fund subsidy to the SFMTA reflected in the accompanying financial statements was \$556.4 million in fiscal year 2022-23. The General Fund support from the City includes total revenue baseline transfer of \$427.1 million and \$66.2 million allocation in lieu of parking tax. Proposition B, approved by the voters in November 2014, provides additional City General Fund subsidy to address transportation needs tied to the City's population growth. The SFMTA received \$58.0 million from this source, of which \$30.0 million was allocated for operations and \$28.0 million for capital projects. The SFMTA also received an additional General Fund allocation of \$4.8 million for the Chase Event Center and mixed-use development project and \$0.3 million for the Community Building Program.

The SFMTA also receives operating assistance from various federal, State, and local sources, including Transit Development Act funds, diesel fuel, and sales tax allocations. As of June 30, 2023, the SFMTA had various operating grants receivable of \$20.2 million. The SFMTA received operating assistance from BART's Americans with Disability Act related support of \$1.9 million, and other federal, State, and local grants of \$4.7 million, to fund project expenses that are operating in nature.

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The operating assistance from federal sources includes funds received from FTA in response to the COVID-19 pandemic. The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021, which provided the SFMTA with supplemental appropriation for emergency transit operations. The SFMTA received \$138.1 million in fiscal year 2022-23 while \$339.5 million remains to be accessed in fiscal year 2023-24.

Proposition 1B is a \$20 billion transportation infrastructure bond that was approved by State voters in November 2006. The bond measure is composed of several funding programs including the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Program. The original legislation required funds to be obligated within three years of the date awarded. The Budget Act of 2019 reappropriated the remaining balances of PTMISEA appropriations, which are available for encumbrance and liquidation until June 30, 2023. PTMISEA funds may be used for transit rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, bus and rail car procurement, rehabilitation, or replacement. The SFMTA did not receive cash in the fiscal year 2022-23 from PTMISEA. During fiscal year 2022-23, drawdowns for various eligible projects costs were made from PTMISEA funds for \$11.9 million. All PTMISEA appropriations other than interest earned were fully spent during the year.

Commitments and Contingencies

(i) Grants and Subventions

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

(ii) Other Commitments

As of June 30, 2023, the SFMTA has outstanding commitments of approximately \$353.0 million with third parties for various capital projects. Grant funding is available for the majority of this amount. The SFMTA also has outstanding commitments of approximately \$75.0 million with third parties for noncapital expenditures. Various local funding sources are used to finance these expenditures.

In addition, the SFMTA is involved in various lawsuits, claims, and disputes that have arisen in SFMTA's routine conduct of business. In the opinion of management, the outcome of any litigation of these matters will not have a material effect on the financial position or changes in net position of the SFMTA.

(f) Laguna Honda Hospital

General Fund Subsidy - The Laguna Honda Hospital (LHH) is a skilled nursing facility which specializes in serving elderly and disabled residents. The operations of LHH are subsidized by the City's General Fund. It is the City's policy to fund operating deficits of the enterprise on a budgetary basis; however, the amount of operating subsidy provided is limited to the amount budgeted by the City. Any amount not required for the purpose of meeting an enterprise fund deficit shall be transferred back to the General Fund at the end of each fiscal year, unless otherwise approved by the Board of Supervisors. For the year ended June 30, 2023, the subsidy for LHH was \$94.9 million.

Net Patient Services Revenue - Net patient services revenues are recorded at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including a provision for doubtful accounts and estimated retroactive adjustments under reimbursement agreements with federal and State government programs and other third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined. Patient accounts receivable are recorded net of estimated allowances, which include allowances for contractuals and bad debt. These

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allowances are based on current payment rates, including per diems, Diagnosis-Related Group (DRG) reimbursement amounts and payment received as a percentage of gross charges.

Third-Party Payor Agreements - LHH has agreements with third-party payors that provide for reimbursement to LHH at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the hospital's established rate for services and amounts reimbursed by third-party payors. Medicare and Medi-Cal are the major third-party payors with whom such agreements have been established. Laws and regulations governing the Medicare and Medi-Cal programs are complex and subject to interpretation. LHH believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medi-Cal programs.

During the year ended June 30, 2023, LHH's patient receivables and charges for services were as follows:

| Patient Receivables, Net | | | | |
|---|-------------------|-----------------|-------------------|-------------------|
| | Medi-Cal | Medicare | Other | Total |
| Gross Accounts Receivable..... | \$ 71,943 | \$ 5,623 | \$ (28) | \$ 77,538 |
| Less: | | | | |
| Contractual Allowance..... | (48,690) | (3,806) | 19 | (52,477) |
| Total, Net Accounts Receivable..... | <u>\$ 23,253</u> | <u>\$ 1,817</u> | <u>\$ (9)</u> | <u>\$ 25,061</u> |
| Net Patient Service Revenue | | | | |
| | Medi-Cal | Medicare | Other | Total |
| Gross Patient Service Revenue..... | \$ 406,966 | \$ 26,748 | \$ (132) | \$ 433,582 |
| Less: | | | | |
| Contractual Allowance..... | (192,108) | (20,968) | (914) | (213,990) |
| Total, Net Patient Service Revenue..... | <u>\$ 214,858</u> | <u>\$ 5,780</u> | <u>\$ (1,046)</u> | <u>\$ 219,592</u> |

Because Medi-Cal reimbursement rates are less than LHH's established charges rates, LHH is eligible to receive supplemental federal funding. For the year ended June 30, 2023, LHH accrued and recognized \$58.4 million of revenue as a result of matching federal funds to local funds.

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Unearned Credits and Other Liabilities - As of June 30, 2023, LHH recorded approximately \$52.8 million in other liabilities for third-party payor payable.

Transactions with Other Funds - A variety of other City departments provide services such as engineering, purchasing, legal, data processing, telecommunications, human resources, and public protection to LHH and charge amounts designed to recover those departments' costs. These charges totaled \$17.9 million for the year ended June 30, 2023 and have been included in services provided by other departments.

As of June 30, 2023, LHH has entered into various purchase contracts totaling \$52.5 million that are related to the old building remodel.

(g) San Francisco General Hospital

General Fund Subsidy - San Francisco General Hospital Medical Center (SFGH) is an acute care hospital. The operations of SFGH are subsidized by the City's General Fund. It is the City's policy to fully fund enterprise operations on a budgetary basis; however, the amount of operating subsidy provided is limited to the amount budgeted by the City. Any amount not required for the purpose of meeting an enterprise fund deficit shall be transferred back to the General Fund at the end of each fiscal year, unless otherwise approved by the Board of Supervisors. For the year ended June 30, 2023, the subsidy for SFGH was \$137.4 million.

Net Patient Service Revenue - Net patient service revenues are recorded at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including a provision for doubtful accounts and estimated retroactive adjustments under reimbursement agreements with federal and State government programs and other third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Patient accounts receivable are recorded net of estimated allowances, which include allowances for contractals, bad debt, and administrative write-offs. These allowances are based on current payment rates, including per diems, DRG amounts and payments received as a percentage of gross charges.

Third-Party Payor Agreements - SFGH has agreements with third-party payors that provide for reimbursement to SFGH at amounts different from its established rates. Contractual adjustments under third-party reimbursement programs represent the difference between SFGH established rates and amounts reimbursed by third-party payors. Major third-party payors with whom such agreements have been established are Medicare, Medi-Cal, and the State of California through the Section 1115 Medicaid Waiver and Short-Doyle mental health programs. Laws and regulations governing the Medicare and Medi-Cal programs are complex and subject to interpretation. SFGH believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigation involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medi-Cal programs.

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During the year ended June 30, 2023, SFGH's patient receivables and charges for services were as follows:

| | Patient Receivables, Net | | | |
|--|---------------------------------|------------------|------------------|------------------|
| | Medi-Cal | Medicare | Other | Total |
| Gross Accounts Receivable..... | \$ 301,645 | \$ 192,116 | \$ 112,401 | \$ 606,162 |
| Less: | | | | |
| Provision for Contractual Allowances..... | (266,716) | (171,152) | (72,728) | (510,596) |
| Provision for Bad Debts..... | - | - | (13,317) | (13,317) |
| Total, Net Accounts Receivable..... | \$ 34,929 | \$ 20,964 | \$ 26,356 | \$ 82,249 |

| | Net Patient Service Revenue | | | |
|--|------------------------------------|-------------------|-------------------|-------------------|
| | Medi-Cal | Medicare | Other | Total |
| Gross Patient Service Revenue..... | \$ 2,197,579 | \$ 1,202,046 | \$ 971,995 | \$ 4,371,620 |
| Less: | | | | |
| Provision for Contractual Allowances..... | (1,847,279) | (977,041) | (487,211) | (3,311,531) |
| Provision for Bad Debts..... | - | - | (84,414) | (84,414) |
| Total, Net Patient Service Revenue..... | \$ 350,300 | \$ 225,005 | \$ 400,370 | \$ 975,675 |

California's Section 1115 Medicaid Waiver (Waiver), titled "Medi-Cal 2020" expired on December 31, 2021. Medi-Cal 2020 was replaced by a new Waiver entitled "CalAIM", California's "...long-term commitment to transform and strengthen Medi-Cal, offering Californians a more equitable, coordinated, and person-centered approach to maximizing their health and life trajectory".

In addition to fee-for-service cost-based reimbursements for inpatient hospital services, CalAIM includes a wide range of patient centered care programs, including Enhanced Care Management, Community Supports, and the renewal of the Global Payment Program (GPP) among other service delivery and payment reform initiatives.

Payments received under CalAIM's GPP are utilization based and not dependent on Certified Public Expenditures (CPEs). However, GPP claims are subject to State and federal audit and final reconciliation. SFGH has established reserves for the uncertainty of future financial impact of potential audit and reconciliation adjustments.

Revenues recognized under current and previous Medi-Cal Waivers is approximately \$87.4 million for the year ended June 30, 2023.

In addition, SFGH is reimbursed by the State of California, under the Short-Doyle Program, for mental health services provided to qualifying residents based on an established rate per unit of service not to exceed an annual negotiated contract amount. During the year ended June 30, 2023, reimbursement under the Short-Doyle Program amounted to approximately \$6.4 million and is included in net patient service revenue.

Unearned Revenues and Other Liabilities - As of June 30, 2023, SFGH recorded approximately \$312.3 million in unearned credits and other liabilities, which was comprised of \$239.2 million in unearned credits mainly related to receipts under DSH/Safety Net Care Pool, the Medicare Accelerated payment program and AB915 programs, and \$71.9 million in Third Party Settlements payable.

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Charity Care - SFGH provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its charity care policy. Charges foregone based on established rates were \$287.9 million and estimated costs and expenses to provide charity care were \$74.3 million in fiscal year 2022-23.

Other Nonoperating Revenues - SFGH recognized \$67.9 million of realignment funding for the year ended June 30, 2023.

With California electing to implement a state-run Medicaid Expansion afforded by the Affordable Care Act, the State anticipates that counties' costs and responsibilities for the health care services for the indigent population will decrease as much of the population becomes eligible for coverage through Medi-Cal or Covered California. Starting July 1, 2013, there is a mechanism that provides for the State to redirect health realignment funds to fund social service programs. The redirected amount will be determined according to a formula that takes into account a county's cost and revenue experience and redirects 80% of the savings realized by the county. The State predetermined an amount of health realignment to be redirected for the City and County of San Francisco and withheld those amounts from health realignment remittances to the City. \$0 was withheld in fiscal year 2020-21 and a final reconciliation has been conducted for fiscal year 2020-21 showing \$0 realignment to be redirected. A final reconciliation will be conducted prior to June 30, 2024 for fiscal year 2021-22.

Contract with the University of California San Francisco - The City contracts on a year-to-year basis on behalf of SFGH with the University of California (UC). Under the contract, SFGH serves as a teaching facility for UC professional staff, medical students, residents, and interns who, in return, provide medical and surgical specialty services to SFGH's patients. The total amount for services rendered under the contract for the year ended June 30, 2023, was approximately \$247.2 million.

SFGH Rebuild - The Rebuild projects have been completed and the General Obligation Bonds are accounted for as governmental activity and transactions are accounted for in the City's Governmental Capital Project Funds.

Gift - From fiscal year 2014-15 through fiscal year 2015-16, SFGH received \$62.4 million from the San Francisco General Hospital Foundation for the acquisition of furniture, fixtures and equipment (FF&E) for the new hospital. As of June 30, 2023, SFGH has spent \$49.2 million from the gift on acquisition of FF&E as stipulated by the donor and recorded the remaining \$13.2 million as Restricted Net Position.

Commitments and Contingencies - As of June 30, 2023, SFGH had outstanding commitments with third parties for capital projects totaling \$13.4 million.

(h) San Francisco Wastewater Enterprise

The San Francisco Wastewater Enterprise (Wastewater Enterprise) was established in 1977, following the transfer of all sewage-system-related assets and liabilities of the City to the Wastewater Enterprise pursuant to bond resolution, to account for the City's municipal sewage treatment and disposal system.

The Wastewater Enterprise collects, transmits, treats, and discharges sanitary and stormwater flows, generated within the City, for the protection of public health and environmental safety. In addition, the Wastewater Enterprise serves, on a contractual basis, certain municipal customers located outside of the City limits, including the North San Mateo County Sanitation District No. 3, Bayshore Sanitary District, and the City of Brisbane. The Wastewater Enterprise recovers cost of service through user fees based on the volume and strength of sanitary flow. As of June 30, 2023, the Wastewater Enterprise serves approximately 148,598 residential accounts, which discharge about 15.4 million units of sanitary flow per year (measured in hundreds of cubic feet, or ccf) and approximately 27,082 non-residential accounts, which discharge about 5.6 million units of sanitary flow per year.

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Pledged Revenues – Wastewater Enterprise’s revenues, which consist mainly of sewer service charges, are pledged for the payment of principal and interest on various revenue bonds, revenue notes, State Revolving Fund (SRF) loans, and Water Infrastructure Finance and Innovation Act (WIFIA) loans. Proceeds from the bonds, notes, SRF, and WIFIA loans provided financing for various capital construction projects and to refund previously issued bonds. These bonds, notes, SRF, and WIFIA loans are payable solely from net revenues of Wastewater Enterprise and are payable through fiscal years ending June 30, 2052, 2027, 2056, and 2059, respectively.

The original amount of revenue bonds issued, notes issued, State Revolving Fund loans, and WIFIA loans, total principal and interest remaining, principal and interest paid during fiscal year 2022-23 applicable net revenues, and funds available for bond debt service are as follows:

| | |
|--|--------------|
| Bonds issued with revenue pledge | \$ 3,029,385 |
| Notes issued with revenue pledge..... | 347,465 |
| Clean Water State Revolving Fund (CWSRF) loans with revenue pledge | 328,776 |
| WIFIA loans with revenue pledge..... | 122,357 |
| Principal and interest remaining due at end of the fiscal year | 4,872,238 |
| Principal and interest paid in the fiscal year..... | 98,811 |
| Net revenues | 178,850 |
| Funds available for revenue bond and loans debt service..... | 313,443 |

Commitments and Contingencies – As of June 30, 2023, the Wastewater Enterprise had outstanding commitments, with third parties, for capital projects and for materials and services totaling \$762.1 million.

Pollution Remediation Obligations – As of June 30, 2023, the Wastewater Enterprise recorded \$7.8 million in pollution remediation liability, consisting of \$7.8 million cleanup cost estimate at the Yosemite Creek site. The pollution remediation obligation reported in the accompanying statement of net position is based on estimated contractual costs.

Transactions with Other Funds – The Wastewater Enterprise purchased power from Hetch Hetchy Power totaling \$14.9 million for the year ended June 30, 2023. The Wastewater Enterprise purchased water from Water Enterprise totaling \$1.6 million for the year ended June 30, 2023. The Department of Public Works provides certain engineering and other services to the Wastewater Enterprise and the total charge was \$9.2 million for the year ended June 30, 2023. A variety of other City departments provide services such as engineering, purchasing, legal, data processing, telecommunications, and human resources to the Wastewater Enterprise and charge amounts designed to recover those departments’ costs. These charges total approximately \$15.4 million for the year ended June 30, 2023 and have been included in services provided by other departments.

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(14) SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO

As discussed in Note 1, the financial statements present the Successor Agency and its component unit, an entity for which the Successor Agency is considered to be financially accountable. The City and County of San Francisco Redevelopment Financing Authority (Financing Authority) is a joint powers authority formed between the former Agency and the City to facilitate the long-term financing of the former Agency’s activities. The Financing Authority is included as a blended component unit in the Successor Agency’s financial statements because the Financing Authority provides services entirely to the Successor Agency.

Pursuant to the Dissolution Law, funds that would have been distributed to the former Agency as tax increment, hereafter referred to as redevelopment property tax revenues, are deposited into the Successor Agency’s Redevelopment Property Tax Trust Fund (Trust Fund) administered by the City’s Controller for the benefit of holders of the former Agency’s enforceable obligations and the taxing entities that receive pass-through payments. Any remaining funds in the Trust Fund, plus any unencumbered redevelopment cash and funds from asset sales are distributed by the City to the local agencies in the project area unless needed to pay enforceable obligations.

In September 2015, the State passed Senate Bill 107 (SB 107), which clarifies and updates existing law governing the dissolution of redevelopment agencies. SB 107 includes specific language that allows the Successor Agency to issue bonds or other indebtedness for the purposes of low and moderate income housing and infrastructure in the City by allowing the pledge of revenues available in the Trust Fund that are not otherwise pledged subject to the approval of the Oversight Board. SB 107 also declares that Mission Bay North, Mission Bay South, Hunters Point Shipyard Phase 1, Candlestick Point - Hunters Point Shipyard Phase 2, and Transbay projects are finally and conclusively approved as enforceable obligations.

(a) Summary of the Successor Agency’s Long-Term Obligations

| <u>Type of Obligation</u> | <u>Final Maturity Date</u> | <u>Remaining Interest Rate</u> | <u>Amount</u> |
|---|----------------------------|--------------------------------|-------------------|
| Hotel tax revenue bonds ^(a) | 2025 | 5.00% | \$ 8,675 |
| Tax allocation revenue bonds ^(b) | 2047 | 1.01% - 8.41% | <u>757,038</u> |
| Total long-term bonds..... | | | <u>\$ 765,713</u> |

Debt service payments are made from the following sources:

- (a) Hotel occupancy tax revenues from the occupancy of guest rooms in the hotels within the City.
- (b) Redevelopment property tax revenues from the Bayview Hunters Point, Western Addition, Rincon Point South Beach, Yerba Buena Center, India Basin, South of Market, Golden Gateway, Mission Bay South, Transbay, and Mission Bay North project areas.

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Issuance of Successor Agency Bonds – Under the Dissolution Law, a successor agency is authorized to issue bonds to satisfy its obligations under certain enforceable obligations entered into by the former redevelopment agency prior to dissolution, subject to approval by the California Department of Finance (DOF). On December 24, 2013, the DOF released its letter approving the issuance of bonds by the Successor Agency.

Pledged Revenues for Bonds – The Tax Allocation Bonds are equally and ratably secured by the pledge and lien of the redevelopment property tax revenues (i.e., the former tax increment). These revenues have been pledged until the year 2047, the final maturity date of the bonds. The total principal and interest remaining on these bonds is approximately \$1.23 billion. The redevelopment property tax revenues recognized during the year ended June 30, 2023, were \$122.6 million against the total debt service payment of \$94.5 million.

The Hotel Tax Revenue Bonds are secured by the pledge and lien of the hotel tax revenue received by the Successor Agency from the City. These revenues have been pledged until the year 2025, the final maturity of the bonds. The total principal and interest remaining on the Hotel Tax Revenue Bonds is approximately \$9.3 million. The hotel tax revenue recognized during the year ended June 30, 2023, was \$4.5 million against the total debt service payment of \$4.5 million.

Events of Default and Remedies – The Successor Agency shall be considered to be in default if it fails to make any principal, interest, or redemption payment when due. For Tax Allocation Bonds, in the event of default, the trustee may declare the principal and accrued interest to be due and payable immediately. For Hotel Tax Bonds, in the event of default, the Successor Agency must immediately transfer to the trustee all revenues held and thereafter received to be used for expenses necessary to protect the bondholders and payment of interest and principal.

The changes in long-term obligations for the Successor Agency for the year ended June 30, 2023, are as follows:

| | July 1, 2022 | Additional Obligations, Interest Accretion and Net Increases | Current Maturities, Retirements, and Net Decreases | June 30, 2023 |
|--|-----------------|---|--|-----------------------|
| Bonds payable: | | | | |
| Tax revenue bonds | \$ 806,046 | \$ - | \$ (49,008) | \$ 757,038 |
| Hotel Tax Revenue Bonds | 12,540 | - | (3,865) | 8,675 |
| Less unamortized amounts: | | | | |
| For issuance premiums | 37,887 | - | (2,313) | 35,574 |
| For issuance discounts | (2,521) | - | 142 | (2,379) |
| Total bonds payable | 853,952 | - | (55,044) | 798,908 |
| Accreted interest payable..... | 80,746 | 8,653 | (13,791) | 75,608 ⁽¹⁾ |
| Accrued vacation and sick leave pay..... | 1,842 | 940 | (739) | 2,043 |
| Successor Agency - long-term obligations.. | \$ 936,540 | \$ 9,593 | \$ (69,574) | \$ 876,559 |

⁽¹⁾ Amounts represent interest accretion on Capital Appreciation Bonds.

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As of June 30, 2023, the debt service requirements to maturity for the Successor Agency, excluding accrued vacation and sick leave, are as follows:

| June 30, | Tax Revenue Bonds | | Hotel Tax Revenue Bonds | |
|-----------|-------------------|-------------------|-------------------------|---------------|
| | Principal | Interest * | Principal | Interest |
| 2024 | \$ 33,464 | \$ 46,113 | \$ 4,220 | \$ 434 |
| 2025 | 36,896 | 45,784 | 4,455 | 223 |
| 2026 | 41,859 | 34,102 | - | - |
| 2027 | 42,547 | 32,850 | - | - |
| 2028 | 43,625 | 31,749 | - | - |
| 2029-2033 | 240,136 | 135,895 | - | - |
| 2034-2038 | 156,917 | 92,080 | - | - |
| 2039-2043 | 116,144 | 42,394 | - | - |
| 2044-2047 | 45,450 | 7,548 | - | - |
| Total | <u>\$ 757,038</u> | <u>\$ 468,515</u> | <u>\$ 8,675</u> | <u>\$ 657</u> |

* Including payment of accreted interest

During the year ended June 30, 2010, the former Agency borrowed \$16.5 million from the Low and Moderate Income Housing Fund (LMIHF) to make a payment of \$28.7 million to the Supplemental Education Revenue Augmentation Funds (SERAF) to meet the State's Proposition 98 obligations to schools. Upon dissolution of the former Agency, the City elected to become the Housing Successor Agency and retained the former Agency's housing assets and functions, rights, powers, duties, and obligations. The Successor Agency made payments in the amount of \$1.1 million to the City during the year ended June 30, 2023 to fully pay off the outstanding payable balance.

(b) Commitments and Contingencies Related to the Successor Agency

Encumbrances - At June 30, 2023, the Successor Agency had outstanding encumbrances totaling approximately \$7.2 million.

Risk Management - The Successor Agency obtained coverage for personal injury, automobile liability, public official errors and omissions and employment practices liability with limits of \$10.0 million per occurrence (\$5.0 million per occurrence for automobile liability and an annual aggregate limit of \$5.0 million for employment practices liability) and a \$25 deductible.

Notes and Mortgages Receivable – During the process of selling land to developers and issuing mortgage revenue bonds, the Successor Agency may defer receipt of land sale proceeds and mortgage revenue bond financing fees from various private developers in exchange for notes receivable, which aid the developers' financing arrangements. The Successor Agency recognizes all revenues and interest on the above-described arrangements when earned, net of any amounts deemed to be uncollectible. During the year ended June 30, 2023, the Successor Agency disbursed \$37.1 million to the developers through this arrangement and recorded an allowance against these receivables. At June 30, 2023, the gross value of the notes and mortgage receivable was \$220.9 million and the allowance for uncollectible amounts was \$219.4 million.

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Special Assessment Debt without Commitment - Various community facility district bonds have been issued by the former Agency on behalf of various property owners who retain full responsibility for the repayment of the debt. When these obligations are issued, they are secured by special assessment taxes, and, in the opinion of management, are not considered obligations of the Successor Agency or the City and are therefore not included in the financial statements. Debt service payments will be made by the property owners. At June 30, 2023, the Successor Agency had outstanding community facility district bonds totaling \$141.5 million.

Transbay Transit Center Agreements - In July 2003, the City, the Transbay Joint Powers Authority (TJPA), and the State of California acting through its Department of Transportation (Caltrans) entered into the Transbay Transit Terminal Cooperative Agreement (Cooperative Agreement) in which Caltrans agreed to transfer approximately 10 acres of State-owned property in and around the then-existing Transbay Terminal to the City and the TJPA to help fund the development of the Transbay Transit Center (TTC). The Cooperative Agreement requires that the TJPA sell certain State-owned parcels and use the revenues from the sales and the net tax increments to finance the TTC.

In 2008, the City and the former Agency entered into a binding agreement with the TJPA that irrevocably pledges all sales proceeds and net tax increments from the State-owned parcels to the TJPA for a period of 45 years (Pledge Agreement). At the same time, the City, the TJPA and the former Agency entered into an Option Agreement which grants options to the former Agency to acquire the State-owned parcels, arrange for development of the parcels, and distribute the net tax increments to the TJPA to use for the TTC. During the year ended June 30, 2023, the Successor Agency distributed \$27.3 million to the TJPA. The payment was recorded as a neighborhood development deduction on the statement of changes in fiduciary net position.

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(15) TREASURE ISLAND DEVELOPMENT AUTHORITY

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

The services provided by TIDA include administering the acquisition of former Naval Station Treasure Island from the U.S. Navy and implementing the Treasure Island Development Project; renting existing Treasure Island facilities including commercial facilities and approximately 650 housing units to generate revenues to cover operating costs; maintaining Treasure Island utilities, facilities and other infrastructure; and overseeing the U.S. Navy's remediation activities on the former naval base.

In early 2000, TIDA initiated a master developer selection process, culminating in the selection of Treasure Island Community Development, LLC (TICD) in March 2003. TIDA and TICD entered into an Exclusive Negotiating Agreement in 2003, and began work on the Development Plan and Term Sheet for the Redevelopment of Naval Station Treasure Island (Development Plan). The Development Plan was endorsed by the TIDA Board and the City's Board of Supervisors in December 2006. In May 2010, the TIDA Board and Board of Supervisors both unanimously endorsed a package of legislation that included an Update to the Development Plan and Term Sheet, terms of an Economic Development Conveyance Memorandum of Agreement (EDC MOA Term Sheet), and a Term Sheet between TIDA and the Treasure Island Homeless Development Initiative (TIHDI) now called One Treasure Island.

In April 2011, the TIDA Board and the Planning Commission certified the environmental impact report for the project and approved various project entitlements, including amendments to the Planning Code, Zoning Maps and General Plan, as well as a Development Agreement, Disposition and Development Agreement and Interagency Cooperation Agreement. These entitlements include detailed plans for land uses, phasing, infrastructure, transportation, sustainability, housing – including affordable housing, jobs and equal opportunity programs, community facilities and project financing. In June 2011, the Board of Supervisors unanimously upheld the certification of the project's environmental impact report and approved the project entitlements. These project approvals established the framework and cleared the way for realization of a new environmentally sustainable community on Treasure Island and the thousands of construction and permanent jobs the construction will bring.

The development plan for the project anticipates a new San Francisco neighborhood consisting of up to 8,000 new residential housing units, new commercial and retail space, a hotel, and 290 acres of parks and public open space, including shoreline access and cultural uses. Transportation amenities being built for the project will enhance mobility on Yerba Buena Island and Treasure Island as well as link the islands to mainland San Francisco. Some amenities include a combined police/fire emergency services building; utility improvements including new water, sewer, storm, gas, electrical and communications infrastructure with new water storage reservoirs and a wastewater treatment plant; new and upgraded streets, public byways, bicycle, transit, and pedestrian facilities; and a new ferry terminal.

On May 29, 2015, the Navy made the first transfer of property to TIDA consisting of 275 acres on Yerba Buena and Treasure Islands and the offshore submerged lands. This has been followed by four smaller transfers from 2016 through 2019. The full conveyance of the former base is not anticipated prior to 2025, as TIDA and the Navy are currently reviewing the future conveyance schedule.

Existing structures on Yerba Buena were demolished between February and August 2016, and structures in the first area of development on Treasure Island were demolished between July 2016 and February 2017. The first infrastructure construction projects on Yerba Buena Island, including the new water reservoirs and new roadways were completed in the third quarter of 2021, and utilities and street improvements are complete.

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The first residential project on Yerba Buena Island called the Bristol, a 124-unit condominium building, began construction in June 2019, received its Temporary Certificate of Occupancy in spring 2022, and move-ins began in June 2022. Two additional residential flats and townhome sites on Yerba Buena Island broke ground in 2022 and are currently under construction anticipated to receive its Temporary Certificate of Occupancy in 2025.

On Treasure Island, geotechnical improvement of soil conditions in the first subphase area on Treasure Island were substantially completed in 2020, and new roadway, sewer, storm water, water, power, and electrical infrastructure is nearly complete, and TICD is seeking acceptance of the new infrastructure from the City. The developer has begun geotechnical improvement in the second subphase area. The geotechnical improvement of the site of the new wastewater treatment plant and electrical switchyard on Treasure Island is complete, the new electrical switchyard is operational, and the San Francisco Public Utilities Commission (SFPUC) has approval from its Commission to negotiate with the top-ranked proposer for a design-build contract. Construction of the new plant is anticipated to be complete in 2025.

The first residential project on Treasure Island, Maceo May Apartment, a 105-unit, 100% affordable building developed by Chinatown Community Development Center in partnership with Swords to Plowshares broke ground in the fall of 2020 and had its grand opening in May 2023. Four other residential sites on Treasure Island broke ground in 2022, including Star View Court, a 100% affordable 138-unit building being developed by Mercy Housing in partnership with Catholic Charities. Star View Court broke ground in fall 2022 and is scheduled for completion in mid-2024. Pre-development funding was approved for the next affordable housing site on Treasure Island Parcel E1.2 where two separate buildings – a senior housing site and a behavioral health program site – will be developed. A 2024 start of construction is targeted with occupancy in 2026.

Several market rate housing projects on Treasure Island are under construction, including the Isle House (250-unit building) expected for completion in fall 2024, Hawkins (178-unit building) expected for completion in late 2024, and Portico (148-unit building) expected for completion in early 2025.

The first park on Yerba Buena Island, the Boulders Dog Park, has been completed. Construction is underway for other first phase parks including Hilltop/Infinity Point Park on Yerba Buena Island, and Causeway Park, Waterfront Plaza, and the Clipper Cove Beach Park located on Treasure Island. The first installation under the Treasure Island Art Program, a sculpture called the Point of Infinity by artist Hiroshi Sugimoto, was finished and installed at Hilltop Park in May 2023.

The complete build-out of the project is anticipated to occur over fifteen to twenty years.

As of June 30, 2023, TIDA has the following payable to other City departments:

| Payable to | Purpose | Current | Noncurrent | Total |
|--------------|--------------------------------------|-----------------|-----------------|------------------|
| SFCTA | YBI and mobility management expenses | \$ 5,871 | \$ - | \$ 5,871 |
| General Fund | Cash Coverage | 3,603 | - | 3,603 |
| Hetch Hetchy | Energy efficiency project | - | 6,805 | 6,805 |
| Hetch Hetchy | Utility operations | 372 | - | 372 |
| | | <u>\$ 9,846</u> | <u>\$ 6,805</u> | <u>\$ 16,651</u> |

As of June 30, 2023, TIDA has the following receivable from other City department:

| Receivable from | Purpose | Amount |
|-----------------|--|--------|
| SFCTA | Vista Point and Pier management expenses | \$ 38 |

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(16) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

“Due to” and “due from” balances have primarily been recorded when funds overdraw their share of pooled cash or when there are transactions between entities where one or both entities do not participate in the City’s pooled cash or when there are short-term loans between funds. The composition of interfund balances as of June 30, 2023, is as follows:

Due to/from other funds (in thousands):

| Receivable Fund | Payable Fund | Amount |
|---|-------------------------------------|--------------------------|
| General Fund | Nonmajor Governmental Funds | <u>\$ 7,309</u> |
| Nonmajor Governmental Funds | Nonmajor Governmental Funds | 14,625 |
| | Municipal Transportation Agency | <u>594</u> |
| | | <u>15,219</u> |
| General Hospital Medical Center | Nonmajor Governmental Funds | <u>17</u> |
| San Francisco Water Enterprise | Nonmajor Governmental Funds | <u>115</u> |
| Hetch Hetchy Water and Power Enterprise | General Fund | 210 |
| | Nonmajor Governmental Funds | 3,581 |
| | San Francisco Wastewater Enterprise | <u>518</u> |
| | | <u>4,309</u> |
| Municipal Transportation Agency | Nonmajor Governmental Funds | 70,612 |
| | Hetch Hetchy Water and Power | 1,946 |
| | San Francisco Water Enterprise | 2,440 |
| | San Francisco Wastewater Enterprise | <u>2,102</u> |
| | | <u>77,100</u> |
| San Francisco Wastewater Enterprise | Nonmajor Governmental Funds | <u>128</u> |
| Total | | <u>\$ 104,197</u> |

In addition to routine short-term loans, Hetch Hetchy serves as the City’s agency for energy efficiency projects and maintains the Sustainable Energy Account (SEA) to sponsor and financially support such projects at various City departments. In this role, Hetch Hetchy may secure low-interest financing to supplement funds available in the SEA fund. At June 30, 2023, Hetch Hetchy loaned \$3.6 million to other City funds.

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The SFMTA has a receivable from nonmajor governmental funds of \$52.2 million for capital and operating grants.

Due from component units:

| <u>Receivable Entity</u> | <u>Payable Entity</u> | <u>Amount</u> |
|---|-----------------------|-------------------------|
| General Fund | Component unit – TIDA | \$ 3,603 ⁽¹⁾ |
| Nonmajor Governmental Funds | Component unit – TIDA | 5,871 ⁽¹⁾ |
| Hetch Hetchy Water and Power Enterprise | Component unit – TIDA | 372 ⁽¹⁾ |
| Nonmajor Governmental Funds | Successor Agency | 3,622 |

Advance to component units:

| <u>Receivable Entity</u> | <u>Payable Entity</u> | <u>Amount</u> |
|---|-----------------------|-------------------------|
| Hetch Hetchy Water and Power Enterprise | Component unit – TIDA | \$ 6,805 ⁽¹⁾ |

⁽¹⁾ See discussion at Note 15.

| <u>Transfers Out:</u> <u>Funds</u> | <u>Transfers In: Funds (in thousands)</u> | | | | | | | | | | | <u>Total</u> |
|--|---|------------------------------------|-------------------------------|-------------------------|--|--|--|------------------------------|------------------------------|------------------------------|--|--------------|
| | <u>General Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Internal Service Funds</u> | <u>Water Enterprise</u> | <u>Hetch Hetchy Water and Power Enterprise</u> | <u>Municipal Transportation Agency</u> | <u>San Francisco General Hospital Medical Center</u> | <u>Wastewater Enterprise</u> | <u>Port of San Francisco</u> | <u>Laguna Honda Hospital</u> | <u>San Francisco International Airport</u> | |
| General Fund..... | \$ - | \$ 501,010 | \$ 362 | \$ 5 | \$ - | \$ 556,423 | \$ 137,399 | \$ 75 | \$ 500 | \$ 120,300 | \$ 1,316,074 | |
| Nonmajor governmental funds..... | 61,134 | 81,731 | - | - | - | 89,504 | - | - | 38,733 | 381 | 271,483 | |
| Internal Service Funds..... | 141 | - | - | - | - | - | - | - | - | - | 141 | |
| San Francisco International Airport..... | 48,701 | - | - | - | - | - | - | - | - | - | 48,701 | |
| Water Enterprise..... | - | 32 | - | - | 20,000 | - | - | - | - | - | 20,032 | |
| Hetch Hetchy Water and Power Enterprise..... | - | 32 | - | - | - | - | - | - | - | - | 32 | |
| San Francisco General Hospital Medical Center..... | 9,257 | - | - | - | - | - | - | - | - | 2,484 | 11,741 | |
| Wastewater Enterprise..... | - | 32 | - | - | - | - | - | - | - | - | 32 | |
| Port of San Francisco..... | - | 32 | - | - | - | - | - | - | - | - | 32 | |
| Laguna Honda Hospital..... | 128 | - | - | - | - | - | - | - | - | - | 128 | |
| Total transfers out | \$ 119,361 | \$ 582,869 | \$ 362 | \$ 5 | \$ 20,000 | \$ 645,927 | \$ 137,399 | \$ 75 | \$ 39,233 | \$ 123,165 | \$ 1,668,396 | |

The \$1.32 billion General Fund transfer out includes a total of \$788.7 million in operating subsidies to SFMTA, SFGH, and Laguna Honda Hospital (see Note 13). The transfer of \$501.0 million from the General Fund to the nonmajor governmental funds is to provide support to various City programs such as the Public Library and Children and Families Fund, as well as to provide resources for the payment of debt service. The transfers between the nonmajor governmental funds are mainly to provide support for various City programs and to provide resources for the payment of debt service.

San Francisco International Airport transferred \$48.7 million to the General Fund, representing a portion of concession revenues (see Note 13(a)). General Fund received \$128 from Laguna Honda Hospital, \$105 for project management services and \$23 for fiscal year 2022-23 shortfall, and \$700 from SFGH to reappropriate funds. General Fund also received \$8.6 million from SFGH for interest earned by the General Fund but credited to SFGH.

Laguna Honda Hospital received from SFGH \$2.0 million for a shared project, \$500 for fiscal year 2022-23 shortfall and \$381 from nonmajor governmental funds for relocation project.

SFMTA received \$89.5 million transfers from nonmajor governmental funds, of which \$61.8 million was for capital activities, \$27.7 million was for operating activities.

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The Water Enterprise transferred \$20.0 million to Hetch Hetchy Water and Power Enterprise to fund various Mountain Tunnel Improvement projects, and \$32 to nonmajor governmental funds for the Surety Bond Program. In turn, the Water Enterprise received \$5 from General Fund for Mayor's Office's minimum compensation ordinance.

The Wastewater Enterprise received \$75 from General Fund for the Wastewater Add-backs Master Project, and transferred \$32 to the Office of the City Administrator for the Surety Bond Program.

The Hetch Hetchy Water and Power Enterprise transferred \$32 to the Office of the City Administrator for the Surety Bond Program and received \$20.0 million from the Water Enterprise to fund various Mountain Tunnel Improvement projects.

The Port of San Francisco received \$500 from General Fund for the Add-backs Project and \$38.7 million from nonmajor governmental funds to support early projects, adaptation strategies, and San Francisco Waterfront Coastal Flood Study general investigation. In turn, Port of San Francisco transferred \$32 to the Office of the City Administrator for the Surety Bond Program.

The Internal Service Funds received \$300 from General Fund for the DT project and \$62 for interest earned by the Internal Service Funds but credited to the General Fund. Internal Service Funds transferred \$141 to General Fund for interest earned by the General Fund but credited to the Internal Service Funds.

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 (Dollars in Thousands)

(17) LEASES, COMMITMENTS AND CONTINGENT LIABILITIES

Leases and Similar Subscription-Based Information Technology Arrangements

Primary Government

City as Lessee and Subscriber

The City has entered into long-term leases for land, office space, communication site, data processing, machinery, and other equipment. The terms and conditions for these leases varies, which ranges between 1 – 80 years. The City also has noncancellable subscription arrangements (similar to a lease) for the right to use various information technology hardware and software (SBITAs). The terms and conditions for these subscriptions varies, which ranges between 1 – 10 years.

A summary of intangible right-to-use assets during the year ended June 30, 2023, is as follows (in thousands):

| | Balance July 1, 2022, as restated | Increases | Decreases | Balance June 30, 2023 |
|--|---|-------------|-------------|-----------------------------|
| Governmental Activities: | | | | |
| Right-to-use assets: | | | | |
| Land..... | \$ 1,675 | \$ - | \$ - | \$ 1,675 |
| Building/Facility..... | 571,793 | 74,057 | (30,627) | 615,223 |
| Equipment..... | 2,141 | - | (976) | 1,165 |
| Others..... | 1,214 | - | - | 1,214 |
| Subscription assets..... | 49,277 | 1,036 | - | 50,313 |
| Total right-to-use assets..... | 626,100 | 75,093 | (31,603) | 669,590 |
| Less accumulated amortization: | | | | |
| Right-to-use assets: | | | | |
| Land..... | 139 | 139 | - | 278 |
| Building/Facility..... | 72,349 | 73,116 | (7,246) | 138,219 |
| Equipment..... | 1,149 | 661 | (976) | 834 |
| Others..... | 405 | 405 | - | 810 |
| Subscription assets..... | - | 16,741 | - | 16,741 |
| Total accumulated amortization..... | 74,042 | 91,062 | (8,222) | 156,882 |
| Governmental activities right-to-use assets, net..... | \$ 552,058 | \$ (15,969) | \$ (23,381) | \$ 512,708 |
| Business-Type Activities: | | | | |
| Right-to-use assets: | | | | |
| Land..... | \$ 24,029 | \$ - | \$ - | \$ 24,029 |
| Building/Facility..... | 214,728 | 8,099 | (976) | 221,851 |
| Equipment..... | 20,017 | 4,494 | (9,483) | 15,028 |
| Others..... | - | - | - | - |
| Subscription assets..... | 5,456 | 2,697 | - | 8,153 |
| Total lease assets..... | 264,230 | 15,290 | (10,459) | 269,061 |
| Less accumulated amortization: | | | | |
| Right-to-use assets: | | | | |
| Land..... | 722 | 536 | - | 1,258 |
| Building/Facility..... | 20,280 | 14,244 | (976) | 33,548 |
| Equipment..... | 9,269 | 6,563 | (9,483) | 6,349 |
| Others..... | - | - | - | - |
| Subscription assets..... | 1,760 | 3,369 | - | 5,129 |
| Total accumulated amortization..... | 32,031 | 24,712 | (10,459) | 46,284 |
| Business-type activities right-to-use assets, net..... | \$ 232,199 | \$ (9,422) | \$ - | \$ 222,777 |

CITY AND COUNTY OF SAN FRANCISCO
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 June 30, 2023
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Future annual lease and subscription payments are as follows:

Governmental Activities

| Fiscal Years | Principal | | Interest | | Total | |
|-----------------|------------|-----------|-----------|----------|------------|----------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2024..... | \$ 76,818 | \$ 8,492 | \$ 8,492 | \$ - | \$ 85,310 | \$ - |
| 2025..... | 65,701 | 7,433 | 7,433 | - | 73,134 | - |
| 2026..... | 55,986 | 6,472 | 6,472 | - | 62,458 | - |
| 2027..... | 47,940 | 5,604 | 5,604 | - | 53,544 | - |
| 2028..... | 42,825 | 4,781 | 4,781 | - | 47,606 | - |
| 2029-2033.... | 122,798 | 16,060 | 16,060 | - | 138,858 | - |
| 2034-2038.... | 102,183 | 5,948 | 5,948 | - | 108,131 | - |
| 2039-2043.... | 17,283 | 385 | 385 | - | 17,668 | - |
| Total..... | \$ 531,534 | \$ 55,175 | \$ 55,175 | \$ - | \$ 586,709 | \$ - |

Business-type Activities

| Fiscal Years | Airport | | | Port | | | General Hospital Medical Center | | | Municipal Transportation Agency | | |
|-----------------|--------------------------------|----------|----------|------------------------------|-----------|-----------|-------------------------------------|----------|----------|---------------------------------|-----------|------------|
| | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total |
| 2024..... | \$ 816 | \$ 25 | \$ 841 | \$ 1,555 | \$ 1,598 | \$ 3,153 | \$ 2,659 | \$ 56 | \$ 2,715 | \$ 6,430 | \$ 2,648 | \$ 9,078 |
| 2025..... | 346 | 5 | 351 | 1,574 | 1,561 | 3,135 | 1,822 | 38 | 1,860 | 6,774 | 2,636 | 9,310 |
| 2026..... | - | - | - | 1,777 | 1,521 | 3,298 | 1,037 | 25 | 1,062 | 6,325 | 2,417 | 8,342 |
| 2027..... | - | - | - | 2,052 | 1,474 | 3,526 | 977 | 11 | 988 | 6,166 | 2,321 | 8,487 |
| 2028..... | - | - | - | 2,102 | 1,424 | 3,526 | 440 | 2 | 442 | 5,550 | 2,224 | 7,774 |
| 2029-2033.... | - | - | - | 11,301 | 6,330 | 17,631 | - | - | - | 25,544 | 9,751 | 35,295 |
| 2034-2038.... | - | - | - | 12,740 | 4,888 | 17,628 | - | - | - | 31,483 | 7,177 | 38,660 |
| 2039-2043.... | - | - | - | 14,363 | 3,261 | 17,624 | - | - | - | 38,896 | 3,916 | 42,814 |
| 2044-2048.... | - | - | - | 16,192 | 1,428 | 17,620 | - | - | - | 725 | 2,154 | 2,879 |
| 2049-2053.... | - | - | - | 3,780 | 46 | 3,826 | - | - | - | - | 2,495 | 2,495 |
| 2054-2058.... | - | - | - | - | - | - | - | - | - | - | 2,893 | 2,893 |
| 2059-2063.... | - | - | - | - | - | - | - | - | - | - | 3,354 | 3,354 |
| 2064-2068.... | - | - | - | - | - | - | - | - | - | - | 3,888 | 3,888 |
| 2069-2073.... | - | - | - | - | - | - | - | - | - | - | 4,507 | 4,507 |
| Thereafter..... | - | - | - | - | - | - | - | - | - | 23,207 | 11,824 | 35,031 |
| Total..... | \$ 1,162 | \$ 30 | \$ 1,192 | \$ 67,436 | \$ 23,531 | \$ 90,967 | \$ 6,635 | \$ 132 | \$ 6,767 | \$ 150,702 | \$ 64,105 | \$ 214,807 |
| Fiscal Years | San Francisco Water Enterprise | | | Hetch Hetchy Water and Power | | | San Francisco Wastewater Enterprise | | | Total Business-type Activities | | |
| | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total |
| 2024..... | \$ 1,389 | \$ 89 | \$ 1,478 | \$ 198 | \$ 8 | \$ 206 | \$ 1,540 | \$ 10 | \$ 1,550 | \$ 14,787 | \$ 4,434 | \$ 19,221 |
| 2025..... | 1,181 | 59 | 1,240 | 96 | 8 | 104 | 93 | 2 | 95 | 11,586 | 4,209 | 15,795 |
| 2026..... | 701 | 34 | 735 | 98 | 5 | 103 | 93 | 1 | 94 | 9,831 | 4,003 | 13,834 |
| 2027..... | 135 | 26 | 161 | 36 | 4 | 40 | - | - | - | 9,366 | 3,636 | 13,202 |
| 2028..... | 122 | 23 | 145 | 37 | 3 | 40 | - | - | - | 6,251 | 3,676 | 11,927 |
| 2029-2033.... | 416 | 86 | 502 | 68 | 9 | 77 | - | - | - | 37,329 | 16,176 | 53,505 |
| 2034-2038.... | 445 | 39 | 484 | 42 | 4 | 46 | - | - | - | 44,710 | 12,108 | 56,818 |
| 2039-2043.... | 129 | 3 | 132 | 18 | - | 18 | - | - | - | 53,408 | 7,180 | 60,588 |
| 2044-2048.... | - | - | - | - | - | - | - | - | - | 16,917 | 3,582 | 20,499 |
| 2049-2053.... | - | - | - | - | - | - | - | - | - | 3,780 | 2,541 | 6,321 |
| 2054-2058.... | - | - | - | - | - | - | - | - | - | - | 2,893 | 2,893 |
| 2059-2063.... | - | - | - | - | - | - | - | - | - | - | 3,354 | 3,354 |
| 2064-2068.... | - | - | - | - | - | - | - | - | - | - | 3,888 | 3,888 |
| 2069-2073.... | - | - | - | - | - | - | - | - | - | - | 4,507 | 4,507 |
| Thereafter..... | - | - | - | - | - | - | - | - | - | 23,207 | 11,824 | 35,031 |
| Total..... | \$ 4,718 | \$ 359 | \$ 5,077 | \$ 593 | \$ 41 | \$ 634 | \$ 1,725 | \$ 13 | \$ 1,739 | \$ 232,972 | \$ 86,211 | \$ 321,183 |

In fiscal year 2022-23, the City's governmental activities and business-type activities recognized \$8.7 million and \$4.9 million, respectively, in interest expense for the related leases and subscriptions.

Variable lease and subscription payments, other than those payments that depend on an index or rate or are fixed in substance, are excluded from the measurement of the lease and subscription IT liability. Such amounts are recognized as lease expense or subscription expense, respectively, in the period in which the obligation for those payments is incurred.

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Certain equipment or facility rental leases require the City to make variable lease payments that based on usage, index, and insurance payments made by the lessor, these amounts are generally determined annually. The amounts recognized as expense for variable lease payments not included in the measurement of the lease liability for governmental activities and business-type activities were \$10.0 million and \$1.6 million, respectively, during the year ended June 30, 2023.

As of June 30, 2023, no variable subscription payments were noted for the City's subscription IT arrangements.

City as Lessor

The City has leased facilities, easements, communication site and equipment to varies tenants. The terms and conditions for these leases vary, which range between 1- 75 years.

The Airport leases terminal space (except for regulated leases), non-terminal buildings, and land to tenants under various operating leases, a majority of which is non-cancellable and terminate at various dates as late as 2053.

Principal and interest requirements to maturity for the lease receivable at June 30, 2023, are as follows:

| <u>Fiscal Years</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------|------------------|------------------|-------------------|
| 2024..... | \$ 4,678 | \$ 1,653 | \$ 6,331 |
| 2025..... | 4,779 | 1,573 | 6,352 |
| 2026..... | 4,769 | 1,488 | 6,257 |
| 2027..... | 4,306 | 1,405 | 5,711 |
| 2028..... | 4,090 | 1,328 | 5,418 |
| 2029-2033.... | 18,140 | 5,574 | 23,714 |
| 2034-2038.... | 16,762 | 3,934 | 20,696 |
| 2039-2043.... | 16,704 | 2,289 | 18,993 |
| 2044-2048.... | 11,608 | 667 | 12,275 |
| 2049-2053.... | 454 | 258 | 712 |
| 2054-2058.... | 503 | 209 | 712 |
| 2059-2063.... | 556 | 155 | 711 |
| 2064-2068.... | 616 | 96 | 712 |
| 2069-2073.... | 622 | 29 | 651 |
| Total..... | \$ 88,587 | \$ 20,658 | \$ 109,245 |

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
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Business-type Activities -excluded regulated leases

| Fiscal Years | Airport | | | Port | | | General Hospital Medical Center | | | Laguna Honda Hospital | | |
|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|---------------------------------|-----------------|------------------|-----------------------|--------------|-----------------|
| | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total |
| 2024..... | \$ 114,523 | \$ 28,454 | \$ 142,977 | \$ 41,393 | \$ 10,987 | \$ 52,380 | \$ 375 | \$ 144 | \$ 519 | \$ 110 | \$ 20 | \$ 130 |
| 2025..... | 113,953 | 23,350 | 137,303 | 35,510 | 10,022 | 45,532 | 353 | 141 | 494 | 116 | 17 | 133 |
| 2026..... | 112,953 | 20,175 | 133,128 | 32,453 | 9,396 | 41,849 | 276 | 136 | 414 | 122 | 15 | 137 |
| 2027..... | 112,292 | 16,974 | 129,266 | 28,400 | 8,804 | 37,204 | 161 | 136 | 297 | 126 | 13 | 141 |
| 2028..... | 114,649 | 13,709 | 128,358 | 21,378 | 8,300 | 29,678 | 51 | 134 | 185 | 135 | 11 | 146 |
| 2029-2033.... | 306,703 | 30,988 | 337,691 | 87,119 | 25,871 | 112,990 | 242 | 658 | 900 | 500 | 16 | 516 |
| 2034-2038.... | 38,255 | 4,745 | 44,000 | 68,200 | 27,316 | 95,516 | 268 | 632 | 900 | - | - | - |
| 2039-2043.... | 9,265 | 3,235 | 12,500 | 41,565 | 21,286 | 62,851 | 297 | 603 | 900 | - | - | - |
| 2044-2048.... | 10,445 | 2,055 | 12,500 | 34,534 | 18,969 | 51,503 | 328 | 572 | 900 | - | - | - |
| 2049-2053.... | 11,713 | 725 | 12,438 | 13,392 | 13,817 | 27,199 | 363 | 537 | 900 | - | - | - |
| 2054-2058.... | - | - | - | 15,064 | 12,203 | 27,267 | 402 | 498 | 900 | - | - | - |
| 2059-2063.... | - | - | - | 18,966 | 10,308 | 29,274 | 445 | 455 | 900 | - | - | - |
| 2064-2068.... | - | - | - | 22,993 | 7,280 | 29,343 | 493 | 407 | 900 | - | - | - |
| 2069-2073.... | - | - | - | 22,989 | 4,202 | 27,191 | 546 | 354 | 900 | - | - | - |
| Thereafter..... | - | - | - | 21,508 | 868 | 22,376 | 3,201 | 775 | 3,976 | - | - | - |
| Total..... | \$ 945,721 | \$ 142,410 | \$ 1,088,131 | \$ 605,084 | \$ 197,329 | \$ 792,413 | \$ 7,801 | \$ 6,184 | \$ 13,985 | \$ 1,111 | \$ 92 | \$ 1,203 |

| Fiscal Years | Municipal Transportation Agency | | | San Francisco Water Enterprise | | | San Francisco Wastewater Enterprise | | | Total Business-type Activities | | |
|-------------------|---------------------------------|------------------|-------------------|--------------------------------|------------------|------------------|-------------------------------------|---------------|-----------------|--------------------------------|-------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total |
| 2024..... | \$ 7,437 | \$ 2,026 | \$ 9,463 | \$ 3,521 | \$ 869 | \$ 4,390 | \$ 212 | \$ 38 | \$ 250 | \$ 168,141 | \$ 40,238 | \$ 208,379 |
| 2025..... | 8,079 | 1,866 | 9,945 | 3,610 | 821 | 4,431 | 226 | 32 | 258 | 161,847 | 36,249 | 198,096 |
| 2026..... | 10,176 | 1,651 | 11,827 | 3,046 | 756 | 3,802 | 241 | 26 | 267 | 159,267 | 32,157 | 191,424 |
| 2027..... | 9,506 | 1,352 | 10,858 | 2,721 | 698 | 3,419 | 257 | 19 | 276 | 153,435 | 28,036 | 181,471 |
| 2028..... | 9,696 | 1,128 | 10,826 | 2,423 | 645 | 3,068 | 215 | 12 | 227 | 148,549 | 23,939 | 172,488 |
| 2029-2033.... | 12,292 | 3,987 | 16,879 | 10,951 | 2,571 | 13,522 | 306 | 13 | 319 | 418,113 | 73,704 | 491,817 |
| 2034-2038.... | 3,114 | 3,136 | 6,250 | 9,941 | 1,477 | 11,418 | - | - | - | 120,798 | 37,306 | 158,104 |
| 2039-2043.... | 3,447 | 2,303 | 6,250 | 628 | 914 | 1,742 | - | - | - | 55,402 | 28,841 | 84,243 |
| 2044-2048.... | 3,816 | 2,434 | 6,250 | - | 1,027 | 1,027 | - | - | - | 49,123 | 23,057 | 72,180 |
| 2049-2053.... | 4,224 | 2,026 | 6,250 | - | 1,191 | 1,191 | - | - | - | 29,652 | 18,296 | 47,948 |
| 2054-2058.... | 4,676 | 1,574 | 6,250 | 117 | 1,263 | 1,380 | - | - | - | 20,259 | 15,536 | 35,797 |
| 2059-2063.... | 5,176 | 1,074 | 6,250 | 832 | 768 | 1,600 | - | - | - | 25,419 | 12,605 | 38,024 |
| 2064-2068.... | 5,730 | 520 | 6,250 | 1,208 | 647 | 1,855 | - | - | - | 29,494 | 8,854 | 38,348 |
| 2069-2073.... | 2,147 | 40 | 2,187 | 1,676 | 475 | 2,151 | - | - | - | 27,358 | 5,071 | 32,429 |
| Thereafter..... | - | - | - | 2,756 | 250 | 3,006 | - | - | - | 27,465 | 1,893 | 29,358 |
| Total..... | \$ 89,518 | \$ 25,257 | \$ 114,775 | \$ 43,630 | \$ 14,372 | \$ 58,002 | \$ 1,457 | \$ 140 | \$ 1,597 | \$ 1,594,322 | \$ 385,784 | \$ 1,980,106 |

In fiscal year 2022-23, the City's governmental activities recognized \$5.4 million in lease revenue and \$1.7 million in interest income for the related leases and the City's business-type activities recognized \$151.1 million in lease revenue and \$27.4 million in interest income for the related leases.

Variable payments include percentage of sales or payments depended on an index made by the lessee; these amounts are generally determined periodically. The City did not incur revenue related to residual value guarantees or lease termination penalties. The amounts recognized as revenue for variable lease payments not included in the measurement of the lease receivable for governmental activities and business-type activities were \$9.4 million and \$13.4 million, respectively, during the year ended June 30, 2023.

Regulated Leases

Certain regulated leases are subject to external laws, regulations or legal rulings and are exempted from the GASB 87 recognition, subject to the conditions that:

- (a) Lease rates cannot exceed a reasonable amount.
- (b) Lease rates should be similar for similar situated lessees, and
- (c) The lessor cannot deny potential lessees if facilities are available.

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Such regulated leases at the Airport include:

- (a) The Lease and Use Agreements with certain airlines regarding the use of terminal building and equipment on an exclusive or preferential use basis, among other uses among other uses, which expired on June 30, 2023.
- (b) Non-terminal aeronautical buildings and land leases. Based on the airlines' operation needs, an airline may lease terminal space such as office space, ticket counter space, baggage makeup space, baggage claim space, and other operation spaces on a combination of exclusive, preferential, and common use basis. The Commission provides holdrooms on a preferential or common use basis to the airlines and adjusts the preferential assignment from time to time pursuant to the Lease and Use Agreements. For the year ended June 30, 2023, United Airlines accounted for 46.7 percent of total enplaned passengers at the Airport, followed by Alaska Airlines (12.3%), Delta Air Lines (7.9%), and American Airlines (6.3%), with no other airlines accounting for more than 5 percent of enplaned passengers. Non-terminal buildings and lands are leased on an exclusive basis. The Airport has entered new Lease and Use Agreements that became effective on July 1, 2023 and expire on June 30, 2033.

The payments under the Lease and Use Agreements are recalculated at the end of each fiscal year and therefore are variable payments. Total inflow of resources for regulated leases during year ended June 30, 2023, was \$215.6 million, including approximately \$47.3 million of fixed payments and \$168.3 million of variable payments. The additional exclusive and preferential use payments are the actual billed amount during fiscal year 2022-23, which was adjusted down \$14.5 million during the year-end true-up process.

Below is a summary of the total number of regulated leases for fiscal year 2022-23, including which assets are subject to preferential or exclusive use by counterparties:

| | Number of Leases |
|-----------------------------------|---------------------|
| AULA ^(a) | |
| Preferential and exclusive rental | 7 |
| Exclusive rental only | 28 |
| Non-space rental, only common use | 3 |
| Subtotal - AULA | 38 |
| Other Regulated ^(b) | 8 |
| Total | 46 |

Notes:

^(a) Airline-airport lease and use agreements.

^(b) Includes cargo, fuel, fixed-base facility leases, hangar leases, and ground leases.

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
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Lease revenues and interest revenues recognized during the year ended June 30, 2023, for regulated leases is presented below:

| | |
|---|-------------------|
| Expected Minimum Payments ^(a) | \$ 45,277 |
| Additional Fixed Payments ^(b) | <u>2,024</u> |
| Total Fixed Payments | 47,301 |
| Additional Exclusive Use Payments ^(c) | 127,086 |
| Additional Preferential Use Payments ^(d) | 55,666 |
| Year-end True-ups | <u>(14,465)</u> |
| Total Regulated Lease Payments | <u>\$ 215,588</u> |

Notes:

^(a) Does not include airline use and lease agreements, which are recalculated annually and considered variable payments.

^(b) Includes additional rent above the expected minimum payments after adjustmet by CPI and reappraisals.

^(c) Includes AULA exclusive use rental revenues, other regulated leases that were charged by airport's rates and charges rate, and percentage fee revenues above minimum annual guarantee.

^(d) Includes AULA preferential use rental revenues

Below is a schedule of expected future minimum payments under these agreements for each of the subsequent five years and in five-year increments thereafter:

| Fiscal Years | Expected Future Minimum Payments ^(a) |
|-----------------|--|
| 2024..... | \$ 19,286 |
| 2025..... | 18,092 |
| 2026..... | 5,462 |
| 2027..... | 1,644 |
| 2028..... | 1,644 |
| 2029-2033..... | 8,221 |
| 2034-2038..... | 8,221 |
| 2039-2043..... | 8,221 |
| 2044-2048..... | 6,166 |
| Total..... | <u>\$ 76,957</u> |

Note:

^(a) Does not include airline use and lease agreements, which are recalculated annually and considered variable payments.

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Sublease

City has a non-cancellable building lease at the 555-575 Polk Street location. The second floor is the City's community justice court/center and the ground floor is subleased to the State's Administrative Office of the Courts (State AOC) for use by the Superior Courts. The 15-year master lease and sublease will both end in 2026. City's rental payments in fiscal year 2022-23 were \$0.6 million and received \$0.4 million from State AOC.

The Port has a non-cancelable lease (sublease) for its offices at Pier 1 from the master tenant. The master lease, as amended in fiscal year 2015-16, allows the master tenant an option to extend the lease term for an additional 15 years. Among other things, the amended provisions include a grant to the Port, as sub-lessee, a one-time early termination right in 2031, and if such termination is not exercised, a 15-year extension option, for a term coterminous with the master lease if the master lease is also extended. The Port has an option to purchase the leasehold premises at a price equal to the present value of the remaining base rent due from the Port to the master tenant, effective through the expiration date of the sublease. On February 1, 2021, the sublease adopted a market rate adjustment, resulting in an increase in future minimum annual payments. The Port's rental payments in fiscal year 2022-23 were \$4.1 million.

Component Unit

Component Unit as Lessor

The component unit has leased facilities, easements, communication site and equipment to various tenants. The terms and conditions for these leases varies, which ranges between 1- 75 years.

| <u>Treasure Island Development Authority</u> | | | |
|--|------------------|-----------------|------------------|
| Fiscal Years | Principal | Interest | Total |
| 2024..... | \$ 2,365 | \$ 322 | \$ 2,687 |
| 2025..... | 2,061 | 284 | 2,345 |
| 2026..... | 1,090 | 257 | 1,347 |
| 2027..... | 823 | 237 | 1,060 |
| 2028..... | 600 | 225 | 825 |
| 2029-2033..... | 3,097 | 964 | 4,061 |
| 2034-2038..... | 3,307 | 691 | 3,998 |
| 2039-2043..... | 2,200 | 419 | 2,619 |
| 2044-2048..... | 194 | 353 | 547 |
| 2049-2053..... | 234 | 323 | 557 |
| 2054-2058..... | 275 | 290 | 565 |
| 2059-2063..... | 316 | 260 | 576 |
| 2064-2068..... | 362 | 226 | 588 |
| 2069-2073..... | 413 | 186 | 599 |
| Thereafter..... | 1,616 | 264 | 1,880 |
| Total..... | <u>\$ 18,953</u> | <u>\$ 5,301</u> | <u>\$ 24,254</u> |

The total amount for lease revenue and interest income recognized during fiscal year 2022-23 were \$1.9 million and \$0.3 million, respectively, related to these leases. Variable payments include percentage of sales or payments depended on an index made by the lessee; these amounts are generally determined periodically. The component unit did not incur revenue related to residual value guarantees or lease termination penalties. As of June 30, 2023, no variable lease payments were noted.

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June 30, 2023
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Public-Private Partnership Arrangement for the Yerba Buena Gardens

As of June 30, 2023, capital improvements were completed on the Yerba Buena Gardens pursuant to a public-private partnership arrangement with Yerba Buena Gardens Conservancy (Conservancy), under which the Conservancy manages, operates, repairs, maintains, and improves the premises for 40 years. The Conservancy collects all revenues during the 40-year operations period. The City reported the completed capital improvements as capital assets with a carrying amount of \$5.9 million and a related deferred inflow of resources of \$5.9 million.

A summary of public-private partnership capital assets during the year ended June 30, 2023, is as follows (in thousands):

| Governmental Activities: | Balance July 1, 2022, as restated | Increases | Decreases | Balance June 30, 2023 |
|--|---|-----------------|-------------|-----------------------------|
| | Building/Facility..... | | | \$ 3,378 |
| Equipment..... | 277 | - | - | 277 |
| Infrastructure..... | 1,046 | 596 | - | 1,642 |
| Total public-private partnership assets.... | <u>4,701</u> | <u>1,364</u> | <u>-</u> | <u>6,065</u> |
| Less accumulated amortization: | | | | |
| Building/Facility..... | - | 122 | - | 122 |
| Equipment..... | - | 20 | - | 20 |
| Infrastructure..... | - | 43 | - | 43 |
| Total accumulated amortization..... | <u>-</u> | <u>185</u> | <u>-</u> | <u>185</u> |
| Governmental activities public-private partnership, net..... | <u>\$ 4,701</u> | <u>\$ 1,179</u> | <u>\$ -</u> | <u>\$ 5,880</u> |

Other Commitments

The Retirement System has unfunded commitments to contribute capital for real assets in the amount of \$1.87 billion, private equity in the amount of \$3.52 billion, private credit in the amount of \$2.41 billion, and absolute return investments in the amount of \$62.7 million, which totaled \$7.86 billion as of June 30, 2023.

The Retiree Health Care Trust Fund has unfunded commitments to contribute capital for private equity in the amount of \$40.2 million as of June 30, 2023.

In February 2011, the Asian Art Museum Foundation (Foundation) entered into an agreement with JP Morgan Chase Bank to refinance its obligations of \$97.0 million. To facilitate the refinancing, the City entered into an assurance agreement which, in the event of nonpayment by the Foundation, requires the City to seek an appropriation to make debt payments as they become due. Since the City has not legally guaranteed the debt, and the City believes that the likelihood of nonpayment by the Foundation is remote, no amount is recorded in the City's financial statements related to this agreement.

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
 June 30, 2023
 (Dollars in Thousands)

(18) RISK MANAGEMENT

Risk Retention Program Description

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

The Airport is not required to, nor does it carry insurance or self-insure against any risks due to land movement or seismic activity. The Airport has an ongoing loss prevention program, a safety officer, property loss control, and ongoing employee training programs. The Airport has instituted an Enterprise Risk Management Program by implementing a comprehensive risk identification, assessment, and treatment protocol to address key risks that may adversely affect the Airport's ability to meet its business goals and objectives. The Airport carries aviation liability insurance coverage of \$1.0 billion with \$250.0 million in War Perils Liability, subject to a deductible of \$10 per occurrence. Immediately following the events of September 11, 2001, insurers canceled the coverage for war, terrorism, and hijacking for all airports, including the Airport. A number of insurers now provide this coverage through the Federal Government Terrorism Risk Insurance Act. However, the scope of the coverage is limited, and the premiums are high. Due to these factors, the Airport, in consultation with the City's Director of Risk Management, has elected not to secure such coverage but to purchase War Perils Liability Coverage as part of its aviation liability program.

The Airport also carries commercial property insurance coverage for full replacement value on all facilities at the Airport owned by the Airport, subject to a limit of \$1.0 billion per occurrence subject to a deductible of \$500 per occurrence. This policy includes flood coverage up to a \$10.0 million sub-limit. The Airport also carries business interruption and extra expenses insurance up to a \$100.0 million pooled sub-limit.

Additionally, tenants and contractors on all contracts are required to carry commercial general and automobile liability insurance in various amounts, naming the Airport as additionally insured. The Airport carries public officials' liability and employment practices liability coverage of \$5.0 million, subject to a deductible of \$100 per occurrence for public officials' and public entity liability matters, and \$250 per occurrence for each employment practices' liability matters. The Airport also carries insurance for excess auto, public employee dishonesty, fine arts, cyber liability, and watercraft liability for Airport fire and rescue vessels, and target range liability for the San Francisco Police Department's firearms range located at the Airport.

The Port carries the following insurance (listed coverage limits and related deductible amounts are effective July 1, 2023): 1) marine general liability coverage of \$100.0 million, subject to a deductible of \$100 per occurrence, inclusive of hull protection and indemnity coverage of \$1.0 million per occurrence; 2) machinery and equipment breakdown coverage, including business interruption, of \$100.0 million, subject to a deductible of \$25; 3) commercial property insurance for Port facilities, subject to a maximum coverage of \$300.0 million and a deductible of \$5.0 million per occurrence (increased from a maximum of \$140.0 million and a deductible of \$10.0 million per occurrence before July 1, 2022); 4) public officials and employee practices liability coverage of \$5.0 million, subject to a deductible of \$50 per occurrence; and 5) special events for cruise terminals at Pier 27, 29 and 35 coverage of \$1.0 million and no deductible. The Port also carries insurance coverage for employee dishonesty, auto liability, property damage for certain high value Port vehicles, water pollution, and data processing equipment. In addition to the above, the Port requires most of its tenants, licensees, and contractors on all contracts to carry commercial general liability insurance in various amounts naming the Port and the City as additional

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
 June 30, 2023
 (Dollars in Thousands)

insured parties. Tenants whose operations pose a significant environmental risk are also required to post an environmental oversight deposit and an environmental performance deposit.

The SFMTA risk treatment program encompasses both self-insured and insured methods. Insurance purchase is generally coordinated through the City's Risk Management Division, and in some specific cases, directly by the agency. Self-insurance is when the City manages the risks internally and administers, adjusts, settles, defends, and pays claims from budgeted resources, i.e., pay-as-you-go. SFMTA's general policy is to first evaluate self-insurance for the risks of loss to which it is exposed. When economically more viable or when required by debt financing covenants, SFMTA purchases insurance as necessary or required.

| Risks | Coverage |
|---------------------------------|-------------------------------------|
| a. General/Transit Liability | Self-insured |
| b. Workers' Compensation | Self-insured |
| c. Property | Self-insured and purchase insurance |
| d. Employee (transit operators) | Purchase insurance |
| e. Directors and Officers | Purchase insurance |
| f. Active Assailant | Purchase insurance |

The SFMTA is self-insured on general liability. Through coordination with the Controller and City Attorney's Office, the SFMTA's general liability payments are addressed through pay-as-you-go funding as part of the budgetary process as well as a reserve that is increased each year by approximately \$3.0 million. As of June 30, 2023, the reserve was \$36.5 million. In addition, the annual budget for claims was \$8.6 million for fiscal year 2022-23. Claim liabilities are actuarially determined anticipated claims and projected timing of disbursement, considering recent claim settlement trends, inflation, and other economic social factors.

The SFMTA purchases property insurance on its facilities, light rail cars, and personal property. Also, insurance is purchased for scheduled City parking garages covering blanket property and business interruptions. Damages to facilities and property outside of the specified schedules are self-insured. For SFMTA contractors, SFMTA requires each contractor to provide its own insurance, the traditional insurance ensuring that the full scope of work be covered with satisfactory levels to limit the risk exposure to City and SFMTA's property. SFMTA has purchased group life insurance and a Group Felonious Assault Coverage Insurance for transit operators per a Memorandum of Understanding with the Transport Workers' Union and has purchased insurance to cover errors and omissions of its board members and senior management. SFMTA has purchased an active assailant insurance to cover third party bodily injury, property damage, business interruption and crisis management.

Settlements have not exceeded insurance coverage during the past three years.

Estimated Claims Payable

Numerous lawsuits are pending or threatened against the City. The City's liability as of June 30, 2023, has been actuarially determined and includes an estimate of incurred but not reported losses and allocated loss adjustment expenses.

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
(Dollars in Thousands)

Changes in the reported estimated claims payable since July 1, 2021, resulted from the following activity:

| Fiscal Year | Beginning Fiscal Year Liability | Current Year Claims and Changes in Estimates | Claim Payments | Ending Fiscal Year Liability |
|-------------|---------------------------------|--|----------------|------------------------------|
| 2021-2022 | \$ 390,355 | \$ 168,306 | \$ (94,625) | \$ 464,036 |
| 2022-2023 | 464,036 | 219,401 | (147,390) | 536,047 |

Breakdown of the estimated claims payable on June 30, 2023, is as follows:

| | |
|--|-------------------|
| <u>Governmental activities:</u> | |
| Current portion of estimated claims payable..... | \$ 155,464 |
| Long-term portion of estimated claims payable..... | 260,222 |
| Total | <u>\$ 415,686</u> |
| <u>Business-type activities:</u> | |
| Current portion of estimated claims payable..... | \$ 46,288 |
| Long-term portion of estimated claims payable..... | 74,073 |
| Total | <u>\$ 120,361</u> |

Workers' Compensation

The City self-insures for workers' compensation coverage. The City's liability as of June 30, 2023, has been actuarially determined and includes an estimate of incurred but not reported losses. The total amount estimated to be payable for claims incurred as of June 30, 2023, was \$653.8 million, which is reported in the appropriate individual funds in accordance with the City's accounting policies.

Changes in the reported accrued workers' compensation since July 1, 2021, resulted from the following activity:

| Fiscal Year | Beginning Fiscal Year Liability | Current Year Claims and Changes in Estimates | Claim Payments | Ending Fiscal Year Liability |
|-------------|---------------------------------|--|----------------|------------------------------|
| 2021-2022 | \$ 536,939 | \$ 195,741 | \$ (119,551) | \$ 613,129 |
| 2022-2023 | 613,129 | 169,773 | (129,066) | 653,836 |

Breakdown of the accrued workers' compensation liability on June 30, 2023, is as follows:

| | |
|---|-------------------|
| <u>Governmental activities:</u> | |
| Current portion of accrued workers' compensation liability..... | \$ 72,304 |
| Long-term portion of accrued workers' compensation liability.. | 305,486 |
| Total | <u>\$ 377,790</u> |
| <u>Business-type activities:</u> | |
| Current portion of accrued workers' compensation liability..... | \$ 50,502 |
| Long-term portion of accrued workers' compensation liability.. | 225,544 |
| Total | <u>\$ 276,046</u> |

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
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(19) SUBSEQUENT EVENTS

(a) Debt Issuance

In July 2023, the Water Enterprise issued its San Francisco Water Revenue Bonds, 2023 Sub-Series A (Regional and Local Water, Tax-exempt) and Sub-Series B (Hetch Hetchy Water, Tax-exempt) in the aggregate principal amount of \$414.0 million to (i) refund principal and interest on Commercial Paper Notes issued to finance and refinance a portion of the design, acquisition and construction of various capital projects of benefit to the SFPUC's Water Enterprise, (ii) finance and refinance a portion of the design, acquisition and construction of various capital projects of benefit to the SFPUC's Water Enterprise, and (iii) fund capitalized interest through May 1, 2025 and other financing costs.

In July 2023, the Water Enterprise entered into new CP dealer agreements with BofA Securities, Inc., J.P. Morgan Securities LLC and Wells Fargo Bank, National Association for the offering and sale, and remarketing from time to time of water commercial paper program notes. The new CP dealer agreements with BofA Securities, Inc., J.P. Morgan Securities LLC and Wells Fargo Bank, National Association are scheduled to expire on July 10, 2028.

In August 2023, the Water Enterprise issued its San Francisco Water Revenue Bonds, 2023 Sub-Series C (Tax-exempt Refunding – WSIP, Green Bonds), and Sub-Series D (Tax-exempt Refunding-Local Water) an aggregate principal amount of \$514.9 million to refund all or a portion of various series of the SFPUC's outstanding bonds.

In October 2023, Hetch Hetchy issued its San Francisco Power Revenue Bonds, 2023 Series A with a principal of \$123.9 million to finance or refinance Power Enterprise projects through the refunding and retirement of CP issued as interim financing for such projects in furtherance of the Power Capital Improvement Program.

In November 2023, the City issued Certificates of Participation Series 2023A (Affordable Housing and Community Projects) (2023A Certificates) and Series 2023B (Multiple Capital Improvement Projects) (2023B Certificates) with the principal amount of \$103.4 million and \$80.0 million, respectively. The 2023A certificates were issued to finance and refinance certain capital improvement, affordable housing, and community facilities projects within the City and to pay the cost of issuance of the 2023A Certificates. The 2023B Certificates, together with the 2023A Certificates were issued to finance and refinance certain capital improvement projects within the City, including retirement of certain commercial paper notes of the City issued for such purpose and to pay the cost of issuance of the 2023B Certificates. The 2023A Certificates bear interest rates ranging from 6.0% to 6.375% to mature from October 2024 through October 2043. The 2023B Certificates bear interest rates ranging from 5.0% to 4.5% to mature from October 2024 through October 2043.

In November 2023, the Airport issued \$794.3 million of its Series 2023C and Series 2023D Bonds for the purpose of refunding \$497.8 million in outstanding CP notes, refunding \$241.8 million in outstanding Series 2013A bonds, funding deposits to a debt service reserve account, and paying costs of issuance. The financial statements reflected the refunded amounts as noncurrent liabilities. Moody's and Fitch assigned credit ratings of "A1" and "A+" to these bonds.

In December 2023, the City, on behalf of the City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) issued Special Tax Bonds, Series 2023A (Development Special Tax Bonds), Series 2023B (Office Special Tax Bonds), and Series 2023C (Shoreline Tax Zone 1 Special Tax Bonds) (the 2023A Bonds, 2023B Bonds, and 2023C Bonds) in the original par amounts of \$8.8 million, \$19.1 million, and \$18.0 million, respectively. The 2023A Bonds, 2023B Bonds, and 2023C Bonds were issued to fund horizontal improvements for Phase 1A and 1B of the Mission Rock Project. The 2023A Bonds bear interest rates ranging from 5.0% to 5.75%, with principal amortizing from September 2024 through September 2050. The 2023B Bonds bear interest rates ranging from 5.0% to 5.75%, with principal amortizing from September 2024 through September 2053. The 2023C

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Notes to Basic Financial Statements (Continued)
June 30, 2023
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Bonds bear interest rates ranging from 5.0% to 5.75%, with principal amortizing from September 2024 through September 2053.

The 2023A Bonds, 2023B Bonds, and 2023C Bonds are secured under provisions of their respective Fiscal Agent Agreements, and will be payable solely from the revenues and funds pledged under those agreements. The 2023A Bonds were issued on a parity basis to the outstanding City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) Development Special Tax Bonds, Series 2021A and Development Special Tax Bonds, Series 2021B and 2021C. Revenues for the 2023A Bonds, 2023B Bonds, and 2023C Bonds generally consist of Development Special Tax Revenues, Office Special Tax Revenues, and Shoreline (tax zone 1) Special Tax Revenues, respectively. Additionally, the 2023A Bonds are secured by tax increment of the City's Infrastructure Financing District No. 2, Project Area I pledged to such obligations under a Pledge Agreement (among the IFD, City on behalf the District, and the Fiscal Agent). The 2023A Bonds, 2023B Bonds, and 2023C Bonds are not payable from any revenues or assets of the City. Neither the faith and credit nor the taxing power of the City, the State, or any political subdivision thereof are pledged for the payment of the principal or interest on the 2023A Bonds, 2023B Bonds, or the 2023C Bonds.

In December 2023, the City, on behalf of Improvement Area No. 2 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) issued Special Tax Bonds, Series 2023A in the par amount of \$17.0 million (2023A IA2 Bonds). The 2023A Bonds were issued to fund the acquisition of certain public facilities and improvements for the Treasure Island/Yerba Buena Island Development Project. The 2023A Bonds bear interest rates ranging from 5.0% to 5.5%, with principal amortizing from September 2024 through September 2053.

The 2023A IA2 Bonds were issued on a parity basis to the outstanding of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) issued Special Tax Bonds, Series 2022A. The 2023A IA2 Bonds are secured under the provisions of a Fiscal Agent Agreement and will be payable solely from Special Tax Revenues and funds pledged under that agreement. The 2023 IA2 Bonds are not payable from any revenues or assets of the City. Neither the faith and credit nor the taxing power of the City, the State, or any political subdivision thereof are pledged for the payment of the principal or interest on the 2023 IA2 Bonds.

In December 2023, the City, on behalf of the and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) issued Tax Increment Revenue Bonds, Series 2023A (Facilities Increment) and Series 2023B (Housing Increment) (2023A IRFD Bonds and 2023B IRFD Bonds) in the par amounts of \$7.6 million and \$1.6 million, respectively. The 2023A IRFD Bonds were issued to fund the acquisition of certain public facilities and improvements for the Treasure Island/Yerba Buena Island Development Project, and the 2023B IRFD Bonds were issued to finance the acquisition and construction of affordable housing on Treasure Island. The 2023A IRFD Bonds bear interest rates ranging from 5.0% to 5.5%, with principal amortizing from September 2024 through September 2053. The 2023B IRFD Bonds bear an interest rate of 5.5%, with principal amortizing from September 2024 through September 2053.

The 2023A IRFD Bonds and 2023B IRFD Bonds were issued on a parity basis to the outstanding City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) and Series 2022B (Housing Increment), respectively. The 2023A IRFD Bonds and 2023B IRFD Bonds are secured under provisions of separate Indentures of Trust and are payable solely from Pledged Facilities Increment and Pledged Housing Increment, respectively, pledged under those agreements. Revenues generally consist of tax increment of the City's Infrastructure Revitalization and Financing District No. 1, Project Areas A, B, C, D, and E. The 2023A IRFD Bonds and 2023B IRFD Bonds are not payable from any revenues or assets of the City. Neither the faith and credit nor the taxing power of the City, the State, or any political subdivision thereof are pledged for the payment of the principal or interest on the 2023A IRFD Bonds or 2023B IRFD Bonds.

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (Continued)
June 30, 2023
(Dollars in Thousands)

(b) Others

Ratings Downgrade

In July 2023, Moody's revised the rating outlook on the City's long-term ratings from stable to negative while concurrently affirming the "Aaa" ratings on the City's issuer rating and on approximately \$2.59 billion in outstanding general obligation bonds. Moody's also affirmed the "Aa1" and "Aa2" rating on the City's approximately \$1.4 billion in lease-backed obligations. The City also has approximately \$19.5 billion in additional debt outstanding across its governmental and enterprise activities unaffected by this rating action.

Laguna Honda Hospital Settlement Agreement

In November 2022, Laguna Honda Hospital (LHH) reached a settlement with the California Department of Public Health (CDPH) and the federal Centers for Medicare and Medicaid Services (CMS) to allow LHH to continue to receive funding through November 2023.

In August 2023, LHH was recertified, effective immediately, in the Medicaid Provider Program. In September 2023, LHH applied for Medicare recertification and is anticipating completion of a CMS survey by December 2023.

A new admission timeline and census projections cannot be developed until the facility is certified by both Medi-Cal and Medicare, as a result revenue projections for fiscal year 2023-24 have not been updated from fiscal year 2023-24 budget to reflect the recertification.

Airport New Lease and Use Agreement

A new ten-year 2023 Lease and Use Agreement became effective on July 1, 2023, and is set to expire on June 30, 2033.

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of the City's Proportionate Share of the Net Pension Liability/(Asset)
June 30, 2023
(Dollars in Thousands)

| | For the year ended June 30, 2023 | | | | |
|---|----------------------------------|-------------|--|----------------------------------|-----------------|
| | CalPERS Miscellaneous Plans | | | | |
| | City SFERS Plan | City | Transportation Authority Classic & PEPRA | Successor Agency Classic & PEPRA | Treasure Island |
| Proportion of net pension liability (asset) | 94.8676% | -0.1503% | 0.0294% | 0.3232% | 0.0001% |
| Proportionate share of the net pension liability (asset) | \$ 2,552,996 | \$ (17,362) | \$ 3,394 | \$ 37,328 | \$ 11 |
| Covered payroll | \$ 3,553,859 | \$ - | \$ 4,706 | \$ 6,633 | \$ - |
| Proportionate share of the net pension liability (asset) as a percentage of covered payroll | 71.84% | N/A | 72.12% | 562.76% | N/A |
| Plan fiduciary net position as a percentage of total pension liability | 92.40% | 76.68% | 76.68% | 76.68% | 76.68% |

| | For the year ended June 30, 2022 | | | | |
|---|----------------------------------|-------------|--|----------------------------------|-----------------|
| | CalPERS Miscellaneous Plans | | | | |
| | City SFERS Plan | City | Transportation Authority Classic & PEPRA | Successor Agency Classic & PEPRA | Treasure Island |
| Proportion of net pension liability (asset) | 94.6421% | -0.4126% | 0.0160% | 0.4073% | 0.0001% |
| Proportionate share of the net pension liability (asset) | \$ (2,446,565) | \$ (22,316) | \$ 868 | \$ 22,028 | \$ 6 |
| Covered payroll | \$ 3,434,713 | \$ - | \$ 4,826 | \$ 7,430 | \$ - |
| Proportionate share of the net pension liability (asset) as a percentage of covered payroll | -71.23% | N/A | 17.99% | 296.47% | N/A |
| Plan fiduciary net position as a percentage of total pension liability | 107.80% | 88.29% | 88.29% | 88.29% | 88.29% |

| | For the year ended June 30, 2021 | | | | |
|---|----------------------------------|-------------|--|----------------------------------|-----------------|
| | CalPERS Miscellaneous Plans | | | | |
| | City SFERS Plan | City | Transportation Authority Classic & PEPRA | Successor Agency Classic & PEPRA | Treasure Island |
| Proportion of net pension liability | 94.3903% | -0.1489% | 0.0244% | 0.2967% | 0.0002% |
| Proportionate share of the net pension liability (asset) | \$ 5,107,273 | \$ (16,206) | \$ 2,659 | \$ 32,279 | \$ 21 |
| Covered payroll | \$ 3,378,945 | \$ 179 | \$ 4,423 | \$ 6,745 | \$ - |
| Proportionate share of the net pension liability (asset) as a percentage of covered payroll | 151.15% | -9053.63% | 60.12% | 478.56% | N/A |
| Plan fiduciary net position as a percentage of total pension liability | 83.10% | 75.10% | 75.10% | 75.10% | 75.10% |

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of the City's Proportionate Share of the Net Pension Liability/(Asset) (Continued)
June 30, 2023
(Dollars in Thousands)

| | For the year ended June 30, 2020 | | | | |
|---|----------------------------------|-------------|--|----------------------------------|-----------------|
| | CalPERS Miscellaneous Plans | | | | |
| | City SFERS Plan | City | Transportation Authority Classic & PEPRA | Successor Agency Classic & PEPRA | Treasure Island |
| Proportion of net pension liability | 94.1288% | -0.1541% | 0.0230% | 0.2908% | 0.0002% |
| Proportionate share of the net pension liability (asset) | \$ 4,213,809 | \$ (15,793) | \$ 2,352 | \$ 29,803 | \$ 25 |
| Covered payroll | \$ 3,186,405 | \$ 359 | \$ 4,396 | \$ 6,384 | \$ - |
| Proportionate share of the net pension liability (asset) as a percentage of covered payroll | 132.24% | -4399.16% | 53.50% | 466.84% | N/A |
| Plan fiduciary net position as a percentage of total pension liability | 85.30% | 75.26% | 75.26% | 75.26% | 75.26% |

| | For the year ended June 30, 2019 | | | | |
|---|----------------------------------|-------------|--|----------------------------------|-----------------|
| | CalPERS Miscellaneous Plans | | | | |
| | City SFERS Plan | City | Transportation Authority Classic & PEPRA | Successor Agency Classic & PEPRA | Treasure Island |
| Proportion of net pension liability | 94.1042% | -0.1573% | 0.0215% | 0.2820% | 0.0003% |
| Proportionate share of the net pension liability (asset) | \$ 4,030,207 | \$ (15,154) | \$ 2,069 | \$ 27,178 | \$ 28 |
| Covered payroll | \$ 3,045,153 | \$ 390 | \$ 4,039 | \$ 5,742 | \$ - |
| Proportionate share of the net pension liability (asset) as a percentage of covered payroll | 132.35% | -3885.64% | 51.22% | 473.32% | N/A |
| Plan fiduciary net position as a percentage of total pension liability | 85.20% | 75.26% | 75.26% | 75.26% | 75.26% |

| | For the year ended June 30, 2018 | | | | |
|---|----------------------------------|-------------|--|----------------------------------|-----------------|
| | CalPERS Miscellaneous Plans | | | | |
| | City SFERS Plan | City | Transportation Authority Classic & PEPRA | Successor Agency Classic & PEPRA | Treasure Island |
| Proportion of net pension liability | 94.0674% | -0.1388% | 0.0216% | 0.2751% | 0.0003% |
| Proportionate share of the net pension liability (asset) | \$ 4,697,131 | \$ (13,766) | \$ 2,142 | \$ 27,280 | \$ 28 |
| Covered payroll | \$ 2,880,112 | \$ 344 | \$ 4,202 | \$ 5,042 | \$ - |
| Proportionate share of the net pension liability (asset) as a percentage of covered payroll | 163.09% | -4001.74% | 50.97% | 541.05% | N/A |
| Plan fiduciary net position as a percentage of total pension liability | 81.78% | 73.31% | 73.31% | 73.31% | 73.31% |

CITY AND COUNTY OF SAN FRANCISCO

**Required Supplementary Information (Unaudited) –
Schedules of the City's Proportionate Share of the Net Pension Liability/(Asset) (Continued)**
June 30, 2023*
(Dollars in Thousands)

| | For the year ended June 30, 2017 | | | | |
|---|----------------------------------|-------------|--|----------------------------------|-----------------|
| | CalPERS Miscellaneous Plans | | | | |
| | City SFERS Plan | City | Transportation Authority Classic & PEPRA | Successor Agency Classic & PEPRA | Treasure Island |
| Proportion of net pension liability | 94.2175% | -0.1469% | 0.0204% | 0.2691% | 0.0003% |
| Proportionate share of the net pension liability (asset) | \$ 5,476,654 | \$ (12,711) | \$ 1,765 | \$ 23,281 | \$ 27 |
| Covered payroll | \$ 2,681,695 | \$ 329 | \$ 3,644 | \$ 3,769 | \$ - |
| Proportionate share of the net pension liability (asset) as a percentage of covered payroll | 204.22% | -3863.53% | 48.44% | 617.70% | N/A |
| Plan fiduciary net position as a percentage of total pension liability | 77.61% | 74.06% | 74.06% | 74.06% | 74.06% |

| | For the year ended June 30, 2016 | | | | |
|---|----------------------------------|-------------|--|----------------------------------|-----------------|
| | CalPERS Miscellaneous Plans | | | | |
| | City SFERS Plan | City | Transportation Authority Classic & PEPRA | Successor Agency Classic & PEPRA | Treasure Island |
| Proportion of net pension liability | 93.9032% | -0.2033% | 0.0188% | 0.2413% | 0.0004% |
| Proportionate share of the net pension liability (asset) | \$ 2,156,049 | \$ (13,956) | \$ 1,288 | \$ 16,563 | \$ 24 |
| Covered payroll | \$ 2,529,879 | \$ 319 | \$ 3,684 | \$ 3,427 | \$ - |
| Proportionate share of the net pension liability (asset) as a percentage of covered payroll | 85.22% | -4374.92% | 34.96% | 483.31% | 0.00% |
| Plan fiduciary net position as a percentage of total pension liability | 89.90% | 78.40% | 78.40% | 78.40% | 78.40% |

| | For the year ended June 30, 2015 | | | | |
|---|----------------------------------|-------------|--|----------------------------------|-----------------|
| | CalPERS Miscellaneous Plans | | | | |
| | City SFERS Plan | City | Transportation Authority Classic & PEPRA | Successor Agency Classic & PEPRA | Treasure Island |
| Proportion of net pension liability | 93.7829% | -0.1829% | 0.0208% | 0.2550% | N/A |
| Proportionate share of the net pension liability (asset) | \$ 1,660,365 | \$ (11,381) | \$ 1,299 | \$ 15,870 | \$ - |
| Covered payroll | \$ 2,398,979 | \$ 303 | \$ 3,264 | \$ 3,962 | \$ - |
| Proportionate share of the net pension liability (asset) as a percentage of covered payroll | 69.21% | -3756.11% | 39.80% | 400.56% | - |
| Plan fiduciary net position as a percentage of total pension liability | 91.84% | 80.43% | 80.43% | 80.43% | - |

CITY AND COUNTY OF SAN FRANCISCO

**Required Supplementary Information (Unaudited) –
Schedules of the City's Proportionate Share of the Net Pension Liability/(Asset) (Continued)**
June 30, 2023*
(Dollars in Thousands)

Notes to Schedule:

SFERS Plan

Benefit Changes – There were no changes in benefits during the measurement period ended June 30, 2022, 2021, 2020, 2019 and 2018. The impact of benefit changes for the year ended June 30, 2017, which was \$1.22 billion, was recognized immediately as pension expense.

Changes of Assumptions – For the measurement period ended June 30, 2022, the discount rate was decreased from 7.40% to 7.20%. There were no changes in the discount rate for the measurement period ended June 30, 2021 and 2020. For the measurement period ended June 30, 2019, the discount rate was decreased from 7.50% to 7.40%. There were no changes in the discount rate for the measurement period ended June 30, 2018. For the measurement ended June 30, 2017, the discount rate was increased from 7.46% to 7.50%.

CalPERS Miscellaneous Plans

Benefit Changes – There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specific time period (a.k.a. Golden Handshakes).

Changes of Assumptions – For the measurement period ended June 30, 2022, the discount rate was decreased from 7.15% to 6.90%. There were no changes in the discount rate for the measurement period ended June 30, 2021.

* Fiscal year 2014-15 was the first year of implementation of GASB No. 68, therefore only nine years of information is shown

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of Changes in Net Pension Liability and Related Ratios
June 30, 2023
(Dollars in Thousands)

| City CalPERS Safety Plan | 2023 | 2022 | 2021 | 2020 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Total pension liability: | | | | |
| Service cost..... | \$ 27,820 | \$ 27,940 | \$ 29,508 | \$ 30,109 |
| Interest on the total pension liability..... | 109,898 | 107,607 | 102,990 | 98,555 |
| Changes of assumptions..... | 45,696 | - | - | - |
| Differences between expected and actual experience | (19,162) | 2,028 | (1,465) | (7,134) |
| Benefit payments, including refunds of employee contributions..... | (77,028) | (71,533) | (66,815) | (62,934) |
| Net change in total pension liability..... | 87,224 | 66,042 | 64,218 | 58,596 |
| Total pension liability, beginning..... | 1,590,799 | 1,524,757 | 1,460,539 | 1,401,943 |
| Total pension liability, ending..... | <u>\$1,678,023</u> | <u>\$1,590,799</u> | <u>\$1,524,757</u> | <u>\$1,460,539</u> |
| Plan fiduciary net position: | | | | |
| Plan to plan resource movement..... | \$ - | \$ - | \$ - | \$ - |
| Contributions from the employer..... | 55,172 | 51,620 | 49,455 | 43,789 |
| Contributions from employees..... | 7,885 | 8,342 | 8,947 | 9,141 |
| Net investment income/(loss)..... | (109,224) | 269,621 | 57,048 | 71,212 |
| Benefit payments, including refunds of employee contributions..... | (77,028) | (71,533) | (66,815) | (62,934) |
| Administrative expenses..... | (901) | (1,188) | (1,611) | (772) |
| Other miscellaneous income/(expense)..... | - | - | - | 2 |
| Net change in plan fiduciary net position..... | (124,096) | 256,862 | 47,024 | 60,438 |
| Plan fiduciary net position, beginning..... | 1,446,527 | 1,189,665 | 1,142,641 | 1,082,203 |
| Plan fiduciary net position, ending..... | <u>\$1,322,431</u> | <u>\$1,446,527</u> | <u>\$1,189,665</u> | <u>\$1,142,641</u> |
| Plan net pension liability, ending..... | <u>\$ 355,592</u> | <u>\$ 144,272</u> | <u>\$ 335,092</u> | <u>\$ 317,898</u> |
| Plan fiduciary net position as a percentage of the total pension liability..... | 78.81% | 90.93% | 78.02% | 78.23% |
| Covered payroll..... | \$ 85,571 | \$ 93,702 | \$ 92,968 | \$ 94,522 |
| Plan net pension liability as a percentage of the covered payroll..... | 415.55% | 153.97% | 360.44% | 336.32% |

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of Changes in Net Pension Liability and Related Ratios (Continued)
June 30, 2023*
(Dollars in Thousands)

| City CalPERS Safety Plan | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Total pension liability: | | | | | |
| Service cost..... | \$ 34,006 | \$ 33,886 | \$ 31,141 | \$ 30,987 | \$ 32,688 |
| Interest on the total pension liability..... | 94,305 | 88,729 | 85,094 | 80,057 | 76,177 |
| Changes of assumptions..... | 2,492 | 75,057 | - | (19,949) | - |
| Differences between expected and actual experience | 6,909 | (14,353) | 950 | (14,218) | - |
| Benefit payments, including refunds of employee contributions..... | (56,625) | (51,579) | (47,774) | (44,699) | (41,387) |
| Net change in total pension liability..... | 81,087 | 131,740 | 69,411 | 32,178 | 67,478 |
| Total pension liability, beginning..... | 1,320,856 | 1,189,116 | 1,119,705 | 1,087,527 | 1,020,049 |
| Total pension liability, ending..... | <u>\$1,401,943</u> | <u>\$1,320,856</u> | <u>\$1,189,116</u> | <u>\$ 1,119,705</u> | <u>\$ 1,087,527</u> |
| Plan fiduciary net position: | | | | | |
| Plan to plan resource movement..... | \$ (3) | \$ - | \$ - | \$ (4) | \$ - |
| Contributions from the employer..... | 31,189 | 30,575 | 23,640 | 20,718 | 20,613 |
| Contributions from employees..... | 9,359 | 10,307 | 14,310 | 15,061 | 15,216 |
| Net investment income..... | 85,351 | 104,383 | 4,731 | 20,469 | 138,628 |
| Benefit payments, including refunds of employee contributions..... | (56,625) | (51,579) | (47,774) | (44,699) | (41,387) |
| Administrative expenses..... | (1,585) | (1,366) | (567) | (1,048) | - |
| Other miscellaneous income/(expense)..... | (3,011) | - | - | - | - |
| Net change in plan fiduciary net position..... | 64,675 | 92,320 | (5,660) | 10,497 | 133,070 |
| Plan fiduciary net position, beginning..... | 1,017,528 | 925,208 | 930,868 | 920,371 | 787,301 |
| Plan fiduciary net position, ending..... | <u>\$1,082,203</u> | <u>\$1,017,528</u> | <u>\$ 925,208</u> | <u>\$ 930,868</u> | <u>\$ 920,371</u> |
| Plan net pension liability, ending..... | <u>\$ 319,740</u> | <u>\$ 303,328</u> | <u>\$ 263,908</u> | <u>\$ 188,837</u> | <u>\$ 167,156</u> |
| Plan fiduciary net position as a percentage of the total pension liability..... | 77.19% | 77.04% | 77.81% | 83.14% | 84.63% |
| Covered payroll..... | \$ 106,765 | \$ 107,812 | \$ 110,139 | \$ 109,462 | \$ 111,311 |
| Plan net pension liability as a percentage of the covered payroll..... | 299.48% | 281.35% | 239.61% | 172.51% | 150.17% |

Notes to Schedule:

Benefit Changes – The figures above do not include any liability impact that may have resulted from plan changes which occurred on or after the June 30, 2021, valuation date. This applies for voluntary benefit changes as well as any offers of Two Year Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions – The discount rate decreased from 7.15% to 6.90% for the measurement period ended June 30, 2022. None in 2019 - 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate for the measurement period ended June 30, 2021. The discount rate decreased from 7.65% to 7.15% for the measurement period ended June 30, 2017.

* Fiscal year 2014-15 was the first year of implementation of GASB No. 68, therefore only nine years of information is shown

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of Changes in Total Pension Liability and Related Ratios
June 30, 2023*
(Dollars in Thousands)

| City Replacement Benefits Plan | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|
| Plan total pension liability: | | | | | | | |
| Service cost | \$ 2,894 | \$ 2,571 | \$ 1,976 | \$ 1,286 | \$ 1,298 | \$ 1,605 | \$ 956 |
| Interest | 4,726 | 4,076 | 4,776 | 3,538 | 2,998 | 2,218 | 2,112 |
| Changes of benefits | - | - | - | - | - | - | 10,310 |
| Differences between expected and actual experience | (24,639) | 24,547 | 7,800 | 13,588 | 564 | 15,326 | - |
| Changes of assumptions | (42,151) | 7,274 | 37,013 | 29,565 | 5,540 | (10,290) | 11,516 |
| Benefit payments | (4,473) | (4,097) | (3,634) | (2,958) | (2,442) | (3,164) | (1,332) |
| Net change in total pension liability | (63,643) | 34,371 | 47,931 | 45,019 | 7,958 | 5,695 | 23,562 |
| Total pension liability, beginning | 219,574 | 185,203 | 137,272 | 92,253 | 84,295 | 78,600 | 55,038 |
| Plan total pension liability, ending: | \$ 155,931 | \$ 219,574 | \$ 185,203 | \$ 137,272 | \$ 92,253 | \$ 84,295 | \$ 78,600 |
| Covered-employee payroll | \$ 3,589,396 | \$ 3,470,495 | \$ 3,414,923 | \$ 3,225,854 | \$ 3,082,273 | \$ 2,919,519 | \$ 2,719,691 |
| Plan total pension liability as a percentage of the covered-employee payroll | 4.34% | 6.33% | 5.42% | 4.26% | 2.99% | 2.89% | 2.89% |

Notes to Schedule:

No assets are accumulated in a trust that meet the criteria in GASB Statement No. 73 to pay related benefits.

Benefit Changes – There were no changes to benefits terms for the measurement period ended June 30, 2022.

Changes of Assumptions – The discount rate was changed from 2.16% to 3.54% in the measurement period ended June 30, 2022. No changes in discount rate for the measurement period ended June 30, 2021. The discount rate decreased from 2.21% in the measurement period ended June 30, 2020, to 2.16% in the measurement period ended June 30, 2021. The discount rate was changed from 3.87% in the measurement period ended June 30, 2018, to 3.50% in the measurement period ended June 30, 2019.

* Fiscal year 2016-17 was the first year of implementation of GASB Statement No. 73, therefore only seven years of information is shown

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of Employer Contributions – Pension Plans
June 30, 2023
(Dollars in Thousands)

| | For the year ended June 30, 2023 | | | | | |
|---|----------------------------------|------|--|------------------|-----------------|---------------------|
| | City SFERS Plan | City | CalPERS Miscellaneous Plans Transportation Authority | Successor Agency | Treasure Island | CalPERS Safety Plan |
| Actuarially determined contributions | \$ 638,003 | \$ - | \$ 689 | \$ 2,934 | \$ 2 | \$ 50,754 |
| Contributions in relation to the actuarially determined contributions | (638,003) | - | (689) | (2,934) | (2) | (50,754) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 3,810,429 | \$ - | \$ 5,088 | \$ 6,405 | \$ - | \$ 81,754 |
| Contributions as a percentage of covered payroll | 16.74% | N/A | 13.54% | 45.81% | N/A | 62.08% |

| | For the year ended June 30, 2022 | | | | | |
|---|----------------------------------|------|--|------------------|-----------------|---------------------|
| | City SFERS Plan | City | CalPERS Miscellaneous Plans Transportation Authority | Successor Agency | Treasure Island | CalPERS Safety Plan |
| Actuarially determined contributions | \$ 729,578 | \$ - | \$ 628 | \$ 2,611 | \$ 9 | \$ 49,808 |
| Contributions in relation to the actuarially determined contributions | (729,578) | - | (628) | (2,611) | (9) | (49,808) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 3,553,859 | \$ - | \$ 4,706 | \$ 6,633 | \$ - | \$ 85,571 |
| Contributions as a percentage of covered payroll | 20.53% | N/A | 13.34% | 39.36% | N/A | 58.21% |

| | For the year ended June 30, 2021 | | | | | |
|---|----------------------------------|------|--|------------------|-----------------|---------------------|
| | City SFERS Plan | City | CalPERS Miscellaneous Plans Transportation Authority | Successor Agency | Treasure Island | CalPERS Safety Plan |
| Actuarially determined contributions | \$ 791,736 | \$ - | \$ 606 | \$ 2,299 | \$ 8 | \$ 51,185 |
| Contributions in relation to the actuarially determined contributions | (791,736) | - | (606) | (2,299) | (8) | (51,185) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 3,434,713 | \$ - | \$ 4,826 | \$ 7,430 | \$ - | \$ 93,702 |
| Contributions as a percentage of covered payroll | 23.05% | N/A | 12.56% | 30.94% | N/A | 54.63% |

| | For the year ended June 30, 2020 | | | | | |
|---|----------------------------------|--------|--|------------------|-----------------|---------------------|
| | City SFERS Plan | City | CalPERS Miscellaneous Plans Transportation Authority | Successor Agency | Treasure Island | CalPERS Safety Plan |
| Actuarially determined contributions | \$ 701,307 | \$ 10 | \$ 539 | \$ 2,012 | \$ 7 | \$ 40,778 |
| Contributions in relation to the actuarially determined contributions | (701,307) | (10) | (539) | (2,012) | (7) | (40,778) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 3,378,945 | \$ 179 | \$ 4,423 | \$ 6,745 | \$ - | \$ 92,968 |
| Contributions as a percentage of covered payroll | 20.76% | 5.59% | 12.19% | 29.83% | N/A | 43.86% |

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of Employer Contributions – Pension Plans (Continued)
 June 30, 2023
 (Dollars in Thousands)

| | For the year ended June 30, 2019 | | | | | |
|---|----------------------------------|--------|--------------------------|------------------|-----------------|---------------------|
| | CalPERS Miscellaneous Plans | | | | | |
| | City SFERS Plan | City | Transportation Authority | Successor Agency | Treasure Island | CalPERS Safety Plan |
| Actuarially determined contributions | \$ 607,408 | \$ 28 | \$ 479 | \$ 1,637 | \$ 7 | \$ 34,933 |
| Contributions in relation to the actuarially determined contributions | (607,408) | (28) | (479) | (1,637) | (7) | (34,933) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 3,186,405 | \$ 359 | \$ 4,396 | \$ 6,384 | \$ - | \$ 94,522 |
| Contributions as a percentage of covered payroll | 19.06% | 7.80% | 10.89% | 25.64% | N/A | 36.96% |
| | For the year ended June 30, 2018 | | | | | |
| | CalPERS Miscellaneous Plans | | | | | |
| | City SFERS Plan | City | Transportation Authority | Successor Agency | Treasure Island | CalPERS Safety Plan |
| Actuarially determined contributions | \$ 582,568 | \$ 42 | \$ 403 | \$ 1,283 | \$ 6 | \$ 30,743 |
| Contributions in relation to the actuarially determined contributions | (582,568) | (42) | (403) | (1,283) | (6) | (30,743) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 3,045,153 | \$ 390 | \$ 4,039 | \$ 5,742 | \$ - | \$ 106,765 |
| Contributions as a percentage of covered payroll | 19.13% | 10.77% | 9.99% | 22.34% | N/A | 28.80% |
| | For the year ended June 30, 2017 | | | | | |
| | CalPERS Miscellaneous Plans | | | | | |
| | City SFERS Plan | City | Transportation Authority | Successor Agency | Treasure Island | CalPERS Safety Plan |
| Actuarially determined contributions | \$ 519,073 | \$ 35 | \$ 293 | \$ 970 | \$ 2 | \$ 27,190 |
| Contributions in relation to the actuarially determined contributions | (519,073) | (35) | (293) | (970) | (2) | (27,190) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 2,880,112 | \$ 344 | \$ 4,202 | \$ 5,042 | \$ - | \$ 107,812 |
| Contributions as a percentage of covered payroll | 18.02% | 10.17% | 6.97% | 19.24% | N/A | 25.22% |
| | For the year ended June 30, 2016 | | | | | |
| | CalPERS Miscellaneous Plans | | | | | |
| | City SFERS Plan | City | Transportation Authority | Successor Agency | Treasure Island | CalPERS Safety Plan |
| Actuarially determined contributions | \$ 496,343 | \$ 33 | \$ 280 | \$ 828 | \$ 2 | \$ 23,640 |
| Contributions in relation to the actuarially determined contributions | (496,343) | (33) | (280) | (828) | (2) | (23,640) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 2,681,695 | \$ 329 | \$ 3,644 | \$ 3,769 | \$ - | \$ 110,139 |
| Contributions as a percentage of covered payroll | 18.51% | 10.03% | 7.68% | 21.97% | N/A | 21.46% |

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of Employer Contributions – Pension Plans (Continued)
 June 30, 2023*
 (Dollars in Thousands)

| | For the year ended June 30, 2015 | | | | | |
|--|----------------------------------|--------|--------------------------|------------------|-----------------|---------------------|
| | CalPERS Miscellaneous Plans | | | | | |
| | City SFERS Plan | City | Transportation Authority | Successor Agency | Treasure Island | CalPERS Safety Plan |
| Actuarially determined contributions ^{(1) **} | \$ 556,511 | \$ 31 | \$ 400 | \$ 598 | \$ 2 | \$ 20,718 |
| Contributions in relation to the actuarially determined contributions ⁽¹⁾ | (556,511) | (31) | (400) | (598) | (2) | (20,718) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 2,529,879 | \$ 319 | \$ 3,684 | \$ 3,427 | \$ - | \$ 109,462 |
| Contributions as a percentage of covered payroll | 22.00% | 9.72% | 10.86% | 17.45% | N/A | 18.93% |

⁽¹⁾ Contractually required contributions is an actuarially determined contribution for all cost-sharing plans.

* Fiscal year 2014-15 was the first year of implementation of GASB No. 68, therefore only nine years of information is shown.

** In fiscal year 2014-15, the actuarially determined contributions were based on an estimate. The City made a \$0.1 million adjustment to align the estimated employer contribution amount with the actual employer contribution per the 2015 agent-multiple employer CalPERS report for the CalPERS Safety Plan. Due to the early implementation of GASB Statement No. 82, the City decreased the actuarially determined contributions for the City SFERS plan to deduct the employer pickup in the amount of \$8.6 million.

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of Employer Contributions – Pension Plans (Continued)
 June 30, 2023
 (Dollars in Thousands)

Methods and assumptions used to determine FY 2022-23 contribution rates to SFERS Plan

| | |
|------------------------------------|------------------------------------|
| Valuation date..... | July 1, 2020 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level annual percentage of payroll |
| Remaining amortization period..... | Closed 15-year period |
| Asset valuation method..... | 5 year smoothed market |
| Investment rate of return..... | 7.40% (net of investment expenses) |
| Inflation..... | 2.50% |
| Projected salary increase..... | Wage inflation component: 3.25% |

Methods and assumptions used to determine FY 2021-22 contribution rates to SFERS Plan

| | |
|------------------------------------|------------------------------------|
| Valuation date..... | July 1, 2019 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level annual percentage of payroll |
| Remaining amortization period..... | Closed 15-year period |
| Asset valuation method..... | 5 year smoothed market |
| Investment rate of return..... | 7.40% (net of investment expenses) |
| Inflation..... | 2.75% |
| Projected salary increase..... | Wage inflation component: 3.50% |

Methods and assumptions used to determine FY 2020-21 contribution rates to SFERS Plan

| | |
|------------------------------------|------------------------------------|
| Valuation date..... | July 1, 2018 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level annual percentage of payroll |
| Remaining amortization period..... | Closed 15-year period |
| Asset valuation method..... | 5 year smoothed market |
| Investment rate of return..... | 7.40% (net of investment expenses) |
| Inflation..... | 3.00% compounded annually |
| Projected salary increase..... | Wage inflation component: 3.50% |

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of Employer Contributions – Pension Plans (Continued)
 June 30, 2023
 (Dollars in Thousands)

Methods and assumptions used to determine FY 2019-20 contribution rates to SFERS Plan

| | |
|------------------------------------|------------------------------------|
| Valuation date..... | July 1, 2017 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level annual percentage of payroll |
| Remaining amortization period..... | Closed 15-year period |
| Asset valuation method..... | 5 year smoothed market |
| Investment rate of return..... | 7.50% (net of investment expenses) |
| Inflation..... | 3.00% compounded annually |
| Projected salary increase..... | Wage inflation component: 3.50% |

Methods and assumptions used to determine FY 2018-19 contribution rates to SFERS Plan

| | |
|------------------------------------|------------------------------------|
| Valuation date..... | July 1, 2016 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level annual percentage of payroll |
| Remaining amortization period..... | Closed 15-year period |
| Asset valuation method..... | 5 year smoothed market |
| Investment rate of return..... | 7.50% (net of investment expenses) |
| Inflation..... | 3.25% compounded annually |
| Projected salary increase..... | Wage inflation component: 3.75% |

Methods and assumptions used to determine FY 2017-18 contribution rates to SFERS Plan

| | |
|------------------------------------|------------------------------------|
| Valuation date..... | July 1, 2015 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level annual percentage of payroll |
| Remaining amortization period..... | Closed 15-year period |
| Asset valuation method..... | 5 year smoothed market |
| Investment rate of return..... | 7.50% (net of investment expenses) |
| Inflation..... | 3.25% compounded annually |
| Projected salary increase..... | Wage inflation component: 3.75% |

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of Employer Contributions – Pension Plans (Continued)
June 30, 2023
(Dollars in Thousands)

Methods and assumptions used to determine FY 2016-17 contribution rates to SFERS Plan

| | |
|------------------------------------|------------------------------------|
| Valuation date..... | July 1, 2014 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level annual percentage of payroll |
| Remaining amortization period..... | Closed 15-year period |
| Asset valuation method..... | 5 year smoothed market |
| Investment rate of return..... | 7.50% (net of investment expenses) |
| Inflation..... | 3.25% compounded annually |
| Projected salary increase..... | Wage inflation component: 3.75% |

Methods and assumptions used to determine FY 2015-16 contribution rates to SFERS Plan

| | |
|------------------------------------|------------------------------------|
| Valuation date..... | July 1, 2013 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level annual percentage of payroll |
| Remaining amortization period..... | Rolling 15-year period |
| Asset valuation method..... | 5 year smoothed market |
| Investment rate of return..... | 7.58% (net of investment expenses) |
| Inflation..... | 3.33% compounded annually |
| Projected salary increase..... | Wage inflation component: 3.83% |

Methods and assumptions used to determine FY 2014-15 contribution rates to SFERS Plan

| | |
|------------------------------------|------------------------------------|
| Valuation date..... | July 1, 2012 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level annual percentage of payroll |
| Remaining amortization period..... | Rolling 15-year period |
| Asset valuation method..... | 5 year smoothed market |
| Investment rate of return..... | 7.58% (net of investment expenses) |
| Inflation..... | 3.33% compounded annually |
| Projected salary increase..... | Wage inflation component: 3.83% |

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of Employer Contributions – Pension Plans (Continued)
June 30, 2023
(Dollars in Thousands)

Methods and assumptions used to determine FY 2022-23 contribution rates to CalPERS plans

| | |
|--------------------------------|---|
| Valuation date..... | June 30, 2020 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level percent of payroll |
| Amortization period..... | Gains and losses over a fixed 30-year period with increases or decreases in the rate spread directly over a 5-year period (Miscellaneous) |
| | Experience gains and losses over a fixed 30-year period and spread rate increases or decreases over a 5-year period (Safety) |
| Asset valuation method..... | Actuarial Value of Assets |
| Investment rate of return..... | 7.00%, net of pension plan investment and administrative expenses, includes inflation |
| Projected salary increase..... | Varies by Entry-Age and Service |
| Inflation..... | 2.500% |
| Payroll growth..... | 2.750% |

Methods and assumptions used to determine FY 2021-22 contribution rates to CalPERS plans

| | |
|--------------------------------|---|
| Valuation date..... | June 30, 2019 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level percent of payroll |
| Amortization period..... | Gains and losses over a fixed 30-year period with increases or decreases in the rate spread directly over a 5-year period (Miscellaneous) |
| | Experience gains and losses over a fixed 30-year period and spread rate increases or decreases over a 5-year period (Safety) |
| Asset valuation method..... | Actuarial Value of Assets |
| Investment rate of return..... | 7.00%, net of pension plan investment and administrative expenses, includes inflation |
| Projected salary increase..... | Varies by Entry-Age and Service |
| Inflation..... | 2.500% |
| Payroll growth..... | 2.750% |

Methods and assumptions used to determine FY 2020-21 contribution rates to CalPERS plans

| | |
|--------------------------------|---|
| Valuation date..... | June 30, 2018 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level percent of payroll |
| Amortization period..... | Gains and losses over a fixed 30-year period with increases or decreases in the rate spread directly over a 5-year period (Miscellaneous) |
| | Experience gains and losses over a fixed 30-year period and spread rate increases or decreases over a 5-year period (Safety) |
| Asset valuation method..... | Actuarial Value of Assets |
| Investment rate of return..... | 7.00%, net of pension plan investment and administrative expenses, includes inflation |
| Projected salary increase..... | Varies by Entry-Age and Service |
| Inflation..... | 2.500% |
| Payroll growth..... | 2.750% |

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of Employer Contributions – Pension Plans (Continued)
 June 30, 2023
 (Dollars in Thousands)

Methods and assumptions used to determine FY 2019-20 contribution rates to CalPERS plans

| | |
|--------------------------------|---|
| Valuation date..... | June 30, 2017 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level percent of payroll |
| Amortization period..... | Gains and losses over a fixed 30-year period with increases or decreases in the rate spread directly over a 5-year period (Miscellaneous) Experience gains and losses over a fixed 30-year period and spread rate increases or decreases over a 5-year period (Safety) |
| Asset valuation method..... | Actuarial Value of Assets |
| Investment rate of return..... | 7.25%, net of pension plan investment and administrative expenses, includes inflation |
| Projected salary increase..... | Varies by Entry-Age and Service |
| Inflation..... | 2.625% |
| Payroll growth..... | 2.875% |

Methods and assumptions used to determine FY 2018-19 contribution rates to CalPERS plans

| | |
|--------------------------------|---|
| Valuation date..... | June 30, 2016 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level percent of payroll |
| Amortization period..... | Gains and losses over a fixed 30-year period with increases or decreases in the rate spread directly over a 5-year period (Miscellaneous) Experience gains and losses over a fixed 30-year period and spread rate increases or decreases over a 5-year period (Safety) |
| Asset valuation method..... | Actuarial Value of Assets |
| Investment rate of return..... | 7.375%, net of pension plan investment and administrative expenses, includes inflation |
| Projected salary increase..... | Varies by Entry-Age and Service |
| Inflation..... | 2.75% |
| Payroll growth..... | 3.00% |

Methods and assumptions used to determine FY 2017-18 contribution rates to CalPERS plans

| | |
|--------------------------------|---|
| Valuation date..... | June 30, 2015 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level percent of payroll |
| Amortization period..... | Gains and losses over a fixed 30-year period with increases or decreases in the rate spread directly over a 5-year period (Miscellaneous) Experience gains and losses over a fixed 30-year period and spread rate increases or decreases over a 5-year period (Safety) |
| Asset valuation method..... | Actuarial Value of Assets |
| Investment rate of return..... | 7.50%, net of pension plan investment and administrative expenses, includes inflation |
| Projected salary increase..... | Varies by Entry-Age and Service |
| Inflation..... | 2.75% |
| Payroll growth..... | 3.00% |

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of Employer Contributions – Pension Plans (Continued)
 June 30, 2023
 (Dollars in Thousands)

Methods and assumptions used to determine FY 2016-17 contribution rates to CalPERS plans

| | |
|--------------------------------|---|
| Valuation date..... | June 30, 2014 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level percent of payroll |
| Amortization period..... | Gains and losses over a fixed 30-year period with increases or decreases in the rate spread directly over a 5-year period (Miscellaneous) Experience gains and losses over a fixed 30-year period and spread rate increases or decreases over a 5-year period (Safety) |
| Asset valuation method..... | Actuarial Value of Assets |
| Investment rate of return..... | 7.50%, net of pension plan investment and administrative expenses, includes inflation |
| Projected salary increase..... | Varies by Entry-Age and Service |
| Inflation..... | 2.75% |
| Payroll growth..... | 3.00% |

Methods and assumptions used to determine FY 2015-16 contribution rates to CalPERS plans

| | |
|--------------------------------|---|
| Valuation date..... | June 30, 2013 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level percent of payroll |
| Amortization period..... | Gains and losses over a fixed 30-year period with increases or decreases in the rate spread directly over a 5-year period (Miscellaneous) Experience gains and losses over a fixed 30-year period and spread rate increases or decreases over a 5-year period (Safety) |
| Asset valuation method..... | Market Value |
| Investment rate of return..... | 7.50%, net of pension plan investment and administrative expenses, includes inflation |
| Projected salary increase..... | 3.30% to 14.20% depending on age, service, and type of employment |
| Inflation..... | 2.75% |
| Payroll growth..... | 3.00% |
| Individual salary growth..... | A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%. |

Methods and assumptions used to determine FY 2014-15 contribution rates to CalPERS plans

| | |
|--------------------------------|--|
| Valuation date..... | June 30, 2012 |
| Actuarial cost method..... | Entry-age normal cost method |
| Amortization method..... | Level percent of payroll |
| Amortization period..... | 7 years as of the valuation date (Miscellaneous) 25 years as of the valuation date (Safety) |
| Asset valuation method..... | 15-year smoothed market |
| Investment rate of return..... | 7.50%, net of pension plan investment and administrative expenses, includes inflation |
| Projected salary increase..... | 3.30% to 14.20% depending on age, service, and type of employment |
| Inflation..... | 2.75% |
| Payroll growth..... | 3.00% |
| Individual salary growth..... | A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%. |

CITY AND COUNTY OF SAN FRANCISCO

Required Supplementary Information (Unaudited) –
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
Other Postemployment Healthcare Benefits Plan
June 30, 2023
(Dollars in Thousands)

| | 2023 | | |
|--|---------------------|-------------------|--------------------------|
| | City Plan | Successor Agency | Transportation Authority |
| Total OPEB Liability | | | |
| Service cost (BOY) | \$ 154,800 | \$ 314 | \$ 123 |
| Interest (includes interest on service cost) | 306,758 | 694 | 150 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | (224,065) | - | (3) |
| Changes of assumptions | 49,784 | - | (99) |
| Benefit payments, including refunds of member contributions | (211,025) | (854) | (70) |
| Net change in total OPEB liability | 76,252 | 154 | 101 |
| Total OPEB liability - beginning | 4,409,899 | 11,217 | 1,956 |
| Total OPEB liability - ending | \$ 4,486,151 | \$ 11,371 | \$ 2,057 |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 252,866 | \$ 1,689 | \$ 70 |
| Contributions - member | 66,455 | - | - |
| Net investment loss | (87,003) | (2,080) | (334) |
| Benefit payments, including refunds of member contributions | (211,025) | (854) | (70) |
| Administrative expense | (190) | (6) | (1) |
| Net change in plan fiduciary net position | 21,103 | (1,251) | (335) |
| Plan fiduciary net position - beginning | 718,778 | 14,740 | 2,493 |
| Plan fiduciary net position - ending | 739,881 | 13,489 | 2,158 |
| Net OPEB liability/(asset) - ending | \$ 3,746,270 | \$ (2,118) | \$ (101) |
| Plan fiduciary net position as a percentage of the total OPEB liability | 16.5% | 118.6% | 104.9% |
| Covered payroll | \$ 4,184,087 | \$ 6,633 | \$ 5,032 |
| Net OPEB liability/(asset) as a percentage of covered payroll | 89.5% | -31.9% | -2.0% |

CITY AND COUNTY OF SAN FRANCISCO

Required Supplementary Information (Unaudited) –
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
Other Postemployment Healthcare Benefits Plan (Continued)
June 30, 2023
(Dollars in Thousands)

| | 2022 | | |
|--|---------------------|-------------------|--------------------------|
| | City Plan | Successor Agency | Transportation Authority |
| Total OPEB Liability | | | |
| Service cost (BOY) | \$ 155,840 | \$ 348 | \$ 90 |
| Interest (includes interest on service cost) | 300,122 | 831 | 124 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | (151,949) | (1,337) | 183 |
| Changes of assumptions | - | (164) | - |
| Benefit payments, including refunds of member contributions | (206,439) | (880) | (63) |
| Net change in total OPEB liability | 97,574 | (1,202) | 334 |
| Total OPEB liability - beginning | 4,312,325 | 12,419 | 1,622 |
| Total OPEB liability - ending | \$ 4,409,899 | \$ 11,217 | \$ 1,956 |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 245,994 | \$ 2,259 | \$ 63 |
| Contributions - member | 61,582 | - | - |
| Net investment income | 128,916 | 3,039 | 538 |
| Benefit payments, including refunds of member contributions | (206,439) | (880) | (63) |
| Administrative expense | (265) | (6) | (1) |
| Net change in plan fiduciary net position | 229,788 | 4,412 | 537 |
| Plan fiduciary net position - beginning | 488,990 | 10,328 | 1,956 |
| Plan fiduciary net position - ending | 718,778 | 14,740 | 2,493 |
| Net OPEB liability/(asset) - ending | \$ 3,691,121 | \$ (3,523) | \$ (537) |
| Plan fiduciary net position as a percentage of the total OPEB liability | 16.3% | 131.4% | 127.5% |
| Covered payroll | \$ 3,955,498 | \$ 7,430 | \$ 4,420 |
| Net OPEB liability/(asset) as a percentage of covered payroll | 93.3% | -47.4% | -12.1% |

CITY AND COUNTY OF SAN FRANCISCO

Required Supplementary Information (Unaudited) –
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
Other Postemployment Healthcare Benefits Plan (Continued)

June 30, 2023
(Dollars in Thousands)

| | 2021 | | |
|--|---------------------|------------------|--------------------------|
| | City Plan | Successor Agency | Transportation Authority |
| Total OPEB Liability | | | |
| Service cost (BOY) | \$ 141,642 | \$ 344 | \$ 92 |
| Interest (includes interest on service cost) | 314,907 | 830 | 114 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | (381,922) | - | (1) |
| Changes of assumptions | 151,725 | (248) | - |
| Benefit payments, including refunds of member contributions | (196,445) | (902) | (61) |
| Net change in total OPEB liability | 29,907 | 24 | 144 |
| Total OPEB liability - beginning | 4,282,418 | 12,395 | 1,478 |
| Total OPEB liability - ending | \$ 4,312,325 | \$ 12,419 | \$ 1,622 |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 235,963 | \$ 2,901 | \$ 61 |
| Contributions - member | 60,236 | - | - |
| Net investment income | 22,746 | 285 | 67 |
| Benefit payments, including refunds of member contributions | (196,445) | (902) | (61) |
| Administrative expense | (113) | (7) | (1) |
| Net change in plan fiduciary net position | 122,387 | 2,277 | 66 |
| Plan fiduciary net position - beginning | 366,603 | 8,051 | 1,890 |
| Plan fiduciary net position - ending | 488,990 | 10,328 | 1,956 |
| Net OPEB liability/(asset) - ending | \$ 3,823,335 | \$ 2,091 | \$ (334) |
| Plan fiduciary net position as a percentage of the total OPEB liability | 11.3% | 83.2% | 120.6% |
| Covered payroll | \$ 3,951,792 | \$ 6,745 | \$ 4,355 |
| Net OPEB liability/(asset) as a percentage of covered payroll | 96.7% | 31.0% | -7.7% |

CITY AND COUNTY OF SAN FRANCISCO

Required Supplementary Information (Unaudited) –
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
Other Postemployment Healthcare Benefits Plan (Continued)

June 30, 2023
(Dollars in Thousands)

| | 2020 | | |
|--|---------------------|------------------|--------------------------|
| | City Plan | Successor Agency | Transportation Authority |
| Total OPEB Liability | | | |
| Service cost (BOY) | \$ 133,736 | \$ 335 | \$ 118 |
| Interest (includes interest on service cost) | 283,520 | 812 | 143 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | 194,068 | - | (596) |
| Changes of assumptions | - | - | (63) |
| Benefit payments, including refunds of member contributions | (185,839) | (906) | (60) |
| Net change in total OPEB liability/(asset) | 425,485 | 241 | (458) |
| Total OPEB liability - beginning | 3,856,933 | 12,154 | 1,936 |
| Total OPEB liability - ending | \$ 4,282,418 | \$ 12,395 | \$ 1,478 |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 218,625 | \$ 2,967 | \$ 138 |
| Contributions - member | 51,024 | - | - |
| Net investment income | 26,959 | 407 | 106 |
| Benefit payments, including refunds of member contributions | (185,839) | (906) | (60) |
| Administrative expense | (132) | (3) | (1) |
| Net change in plan fiduciary net position | 110,637 | 2,465 | 183 |
| Plan fiduciary net position - beginning | 255,966 | 5,586 | 1,707 |
| Plan fiduciary net position - ending | 366,603 | 8,051 | 1,890 |
| Net OPEB liability/(asset) - ending | \$ 3,915,815 | \$ 4,344 | \$ (412) |
| Plan fiduciary net position as a percentage of the total OPEB liability | 8.6% | 65.0% | 127.9% |
| Covered payroll | \$ 3,763,446 | \$ 6,384 | \$ 4,039 |
| Net OPEB liability/(asset) as a percentage of covered payroll | 104.0% | 68.1% | -10.2% |

CITY AND COUNTY OF SAN FRANCISCO

Required Supplementary Information (Unaudited) –
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
Other Postemployment Healthcare Benefits Plan (Continued)

June 30, 2023
(Dollars in Thousands)

| | 2019 | | |
|--|---------------------|------------------|--------------------------|
| | City Plan | Successor Agency | Transportation Authority |
| Total OPEB Liability | | | |
| Service cost (BOY) | \$ 127,850 | \$ 164 | \$ 122 |
| Interest (includes interest on service cost) | 290,029 | 701 | 129 |
| Changes of benefit terms | - | - | (5) |
| Differences between expected and actual experience | (385,732) | 267 | - |
| Changes of assumptions | 111,119 | 1,572 | - |
| Benefit payments, including refunds of member contributions | (178,019) | (812) | (58) |
| Net change in total OPEB liability | (34,753) | 1,892 | 188 |
| Total OPEB liability - beginning | 3,891,686 | 10,262 | 1,748 |
| Total OPEB liability - ending | \$ 3,856,933 | \$ 12,154 | \$ 1,936 |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 203,858 | \$ 2,145 | \$ 144 |
| Contributions - member | 41,682 | - | - |
| Net investment income | 14,105 | 339 | 119 |
| Benefit payments, including refunds of member contributions | (178,019) | (812) | (58) |
| Administrative expense | (137) | (11) | (1) |
| Net change in plan fiduciary net position | 81,489 | 1,661 | 204 |
| Plan fiduciary net position - beginning | 174,477 | 3,925 | 1,503 |
| Plan fiduciary net position - ending | 255,966 | 5,586 | 1,707 |
| Net OPEB liability - ending | \$ 3,600,967 | \$ 6,568 | \$ 229 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 6.6% | 46.0% | 88.2% |
| Covered payroll | \$ 3,583,448 | \$ 5,742 | \$ 4,045 |
| Net OPEB liability as a percentage of covered payroll | 100.5% | 114.4% | 5.7% |

CITY AND COUNTY OF SAN FRANCISCO

Required Supplementary Information (Unaudited) –
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
Other Postemployment Healthcare Benefits Plan (Continued)

June 30, 2023*
(Dollars in Thousands)

| | 2018 | | |
|--|---------------------|------------------|--------------------------|
| | City Plan | Successor Agency | Transportation Authority |
| Total OPEB Liability | | | |
| Service cost (BOY) | \$ 125,195 | \$ 159 | \$ 122 |
| Interest (includes interest on service cost) | 272,942 | 692 | 117 |
| Benefit payments, including refunds of member contributions | (165,470) | (797) | (64) |
| Net change in total OPEB liability | 232,667 | 54 | 175 |
| Total OPEB liability - beginning | 3,659,019 | 10,208 | 1,573 |
| Total OPEB liability - ending | \$ 3,891,686 | \$ 10,262 | \$ 1,748 |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 183,898 | \$ 1,097 | \$ 166 |
| Contributions - member | 31,686 | - | - |
| Net investment income | 17,368 | 353 | 134 |
| Benefit payments, including refunds of member contributions | (165,470) | (797) | (64) |
| Administrative expense | (109) | (3) | (1) |
| Net change in plan fiduciary net position | 67,373 | 650 | 235 |
| Plan fiduciary net position - beginning | 107,104 | 3,275 | 1,268 |
| Plan fiduciary net position - ending | 174,477 | 3,925 | 1,503 |
| Net OPEB liability - ending | \$ 3,717,209 | \$ 6,337 | \$ 245 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 4.5% | 38.2% | 86.0% |
| Covered payroll | \$ 3,393,658 | \$ 5,042 | \$ 3,946 |
| Net OPEB liability as a percentage of covered payroll | 109.5% | 125.7% | 6.2% |

* Fiscal year 2017-18 was the first year of implementation of GASB No. 75, therefore only six years of information is shown.

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of Employer Contributions
Other Postemployment Healthcare Benefits Plan
Year Ended June 30, 2023
(Dollars in Thousands)

| | For the year ended June 30, 2023 | | |
|---|----------------------------------|------------------|--------------------------|
| | City Plan | Successor Agency | Transportation Authority |
| Charter required or actuarially determined contributions (ADC) | \$ 260,649 | \$ 116 | \$ 64 |
| Contributions in relation to the charter required contribution or ADC | (260,649) | (2,429) | (105) |
| Contribution deficiency/(excess) | \$ - | \$ (2,313) | \$ (41) |
| Covered payroll | \$ 4,600,228 | \$ 6,405 | \$ 4,854 |
| Contributions as a percentage of covered payroll | 5.67% | 37.92% | 2.16% |

| | For the year ended June 30, 2022 | | |
|---|----------------------------------|------------------|--------------------------|
| | City Plan | Successor Agency | Transportation Authority |
| Charter required or actuarially determined contributions (ADC) | \$ 252,866 | \$ 824 | \$ 56 |
| Contributions in relation to the charter required contribution or ADC | (252,866) | (1,689) | (64) |
| Contribution deficiency/(excess) | \$ - | \$ (865) | \$ (9) |
| Covered payroll | \$ 4,184,087 | \$ 6,633 | \$ 5,032 |
| Contributions as a percentage of covered payroll | 6.04% | 25.46% | 1.27% |

| | For the year ended June 30, 2021 | | |
|---|----------------------------------|------------------|--------------------------|
| | City Plan | Successor Agency | Transportation Authority |
| Charter required or actuarially determined contributions (ADC) | \$ 245,994 | \$ 813 | \$ 51 |
| Contributions in relation to the charter required contribution or ADC | (245,994) | (2,259) | (63) |
| Contribution deficiency/(excess) | \$ - | \$ (1,446) | \$ (12) |
| Covered payroll | \$ 3,955,498 | \$ 7,430 | \$ 4,420 |
| Contributions as a percentage of covered payroll | 6.22% | 30.40% | 1.43% |

| | For the year ended June 30, 2020 | | |
|---|----------------------------------|------------------|--------------------------|
| | City Plan | Successor Agency | Transportation Authority |
| Charter required or actuarially determined contributions (ADC) | \$ 235,962 | \$ 802 | \$ 138 |
| Contributions in relation to the charter required contribution or ADC | (235,962) | (2,901) | (61) |
| Contribution deficiency/(excess) | \$ - | \$ (2,099) | \$ 77 |
| Covered payroll | \$ 3,951,792 | \$ 6,745 | \$ 4,355 |
| Contributions as a percentage of covered payroll | 5.97% | 43.01% | 1.40% |

| | For the year ended June 30, 2019 | | |
|---|----------------------------------|------------------|--------------------------|
| | City Plan | Successor Agency | Transportation Authority |
| Charter required or actuarially determined contributions (ADC) | \$ 218,625 | \$ 812 | \$ 138 |
| Contributions in relation to the charter required contribution or ADC | (218,625) | (2,967) | (138) |
| Contribution deficiency/(excess) | \$ - | \$ (2,155) | \$ - |
| Covered payroll | \$ 3,763,446 | \$ 6,384 | \$ 4,039 |
| Contributions as a percentage of covered payroll | 5.81% | 46.48% | 3.42% |

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of Employer Contributions
Other Postemployment Healthcare Benefits Plans (Continued)
Year Ended June 30, 2023*
(In Thousands)

| | For the year ended June 30, 2018 | | |
|---|----------------------------------|------------------|--------------------------|
| | City Plan | Successor Agency | Transportation Authority |
| Charter required or actuarially determined contributions (ADC) | \$ 203,858 | \$ 813 | \$ 143 |
| Contributions in relation to the charter required contribution or ADC | (203,858) | (2,145) | (143) |
| Contribution deficiency/(excess) | \$ - | \$ (1,332) | \$ - |
| Covered payroll | \$ 3,583,448 | \$ 5,742 | \$ 4,045 |
| Contributions as a percentage of covered payroll | 5.69% | 37.36% | 3.54% |

| | For the year ended June 30, 2017 | | |
|---|----------------------------------|------------------|--------------------------|
| | City Plan | Successor Agency | Transportation Authority |
| Charter required or actuarially determined contributions (ADC) | \$ 183,898 | \$ 804 | \$ 165 |
| Contributions in relation to the charter required contribution or ADC | (183,898) | (1,097) | (165) |
| Contribution deficiency/(excess) | \$ - | \$ (293) | \$ - |
| Covered payroll | \$ 3,393,658 | \$ 5,042 | \$ 3,946 |
| Contributions as a percentage of covered payroll | 5.42% | 21.76% | 4.18% |

* Fiscal year 2017-18 was the first year of implementation of GASB No. 75, and only seven years of information is available for the City plan, Successor Agency plan and the Transportation Authority plan.

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of Employer Contributions
Other Postemployment Healthcare Benefits Plans (Continued)
Year Ended June 30, 2023
(In Thousands)

Notes to Schedule:

The City Plan, Transportation Authority and Successor Agency calculate the annual required contributions on an actuarially determined basis. The methods and assumptions used to determine the fiscal year 2022-23 contribution rates for the plans are as follows:

| Actuarial Assumptions | City Plan for the year ended June 30, 2022 | | | | | | | | | | | | | | |
|---|--|-------|-----------------|-------------------|--|------|--------|---------------|--------------------|-------|-------|--------|--------------------|-------|-------|
| Valuation Date | June 30, 2022 | | | | | | | | | | | | | | |
| Measurement Date | June 30, 2022 | | | | | | | | | | | | | | |
| Actuarial Cost Method | The Entry Age Actuarial Cost Method is used to measure the Plan's Total OPEB Liability | | | | | | | | | | | | | | |
| Healthcare Cost Trend Rates | Pre-Medicare trend starts at 7.74% trending down to ultimate rate of 3.94% in 2076 Medicare trend starts at 7.74% trending down to ultimate rate of 3.94% in 2076 ID-County average trend starts at 5.00% trending down to ultimate rate of 3.94% in 2076 Vision and expenses trend remains a flat 3.0% for all years | | | | | | | | | | | | | | |
| Expected Rate of Return on Plan Assets | 7.00% | | | | | | | | | | | | | | |
| Discount Rate | 7.00% | | | | | | | | | | | | | | |
| Salary Increase Rate | Wage Inflation Component: 3.25% Additional Merit Component (dependent on years of service): Police: 0.50% - 7.50% Fire: 0.50% - 14.00% Muni Drivers: 0.00% - 16.00% Craft: 0.50% - 3.75% Misc: 0.30% - 5.50% | | | | | | | | | | | | | | |
| Inflation Rate | Wage Inflation: 3.25% compounded annually Consumer Price Inflation: 2.50% compounded annually | | | | | | | | | | | | | | |
| Mortality Tables | Base mortality tables are developed by multiplying a published table by an adjustment factor developed in SFERS experience study for the period ended June 30, 2019. | | | | | | | | | | | | | | |
| | Non-Annuityants | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Published Table</th> <th colspan="2">Adjustment Factor</th> </tr> <tr> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Miscellaneous</td> <td>PubG-2010 Employee</td> <td>0.834</td> <td>0.866</td> </tr> <tr> <td>Safety</td> <td>PubS-2010 Employee</td> <td>1.011</td> <td>0.979</td> </tr> </tbody> </table> | | Published Table | Adjustment Factor | | Male | Female | Miscellaneous | PubG-2010 Employee | 0.834 | 0.866 | Safety | PubS-2010 Employee | 1.011 | 0.979 |
| | Published Table | | | Adjustment Factor | | | | | | | | | | | |
| | | Male | Female | | | | | | | | | | | | |
| Miscellaneous | PubG-2010 Employee | 0.834 | 0.866 | | | | | | | | | | | | |
| Safety | PubS-2010 Employee | 1.011 | 0.979 | | | | | | | | | | | | |
| | Healthy Retirees | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Published Table</th> <th colspan="2">Adjustment Factor</th> </tr> <tr> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Miscellaneous</td> <td>PubG-2010 Employee</td> <td>1.031</td> <td>0.977</td> </tr> <tr> <td>Safety</td> <td>PubS-2010 Employee</td> <td>0.947</td> <td>1.044</td> </tr> </tbody> </table> | | Published Table | Adjustment Factor | | Male | Female | Miscellaneous | PubG-2010 Employee | 1.031 | 0.977 | Safety | PubS-2010 Employee | 0.947 | 1.044 |
| | Published Table | | | Adjustment Factor | | | | | | | | | | | |
| | | Male | Female | | | | | | | | | | | | |
| Miscellaneous | PubG-2010 Employee | 1.031 | 0.977 | | | | | | | | | | | | |
| Safety | PubS-2010 Employee | 0.947 | 1.044 | | | | | | | | | | | | |
| | Disabled Retirees | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Published Table</th> <th colspan="2">Adjustment Factor</th> </tr> <tr> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Miscellaneous</td> <td>PubG-2010 Employee</td> <td>1.045</td> <td>1.003</td> </tr> <tr> <td>Safety</td> <td>PubS-2010 Employee</td> <td>0.916</td> <td>0.995</td> </tr> </tbody> </table> | | Published Table | Adjustment Factor | | Male | Female | Miscellaneous | PubG-2010 Employee | 1.045 | 1.003 | Safety | PubS-2010 Employee | 0.916 | 0.995 |
| | Published Table | | | Adjustment Factor | | | | | | | | | | | |
| | | Male | Female | | | | | | | | | | | | |
| Miscellaneous | PubG-2010 Employee | 1.045 | 1.003 | | | | | | | | | | | | |
| Safety | PubS-2010 Employee | 0.916 | 0.995 | | | | | | | | | | | | |
| | Beneficiaries | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Published Table</th> <th colspan="2">Adjustment Factor</th> </tr> <tr> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Miscellaneous</td> <td>PubG-2010 Employee</td> <td>1.031</td> <td>0.977</td> </tr> <tr> <td>Safety</td> <td>PubG-2010 Employee</td> <td>1.031</td> <td>0.977</td> </tr> </tbody> </table> | | Published Table | Adjustment Factor | | Male | Female | Miscellaneous | PubG-2010 Employee | 1.031 | 0.977 | Safety | PubG-2010 Employee | 1.031 | 0.977 |
| | Published Table | | | Adjustment Factor | | | | | | | | | | | |
| | | Male | Female | | | | | | | | | | | | |
| Miscellaneous | PubG-2010 Employee | 1.031 | 0.977 | | | | | | | | | | | | |
| Safety | PubG-2010 Employee | 1.031 | 0.977 | | | | | | | | | | | | |

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Schedules of Employer Contributions
Other Postemployment Healthcare Benefits Plans (Continued)
Year Ended June 30, 2023
(In Thousands)

| Actuarial Assumptions | Transportation Authority | Successor Agency |
|--|---|---|
| Actuarial Valuation Date | June 30, 2021 | June 30, 2021 |
| Actuarial Cost Method | Entry age normal cost method | Entry age normal cost method |
| Asset Valuation Method | | Actuarial value of assets |
| General Inflation | 2.75% per annum | 2.50% |
| Salary Increases | 2.75% per annum, in aggregate | 2.75%; Merit based on 2017 CalPERS Experience Study |
| Investment Rate of Return | 7.59% | 6.25% |
| Mortality, Turnover, Disability, and Retirement | CalPERS Experience Study for the period from 1997 to 2015 | CalPERS 2017 Experience Study for the period from 1997 to 2015 Post-retirement mortality projected fully generational with Scale MP-2020 |
| Healthcare Cost Trend Rate | Initial 14% for non-medicare eligibles, 24.25% for spouse/domestic partner medicare eligibles and 6.5% medicare eligibles, all grading down to 4.0% | Non-Medicare - 6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076; Medicare (non-Kaiser)- 5.85% for 2022, decreasing to an ultimate rate of 3.75% in 2076; Medicare (Kaiser) - 4.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076 |

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Budgetary Comparison Schedule - General Fund
Year Ended June 30, 2023
(In Thousands)

| | Original Budget | Final Budget | Actual Budgetary Basis | Variance Positive (Negative) |
|---|-----------------|--------------|------------------------|------------------------------|
| Budgetary Fund Balance, July 1 | \$ 395,409 | \$ 3,214,031 | \$ 3,214,031 | \$ - |
| Resources (Inflows): | | | | |
| Property taxes..... | 2,379,530 | 2,379,530 | 2,466,863 | 87,333 |
| Business taxes..... | 902,300 | 902,246 | 850,593 | (51,653) |
| Other local taxes: | | | | |
| Sales and use tax..... | 182,870 | 182,870 | 197,911 | 15,041 |
| Hotel room tax..... | 188,880 | 188,880 | 252,898 | 64,018 |
| Utility users tax..... | 82,630 | 82,630 | 110,661 | 28,031 |
| Parking tax..... | 80,180 | 80,180 | 82,716 | 2,536 |
| Real property transfer tax..... | 390,480 | 390,480 | 186,248 | (204,232) |
| Other local taxes..... | 125,780 | 125,780 | 278,112 | 152,332 |
| Licenses, permits and franchises: | | | | |
| Licenses and permits..... | 12,476 | 12,407 | 11,881 | (526) |
| Franchise tax..... | 14,342 | 14,342 | 17,074 | 2,732 |
| Fines, forfeitures, and penalties..... | 3,088 | 3,088 | 3,177 | 89 |
| Interest and investment income..... | 44,467 | 38,660 | 104,967 | 66,307 |
| Rents and concessions: | | | | |
| Garages - Recreation and Park..... | 6,684 | 6,684 | 6,807 | 123 |
| Rents and concessions - Recreation and Park..... | 5,497 | 5,497 | 5,130 | (367) |
| Other rents and concessions..... | 950 | 732 | 554 | (178) |
| Intergovernmental: | | | | |
| Federal grants and subventions..... | 560,424 | 565,341 | 303,124 | (262,217) |
| State subventions: | | | | |
| Social service subventions..... | 159,518 | 148,414 | 140,722 | (7,692) |
| Health / mental health subventions..... | 249,475 | 267,489 | 279,568 | 12,079 |
| Health and welfare realignment..... | 350,314 | 350,314 | 398,123 | 47,809 |
| Public safety sales tax..... | 89,740 | 89,740 | 94,897 | 5,157 |
| Other grants and subventions..... | 98,763 | 111,750 | 115,722 | 3,972 |
| Other..... | 3,051 | 3,179 | 1,582 | (1,597) |
| Charges for services: | | | | |
| General government service charges..... | 91,221 | 96,489 | 80,730 | (15,759) |
| Public safety service charges..... | 39,194 | 39,078 | 43,262 | 4,184 |
| Recreation charges - Recreation and Park..... | 28,313 | 28,422 | 25,079 | (3,343) |
| MediCal, Medicare and health service charges..... | 78,196 | 79,309 | 93,802 | 14,493 |
| Other financing sources: | | | | |
| Transfers from other funds..... | 203,001 | 194,984 | 194,388 | (596) |
| Other resources (inflows)..... | 19,420 | 23,307 | 14,969 | (8,338) |
| Subtotal - Resources (Inflows) | 6,390,784 | 6,411,822 | 6,361,560 | (50,262) |
| Total amounts available for appropriation..... | 6,786,193 | 9,625,853 | 9,575,591 | (50,262) |

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Budgetary Comparison Schedule - General Fund (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Original Budget | Final Budget | Actual Budgetary Basis | Variance Positive (Negative) |
|---|-----------------|--------------|------------------------|------------------------------|
| Budgetary Fund Balance, July 1 | \$ 395,409 | \$ 3,214,031 | \$ 3,214,031 | \$ - |
| Charges to Appropriations (Outflows): | | | | |
| Public Protection | | | | |
| Adult Probation..... | \$ 51,180 | \$ 50,984 | \$ 44,389 | \$ 6,595 |
| District Attorney..... | 75,175 | 74,722 | 74,301 | 421 |
| Emergency Management..... | 85,768 | 72,763 | 69,003 | 3,760 |
| Fire Department..... | 451,951 | 465,445 | 465,296 | 149 |
| Juvenile Probation..... | 32,703 | 29,704 | 28,389 | 1,315 |
| Police Accountability..... | 9,648 | 9,945 | 9,945 | - |
| Police Department..... | 621,723 | 646,033 | 645,980 | 53 |
| Public Defender..... | 48,309 | 48,306 | 47,989 | 317 |
| Sheriff..... | 257,648 | 248,124 | 244,027 | 4,097 |
| Sheriff Accountability..... | 2,472 | 2,110 | 1,015 | 1,095 |
| Superior Court..... | 33,363 | 33,363 | 33,239 | 114 |
| Subtotal - Public Protection | 1,669,940 | 1,681,489 | 1,663,573 | 17,916 |
| Public Works, Transportation and Commerce | | | | |
| Appeals Board..... | 1,195 | 1,210 | 1,210 | - |
| Building Inspection..... | - | 450 | 200 | 250 |
| Economic and Workforce Development..... | 148,462 | 154,445 | 145,560 | 8,885 |
| Municipal Transportation Agency..... | - | 421 | 421 | - |
| Port..... | - | 105 | 105 | - |
| Public Utilities Commission..... | - | 635 | 635 | - |
| Public Works..... | 113,076 | 118,675 | 117,671 | 1,004 |
| Subtotal - Public Works, Transportation and Commerce | 262,733 | 275,941 | 265,802 | 10,139 |
| Human Welfare and Neighborhood Development | | | | |
| Children, Youth and Their Families..... | 90,850 | 89,688 | 87,642 | 2,046 |
| Early Childhood..... | 39,059 | 35,032 | 34,620 | 412 |
| Environment..... | - | 2 | 2 | - |
| Homelessness and Supportive Housing..... | 313,138 | 309,626 | 303,764 | 5,862 |
| Human Rights Commission..... | 15,021 | 18,868 | 18,698 | 170 |
| Human Services..... | 1,000,811 | 1,009,182 | 996,038 | 13,144 |
| Rent Arbitration Board..... | 1,000 | 122 | 122 | - |
| Mayor's Office..... | 100,393 | 144,927 | 140,813 | 4,114 |
| Status of Women..... | 14,534 | 14,534 | 14,140 | 394 |
| Subtotal - Human Welfare and Neighborhood Development | 1,574,906 | 1,621,981 | 1,595,839 | 26,142 |
| Community Health | | | | |
| Public Health..... | 1,162,956 | 1,118,010 | 1,077,922 | 40,088 |
| Culture and Recreation | | | | |
| Academy of Sciences..... | 7,422 | 7,377 | 6,812 | 565 |
| Arts Commission..... | 13,951 | 11,784 | 11,784 | - |
| Asian Art Museum..... | 10,703 | 10,727 | 10,723 | 4 |
| Fine Arts Museums..... | 19,903 | 20,531 | 20,528 | 3 |
| Law Library..... | 2,132 | 2,142 | 1,883 | 259 |
| Library..... | - | 73 | 73 | - |
| Recreation and Park Commission..... | 133,965 | 127,447 | 122,852 | 4,595 |
| War Memorial..... | 424 | 394 | 394 | - |
| Subtotal - Culture and Recreation | 188,500 | 180,475 | 175,049 | 5,426 |

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Budgetary Comparison Schedule - General Fund (Continued)
Year Ended June 30, 2023
(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 | \$ 395,409 | \$ 3,214,031 | \$ 3,214,031 | \$ - |
| General Administration and Finance | | | | |
| Assessor/Recorder..... | \$ 30,324 | \$ 37,159 | \$ 36,295 | \$ 864 |
| Board of Supervisors..... | 21,934 | 22,376 | 22,021 | 355 |
| City Attorney..... | 29,339 | 29,623 | 28,863 | 760 |
| Civil Service..... | 1,017 | 1,039 | 852 | 187 |
| Controller..... | 13,733 | 14,512 | 13,641 | 871 |
| Elections..... | 23,236 | 26,508 | 23,527 | 2,981 |
| Ethics..... | 7,587 | 8,236 | 6,809 | 1,427 |
| General Services Agency - Administrative Services..... | 78,711 | 81,578 | 75,946 | 5,632 |
| Health Service System..... | 459 | 565 | - | 565 |
| Human Resources..... | 18,615 | 21,414 | 18,842 | 2,572 |
| Mayor's Office..... | 7,934 | 7,608 | 6,712 | 896 |
| Planning..... | 52,615 | 47,452 | 44,434 | 3,018 |
| Retirement System..... | 1,598 | 1,280 | 1,280 | - |
| Telecommunications and Information Services..... | 6,301 | 12,410 | 12,410 | - |
| Treasurer/Tax Collector..... | 35,944 | 39,978 | 36,911 | 3,067 |
| Subtotal - General Administration and Finance | <u>329,347</u> | <u>351,738</u> | <u>328,543</u> | <u>23,195</u> |
| General City Responsibilities | | | | |
| General City Responsibilities..... | 194,477 | 201,727 | 189,544 | 12,183 |
| Other financing uses: | | | | |
| Debt service..... | 25,270 | 232 | 12 | 220 |
| Transfers to other funds..... | 1,279,970 | 1,315,702 | 1,315,702 | - |
| Budgetary reserves and designations..... | 98,194 | 46,496 | - | 46,496 |
| Total charges to appropriations..... | <u>6,786,193</u> | <u>6,793,791</u> | <u>6,611,986</u> | <u>181,805</u> |
| Total Sources less Current Year Uses..... | <u>\$ -</u> | <u>\$ 2,832,062</u> | <u>\$ 2,963,605</u> | <u>\$ 131,543</u> |
| Budgetary fund balance, June 30 before reserves and designations | | | \$ 2,963,605 | |
| Reserves and designations made from budgetary fund balance not available for appropriation | | | (1,787,521) | |
| Reserve for Litigation and Contingencies and General Reserve | | | (323,937) | |
| Net Available Budgetary Fund Balance, June 30 | | | <u>\$ 852,147</u> | |
| Sources/inflows of resources | | | | |
| Actual amounts (budgetary basis) "available for appropriation"..... | | | \$ 9,575,591 | |
| 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..... | | | (3,214,031) | |
| Property tax revenue - Teeter Plan net change from prior year..... | | | (7,811) | |
| Change in unrealized gain/(loss) on investments..... | | | (2,456) | |
| Interest earnings / charges from other funds assigned to General Fund as interest adjustment..... | | | (35,808) | |
| Interest earnings from other funds assigned to General Fund as other revenues..... | | | 15,571 | |
| Grants, subventions and other receivables received after 60-day recognition period..... | | | 6,299 | |
| Change in prepaid lease revenue, leases receivable, and deferred inflows related to leases..... | | | 83 | |
| Transfers from other funds are inflows of budgetary resources, but are not | | | | |
| revenues for financial reporting purposes..... | | | (194,388) | |
| Total revenues as reported on the statement of revenues, expenditures and changes | | | | |
| in fund balance - General Fund..... | | | <u>\$ 6,143,050</u> | |
| Uses/outflows of resources | | | | |
| Actual amounts (budgetary basis) "total charges to appropriations"..... | | | \$ 6,611,986 | |
| Difference - budget to GAAP: | | | | |
| Recognition of expenditures for advances and imprest cash and capital asset acquisition | | | | |
| for internal service fund..... | | | 2,795 | |
| Intergovernmental expense offset..... | | | (95,736) | |
| Recognition of expenditures at lease initiation..... | | | 72,033 | |
| Transfers to other funds are outflows of budgetary resources but are not | | | | |
| expenditures for financial reporting purposes..... | | | (1,315,702) | |
| Total expenditures as reported on the statement of revenues, expenditures and changes | | | | |
| in fund balance - General Fund..... | | | <u>\$ 5,275,376</u> | |

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Budgetary Comparison Schedule - General Fund (Continued)
Year Ended June 30, 2023
(In Thousands)

Notes to Budgetary Schedule:

(a) Budgetary Data

The City adopts two-year rolling budgets annually for all governmental funds on a substantially modified accrual basis of accounting except for capital project funds and certificates of participation and other debt service funds, which substantially adopt project length budgets.

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

The Administrative Code Chapter 3 outlines the City's general budgetary procedures, with Section 3.3 detailing the budget timeline. A summary of the key budgetary steps is summarized as follows:

Original Budget

- (1) Departments and Commissions conduct hearings to obtain public comment on their proposed annual budgets beginning in December and submit their budget proposals to the Controller's Office no later than February 21.
- (2) The Controller's Office consolidates the budget estimates and transmits them to the Mayor's Office no later than the first working day of March. Staff of the Mayor's Office analyze, review and refine the budget estimates before transmitting the Mayor's Proposed Budget to the Board of Supervisors.
- (3) By the first working day of May, the Mayor submits the Proposed Budget for selected departments to the Board of Supervisors. The selected departments are determined by the Controller in consultation with the Board President and the Mayor's Budget Director. Criteria for selecting the departments include (1) that they are not supported by the City's General Fund or (2) that they do not rely on the State's budget submission in May for their revenue sources.
- (4) By the first working day of June, the Mayor submits the complete Proposed Budget to the Board of Supervisors along with a draft of the Annual Appropriation Ordinance prepared by the Controller's Office.
- (5) Within five working days of the Mayor's proposed budget transmission to the Board of Supervisors, the Controller reviews the estimated revenues and assumptions in the Mayor's Proposed Budget and provides an opinion as to their accuracy and reasonableness. The Controller also may make a recommendation regarding prudent reserves given the Mayor's proposed resources and expenditures.
- (6) The designated Committee (usually the Budget Committee) of the Board of Supervisors conducts hearings, hears public comment, and reviews the Mayor's Proposed Budget. The Committee recommends an interim budget reflecting the Mayor's budget transmittal and, by June 30, the Board of Supervisors passes interim appropriation and salary ordinances.
- (7) Not later than the last working day of July, the Board of Supervisors adopts the budget through passage of the Annual Appropriation Ordinance, the legal authority for enactment of the budget.

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Budgetary Comparison Schedule - General Fund (Continued)
Year Ended June 30, 2023
(In Thousands)

Final Budget

The final budgetary data presented in the budgetary comparison schedule reflects the following changes to the original budget:

- (1) Certain annual appropriations are budgeted on a project or program basis. If such projects or programs are not completed at the end of the fiscal year, unexpended appropriations, including encumbered funds, are carried forward to the following year. In certain circumstances, other programs and regular annual appropriations may be carried forward after appropriate approval. Annually appropriated funds, not authorized to be carried forward, lapse at the end of the fiscal year. Appropriations carried forward from the prior year are included in the final budgetary data.
- (2) Appropriations may be adjusted during the year with the approval of the Mayor and the Board of Supervisors, e.g. supplemental appropriations. Additionally, the Controller is authorized to make certain transfers of surplus appropriations within a department. Such adjustments are reflected in the final budgetary data.

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

Budgetary data, as revised, is presented as required supplementary information for the General Fund. Final budgetary data excludes the amount reserved for encumbrances for appropriate comparison to actual expenditures.

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

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

The major differences between the Budget basis "actual" and GAAP basis are timing differences. Timing differences represent transactions that are accounted for in different periods for Budget basis and GAAP basis reporting. Certain revenues accrued on a Budget basis have been deferred for GAAP reporting. These primarily relate to the accounting for property tax revenues under the Teeter Plan (Note 6), revenues not meeting the 60-day availability period and other assets not available for budgetary appropriation.

CITY AND COUNTY OF SAN FRANCISCO
Required Supplementary Information (Unaudited) –
Budgetary Comparison Schedule - General Fund (Continued)
Year Ended June 30, 2023
(In Thousands)

The fund balance of the General Fund as of June 30, 2023, on a Budget basis is reconciled to the fund balance on a GAAP basis as follows:

| | |
|---|---------------------|
| Fund Balance - Budget Basis..... | \$ 2,963,605 |
| Unrealized Gains/ (Losses) on Investments..... | (158,859) |
| Cumulative Excess Property Tax Revenues Recognized on a Budget Basis..... | (40,685) |
| Cumulative Excess Health, Human Services, Franchise and Other Revenues Recognized on a Budget Basis..... | (111,163) |
| Pre-paid Lease Revenue, Lease Receivables, and Deferred Inflows (net)..... | (5,935) |
| Nonspendable Fund Balance (Assets Reserved for Not Available for Appropriation)..... | <u>1,174</u> |
| Fund Balance - GAAP basis..... | <u>\$ 2,648,137</u> |

General Fund budget basis fund balance as of June 30, 2023 is composed of the following:

Not available for appropriations:

| | |
|---|---------------|
| Restricted Fund Balance: | |
| Rainy Day - Economic Stabilization Reserve..... | \$ 114,539 |
| Committed Fund Balance: | |
| Budget Stabilization Reserves..... | 330,010 |
| Assigned for Encumbrances..... | 424,301 |
| Assigned for Appropriation Carryforward..... | 840,748 |
| Assigned for Self-Insurance..... | 46,496 |
| Assigned for Hotel Tax Loss Contingency..... | 3,500 |
| Assigned for Subsequent Years' Budgets: | |
| Salaries and Benefits Costs (MOU)..... | <u>27,927</u> |
| Subtotal..... | \$ 1,787,521 |

Available for appropriations:

| | |
|--|---------------------|
| Assigned for Litigation and Contingences..... | 259,230 |
| Assigned balance subsequently appropriated as part of the General Fund budget for use in fiscal year 2023-24..... | 122,701 |
| Unassigned - General Reserve..... | 64,707 |
| Unassigned - Federal & State Emergency Revenue Reserve..... | 81,300 |
| Unassigned - Fiscal Cliff Reserve..... | 220,432 |
| Unassigned - Business Tax Stabilization Reserve..... | 29,454 |
| Unassigned - For Public Health use in fiscal year 2023-24..... | 21,213 |
| Unassigned - Other Reserves..... | 1,021 |
| Unassigned - Budgeted for use in fiscal year 2024-25..... | 291,710 |
| Unassigned - For balancing future budget shortfalls in fiscal year 2024-25 and later..... | 81,190 |
| Unassigned - Available for future appropriations..... | <u>3,126</u> |
| Subtotal..... | <u>1,176,084</u> |
| Fund Balance, June 30, 2023 - Budget basis..... | <u>\$ 2,963,605</u> |

CITY AND COUNTY OF SAN FRANCISCO
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Building Inspection Fund – Accounts for the revenues and expenditures of the Bureau of Building Inspection which provides enforcement and implementation of laws regulating the use, occupancy, location and maintenance of buildings. This fund shall be used by the Department of Building Inspection to defray the costs of the Bureau of Building Inspection in processing and reviewing permits applications and plans, filed inspections, code enforcement and reproduction of documents.

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

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

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

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

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

Environmental Protection Fund – Accounts for revenues received from state, federal and other sources for the preservation of the environment, recycling, and reduction of toxic waste from the City's waste stream.

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

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

Gift and Other Expendable Trusts Fund – Accounts for certain cash gifts which have been accepted by the Board of Supervisors on behalf of the City and the operations of two smaller funds that cannot properly be grouped into the Gift Fund because of their specific terms. Disbursements are made by departments, boards and commissions in accordance with the purposes, if any, specified by the donor. Activities are controlled by project accounting procedures maintained by the Controller.

Golf Fund – Accounts for the revenue and expenditures related to the City's six golf courses.

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

CITY AND COUNTY OF SAN FRANCISCO
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (Continued)

Low and Moderate Income Housing Asset Fund – Accounts for the former Redevelopment Agency's affordable housing assets upon its dissolution on January 31, 2012.

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

Our City Our Home Fund – Accounts for revenue from City's homelessness gross receipts tax, dedicated for homelessness services and affordable housing, which was authorized by voters through November 2018 Proposition C.

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

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

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

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

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

Senior Citizens Program Fund – Accounts for grant revenues from the federal and state government to be used to promote the well-being of San Francisco senior citizens.

Tax Increment Financing Districts Fund – Accounts for the activities of various Infrastructure Financing Districts and Infrastructure and Revitalization Districts which have been established for the purpose of financing public infrastructure and affordable housing. In addition, the fund accounts for the activities of Special Tax District or Community Facilities District to which the City has pledged certain tax increment revenues for debt service purposes.

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

**CITY AND COUNTY OF SAN FRANCISCO
NONMAJOR GOVERNMENTAL FUNDS**

DEBT SERVICE FUNDS

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

General Obligation Bond Fund – Accounts for property taxes and other revenues, (including the tobacco settlement revenues in excess of the \$100 million required to fund the Laguna Honda Hospital construction project) for periodic payment of interest and principal of general obligation bonds and related costs. Provisions are made in the general property tax levy for monies sufficient to meet these requirements in accordance with Article XIII of the State Constitution (Proposition 13).

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

Other Bond Funds – Accounts for funds and debt service for the revolving fund loans operated and managed by the Mayor's Office of Community Development to assist with economic development efforts in low income neighborhoods (Facade Improvement Program) and for the interim financing of revolving credit facility for the Transbay Joint Powers Authority on the Transbay Transit Center project.

CAPITAL PROJECTS FUNDS

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

City Facilities Improvement Fund – Accounts for bond proceeds, capital lease financing, federal and local funds and transfers from other funds which are designated for various buildings and general improvements. Expenditures for acquisition and construction of public buildings and improvements are made in accordance with bond requirements and appropriation ordinances. Also accounts for activities reported in the Moscone Convention Center Fund in the prior year.

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

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

PERMANENT FUND

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

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

CITY AND COUNTY OF SAN FRANCISCO

**Combining Balance Sheet
Nonmajor Governmental Funds**

June 30, 2023
(In Thousands)

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Permanent Fund Bequest Fund | Total Nonmajor Governmental Funds |
|--|-----------------------------|-----------------------|---------------------------|--------------------------------------|--|
| Assets: | | | | | |
| Deposits and investments with City Treasury..... | \$ 3,531,490 | \$ 188,052 | \$ 430,033 | \$ 3,562 | \$ 4,153,137 |
| Deposits and investments outside City Treasury..... | 81,670 | 73,836 | 91,501 | - | 247,007 |
| Receivables: | | | | | |
| Property taxes and penalties..... | 3,761 | 4,877 | - | - | 8,638 |
| Other local taxes..... | 110,058 | - | - | - | 110,058 |
| Federal and state grants and subventions..... | 178,893 | - | 27,249 | - | 206,142 |
| Charges for services..... | 21,757 | - | 4 | - | 21,761 |
| Interest and other..... | 24,358 | 2,543 | 2,794 | 19 | 29,714 |
| Due from other funds..... | 623 | - | 14,596 | - | 15,219 |
| Due from component units..... | 9,493 | - | - | - | 9,493 |
| Loans receivable (net of allowance for uncollectible amounts)..... | 205,461 | - | - | - | 205,461 |
| Other assets..... | 16,448 | - | - | - | 16,448 |
| Total assets..... | \$ 4,184,012 | \$ 269,308 | \$ 566,177 | \$ 3,581 | \$ 5,023,078 |
| Liabilities: | | | | | |
| Accounts payable..... | \$ 229,083 | \$ - | \$ 23,180 | \$ 4 | \$ 252,267 |
| Accrued payroll..... | 33,398 | - | 1,070 | - | 34,468 |
| Unearned grant and subvention revenues..... | 173,152 | - | 1,854 | 10 | 175,056 |
| Due to other funds..... | 88,200 | - | 8,187 | - | 96,387 |
| Due to component units..... | 38 | - | - | - | 38 |
| Unearned revenues and other liabilities..... | 198,255 | 30,079 | 11,310 | - | 239,644 |
| Bonds, loans, leases, and other payables..... | 20,756 | - | 18,034 | - | 38,790 |
| Total liabilities..... | 742,922 | 30,079 | 63,635 | 14 | 836,650 |
| Deferred inflows of resources..... | 311,257 | 4,250 | 15,596 | - | 331,103 |
| Fund balances: | | | | | |
| Nonspendable..... | 356 | - | - | - | 356 |
| Restricted..... | 2,839,933 | 234,979 | 487,364 | 3,567 | 3,565,843 |
| Assigned..... | 291,062 | - | - | - | 291,062 |
| Unassigned..... | (1,518) | - | (418) | - | (1,936) |
| Total fund balances..... | 3,129,833 | 234,979 | 486,946 | 3,567 | 3,855,325 |
| Total liabilities, deferred inflows of resources and fund balances..... | \$ 4,184,012 | \$ 269,308 | \$ 566,177 | \$ 3,581 | \$ 5,023,078 |

CITY AND COUNTY OF SAN FRANCISCO
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds
Year Ended June 30, 2023
(In Thousands)

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Permanent Fund Bequest Fund | Total Nonmajor Governmental Funds |
|---|-----------------------|--------------------|------------------------|-----------------------------|-----------------------------------|
| Revenues: | | | | | |
| Property taxes..... | \$ 344,341 | \$ 353,645 | \$ - | \$ - | \$ 697,986 |
| Business taxes..... | 440,325 | - | - | - | 440,325 |
| Sales and use tax..... | 111,474 | - | - | - | 111,474 |
| Hotel room tax..... | 26,063 | - | - | - | 26,063 |
| Other local taxes..... | 17,678 | - | - | - | 17,678 |
| Licenses, permits, and franchises..... | 14,203 | - | - | - | 14,203 |
| Fines, forfeitures, and penalties..... | 22,891 | 18,240 | - | - | 41,131 |
| Interest and investment income..... | 67,902 | 9,605 | 10,995 | 66 | 88,568 |
| Rents and concessions..... | 172,214 | - | 219 | - | 172,433 |
| Intergovernmental: | | | | | |
| Federal..... | 324,727 | - | 4,280 | - | 329,007 |
| State..... | 246,573 | 625 | 15,250 | - | 262,448 |
| Other..... | 6,616 | - | 740 | - | 7,356 |
| Charges for services..... | 144,319 | - | - | - | 144,319 |
| Other..... | 137,723 | 9,637 | 30,231 | 78 | 177,669 |
| Total revenues..... | <u>2,077,049</u> | <u>391,752</u> | <u>61,715</u> | <u>144</u> | <u>2,530,660</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Public protection..... | 94,234 | - | - | - | 94,234 |
| Public works, transportation and commerce..... | 240,402 | - | - | - | 240,402 |
| Human welfare and neighborhood development..... | 1,421,281 | - | - | 2 | 1,421,283 |
| Community health..... | 201,222 | - | - | - | 201,222 |
| Culture and recreation..... | 340,154 | - | - | 141 | 340,295 |
| General administration and finance..... | 138,019 | - | - | - | 138,019 |
| Distributions to other governments..... | 49,113 | - | - | - | 49,113 |
| Debt service: | | | | | |
| Principal retirement..... | 15,543 | 318,710 | - | - | 334,253 |
| Interest and other fiscal charges..... | 15,659 | 156,314 | 1,520 | - | 173,493 |
| Bond issuance costs..... | 5,265 | 1 | 481 | - | 5,747 |
| Capital outlay..... | - | - | 148,884 | - | 148,884 |
| Total expenditures..... | <u>2,520,892</u> | <u>475,025</u> | <u>150,885</u> | <u>143</u> | <u>3,146,945</u> |
| Excess (deficiency) of revenues over (under) expenditures..... | (443,843) | (83,273) | (89,170) | 1 | (616,285) |
| Other financing sources (uses): | | | | | |
| Transfers in..... | 479,384 | 94,250 | 9,235 | - | 582,869 |
| Transfers out..... | (228,015) | - | (43,459) | (9) | (271,483) |
| Issuance of bonds: | | | | | |
| Face value of bonds issued..... | 200,170 | - | 67,805 | - | 267,975 |
| Premium on issuance of bonds..... | 3,414 | - | 2,950 | - | 6,364 |
| Total other financing sources (uses)..... | <u>454,953</u> | <u>94,250</u> | <u>36,531</u> | <u>(9)</u> | <u>585,725</u> |
| Net changes in fund balances..... | 11,110 | 10,977 | (52,639) | (8) | (30,560) |
| Fund balances at beginning of year, as previously reported..... | 3,107,365 | 224,002 | 539,585 | 3,575 | 3,874,527 |
| Cumulative effect of accounting change..... | 11,358 | - | - | - | 11,358 |
| Fund balances at beginning of year, as restated..... | <u>3,118,723</u> | <u>224,002</u> | <u>539,585</u> | <u>3,575</u> | <u>3,885,885</u> |
| Fund balances at end of year..... | <u>\$ 3,129,833</u> | <u>\$ 234,979</u> | <u>\$ 486,946</u> | <u>\$ 3,567</u> | <u>\$ 3,855,325</u> |

CITY AND COUNTY OF SAN FRANCISCO
Combining Balance Sheet
Nonmajor Governmental Funds – Special Revenue Funds
June 30, 2023
(In Thousands)

| | Building Inspection Fund | Children and Families Fund | Community / Neighborhood Development Fund | Community Health Services Fund | Convention Facilities Fund | Culture and Recreation Fund |
|---|--------------------------|----------------------------|---|--------------------------------|----------------------------|-----------------------------|
| Assets: | | | | | | |
| Deposits and investments with City Treasury..... | \$ 87,662 | \$ 680,075 | \$ 1,026,646 | \$ 95,097 | \$ 54,863 | \$ 50,821 |
| Deposits and investments outside City Treasury..... | 5 | - | 4,796 | - | - | 2,777 |
| Receivables: | | | | | | |
| Property taxes and penalties..... | - | 1,625 | - | - | - | - |
| Other local taxes..... | - | 37,003 | - | - | - | - |
| Federal and state grants and subventions..... | - | 3,505 | 28,846 | 39,659 | - | 139 |
| Charges for services..... | 276 | 364 | 339 | 11 | 8,833 | 434 |
| Interest and other..... | 548 | 4,299 | 5,695 | 589 | 19 | 96 |
| Due from other funds..... | - | - | - | - | - | - |
| Due from component units..... | - | - | - | - | - | - |
| Loans receivable (net of allowance for uncollectible amounts)..... | 146 | - | 204,869 | - | - | - |
| Other assets..... | - | - | 14,612 | - | - | - |
| Total assets..... | <u>\$ 88,637</u> | <u>\$ 726,871</u> | <u>\$ 1,285,803</u> | <u>\$ 135,356</u> | <u>\$ 63,715</u> | <u>\$ 54,267</u> |
| Liabilities: | | | | | | |
| Accounts payable..... | \$ 1,726 | \$ 39,061 | \$ 30,259 | \$ 35,470 | \$ 8,220 | \$ 5,800 |
| Accrued payroll..... | 3,039 | 1,306 | 1,716 | 2,998 | 85 | 363 |
| Unearned grant and subvention revenues..... | - | 2,295 | 46,419 | 3,491 | - | 22 |
| Due to other funds..... | - | - | - | 356 | - | - |
| Due from component units..... | - | - | - | - | - | - |
| Unearned revenues and other liabilities..... | 9,454 | 12,963 | 1,176 | - | 7,056 | 819 |
| Bonds, loans, leases, and other payables..... | - | - | 20,075 | - | - | - |
| Total liabilities..... | <u>14,219</u> | <u>55,625</u> | <u>99,645</u> | <u>42,315</u> | <u>15,361</u> | <u>7,004</u> |
| Deferred inflows of resources..... | 146 | 5,018 | 215,045 | 20,941 | - | 102 |
| Fund balances: | | | | | | |
| Nondesignated..... | - | - | - | - | - | - |
| Restricted..... | 74,272 | 666,228 | 816,276 | 72,100 | 48,354 | 36,522 |
| Assigned..... | - | - | 154,837 | - | - | 10,639 |
| Unassigned..... | - | - | - | - | - | - |
| Total fund balances..... | <u>74,272</u> | <u>666,228</u> | <u>971,113</u> | <u>72,100</u> | <u>48,354</u> | <u>47,161</u> |
| Total liabilities, deferred inflows of resources and fund balances..... | <u>\$ 88,637</u> | <u>\$ 726,871</u> | <u>\$ 1,285,803</u> | <u>\$ 135,356</u> | <u>\$ 63,715</u> | <u>\$ 54,267</u> |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Balance Sheet
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
 June 30, 2023
 (In Thousands)

| | Environmental Protection Fund | Gasoline Tax Fund | General Services Fund | Gift and Other Expendable Trusts Fund | Golf Fund | Human Welfare Fund |
|--|-------------------------------|-------------------|-----------------------|---------------------------------------|------------------|--------------------|
| Assets: | | | | | | |
| Deposits and investments with City Treasury..... | \$ 3,308 | \$ 101,290 | \$ 37,897 | \$ 22,826 | \$ 11,511 | \$ 95,550 |
| Deposits and investments outside City Treasury..... | - | - | - | 3 | - | - |
| Receivables: | | | | | | |
| Property taxes and penalties..... | - | - | - | - | - | - |
| Other local taxes..... | - | - | - | - | - | - |
| Federal and state grants and subventions..... | 1,278 | 8,273 | 1,041 | - | - | 10,456 |
| Charges for services..... | 9 | 668 | 833 | 248 | 185 | - |
| Interest and other..... | - | 392 | 591 | 45 | 77 | 218 |
| Due from other funds..... | 29 | - | - | - | - | - |
| Due from component units..... | - | - | - | - | - | - |
| Loans receivable (net of allowance for uncollectible amounts)..... | - | - | - | - | - | - |
| Other assets..... | - | - | - | - | - | 825 |
| Total assets..... | \$ 4,624 | \$ 110,623 | \$ 40,362 | \$ 23,122 | \$ 11,773 | \$ 107,049 |
| Liabilities: | | | | | | |
| Accounts payable..... | \$ 524 | \$ 6,195 | \$ 2,813 | \$ 850 | \$ 1,701 | \$ 21,003 |
| Accrued payroll..... | 234 | 728 | 926 | 34 | 389 | 507 |
| Unearned grant and subvention revenues..... | 1,694 | - | 7,054 | 367 | - | 66,014 |
| Due to other funds..... | - | - | - | - | - | - |
| Due from component units..... | - | - | - | - | - | - |
| Unearned revenues and other liabilities..... | - | 6 | 44 | - | - | 21 |
| Bonds, loans, leases, and other payables..... | - | - | - | - | - | - |
| Total liabilities..... | 2,452 | 6,929 | 10,837 | 1,251 | 2,090 | 87,545 |
| Deferred inflows of resources..... | 710 | 666 | 322 | 242 | - | 2,228 |
| Fund balances: | | | | | | |
| Nonspendable..... | - | - | - | - | - | - |
| Restricted..... | 1,482 | 103,028 | 7,594 | 21,629 | - | 16,972 |
| Assigned..... | - | - | 21,609 | - | 9,683 | 304 |
| Unassigned..... | - | - | - | - | - | - |
| Total fund balances..... | 1,482 | 103,028 | 29,203 | 21,629 | 9,683 | 17,276 |
| Total liabilities, deferred inflows of resources and fund balances..... | \$ 4,624 | \$ 110,623 | \$ 40,362 | \$ 23,122 | \$ 11,773 | \$ 107,049 |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Balance Sheet
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
 June 30, 2023
 (In Thousands)

| | Low and Moderate Income Housing Asset Fund | Open Space and Park Fund | Our City Our Home Fund | Public Library Fund | Public Protection Fund | Public Works, Transportation and Commerce Fund |
|--|--|--------------------------|------------------------|---------------------|------------------------|--|
| Assets: | | | | | | |
| Deposits and investments with City Treasury..... | \$ 70,352 | \$ 81,081 | \$ 630,143 | \$ 159,706 | \$ 77,915 | \$ 115,293 |
| Deposits and investments outside City Treasury..... | - | - | - | - | 822 | 2 |
| Receivables: | | | | | | |
| Property taxes and penalties..... | - | 1,068 | - | 1,068 | - | - |
| Other local taxes..... | - | - | 51,806 | - | - | 1,366 |
| Federal and state grants and subventions..... | - | - | - | 6,605 | 42,250 | - |
| Charges for services..... | - | - | 238 | 8 | 2,805 | 5,207 |
| Interest and other..... | 443 | 477 | 3,781 | 438 | 68 | 246 |
| Due from other funds..... | - | - | - | - | - | - |
| Due from component units..... | - | - | - | - | - | 3,622 |
| Loans receivable (net of allowance for uncollectible amounts)..... | 446 | - | - | - | - | - |
| Other assets..... | - | 491 | 164 | - | - | - |
| Total assets..... | \$ 71,241 | \$ 83,117 | \$ 686,132 | \$ 167,825 | \$ 123,860 | \$ 125,736 |
| Liabilities: | | | | | | |
| Accounts payable..... | \$ 5,506 | \$ 636 | \$ 30,482 | \$ 4,718 | \$ 5,512 | \$ 2,662 |
| Accrued payroll..... | 76 | 1,524 | 1,077 | 5,778 | 2,692 | 6,636 |
| Unearned grant and subvention revenues..... | - | - | - | 7,892 | 36,387 | 1,500 |
| Due to other funds..... | - | - | - | - | - | 281 |
| Due from component units..... | - | - | - | - | - | - |
| Unearned revenues and other liabilities..... | 896 | 6,630 | 144,657 | 6,628 | 19 | 6,086 |
| Bonds, loans, leases, and other payables..... | - | - | - | - | 681 | - |
| Total liabilities..... | 6,478 | 8,790 | 176,216 | 25,016 | 45,291 | 17,165 |
| Deferred inflows of resources..... | 446 | 941 | 215 | 944 | 18,730 | 4,290 |
| Fund balances: | | | | | | |
| Nonspendable..... | - | - | - | - | - | - |
| Restricted..... | 64,317 | 73,386 | 509,701 | 140,852 | 55,282 | 15,861 |
| Assigned..... | - | - | - | 1,013 | 4,557 | 88,420 |
| Unassigned..... | - | - | - | - | - | - |
| Total fund balances..... | 64,317 | 73,386 | 509,701 | 141,865 | 59,839 | 104,281 |
| Total liabilities, deferred inflows of resources and fund balances..... | \$ 71,241 | \$ 83,117 | \$ 686,132 | \$ 167,825 | \$ 123,860 | \$ 125,736 |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Balance Sheet
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
 June 30, 2023
 (In Thousands)

| | San Francisco County | | | | | Total |
|--|----------------------|-------------------------------|------------------------------|--|-------------------|---------------------|
| | Real Property Fund | Transportation Authority Fund | Senior Citizens Program Fund | Tax Increment Financing Districts Fund | War Memorial Fund | |
| Assets: | | | | | | |
| Deposits and investments with City Treasury..... | \$ 45,801 | \$ 70,490 | \$ - | \$ 3,883 | \$ 9,280 | \$ 3,531,490 |
| Deposits and investments outside City Treasury..... | 204 | 51,149 | - | 21,912 | - | 81,670 |
| Receivables: | | | | | | |
| Property taxes and penalties..... | - | - | - | - | - | 3,761 |
| Other local taxes..... | - | 19,883 | - | - | - | 110,058 |
| Federal and state grants and subventions..... | - | 34,054 | 2,787 | - | - | 178,893 |
| Charges for services..... | 1,078 | - | - | - | 221 | 21,757 |
| Interest and other..... | 682 | 5,494 | - | 103 | 57 | 24,358 |
| Due from other funds..... | - | 594 | - | - | - | 623 |
| Due from component units..... | - | 5,871 | - | - | - | 9,493 |
| Loans receivable (net of allowance for uncollectible amounts)..... | - | - | - | - | - | 205,461 |
| Other assets..... | - | 356 | - | - | - | 16,448 |
| Total assets..... | \$ 47,765 | \$ 187,891 | \$ 2,787 | \$ 25,898 | \$ 9,558 | \$ 4,184,012 |
| Liabilities: | | | | | | |
| Accounts payable..... | \$ 5,001 | \$ 19,637 | \$ 978 | \$ 214 | \$ 115 | \$ 229,083 |
| Accrued payroll..... | 2,336 | 367 | - | - | 587 | 33,398 |
| Unearned grant and subvention revenues..... | - | 57 | - | - | - | 173,192 |
| Due to other funds..... | - | 85,251 | 1,809 | 503 | - | 88,200 |
| Due from component units..... | - | - | - | - | - | 38 |
| Unearned revenues and other liabilities..... | 1,800 | - | - | - | - | 198,255 |
| Bonds, loans, leases, and other payables..... | - | - | - | - | - | 20,756 |
| Total liabilities..... | 9,137 | 105,350 | 2,787 | 717 | 702 | 742,922 |
| Deferred inflows of resources..... | 31 | 38,722 | 1,518 | - | - | 311,257 |
| Fund balances: | | | | | | |
| Nonspendable..... | - | 356 | - | - | - | 356 |
| Restricted..... | 38,597 | 43,463 | - | 25,181 | 8,856 | 2,839,933 |
| Assigned..... | - | - | - | - | - | 291,062 |
| Unassigned..... | - | - | (1,518) | - | - | (1,518) |
| Total fund balances..... | 38,597 | 43,819 | (1,518) | 25,181 | 8,856 | 3,129,833 |
| Total liabilities, deferred inflows of resources and fund balances..... | \$ 47,765 | \$ 187,891 | \$ 2,787 | \$ 25,898 | \$ 9,558 | \$ 4,184,012 |

CITY AND COUNTY OF SAN FRANCISCO
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds – Special Revenue Funds
 Year Ended June 30, 2023
 (In Thousands)

| | Building Inspection Fund | Children and Families Fund | Community / Neighborhood Development Fund | Community Health Services Fund | Convention Facilities Fund | Culture and Recreation Fund |
|---|--------------------------|----------------------------|---|--------------------------------|----------------------------|-----------------------------|
| | Revenues: | | | | | |
| Property taxes..... | \$ - | \$ 174,221 | \$ - | \$ - | \$ - | \$ - |
| Business taxes..... | - | 190,009 | 2,561 | - | - | - |
| Sales and use tax..... | - | - | - | - | - | - |
| Hotel room tax..... | - | - | - | - | - | 26,063 |
| Other local taxes..... | - | - | 697 | - | - | - |
| Licenses, permits, and franchises..... | 6,907 | - | - | - | - | - |
| Fines, forfeitures, and penalties..... | - | - | 730 | 11,679 | - | - |
| Interest and investment income..... | 2,634 | 10,650 | 24,236 | 1,708 | 483 | 785 |
| Rents and concessions..... | - | - | 774 | - | 46,884 | 560 |
| Intergovernmental: | | | | | | |
| Federal..... | - | 8,794 | 69,564 | 77,525 | - | 100 |
| State..... | - | 11,849 | 31,906 | 56,653 | - | 108 |
| Other..... | - | - | - | - | - | 64 |
| Charges for services..... | 45,779 | 106 | 14,735 | 2,754 | - | 7,547 |
| Other..... | 15 | 22,228 | 95,177 | 1,290 | 15 | 2,537 |
| Total revenues..... | 55,335 | 417,857 | 240,380 | 151,609 | 47,382 | 37,784 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Public protection..... | - | - | - | 45 | - | - |
| Public works, transportation and commerce... development..... | 82,559 | 170 | 17,800 | 2,093 | - | 375 |
| Human welfare and neighborhood development..... | - | 437,712 | 471,086 | 489 | - | 3,030 |
| Community health..... | - | - | 153 | 144,513 | - | - |
| Culture and recreation..... | - | - | 673 | - | 55,555 | 18,029 |
| General administration and finance..... | - | 127 | 6,362 | - | - | 16,812 |
| Distributions to other governments..... | - | 49,113 | - | - | - | - |
| Debt service: | | | | | | |
| Principal retirement..... | - | - | - | - | - | 518 |
| Interest and other fiscal charges..... | - | - | 1,471 | - | - | 941 |
| Bond issuance costs..... | - | - | 4,003 | - | - | - |
| Total expenditures..... | 82,559 | 487,122 | 501,548 | 147,140 | 55,555 | 39,705 |
| Excess (deficiency) of revenues over (under) expenditures..... | (27,224) | (69,265) | (261,168) | 4,469 | (8,173) | (1,941) |
| Other financing sources (uses): | | | | | | |
| Transfers in..... | 325 | 144,685 | 50,151 | 126 | 51,323 | 3,798 |
| Transfers out..... | (121) | (28,674) | (11,443) | - | (30,855) | (494) |
| Issuance of bonds: | | | | | | |
| Face value of bonds issued..... | - | - | 170,780 | - | - | - |
| Premium on issuance of bonds..... | - | - | 2,471 | - | - | - |
| Total other financing sources (uses)..... | 204 | 116,011 | 211,959 | 126 | 20,468 | 3,304 |
| Net changes in fund balances..... | (27,020) | 46,746 | (49,209) | 4,595 | 12,295 | 1,363 |
| Fund balances at beginning of year as previously reported..... | 101,292 | 619,482 | 1,020,322 | 67,505 | 36,059 | 45,798 |
| Cumulative effect of accounting change..... | - | - | - | - | - | - |
| Fund balances at beginning of year, as restated..... | 101,292 | 619,482 | 1,020,322 | 67,505 | 36,059 | 45,798 |
| Fund balances at end of year..... | \$ 74,272 | \$ 666,228 | \$ 971,113 | \$ 72,100 | \$ 48,354 | \$ 47,161 |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Environmental Protection Fund | Gasoline Tax Fund | General Services Fund | Gift and Other Expendable Trusts Fund | Golf Fund | Human Welfare Fund |
|--|-------------------------------|-------------------|-----------------------|---------------------------------------|-----------------|--------------------|
| Revenues: | | | | | | |
| Property taxes..... | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Business taxes..... | - | - | - | - | - | - |
| Sales and use tax..... | - | - | - | - | - | - |
| Hotel room tax..... | - | - | - | - | - | - |
| Other local taxes..... | - | - | - | - | - | - |
| Licenses, permits, and franchises..... | - | - | 1,903 | - | - | 260 |
| Fines, forfeitures, and penalties..... | - | - | - | 1,164 | - | 7 |
| Interest and investment income..... | - | 1,164 | 419 | 374 | 265 | 1,068 |
| Rents and concessions..... | - | - | 1,080 | - | 4,718 | - |
| Intergovernmental: | | | | | | |
| Federal..... | 77 | - | 221 | - | - | 112,549 |
| State..... | 3,263 | 61,150 | 6,640 | - | - | 43,705 |
| Other..... | 57 | - | - | - | - | - |
| Charges for services..... | 971 | - | 1,187 | 23 | 9,649 | 164 |
| Other..... | 50 | 39 | 1,809 | 1,806 | - | 199 |
| Total revenues..... | 4,418 | 62,353 | 13,259 | 3,367 | 14,632 | 157,952 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Public protection..... | - | - | 195 | 131 | - | - |
| Public works, transportation and commerce..... | - | 41,453 | - | 1,268 | - | 1,067 |
| Human welfare and neighborhood development..... | 6,379 | - | - | 93 | - | 224,146 |
| Community health..... | - | - | - | 132 | - | - |
| Culture and recreation..... | - | - | 1,025 | 917 | 19,431 | - |
| General administration and finance..... | - | 4 | 12,283 | 31 | - | 62 |
| Distributions to other governments..... | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal retirement..... | - | - | - | - | - | - |
| Interest and other fiscal charges..... | - | - | - | - | - | - |
| Bond issuance costs..... | - | - | - | - | - | - |
| Total expenditures..... | 6,379 | 41,457 | 13,503 | 2,572 | 19,431 | 225,275 |
| Excess (deficiency) of revenues over (under) expenditures..... | (1,961) | 20,896 | (244) | 795 | (4,799) | (67,323) |
| Other financing sources (uses): | | | | | | |
| Transfers in..... | 3,004 | - | 127 | - | 5,453 | 70,558 |
| Transfers out..... | - | (3,253) | (74) | (254) | (1,180) | (518) |
| Issuance of bonds: | | | | | | |
| Face value of bonds issued..... | - | - | - | - | - | - |
| Premium on issuance of bonds..... | - | - | - | - | - | - |
| Total other financing sources (uses)..... | 3,004 | (3,253) | 53 | (254) | 4,273 | 70,040 |
| Net changes in fund balances..... | 1,043 | 17,643 | (191) | 541 | (526) | 2,717 |
| Fund balances at beginning of year as previously reported..... | 419 | 85,385 | 29,394 | 21,088 | 10,209 | 14,559 |
| Cumulative effect of accounting change..... | - | - | - | - | - | - |
| Fund balances at beginning of year, as restated..... | 419 | 85,385 | 29,394 | 21,088 | 10,209 | 14,559 |
| Fund balances at end of year..... | \$ 1,462 | \$ 103,028 | \$ 29,203 | \$ 21,629 | \$ 9,683 | \$ 17,276 |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Low and Moderate Income Housing Asset Fund | Open Space and Park Fund | Our City Our Home Fund | Public Library Fund | Public Protection Fund | Public Works, Transportation and Commerce Fund |
|--|--|--------------------------|------------------------|---------------------|------------------------|--|
| Revenues: | | | | | | |
| Property taxes..... | \$ - | \$ 78,261 | \$ - | \$ 78,261 | \$ - | \$ - |
| Business taxes..... | - | - | 247,755 | - | - | - |
| Sales and use tax..... | - | - | - | - | - | - |
| Hotel room tax..... | - | - | - | - | - | - |
| Other local taxes..... | - | - | - | - | - | 16,981 |
| Licenses, permits, and franchises..... | - | - | - | - | 481 | - |
| Fines, forfeitures, and penalties..... | - | - | - | - | 9,265 | 46 |
| Interest and investment income..... | 6,422 | 1,099 | 8,915 | 2,014 | 1,693 | 1,771 |
| Rents and concessions..... | 6,681 | - | 1,184 | - | - | - |
| Intergovernmental: | | | | | | |
| Federal..... | - | - | - | - | 47,397 | - |
| State..... | - | 139 | - | 202 | 26,380 | 51 |
| Other..... | 1,124 | - | - | - | 45 | 3,332 |
| Charges for services..... | - | - | - | 147 | 18,074 | 41,967 |
| Other..... | 3,489 | - | 217 | 598 | 2,520 | 176 |
| Total revenues..... | 17,716 | 79,499 | 258,071 | 81,222 | 105,855 | 64,324 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Public protection..... | - | - | 911 | - | 92,952 | - |
| Public works, transportation and commerce..... | - | 1,875 | 3,089 | 3,942 | 15 | 40,547 |
| Human welfare and neighborhood development..... | 11,538 | - | 233,944 | - | 6,636 | 15,245 |
| Community health..... | - | - | 56,424 | - | - | - |
| Culture and recreation..... | - | 62,237 | - | 160,568 | - | 97 |
| General administration and finance..... | - | - | 1,404 | 28 | 2,760 | 239 |
| Distributions to other governments..... | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal retirement..... | - | - | - | - | - | - |
| Interest and other fiscal charges..... | - | - | - | - | 192 | - |
| Bond issuance costs..... | - | - | - | - | - | - |
| Total expenditures..... | 11,538 | 64,112 | 295,772 | 164,538 | 102,555 | 56,128 |
| Excess (deficiency) of revenues over (under) expenditures..... | 6,178 | 15,387 | (37,701) | (83,316) | 3,300 | 8,196 |
| Other financing sources (uses): | | | | | | |
| Transfers in..... | - | 1,180 | - | 102,120 | 569 | 23,021 |
| Transfers out..... | (1) | (13,334) | - | (3,277) | (2,993) | (20,233) |
| Issuance of bonds: | | | | | | |
| Face value of bonds issued..... | - | - | - | - | - | - |
| Premium on issuance of bonds..... | - | - | - | - | - | - |
| Total other financing sources (uses)..... | (1) | (12,154) | - | 98,843 | (2,424) | 2,788 |
| Net changes in fund balances..... | 6,177 | 3,233 | (37,701) | 15,527 | 876 | 10,984 |
| Fund balances at beginning of year as previously reported..... | 58,140 | 70,153 | 547,402 | 126,338 | 58,963 | 93,297 |
| Cumulative effect of accounting change..... | - | - | - | - | - | - |
| Fund balances at beginning of year, as restated..... | 58,140 | 70,153 | 547,402 | 126,338 | 58,963 | 93,297 |
| Fund balances at end of year..... | \$ 64,317 | \$ 73,386 | \$ 509,701 | \$ 141,865 | \$ 59,839 | \$ 104,281 |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Real Property Fund | San Francisco County Transportation Authority Fund | Senior Citizens Program Fund | Tax Increment Financing Districts Fund | War Memorial Fund | Total |
|--|--------------------------|---|---------------------------------------|--|----------------------|--------------|
| Revenues: | | | | | | |
| Property taxes..... | \$ - | \$ - | \$ - | 13,598 | \$ - | \$ 344,341 |
| Business taxes..... | - | - | - | - | - | 440,325 |
| Sales and use tax..... | - | 111,474 | - | - | - | 111,474 |
| Hotel room tax..... | - | - | - | - | - | 26,063 |
| Other local taxes..... | - | - | - | - | - | 17,678 |
| Licenses, permits, and franchises..... | - | 4,652 | - | - | - | 14,203 |
| Fines, forfeitures, and penalties..... | - | - | - | - | - | 22,891 |
| Interest and investment income..... | 213 | 971 | - | 728 | 290 | 67,902 |
| Rents and concessions..... | 106,536 | - | - | - | 3,797 | 172,214 |
| Intergovernmental: | | | | | | |
| Federal..... | - | 2,009 | 6,491 | - | - | 324,727 |
| State..... | - | 551 | 3,976 | - | - | 246,573 |
| Other..... | 859 | 1,135 | - | - | - | 6,616 |
| Charges for services..... | 574 | - | - | - | 642 | 144,319 |
| Other..... | 5,558 | - | - | - | - | 137,723 |
| Total revenues..... | 113,740 | 120,792 | 10,467 | 14,326 | 4,729 | 2,077,049 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Public protection..... | - | - | - | - | - | 94,234 |
| Public works, transportation and commerce..... | 667 | 43,360 | - | 91 | 31 | 240,402 |
| Human welfare and neighborhood development..... | - | - | 10,983 | - | - | 1,421,281 |
| Community health..... | - | - | - | - | - | 201,222 |
| Culture and recreation..... | 423 | - | - | - | 21,199 | 340,154 |
| General administration and finance..... | 75,320 | - | - | 22,587 | - | 138,019 |
| Distributions to other governments..... | - | - | - | - | - | 49,113 |
| Debt service: | | | | | | |
| Principal retirement..... | - | 15,025 | - | - | - | 15,543 |
| Interest and other fiscal charges..... | 5 | 7,502 | - | 5,548 | - | 15,659 |
| Bond issuance costs..... | - | - | - | 1,262 | - | 5,265 |
| Total expenditures..... | 76,415 | 65,887 | 10,983 | 29,488 | 21,230 | 2,520,892 |
| Excess (deficiency) of revenues over (under) expenditures..... | 37,325 | 54,905 | (516) | (15,162) | (16,501) | (443,843) |
| Other financing sources (uses): | | | | | | |
| Transfers in..... | - | 8,372 | 39 | - | 14,533 | 479,384 |
| Transfers out..... | (26,125) | (80,433) | - | (4,711) | (42) | (228,015) |
| Issuance of bonds: | | | | | | |
| Face value of bonds issued..... | - | - | - | 29,390 | - | 200,170 |
| Premium on issuance of bonds..... | - | - | - | 943 | - | 3,414 |
| Total other financing sources (uses)..... | (26,125) | (72,061) | 39 | 25,622 | 14,491 | 454,953 |
| Net changes in fund balances..... | 11,200 | (17,156) | (477) | 10,460 | (2,010) | 11,110 |
| Fund balances at beginning of year as previously reported..... | 27,397 | 60,975 | (1,041) | 3,363 | 10,866 | 3,107,365 |
| Cumulative effect of accounting change..... | - | - | - | 11,358 | - | 11,358 |
| Fund balances at beginning of year, as restated..... | 27,397 | 60,975 | (1,041) | 14,721 | 10,866 | 3,118,723 |
| Fund balances at end of year..... | \$ 38,597 | \$ 43,819 | \$ (1,518) | \$ 25,181 | \$ 8,856 | \$ 3,129,833 |

CITY AND COUNTY OF SAN FRANCISCO
Combining Schedule of Revenues, Expenditures, and Changes
in Fund Balances – Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds
Year Ended June 30, 2023
(In Thousands)

| | Building Inspection Fund | | | | Children and Families Fund | | | |
|--|--------------------------|--------------|-----------|------------------------------|----------------------------|--------------|------------|------------------------------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
| Revenues: | | | | | | | | |
| Property taxes..... | \$ - | \$ - | \$ - | \$ - | \$ 121,210 | \$ 170,283 | \$ 174,221 | \$ 3,938 |
| Business taxes..... | - | - | - | - | 226,300 | 190,009 | 190,009 | - |
| Sales and use tax..... | - | - | - | - | - | - | - | - |
| Hotel room tax..... | - | - | - | - | - | - | - | - |
| Other local taxes..... | - | - | - | - | - | - | - | - |
| Licenses, permits, and franchises..... | 6,938 | 6,938 | 6,907 | (31) | - | - | - | - |
| Fines, forfeitures, and penalties..... | - | - | - | - | - | - | - | - |
| Interest and investment income..... | 1,422 | 1,422 | 1,924 | 502 | 830 | 12,531 | 13,794 | 1,263 |
| Rents and concessions..... | - | - | - | - | - | - | - | - |
| Intergovernmental: | | | | | | | | |
| Federal..... | - | - | - | - | 8,790 | 8,900 | 8,908 | 8 |
| State..... | - | - | - | - | 13,668 | 12,732 | 12,716 | (16) |
| Other..... | 49,436 | 49,480 | 45,779 | (3,701) | 2,000 | 228 | 228 | - |
| Charges for services..... | - | - | 15 | 15 | 1,168 | 22,658 | 22,228 | (430) |
| Total revenues..... | 57,796 | 57,840 | 54,625 | (3,215) | 373,966 | 417,341 | 422,104 | 4,763 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Public protection..... | - | - | - | - | - | - | - | - |
| Public works, transportation and commerce..... | 92,642 | 86,664 | 82,559 | 4,105 | - | 170 | 170 | - |
| Human welfare and neighborhood development..... | - | - | - | - | 493,249 | 450,523 | 437,712 | 12,811 |
| Community health..... | - | - | - | - | - | - | - | - |
| Culture and recreation..... | - | - | - | - | - | - | - | - |
| General administration and finance..... | - | - | - | - | - | 127 | 127 | - |
| Distributions to other governments..... | - | - | - | - | - | 49,113 | 49,113 | - |
| Debt service: | | | | | | | | |
| Principal retirement..... | - | - | - | - | - | - | - | - |
| Interest and other fiscal charges..... | - | - | - | - | - | - | - | - |
| Bond issuance costs..... | - | - | - | - | - | - | - | - |
| Total expenditures..... | 92,642 | 86,664 | 82,559 | 4,105 | 493,249 | 499,933 | 487,122 | 12,811 |
| Excess (deficiency) of revenues over (under) expenditures..... | (34,846) | (28,824) | (27,934) | 890 | (119,283) | (82,592) | (65,018) | 17,574 |
| Other financing sources (uses): | | | | | | | | |
| Transfers in..... | 325 | 325 | 325 | - | 140,290 | 144,685 | 144,685 | - |
| Transfers out..... | - | - | - | - | (34,000) | (28,501) | (28,501) | - |
| Issuance of commercial paper..... | - | - | - | - | - | - | - | - |
| Issuance of bonds..... | - | - | - | - | - | - | - | - |
| Premium on issuance of bonds..... | - | - | - | - | - | - | - | - |
| Budget reserves and designations..... | - | - | - | - | - | - | - | - |
| Total other financing sources (uses)..... | 325 | 325 | 325 | - | 106,290 | 116,184 | 116,184 | - |
| Net changes in fund balances (uses)..... | (34,521) | (28,499) | (27,609) | 890 | (12,993) | 33,592 | 51,166 | 17,574 |
| Budgetary fund balances, July 1, as previously reported..... | 34,521 | 104,444 | 104,444 | - | 12,993 | 640,114 | 640,114 | - |
| Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - |
| Budgetary fund balances, July 1, as restated..... | 34,521 | 104,444 | 104,444 | - | 12,993 | 640,114 | 640,114 | - |
| Budgetary fund balances, June 30..... | \$ - | \$ 75,945 | \$ 76,835 | \$ 890 | \$ - | \$ 673,706 | \$ 691,280 | \$ 17,574 |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Schedule of Revenues, Expenditures, and Changes
in Fund Balances – Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Community / Neighborhood Development Fund | | | | Community Health Services Fund | | | |
|--|---|--------------|--------------|------------------------------|--------------------------------|--------------|-----------|------------------------------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
| Revenues: | | | | | | | | |
| Property taxes..... | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Business taxes..... | 2,500 | 2,561 | 2,561 | - | - | - | - | - |
| Sales and use tax..... | - | - | - | - | - | - | - | - |
| Hotel room tax..... | - | - | - | - | - | - | - | - |
| Other local taxes..... | 2,500 | 697 | 697 | - | - | - | - | - |
| Licenses, permits, and franchises..... | - | - | - | - | - | - | - | - |
| Fines, forfeitures, and penalties..... | - | 730 | 730 | - | 5,017 | 11,679 | 11,679 | - |
| Interest and investment income..... | - | 25,261 | 25,261 | - | 228 | 2,038 | 2,038 | - |
| Rents and concessions..... | 30 | 774 | 774 | - | - | - | - | - |
| Intergovernmental: | | | | | | | | |
| Federal..... | 7,139 | 72,565 | 72,565 | - | 89,287 | 72,706 | 72,706 | - |
| State..... | 2,106 | 34,997 | 34,997 | - | 89,352 | 57,466 | 57,466 | - |
| Other..... | - | - | - | - | - | - | - | - |
| Charges for services..... | 15,376 | 14,434 | 14,735 | 301 | 130 | 2,754 | 2,754 | - |
| Other..... | 24,819 | 95,177 | 95,177 | - | 853 | 1,688 | 1,339 | (349) |
| Total revenues..... | 54,470 | 247,196 | 247,497 | 301 | 184,867 | 148,331 | 147,982 | (349) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Public protection..... | - | - | - | - | - | 45 | 45 | - |
| Public works, transportation and commerce..... | 9,501 | 17,800 | 17,800 | - | - | 2,093 | 2,093 | - |
| Human welfare and neighborhood development..... | 86,590 | 474,399 | 469,519 | 4,880 | 609 | 489 | 489 | - |
| Community health..... | - | 153 | 153 | - | 184,258 | 144,390 | 144,390 | - |
| Culture and recreation..... | 1,336 | 673 | 673 | - | - | - | - | - |
| General administration and finance..... | 10,685 | 6,362 | 6,362 | - | - | - | - | - |
| Distributions to other governments..... | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal retirement..... | - | 2,250 | 2,250 | - | - | - | - | - |
| Interest and other fiscal charges..... | - | 1,471 | 1,471 | - | - | - | - | - |
| Bond issuance costs..... | - | 749 | 749 | - | - | - | - | - |
| Total expenditures..... | 108,112 | 503,857 | 498,977 | 4,880 | 184,867 | 147,017 | 147,017 | - |
| Excess (deficiency) of revenues over (under) expenditures..... | (53,642) | (256,661) | (251,480) | 5,181 | - | 1,314 | 965 | (349) |
| Other financing sources (uses): | | | | | | | | |
| Transfers in..... | 46,989 | 50,151 | 50,151 | - | - | 2 | 2 | - |
| Transfers out..... | (3,250) | (7,382) | (7,382) | - | - | - | - | - |
| Issuance of commercial paper..... | - | 4,573 | 4,573 | - | - | - | - | - |
| Issuance of bonds..... | - | 169,997 | 169,997 | - | - | - | - | - |
| Premium on issuance of bonds..... | - | - | - | - | - | - | - | - |
| Budget reserves and designations..... | (10) | - | - | - | - | - | - | - |
| Total other financing sources (uses)..... | 43,729 | 217,339 | 217,339 | - | - | 2 | 2 | - |
| Net changes in fund balances..... | (9,913) | (39,322) | (34,141) | 5,181 | - | 1,316 | 967 | (349) |
| Budgetary fund balances, July 1, as previously reported..... | 9,913 | 1,058,178 | 1,058,178 | - | - | 95,077 | 95,077 | - |
| Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - |
| Budgetary fund balances, July 1, as restated..... | 9,913 | 1,058,178 | 1,058,178 | - | - | 95,077 | 95,077 | - |
| Budgetary fund balances, June 30..... | \$ - | \$ 1,018,856 | \$ 1,024,037 | \$ 5,181 | \$ - | \$ 96,393 | \$ 96,044 | \$ (349) |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Schedule of Revenues, Expenditures, and Changes
in Fund Balances – Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Convention Facilities Fund | | | | Culture and Recreation Fund | | | |
|--|----------------------------|--------------|-----------|------------------------------|-----------------------------|--------------|-----------|------------------------------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
| Revenues: | | | | | | | | |
| Property taxes..... | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Business taxes..... | - | - | - | - | - | - | - | - |
| Sales and use tax..... | - | - | - | - | - | - | - | - |
| Hotel room tax..... | - | - | - | - | 23,170 | 26,063 | 26,063 | - |
| Other local taxes..... | - | - | - | - | - | - | - | - |
| Licenses, permits, and franchises..... | - | - | - | - | - | - | - | - |
| Fines, forfeitures, and penalties..... | - | - | - | - | - | - | - | - |
| Interest and investment income..... | - | 113 | 113 | - | - | 321 | 321 | - |
| Rents and concessions..... | 41,139 | 44,329 | 46,884 | 2,555 | 575 | 583 | 562 | (21) |
| Intergovernmental: | | | | | | | | |
| Federal..... | - | - | - | - | - | 100 | 100 | - |
| State..... | - | - | - | - | - | 95 | 95 | - |
| Other..... | - | - | - | - | - | 63 | 63 | - |
| Charges for services..... | - | - | - | - | 6,619 | 7,258 | 7,547 | 289 |
| Other..... | - | 15 | 15 | - | 1,818 | 2,537 | 2,537 | - |
| Total revenues..... | 41,139 | 44,457 | 47,012 | 2,555 | 32,182 | 37,020 | 37,288 | 268 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Public protection..... | - | - | - | - | - | - | - | - |
| Public works, transportation and commerce..... | - | - | - | - | 825 | 375 | 375 | - |
| Human welfare and neighborhood development..... | - | - | - | - | 2,940 | 3,030 | 3,030 | - |
| Community health..... | - | - | - | - | - | - | - | - |
| Culture and recreation..... | 69,308 | 66,660 | 55,555 | 11,105 | 20,373 | 18,264 | 18,029 | 235 |
| General administration and finance..... | - | - | - | - | 15,977 | 16,812 | 16,812 | - |
| Distributions to other governments..... | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal retirement..... | 27,713 | 506 | 506 | - | 831 | 656 | 518 | 138 |
| Interest and other fiscal charges..... | - | - | - | - | 1,049 | 1,225 | 1,225 | - |
| Bond issuance costs..... | - | - | - | - | - | - | - | - |
| Total expenditures..... | 97,021 | 67,166 | 56,061 | 11,105 | 41,995 | 40,362 | 39,989 | 373 |
| Excess (deficiency) of revenues over (under) expenditures..... | (55,882) | (22,709) | (9,049) | 13,660 | (9,813) | (3,342) | (2,701) | 641 |
| Other financing sources (uses): | | | | | | | | |
| Transfers in..... | 53,764 | 51,323 | 51,323 | - | 4,388 | 3,798 | 3,798 | - |
| Transfers out..... | - | (29,985) | (29,985) | - | - | - | - | - |
| Issuance of commercial paper..... | - | - | - | - | - | - | - | - |
| Issuance of bonds..... | - | - | - | - | - | - | - | - |
| Premium on issuance of bonds..... | - | - | - | - | - | - | - | - |
| Budget reserves and designations..... | (230) | (230) | - | 230 | - | - | - | - |
| Total other financing sources (uses)..... | 53,534 | 21,108 | 21,338 | 230 | 4,388 | 3,798 | 3,798 | - |
| Net changes in fund balances..... | (2,348) | (1,601) | 12,289 | 13,890 | (5,425) | 456 | 1,097 | 641 |
| Budgetary fund balances, July 1, as previously reported..... | 2,348 | 40,944 | 40,944 | - | 5,425 | 48,769 | 48,769 | - |
| Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - |
| Budgetary fund balances, July 1, as restated..... | 2,348 | 40,944 | 40,944 | - | 5,425 | 48,769 | 48,769 | - |
| Budgetary fund balances, June 30..... | \$ - | \$ 39,343 | \$ 53,233 | \$ 13,890 | \$ - | \$ 49,225 | \$ 49,866 | \$ 641 |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Schedule of Revenues, Expenditures, and Changes
in Fund Balances – Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Environmental Protection Fund | | | | Gasoline Tax Fund | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-------------------------------|-----------------|-----------------|------------------------------|-------------------|------------------|-------------------|------------------------------|--|---------------|-----------------|-----------------|----------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|----------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|----------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|----------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|----------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|----------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|----------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|----------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|----------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|----------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|----------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|----------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|----------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|----------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|----------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|----------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|---------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|--------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|--------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|--------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|--------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|--------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|--------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|--------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|--------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|--------------|-----------------|-----------------|--------------|----------------|------------------|-------------------|-----------------|--|-------------|-----------------|-----------------|--------------|-------------|------------------|-------------------|-----------------|--|-------------|-----------------|-----------------|--------------|-------------|------------------|-------------------|-----------------|---|-------------|-----------------|-----------------|--------------|-------------|------------------|-------------------|-----------------|---|-------------|-----------------|-----------------|--------------|-------------|------------------|-------------------|-----------------|--|-------------|-----------------|-----------------|--------------|-------------|------------------|-------------------|-----------------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Original Budget | Final Budget | Actual | Variance Positive (Negative) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenues: | | | | | | | | | Property taxes..... | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | Business taxes..... | - | - | - | - | - | - | - | - | Sales and use tax..... | - | - | - | - | - | - | - | - | Hotel room tax..... | - | - | - | - | - | - | - | - | Other local taxes..... | - | - | - | - | - | - | - | - | Licenses, permits, and franchises..... | - | - | - | - | - | - | - | - | Fines, forfeitures, and penalties..... | - | - | - | - | - | - | - | - | Interest and investment income..... | - | - | - | - | 42 | 746 | 1,284 | 538 | Rents and concessions..... | - | - | - | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 77 | 77 | - | - | - | - | - | State..... | 5,922 | 3,528 | 3,528 | - | 62,967 | 61,897 | 61,150 | (747) | Other..... | - | 53 | 53 | - | - | - | - | - | Charges for services..... | 1,118 | 988 | 976 | (12) | 666 | 666 | 353 | (313) | Other..... | 2,276 | 2,326 | 50 | (2,276) | 1 | - | 39 | 39 | Total revenues..... | 9,316 | 6,972 | 4,684 | (2,288) | 63,676 | 63,309 | 62,826 | (483) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 |
| Property taxes..... | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | Business taxes..... | - | - | - | - | - | - | - | - | Sales and use tax..... | - | - | - | - | - | - | - | - | Hotel room tax..... | - | - | - | - | - | - | - | - | Other local taxes..... | - | - | - | - | - | - | - | - | Licenses, permits, and franchises..... | - | - | - | - | - | - | - | - | Fines, forfeitures, and penalties..... | - | - | - | - | - | - | - | - | Interest and investment income..... | - | - | - | - | 42 | 746 | 1,284 | 538 | Rents and concessions..... | - | - | - | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 77 | 77 | - | - | - | - | - | State..... | 5,922 | 3,528 | 3,528 | - | 62,967 | 61,897 | 61,150 | (747) | Other..... | - | 53 | 53 | - | - | - | - | - | Charges for services..... | 1,118 | 988 | 976 | (12) | 666 | 666 | 353 | (313) | Other..... | 2,276 | 2,326 | 50 | (2,276) | 1 | - | 39 | 39 | Total revenues..... | 9,316 | 6,972 | 4,684 | (2,288) | 63,676 | 63,309 | 62,826 | (483) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | |
| Business taxes..... | - | - | - | - | - | - | - | - | Sales and use tax..... | - | - | - | - | - | - | - | - | Hotel room tax..... | - | - | - | - | - | - | - | - | Other local taxes..... | - | - | - | - | - | - | - | - | Licenses, permits, and franchises..... | - | - | - | - | - | - | - | - | Fines, forfeitures, and penalties..... | - | - | - | - | - | - | - | - | Interest and investment income..... | - | - | - | - | 42 | 746 | 1,284 | 538 | Rents and concessions..... | - | - | - | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 77 | 77 | - | - | - | - | - | State..... | 5,922 | 3,528 | 3,528 | - | 62,967 | 61,897 | 61,150 | (747) | Other..... | - | 53 | 53 | - | - | - | - | - | Charges for services..... | 1,118 | 988 | 976 | (12) | 666 | 666 | 353 | (313) | Other..... | 2,276 | 2,326 | 50 | (2,276) | 1 | - | 39 | 39 | Total revenues..... | 9,316 | 6,972 | 4,684 | (2,288) | 63,676 | 63,309 | 62,826 | (483) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | |
| Sales and use tax..... | - | - | - | - | - | - | - | - | Hotel room tax..... | - | - | - | - | - | - | - | - | Other local taxes..... | - | - | - | - | - | - | - | - | Licenses, permits, and franchises..... | - | - | - | - | - | - | - | - | Fines, forfeitures, and penalties..... | - | - | - | - | - | - | - | - | Interest and investment income..... | - | - | - | - | 42 | 746 | 1,284 | 538 | Rents and concessions..... | - | - | - | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 77 | 77 | - | - | - | - | - | State..... | 5,922 | 3,528 | 3,528 | - | 62,967 | 61,897 | 61,150 | (747) | Other..... | - | 53 | 53 | - | - | - | - | - | Charges for services..... | 1,118 | 988 | 976 | (12) | 666 | 666 | 353 | (313) | Other..... | 2,276 | 2,326 | 50 | (2,276) | 1 | - | 39 | 39 | Total revenues..... | 9,316 | 6,972 | 4,684 | (2,288) | 63,676 | 63,309 | 62,826 | (483) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hotel room tax..... | - | - | - | - | - | - | - | - | Other local taxes..... | - | - | - | - | - | - | - | - | Licenses, permits, and franchises..... | - | - | - | - | - | - | - | - | Fines, forfeitures, and penalties..... | - | - | - | - | - | - | - | - | Interest and investment income..... | - | - | - | - | 42 | 746 | 1,284 | 538 | Rents and concessions..... | - | - | - | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 77 | 77 | - | - | - | - | - | State..... | 5,922 | 3,528 | 3,528 | - | 62,967 | 61,897 | 61,150 | (747) | Other..... | - | 53 | 53 | - | - | - | - | - | Charges for services..... | 1,118 | 988 | 976 | (12) | 666 | 666 | 353 | (313) | Other..... | 2,276 | 2,326 | 50 | (2,276) | 1 | - | 39 | 39 | Total revenues..... | 9,316 | 6,972 | 4,684 | (2,288) | 63,676 | 63,309 | 62,826 | (483) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other local taxes..... | - | - | - | - | - | - | - | - | Licenses, permits, and franchises..... | - | - | - | - | - | - | - | - | Fines, forfeitures, and penalties..... | - | - | - | - | - | - | - | - | Interest and investment income..... | - | - | - | - | 42 | 746 | 1,284 | 538 | Rents and concessions..... | - | - | - | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 77 | 77 | - | - | - | - | - | State..... | 5,922 | 3,528 | 3,528 | - | 62,967 | 61,897 | 61,150 | (747) | Other..... | - | 53 | 53 | - | - | - | - | - | Charges for services..... | 1,118 | 988 | 976 | (12) | 666 | 666 | 353 | (313) | Other..... | 2,276 | 2,326 | 50 | (2,276) | 1 | - | 39 | 39 | Total revenues..... | 9,316 | 6,972 | 4,684 | (2,288) | 63,676 | 63,309 | 62,826 | (483) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Licenses, permits, and franchises..... | - | - | - | - | - | - | - | - | Fines, forfeitures, and penalties..... | - | - | - | - | - | - | - | - | Interest and investment income..... | - | - | - | - | 42 | 746 | 1,284 | 538 | Rents and concessions..... | - | - | - | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 77 | 77 | - | - | - | - | - | State..... | 5,922 | 3,528 | 3,528 | - | 62,967 | 61,897 | 61,150 | (747) | Other..... | - | 53 | 53 | - | - | - | - | - | Charges for services..... | 1,118 | 988 | 976 | (12) | 666 | 666 | 353 | (313) | Other..... | 2,276 | 2,326 | 50 | (2,276) | 1 | - | 39 | 39 | Total revenues..... | 9,316 | 6,972 | 4,684 | (2,288) | 63,676 | 63,309 | 62,826 | (483) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fines, forfeitures, and penalties..... | - | - | - | - | - | - | - | - | Interest and investment income..... | - | - | - | - | 42 | 746 | 1,284 | 538 | Rents and concessions..... | - | - | - | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 77 | 77 | - | - | - | - | - | State..... | 5,922 | 3,528 | 3,528 | - | 62,967 | 61,897 | 61,150 | (747) | Other..... | - | 53 | 53 | - | - | - | - | - | Charges for services..... | 1,118 | 988 | 976 | (12) | 666 | 666 | 353 | (313) | Other..... | 2,276 | 2,326 | 50 | (2,276) | 1 | - | 39 | 39 | Total revenues..... | 9,316 | 6,972 | 4,684 | (2,288) | 63,676 | 63,309 | 62,826 | (483) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest and investment income..... | - | - | - | - | 42 | 746 | 1,284 | 538 | Rents and concessions..... | - | - | - | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 77 | 77 | - | - | - | - | - | State..... | 5,922 | 3,528 | 3,528 | - | 62,967 | 61,897 | 61,150 | (747) | Other..... | - | 53 | 53 | - | - | - | - | - | Charges for services..... | 1,118 | 988 | 976 | (12) | 666 | 666 | 353 | (313) | Other..... | 2,276 | 2,326 | 50 | (2,276) | 1 | - | 39 | 39 | Total revenues..... | 9,316 | 6,972 | 4,684 | (2,288) | 63,676 | 63,309 | 62,826 | (483) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rents and concessions..... | - | - | - | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 77 | 77 | - | - | - | - | - | State..... | 5,922 | 3,528 | 3,528 | - | 62,967 | 61,897 | 61,150 | (747) | Other..... | - | 53 | 53 | - | - | - | - | - | Charges for services..... | 1,118 | 988 | 976 | (12) | 666 | 666 | 353 | (313) | Other..... | 2,276 | 2,326 | 50 | (2,276) | 1 | - | 39 | 39 | Total revenues..... | 9,316 | 6,972 | 4,684 | (2,288) | 63,676 | 63,309 | 62,826 | (483) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Intergovernmental: | | | | | | | | | Federal..... | - | 77 | 77 | - | - | - | - | - | State..... | 5,922 | 3,528 | 3,528 | - | 62,967 | 61,897 | 61,150 | (747) | Other..... | - | 53 | 53 | - | - | - | - | - | Charges for services..... | 1,118 | 988 | 976 | (12) | 666 | 666 | 353 | (313) | Other..... | 2,276 | 2,326 | 50 | (2,276) | 1 | - | 39 | 39 | Total revenues..... | 9,316 | 6,972 | 4,684 | (2,288) | 63,676 | 63,309 | 62,826 | (483) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Federal..... | - | 77 | 77 | - | - | - | - | - | State..... | 5,922 | 3,528 | 3,528 | - | 62,967 | 61,897 | 61,150 | (747) | Other..... | - | 53 | 53 | - | - | - | - | - | Charges for services..... | 1,118 | 988 | 976 | (12) | 666 | 666 | 353 | (313) | Other..... | 2,276 | 2,326 | 50 | (2,276) | 1 | - | 39 | 39 | Total revenues..... | 9,316 | 6,972 | 4,684 | (2,288) | 63,676 | 63,309 | 62,826 | (483) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| State..... | 5,922 | 3,528 | 3,528 | - | 62,967 | 61,897 | 61,150 | (747) | Other..... | - | 53 | 53 | - | - | - | - | - | Charges for services..... | 1,118 | 988 | 976 | (12) | 666 | 666 | 353 | (313) | Other..... | 2,276 | 2,326 | 50 | (2,276) | 1 | - | 39 | 39 | Total revenues..... | 9,316 | 6,972 | 4,684 | (2,288) | 63,676 | 63,309 | 62,826 | (483) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other..... | - | 53 | 53 | - | - | - | - | - | Charges for services..... | 1,118 | 988 | 976 | (12) | 666 | 666 | 353 | (313) | Other..... | 2,276 | 2,326 | 50 | (2,276) | 1 | - | 39 | 39 | Total revenues..... | 9,316 | 6,972 | 4,684 | (2,288) | 63,676 | 63,309 | 62,826 | (483) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Charges for services..... | 1,118 | 988 | 976 | (12) | 666 | 666 | 353 | (313) | Other..... | 2,276 | 2,326 | 50 | (2,276) | 1 | - | 39 | 39 | Total revenues..... | 9,316 | 6,972 | 4,684 | (2,288) | 63,676 | 63,309 | 62,826 | (483) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other..... | 2,276 | 2,326 | 50 | (2,276) | 1 | - | 39 | 39 | Total revenues..... | 9,316 | 6,972 | 4,684 | (2,288) | 63,676 | 63,309 | 62,826 | (483) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total revenues..... | 9,316 | 6,972 | 4,684 | (2,288) | 63,676 | 63,309 | 62,826 | (483) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current: | | | | | | | | | Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public protection..... | - | - | - | - | - | - | - | - | Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public works, transportation and commerce..... | - | - | - | - | 63,072 | 48,942 | 41,453 | 7,489 | Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Human welfare and neighborhood development..... | 12,245 | 8,713 | 6,338 | 2,375 | - | - | - | - | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Culture and recreation..... | - | - | - | - | - | - | - | - | General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General administration and finance..... | - | - | - | - | - | 4 | 4 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total expenditures..... | 12,245 | 8,713 | 6,338 | 2,375 | 63,072 | 48,946 | 41,457 | 7,489 | Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Excess (deficiency) of revenues over (under) expenditures..... | (2,929) | (1,741) | (1,654) | 87 | 604 | 14,363 | 21,369 | 7,006 | Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other financing sources (uses): | | | | | | | | | Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfers in..... | 2,929 | 2,962 | 2,962 | - | - | - | - | - | Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfers out..... | - | - | - | - | (3,099) | (3,099) | (2,992) | 107 | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total other financing sources (uses)..... | 2,929 | 2,962 | 2,962 | - | (3,099) | (3,099) | (2,992) | 107 | Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net changes in fund balances..... | - | 1,221 | 1,308 | 87 | (2,495) | 11,264 | 18,377 | 7,113 | Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Budgetary fund balances, July 1, as previously reported..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Budgetary fund balances, July 1, as restated..... | - | 865 | 865 | - | 2,495 | 87,418 | 87,418 | - | Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Budgetary fund balances, June 30..... | \$ - | \$ 2,086 | \$ 2,173 | \$ 87 | \$ - | \$ 98,682 | \$ 105,795 | \$ 7,113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Schedule of Revenues, Expenditures, and Changes
in Fund Balances – Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | General Services Fund | | | | Gift and Other Expendable Trusts Fund | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Original Budget | Final Budget | Actual | Variance Positive (Negative) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenues: | | | | | | | | | Property taxes..... | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | Business taxes..... | - | - | - | - | - | - | - | - | Sales and use tax..... | - | - | - | - | - | - | - | - | Hotel room tax..... | - | - | - | - | - | - | - | - | Other local taxes..... | - | - | - | - | - | - | - | - | Licenses, permits, and franchises..... | 1,828 | 1,903 | 1,903 | - | - | - | - | - | Fines, forfeitures, and penalties..... | - | - | - | - | - | 1,224 | 1,224 | - | Interest and investment income..... | 90 | 416 | 416 | - | - | 153 | 153 | - | Rents and concessions..... | - | 1,080 | 1,080 | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 178 | 178 | - | - | - | - | - | State..... | 324 | 6,778 | 6,778 | - | - | - | - | - | Other..... | - | - | - | - | - | - | - | - | Charges for services..... | 2,113 | 1,187 | 1,187 | - | - | 23 | 23 | - | Other..... | 1,928 | 1,796 | 1,796 | - | 1,005 | 1,806 | 1,806 | - | Total revenues..... | 6,283 | 13,338 | 13,338 | - | 1,005 | 3,206 | 3,206 | - | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - |
| Property taxes..... | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | Business taxes..... | - | - | - | - | - | - | - | - | Sales and use tax..... | - | - | - | - | - | - | - | - | Hotel room tax..... | - | - | - | - | - | - | - | - | Other local taxes..... | - | - | - | - | - | - | - | - | Licenses, permits, and franchises..... | 1,828 | 1,903 | 1,903 | - | - | - | - | - | Fines, forfeitures, and penalties..... | - | - | - | - | - | 1,224 | 1,224 | - | Interest and investment income..... | 90 | 416 | 416 | - | - | 153 | 153 | - | Rents and concessions..... | - | 1,080 | 1,080 | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 178 | 178 | - | - | - | - | - | State..... | 324 | 6,778 | 6,778 | - | - | - | - | - | Other..... | - | - | - | - | - | - | - | - | Charges for services..... | 2,113 | 1,187 | 1,187 | - | - | 23 | 23 | - | Other..... | 1,928 | 1,796 | 1,796 | - | 1,005 | 1,806 | 1,806 | - | Total revenues..... | 6,283 | 13,338 | 13,338 | - | 1,005 | 3,206 | 3,206 | - | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | |
| Business taxes..... | - | - | - | - | - | - | - | - | Sales and use tax..... | - | - | - | - | - | - | - | - | Hotel room tax..... | - | - | - | - | - | - | - | - | Other local taxes..... | - | - | - | - | - | - | - | - | Licenses, permits, and franchises..... | 1,828 | 1,903 | 1,903 | - | - | - | - | - | Fines, forfeitures, and penalties..... | - | - | - | - | - | 1,224 | 1,224 | - | Interest and investment income..... | 90 | 416 | 416 | - | - | 153 | 153 | - | Rents and concessions..... | - | 1,080 | 1,080 | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 178 | 178 | - | - | - | - | - | State..... | 324 | 6,778 | 6,778 | - | - | - | - | - | Other..... | - | - | - | - | - | - | - | - | Charges for services..... | 2,113 | 1,187 | 1,187 | - | - | 23 | 23 | - | Other..... | 1,928 | 1,796 | 1,796 | - | 1,005 | 1,806 | 1,806 | - | Total revenues..... | 6,283 | 13,338 | 13,338 | - | 1,005 | 3,206 | 3,206 | - | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | |
| Sales and use tax..... | - | - | - | - | - | - | - | - | Hotel room tax..... | - | - | - | - | - | - | - | - | Other local taxes..... | - | - | - | - | - | - | - | - | Licenses, permits, and franchises..... | 1,828 | 1,903 | 1,903 | - | - | - | - | - | Fines, forfeitures, and penalties..... | - | - | - | - | - | 1,224 | 1,224 | - | Interest and investment income..... | 90 | 416 | 416 | - | - | 153 | 153 | - | Rents and concessions..... | - | 1,080 | 1,080 | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 178 | 178 | - | - | - | - | - | State..... | 324 | 6,778 | 6,778 | - | - | - | - | - | Other..... | - | - | - | - | - | - | - | - | Charges for services..... | 2,113 | 1,187 | 1,187 | - | - | 23 | 23 | - | Other..... | 1,928 | 1,796 | 1,796 | - | 1,005 | 1,806 | 1,806 | - | Total revenues..... | 6,283 | 13,338 | 13,338 | - | 1,005 | 3,206 | 3,206 | - | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hotel room tax..... | - | - | - | - | - | - | - | - | Other local taxes..... | - | - | - | - | - | - | - | - | Licenses, permits, and franchises..... | 1,828 | 1,903 | 1,903 | - | - | - | - | - | Fines, forfeitures, and penalties..... | - | - | - | - | - | 1,224 | 1,224 | - | Interest and investment income..... | 90 | 416 | 416 | - | - | 153 | 153 | - | Rents and concessions..... | - | 1,080 | 1,080 | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 178 | 178 | - | - | - | - | - | State..... | 324 | 6,778 | 6,778 | - | - | - | - | - | Other..... | - | - | - | - | - | - | - | - | Charges for services..... | 2,113 | 1,187 | 1,187 | - | - | 23 | 23 | - | Other..... | 1,928 | 1,796 | 1,796 | - | 1,005 | 1,806 | 1,806 | - | Total revenues..... | 6,283 | 13,338 | 13,338 | - | 1,005 | 3,206 | 3,206 | - | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other local taxes..... | - | - | - | - | - | - | - | - | Licenses, permits, and franchises..... | 1,828 | 1,903 | 1,903 | - | - | - | - | - | Fines, forfeitures, and penalties..... | - | - | - | - | - | 1,224 | 1,224 | - | Interest and investment income..... | 90 | 416 | 416 | - | - | 153 | 153 | - | Rents and concessions..... | - | 1,080 | 1,080 | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 178 | 178 | - | - | - | - | - | State..... | 324 | 6,778 | 6,778 | - | - | - | - | - | Other..... | - | - | - | - | - | - | - | - | Charges for services..... | 2,113 | 1,187 | 1,187 | - | - | 23 | 23 | - | Other..... | 1,928 | 1,796 | 1,796 | - | 1,005 | 1,806 | 1,806 | - | Total revenues..... | 6,283 | 13,338 | 13,338 | - | 1,005 | 3,206 | 3,206 | - | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Licenses, permits, and franchises..... | 1,828 | 1,903 | 1,903 | - | - | - | - | - | Fines, forfeitures, and penalties..... | - | - | - | - | - | 1,224 | 1,224 | - | Interest and investment income..... | 90 | 416 | 416 | - | - | 153 | 153 | - | Rents and concessions..... | - | 1,080 | 1,080 | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 178 | 178 | - | - | - | - | - | State..... | 324 | 6,778 | 6,778 | - | - | - | - | - | Other..... | - | - | - | - | - | - | - | - | Charges for services..... | 2,113 | 1,187 | 1,187 | - | - | 23 | 23 | - | Other..... | 1,928 | 1,796 | 1,796 | - | 1,005 | 1,806 | 1,806 | - | Total revenues..... | 6,283 | 13,338 | 13,338 | - | 1,005 | 3,206 | 3,206 | - | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fines, forfeitures, and penalties..... | - | - | - | - | - | 1,224 | 1,224 | - | Interest and investment income..... | 90 | 416 | 416 | - | - | 153 | 153 | - | Rents and concessions..... | - | 1,080 | 1,080 | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 178 | 178 | - | - | - | - | - | State..... | 324 | 6,778 | 6,778 | - | - | - | - | - | Other..... | - | - | - | - | - | - | - | - | Charges for services..... | 2,113 | 1,187 | 1,187 | - | - | 23 | 23 | - | Other..... | 1,928 | 1,796 | 1,796 | - | 1,005 | 1,806 | 1,806 | - | Total revenues..... | 6,283 | 13,338 | 13,338 | - | 1,005 | 3,206 | 3,206 | - | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest and investment income..... | 90 | 416 | 416 | - | - | 153 | 153 | - | Rents and concessions..... | - | 1,080 | 1,080 | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 178 | 178 | - | - | - | - | - | State..... | 324 | 6,778 | 6,778 | - | - | - | - | - | Other..... | - | - | - | - | - | - | - | - | Charges for services..... | 2,113 | 1,187 | 1,187 | - | - | 23 | 23 | - | Other..... | 1,928 | 1,796 | 1,796 | - | 1,005 | 1,806 | 1,806 | - | Total revenues..... | 6,283 | 13,338 | 13,338 | - | 1,005 | 3,206 | 3,206 | - | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rents and concessions..... | - | 1,080 | 1,080 | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | - | 178 | 178 | - | - | - | - | - | State..... | 324 | 6,778 | 6,778 | - | - | - | - | - | Other..... | - | - | - | - | - | - | - | - | Charges for services..... | 2,113 | 1,187 | 1,187 | - | - | 23 | 23 | - | Other..... | 1,928 | 1,796 | 1,796 | - | 1,005 | 1,806 | 1,806 | - | Total revenues..... | 6,283 | 13,338 | 13,338 | - | 1,005 | 3,206 | 3,206 | - | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Intergovernmental: | | | | | | | | | Federal..... | - | 178 | 178 | - | - | - | - | - | State..... | 324 | 6,778 | 6,778 | - | - | - | - | - | Other..... | - | - | - | - | - | - | - | - | Charges for services..... | 2,113 | 1,187 | 1,187 | - | - | 23 | 23 | - | Other..... | 1,928 | 1,796 | 1,796 | - | 1,005 | 1,806 | 1,806 | - | Total revenues..... | 6,283 | 13,338 | 13,338 | - | 1,005 | 3,206 | 3,206 | - | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Federal..... | - | 178 | 178 | - | - | - | - | - | State..... | 324 | 6,778 | 6,778 | - | - | - | - | - | Other..... | - | - | - | - | - | - | - | - | Charges for services..... | 2,113 | 1,187 | 1,187 | - | - | 23 | 23 | - | Other..... | 1,928 | 1,796 | 1,796 | - | 1,005 | 1,806 | 1,806 | - | Total revenues..... | 6,283 | 13,338 | 13,338 | - | 1,005 | 3,206 | 3,206 | - | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| State..... | 324 | 6,778 | 6,778 | - | - | - | - | - | Other..... | - | - | - | - | - | - | - | - | Charges for services..... | 2,113 | 1,187 | 1,187 | - | - | 23 | 23 | - | Other..... | 1,928 | 1,796 | 1,796 | - | 1,005 | 1,806 | 1,806 | - | Total revenues..... | 6,283 | 13,338 | 13,338 | - | 1,005 | 3,206 | 3,206 | - | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other..... | - | - | - | - | - | - | - | - | Charges for services..... | 2,113 | 1,187 | 1,187 | - | - | 23 | 23 | - | Other..... | 1,928 | 1,796 | 1,796 | - | 1,005 | 1,806 | 1,806 | - | Total revenues..... | 6,283 | 13,338 | 13,338 | - | 1,005 | 3,206 | 3,206 | - | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Charges for services..... | 2,113 | 1,187 | 1,187 | - | - | 23 | 23 | - | Other..... | 1,928 | 1,796 | 1,796 | - | 1,005 | 1,806 | 1,806 | - | Total revenues..... | 6,283 | 13,338 | 13,338 | - | 1,005 | 3,206 | 3,206 | - | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other..... | 1,928 | 1,796 | 1,796 | - | 1,005 | 1,806 | 1,806 | - | Total revenues..... | 6,283 | 13,338 | 13,338 | - | 1,005 | 3,206 | 3,206 | - | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total revenues..... | 6,283 | 13,338 | 13,338 | - | 1,005 | 3,206 | 3,206 | - | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current: | | | | | | | | | Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public protection..... | 310 | 195 | 195 | - | - | 131 | 131 | - | Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public works, transportation and commerce..... | - | - | - | - | - | 1,268 | 1,268 | - | Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Human welfare and neighborhood development..... | - | - | - | - | 255 | 92 | 92 | - | Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Community health..... | - | - | - | - | - | 132 | 132 | - | Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Culture and recreation..... | - | 1,025 | 1,025 | - | 750 | 917 | 917 | - | General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General administration and finance..... | 6,930 | 12,252 | 12,252 | - | - | 31 | 31 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total expenditures..... | 7,240 | 13,472 | 13,472 | - | 1,005 | 2,571 | 2,571 | - | Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Excess (deficiency) of revenues over (under) expenditures..... | (957) | (134) | (134) | - | - | 635 | 635 | - | Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other financing sources (uses): | | | | | | | | | Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfers in..... | 159 | 127 | 127 | - | - | - | - | - | Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfers out..... | - | - | - | - | - | - | - | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total other financing sources (uses)..... | 159 | 127 | 127 | - | - | - | - | - | Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net changes in fund balances..... | (798) | (7) | (7) | - | - | 635 | 635 | - | Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Budgetary fund balances, July 1, as previously reported..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Budgetary fund balances, July 1, as restated..... | - | 798 | 30,172 | - | - | 21,475 | 21,475 | - | Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Budgetary fund balances, June 30..... | \$ - | \$ 30,165 | \$ 30,165 | \$ - | \$ - | \$ 22,110 | \$ 22,110 | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Schedule of Revenues, Expenditures, and Changes
in Fund Balances – Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Golf Fund | | | | Human Welfare Fund | | | |
|--|-----------------|--------------|-----------|------------------------------|--------------------|--------------|-----------|------------------------------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
| Revenues: | | | | | | | | |
| Property taxes..... | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Business taxes..... | - | - | - | - | - | - | - | - |
| Sales and use tax..... | - | - | - | - | - | - | - | - |
| Hotel room tax..... | - | - | - | - | - | - | - | - |
| Other local taxes..... | - | - | - | - | - | - | - | - |
| Licenses, permits, and franchises..... | - | - | - | - | 220 | 220 | 260 | 40 |
| Fines, forfeitures, and penalties..... | - | - | - | - | - | - | 7 | 7 |
| Interest and investment income..... | - | 87 | 271 | 184 | 300 | 671 | 671 | - |
| Rents and concessions..... | 4,558 | 4,558 | 4,718 | 160 | - | - | - | - |
| Intergovernmental: | | | | | | | | |
| Federal..... | - | - | - | - | 66,503 | 112,794 | 112,794 | - |
| State..... | - | - | - | - | 48,425 | 44,303 | 44,303 | - |
| Other..... | - | - | - | - | - | - | - | - |
| Charges for services..... | 9,288 | 9,061 | 9,649 | 588 | 140 | 163 | 164 | 1 |
| Other..... | - | - | - | - | 2,000 | 199 | 199 | - |
| Total revenues..... | 13,826 | 13,706 | 14,638 | 932 | 117,588 | 158,350 | 158,398 | 48 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Public protection..... | - | - | - | - | - | - | - | - |
| Public works, transportation and commerce..... | - | - | - | - | - | 1,067 | 1,067 | - |
| Human welfare and neighborhood development..... | - | - | - | - | 188,146 | 224,366 | 224,146 | 220 |
| Community health..... | - | - | - | - | - | - | - | - |
| Culture and recreation..... | 20,629 | 19,992 | 19,431 | 561 | - | - | - | - |
| General administration and finance..... | - | - | - | - | - | 62 | 62 | - |
| Distributions to other governments..... | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal retirement..... | - | - | - | - | - | - | - | - |
| Interest and other fiscal charges..... | - | - | - | - | - | - | - | - |
| Bond issuance costs..... | - | - | - | - | - | - | - | - |
| Total expenditures..... | 20,629 | 19,992 | 19,431 | 561 | 188,146 | 225,496 | 225,276 | 220 |
| Excess (deficiency) of revenues over (under) expenditures..... | (6,803) | (6,286) | (4,793) | 1,493 | (70,558) | (67,145) | (66,877) | 268 |
| Other financing sources (uses): | | | | | | | | |
| Transfers in..... | 5,453 | 5,453 | 5,453 | - | 70,558 | 70,558 | 70,558 | - |
| Transfers out..... | (1,180) | (1,180) | (1,180) | - | - | - | - | - |
| Issuance of commercial paper..... | - | - | - | - | - | - | - | - |
| Issuance of bonds..... | - | - | - | - | - | - | - | - |
| Premium on issuance of bonds..... | - | - | - | - | - | - | - | - |
| Budget reserves and designations..... | - | - | - | - | - | - | - | - |
| Total other financing sources (uses)..... | 4,273 | 4,273 | 4,273 | - | 70,558 | 70,558 | 70,558 | - |
| Net changes in fund balances..... | (2,530) | (2,013) | (520) | 1,493 | - | 3,413 | 3,681 | 268 |
| Budgetary fund balances, July 1, as previously reported..... | 2,530 | 10,571 | 10,571 | - | - | 16,720 | 16,720 | - |
| Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - |
| Budgetary fund balances, July 1, as restated..... | 2,530 | 10,571 | 10,571 | - | - | 16,720 | 16,720 | - |
| Budgetary fund balances, June 30..... | \$ - | \$ 8,558 | \$ 10,051 | \$ 1,493 | \$ - | \$ 20,133 | \$ 20,401 | \$ 268 |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Schedule of Revenues, Expenditures, and Changes
in Fund Balances – Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Low and Moderate Income Housing Asset Fund | | | | Open Space and Park Fund | | | |
|--|--|--------------|-----------|------------------------------|--------------------------|--------------|-----------|------------------------------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
| Revenues: | | | | | | | | |
| Property taxes..... | \$ - | \$ - | \$ - | \$ - | \$ 75,620 | \$ 75,620 | \$ 78,261 | \$ 2,641 |
| Business taxes..... | - | - | - | - | - | - | - | - |
| Sales and use tax..... | - | - | - | - | - | - | - | - |
| Hotel room tax..... | - | - | - | - | - | - | - | - |
| Other local taxes..... | - | - | - | - | - | - | - | - |
| Licenses, permits, and franchises..... | - | - | - | - | - | - | - | - |
| Fines, forfeitures, and penalties..... | - | - | - | - | - | - | - | - |
| Interest and investment income..... | - | 6,886 | 6,886 | - | - | 193 | 1,443 | 1,250 |
| Rents and concessions..... | 5,000 | 6,681 | 6,681 | - | - | - | - | - |
| Intergovernmental: | | | | | | | | |
| Federal..... | - | - | - | - | - | - | - | - |
| State..... | - | - | - | - | 145 | 145 | 139 | (6) |
| Other..... | 1,124 | 1,124 | 1,124 | - | - | - | - | - |
| Charges for services..... | - | - | - | - | - | - | - | - |
| Other..... | - | 3,489 | 3,489 | - | - | - | - | - |
| Total revenues..... | 6,124 | 18,180 | 18,180 | - | 75,765 | 75,958 | 79,843 | 3,885 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Public protection..... | - | - | - | - | - | - | - | - |
| Public works, transportation and commerce..... | - | - | - | - | - | 1,875 | 1,875 | - |
| Human welfare and neighborhood development..... | 5,000 | 11,538 | 11,538 | - | - | - | - | - |
| Community health..... | - | - | - | - | - | - | - | - |
| Culture and recreation..... | - | - | - | - | 71,092 | 66,986 | 61,954 | 5,032 |
| General administration and finance..... | - | - | - | - | - | - | - | - |
| Distributions to other governments..... | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal retirement..... | 1,124 | - | - | - | - | - | - | - |
| Interest and other fiscal charges..... | - | - | - | - | - | - | - | - |
| Bond issuance costs..... | - | - | - | - | - | - | - | - |
| Total expenditures..... | 6,124 | 11,538 | 11,538 | - | 71,092 | 68,861 | 63,829 | 5,032 |
| Excess (deficiency) of revenues over (under) expenditures..... | - | 6,642 | 6,642 | - | 4,673 | 7,097 | 16,014 | 8,917 |
| Other financing sources (uses): | | | | | | | | |
| Transfers in..... | - | - | - | - | 1,180 | 1,180 | 1,180 | - |
| Transfers out..... | - | - | - | - | (13,334) | (13,334) | (13,334) | - |
| Issuance of commercial paper..... | - | - | - | - | - | - | - | - |
| Issuance of bonds..... | - | - | - | - | - | - | - | - |
| Premium on issuance of bonds..... | - | - | - | - | - | - | - | - |
| Budget reserves and designations..... | - | - | - | - | - | - | - | - |
| Total other financing sources (uses)..... | - | - | - | - | (12,154) | (12,154) | (12,154) | - |
| Net changes in fund balances..... | - | 6,642 | 6,642 | - | (7,481) | (5,057) | 3,860 | 8,917 |
| Budgetary fund balances, July 1, as previously reported..... | - | 64,975 | 64,975 | - | 7,481 | 72,212 | 72,212 | - |
| Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - |
| Budgetary fund balances, July 1, as restated..... | - | 64,975 | 64,975 | - | 7,481 | 72,212 | 72,212 | - |
| Budgetary fund balances, June 30..... | \$ - | \$ 71,617 | \$ 71,617 | \$ - | \$ - | \$ 67,155 | \$ 76,072 | \$ 8,917 |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Schedule of Revenues, Expenditures, and Changes
in Fund Balances – Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Our City Our Home Fund | | | | Public Library Fund | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|------------------------|--------------|------------|------------------------------|---------------------|--------------|------------|------------------------------|---------------------------|------|------|------|------|-----------|-----------|-----------|----------|--|---------|---------|---------|---|-----|---------|---------|-----|---|---------|---------|---------|---|---|-------|-------|---|---|---------|---------|---------|---|---------|---------|---------|-------|--|---------|----------|----------|---|-----------|----------|----------|-------|---|---------|---------|---------|---|---------|---------|---------|-------|---|-------|-------|-------|---|--------|---------|---------|---|---|---------|----------|----------|---|----------|---------|---------|-------|--|-------|---------|---------|---|--------|---------|---------|-----|--|---|-------|-------|---|---|-------|-------|---|---|---------|---------|---------|---|--------|---------|---------|---|---------------------------------------|---------|------------|------------|------|---------|------------|------------|----------|--|---------|----------|----------|---|-----------|----------|----------|-------|--|---------|----------|----------|---|-----------|----------|----------|-------|--|-------|---------|---------|---|--------|---------|---------|---|---|---------|---------|---------|---|--------|---------|---------|-------|---|-------|---------|---------|---|--------|---------|---------|---|--|------|------------|------------|------|------|------------|------------|----------|-----------------------------------|---|-----|-----|---|---|---|---|---|--|---------|---------|---------|---|---------|---------|---------|-------|--|---------|----------|----------|---|-----------|----------|----------|-------|---|---------|----------|----------|---|----------|--------|--------|-------|--|---------|----------|----------|---|----------|---------|---------|-------|--|-------|---------|---------|---|--------|---------|---------|---|---|-------|---------|---------|---|--------|---------|---------|---|---|-------|------------|------------|------|--------|------------|------------|----------|---------------------------------------|------|------------|------------|------|------|------------|------------|----------|--|---|---|---|---|---|---|---|---|---|---|---|---|---|--------|--------|--------|---|-----------------------------------|---------|----------|----------|---|----------|---------|---------|-------|--|---------|----------|----------|---|-----------|----------|----------|-------|---|---|---|---|---|---|---|---|---|---|-------|---------|---------|---|--------|---------|---------|---|---------------------------------------|------|------------|------------|------|------|------------|------------|----------|-----------------------------------|---|---|---|---|---|---|---|---|------------------------|---|---|---|---|---|---|---|---|-----------------------------------|---|---|---|---|---|---|---|---|---------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|--------|--------|--------|---|-----------------------------------|---------|----------|----------|---|----------|--------|--------|-------|--|-------|---------|---------|---|--------|---------|---------|---|---|---|---|---|---|---|---|---|---|---|-------|---------|---------|---|--------|---------|---------|---|---------------------------------------|------|------------|------------|------|------|------------|------------|----------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Original Budget | Final Budget | Actual | Variance Positive (Negative) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenues: | | | | | | | | | Property taxes..... | \$ - | \$ - | \$ - | \$ - | \$ 75,620 | \$ 75,620 | \$ 78,261 | \$ 2,641 | Business taxes..... | 313,400 | 247,755 | 247,755 | - | - | - | - | - | Sales and use tax..... | - | - | - | - | - | - | - | - | Hotel room tax..... | - | - | - | - | - | - | - | - | Other local taxes..... | - | - | - | - | - | - | - | - | Licenses, permits, and franchises..... | - | - | - | - | - | - | - | - | Fines, forfeitures, and penalties..... | - | - | - | - | - | - | - | - | Interest and investment income..... | - | 11,951 | 11,951 | - | 222 | 275 | 1,258 | 983 | Rents and concessions..... | - | 1,300 | 1,300 | - | 4 | 4 | - | (4) | Intergovernmental: | | | | | | | | | Federal..... | - | - | - | - | - | - | - | - | State..... | - | - | - | - | 205 | 208 | - | (6) | Other..... | - | - | - | - | - | - | - | - | Charges for services..... | - | - | - | - | 175 | 178 | 147 | (31) | Other..... | - | 217 | 217 | - | - | 598 | - | - | Total revenues..... | 313,400 | 261,223 | 261,223 | - | 76,226 | 76,883 | 80,466 | 3,583 | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | 911 | 911 | - | - | - | - | - | Public works, transportation and commerce..... | - | 3,089 | 3,089 | - | - | 3,942 | 3,942 | - | Human welfare and neighborhood development..... | 233,381 | 233,944 | 233,944 | - | - | - | - | - | Community health..... | 83,714 | 56,424 | 56,424 | - | - | - | - | - | Culture and recreation..... | - | - | - | - | 185,502 | 162,299 | 160,568 | 1,731 | General administration and finance..... | 2,225 | 1,404 | 1,404 | - | - | 28 | 28 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 319,320 | 295,772 | 295,772 | - | 185,502 | 166,269 | 164,538 | 1,731 | Excess (deficiency) of revenues over (under) expenditures..... | (5,920) | (34,549) | (34,549) | - | (109,276) | (89,386) | (84,072) | 5,314 | Other financing sources (uses): | | | | | | | | | Transfers in..... | - | - | - | - | 99,980 | 102,120 | 102,120 | - | Transfers out..... | - | - | - | - | - | (2,306) | (2,306) | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | - | - | - | - | 99,980 | 99,814 | 99,814 | - | Net changes in fund balances..... | (5,920) | (34,549) | (34,549) | - | (10,296) | 10,428 | 15,742 | 5,314 | Budgetary fund balances, July 1, as previously reported..... | 5,920 | 564,520 | 564,520 | - | 10,296 | 130,977 | 130,977 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | 5,920 | 564,520 | 564,520 | - | 10,296 | 130,977 | 130,977 | - | Budgetary fund balances, June 30..... | \$ - | \$ 529,971 | \$ 529,971 | \$ - | \$ - | \$ 146,719 | \$ 146,719 | \$ 5,314 |
| Property taxes..... | \$ - | \$ - | \$ - | \$ - | \$ 75,620 | \$ 75,620 | \$ 78,261 | \$ 2,641 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Business taxes..... | 313,400 | 247,755 | 247,755 | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales and use tax..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hotel room tax..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other local taxes..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Licenses, permits, and franchises..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fines, forfeitures, and penalties..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest and investment income..... | - | 11,951 | 11,951 | - | 222 | 275 | 1,258 | 983 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rents and concessions..... | - | 1,300 | 1,300 | - | 4 | 4 | - | (4) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Intergovernmental: | | | | | | | | | Federal..... | - | - | - | - | - | - | - | - | State..... | - | - | - | - | 205 | 208 | - | (6) | Other..... | - | - | - | - | - | - | - | - | Charges for services..... | - | - | - | - | 175 | 178 | 147 | (31) | Other..... | - | 217 | 217 | - | - | 598 | - | - | Total revenues..... | 313,400 | 261,223 | 261,223 | - | 76,226 | 76,883 | 80,466 | 3,583 | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | 911 | 911 | - | - | - | - | - | Public works, transportation and commerce..... | - | 3,089 | 3,089 | - | - | 3,942 | 3,942 | - | Human welfare and neighborhood development..... | 233,381 | 233,944 | 233,944 | - | - | - | - | - | Community health..... | 83,714 | 56,424 | 56,424 | - | - | - | - | - | Culture and recreation..... | - | - | - | - | 185,502 | 162,299 | 160,568 | 1,731 | General administration and finance..... | 2,225 | 1,404 | 1,404 | - | - | 28 | 28 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 319,320 | 295,772 | 295,772 | - | 185,502 | 166,269 | 164,538 | 1,731 | Excess (deficiency) of revenues over (under) expenditures..... | (5,920) | (34,549) | (34,549) | - | (109,276) | (89,386) | (84,072) | 5,314 | Other financing sources (uses): | | | | | | | | | Transfers in..... | - | - | - | - | 99,980 | 102,120 | 102,120 | - | Transfers out..... | - | - | - | - | - | (2,306) | (2,306) | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | - | - | - | - | 99,980 | 99,814 | 99,814 | - | Net changes in fund balances..... | (5,920) | (34,549) | (34,549) | - | (10,296) | 10,428 | 15,742 | 5,314 | Budgetary fund balances, July 1, as previously reported..... | 5,920 | 564,520 | 564,520 | - | 10,296 | 130,977 | 130,977 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | 5,920 | 564,520 | 564,520 | - | 10,296 | 130,977 | 130,977 | - | Budgetary fund balances, June 30..... | \$ - | \$ 529,971 | \$ 529,971 | \$ - | \$ - | \$ 146,719 | \$ 146,719 | \$ 5,314 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Federal..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| State..... | - | - | - | - | 205 | 208 | - | (6) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Charges for services..... | - | - | - | - | 175 | 178 | 147 | (31) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other..... | - | 217 | 217 | - | - | 598 | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total revenues..... | 313,400 | 261,223 | 261,223 | - | 76,226 | 76,883 | 80,466 | 3,583 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | - | 911 | 911 | - | - | - | - | - | Public works, transportation and commerce..... | - | 3,089 | 3,089 | - | - | 3,942 | 3,942 | - | Human welfare and neighborhood development..... | 233,381 | 233,944 | 233,944 | - | - | - | - | - | Community health..... | 83,714 | 56,424 | 56,424 | - | - | - | - | - | Culture and recreation..... | - | - | - | - | 185,502 | 162,299 | 160,568 | 1,731 | General administration and finance..... | 2,225 | 1,404 | 1,404 | - | - | 28 | 28 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 319,320 | 295,772 | 295,772 | - | 185,502 | 166,269 | 164,538 | 1,731 | Excess (deficiency) of revenues over (under) expenditures..... | (5,920) | (34,549) | (34,549) | - | (109,276) | (89,386) | (84,072) | 5,314 | Other financing sources (uses): | | | | | | | | | Transfers in..... | - | - | - | - | 99,980 | 102,120 | 102,120 | - | Transfers out..... | - | - | - | - | - | (2,306) | (2,306) | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | - | - | - | - | 99,980 | 99,814 | 99,814 | - | Net changes in fund balances..... | (5,920) | (34,549) | (34,549) | - | (10,296) | 10,428 | 15,742 | 5,314 | Budgetary fund balances, July 1, as previously reported..... | 5,920 | 564,520 | 564,520 | - | 10,296 | 130,977 | 130,977 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | 5,920 | 564,520 | 564,520 | - | 10,296 | 130,977 | 130,977 | - | Budgetary fund balances, June 30..... | \$ - | \$ 529,971 | \$ 529,971 | \$ - | \$ - | \$ 146,719 | \$ 146,719 | \$ 5,314 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current: | | | | | | | | | Public protection..... | - | 911 | 911 | - | - | - | - | - | Public works, transportation and commerce..... | - | 3,089 | 3,089 | - | - | 3,942 | 3,942 | - | Human welfare and neighborhood development..... | 233,381 | 233,944 | 233,944 | - | - | - | - | - | Community health..... | 83,714 | 56,424 | 56,424 | - | - | - | - | - | Culture and recreation..... | - | - | - | - | 185,502 | 162,299 | 160,568 | 1,731 | General administration and finance..... | 2,225 | 1,404 | 1,404 | - | - | 28 | 28 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 319,320 | 295,772 | 295,772 | - | 185,502 | 166,269 | 164,538 | 1,731 | Excess (deficiency) of revenues over (under) expenditures..... | (5,920) | (34,549) | (34,549) | - | (109,276) | (89,386) | (84,072) | 5,314 | Other financing sources (uses): | | | | | | | | | Transfers in..... | - | - | - | - | 99,980 | 102,120 | 102,120 | - | Transfers out..... | - | - | - | - | - | (2,306) | (2,306) | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | - | - | - | - | 99,980 | 99,814 | 99,814 | - | Net changes in fund balances..... | (5,920) | (34,549) | (34,549) | - | (10,296) | 10,428 | 15,742 | 5,314 | Budgetary fund balances, July 1, as previously reported..... | 5,920 | 564,520 | 564,520 | - | 10,296 | 130,977 | 130,977 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | 5,920 | 564,520 | 564,520 | - | 10,296 | 130,977 | 130,977 | - | Budgetary fund balances, June 30..... | \$ - | \$ 529,971 | \$ 529,971 | \$ - | \$ - | \$ 146,719 | \$ 146,719 | \$ 5,314 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public protection..... | - | 911 | 911 | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public works, transportation and commerce..... | - | 3,089 | 3,089 | - | - | 3,942 | 3,942 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Human welfare and neighborhood development..... | 233,381 | 233,944 | 233,944 | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Community health..... | 83,714 | 56,424 | 56,424 | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Culture and recreation..... | - | - | - | - | 185,502 | 162,299 | 160,568 | 1,731 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General administration and finance..... | 2,225 | 1,404 | 1,404 | - | - | 28 | 28 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Distributions to other governments..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debt service: | | | | | | | | | Principal retirement..... | - | - | - | - | - | - | - | - | Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 319,320 | 295,772 | 295,772 | - | 185,502 | 166,269 | 164,538 | 1,731 | Excess (deficiency) of revenues over (under) expenditures..... | (5,920) | (34,549) | (34,549) | - | (109,276) | (89,386) | (84,072) | 5,314 | Other financing sources (uses): | | | | | | | | | Transfers in..... | - | - | - | - | 99,980 | 102,120 | 102,120 | - | Transfers out..... | - | - | - | - | - | (2,306) | (2,306) | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | - | - | - | - | 99,980 | 99,814 | 99,814 | - | Net changes in fund balances..... | (5,920) | (34,549) | (34,549) | - | (10,296) | 10,428 | 15,742 | 5,314 | Budgetary fund balances, July 1, as previously reported..... | 5,920 | 564,520 | 564,520 | - | 10,296 | 130,977 | 130,977 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | 5,920 | 564,520 | 564,520 | - | 10,296 | 130,977 | 130,977 | - | Budgetary fund balances, June 30..... | \$ - | \$ 529,971 | \$ 529,971 | \$ - | \$ - | \$ 146,719 | \$ 146,719 | \$ 5,314 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Principal retirement..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest and other fiscal charges..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bond issuance costs..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total expenditures..... | 319,320 | 295,772 | 295,772 | - | 185,502 | 166,269 | 164,538 | 1,731 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Excess (deficiency) of revenues over (under) expenditures..... | (5,920) | (34,549) | (34,549) | - | (109,276) | (89,386) | (84,072) | 5,314 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other financing sources (uses): | | | | | | | | | Transfers in..... | - | - | - | - | 99,980 | 102,120 | 102,120 | - | Transfers out..... | - | - | - | - | - | (2,306) | (2,306) | - | Issuance of commercial paper..... | - | - | - | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | - | - | - | - | Total other financing sources (uses)..... | - | - | - | - | 99,980 | 99,814 | 99,814 | - | Net changes in fund balances..... | (5,920) | (34,549) | (34,549) | - | (10,296) | 10,428 | 15,742 | 5,314 | Budgetary fund balances, July 1, as previously reported..... | 5,920 | 564,520 | 564,520 | - | 10,296 | 130,977 | 130,977 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | 5,920 | 564,520 | 564,520 | - | 10,296 | 130,977 | 130,977 | - | Budgetary fund balances, June 30..... | \$ - | \$ 529,971 | \$ 529,971 | \$ - | \$ - | \$ 146,719 | \$ 146,719 | \$ 5,314 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfers in..... | - | - | - | - | 99,980 | 102,120 | 102,120 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfers out..... | - | - | - | - | - | (2,306) | (2,306) | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issuance of commercial paper..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issuance of bonds..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Budget reserves and designations..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total other financing sources (uses)..... | - | - | - | - | 99,980 | 99,814 | 99,814 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net changes in fund balances..... | (5,920) | (34,549) | (34,549) | - | (10,296) | 10,428 | 15,742 | 5,314 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Budgetary fund balances, July 1, as previously reported..... | 5,920 | 564,520 | 564,520 | - | 10,296 | 130,977 | 130,977 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Budgetary fund balances, July 1, as restated..... | 5,920 | 564,520 | 564,520 | - | 10,296 | 130,977 | 130,977 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Budgetary fund balances, June 30..... | \$ - | \$ 529,971 | \$ 529,971 | \$ - | \$ - | \$ 146,719 | \$ 146,719 | \$ 5,314 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Schedule of Revenues, Expenditures, and Changes
in Fund Balances – Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Public Protection Fund | | | | Public Works, Transportation and Commerce Fund | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|------------------------|--------------|-----------|------------------------------|--|--------------|------------|------------------------------|---------------------------|--------|--------|--------|------|--------|--------|--------|------|--|---------|---------|---------|---|----------|----------|----------|--------|---|-------|---------|---------|---|--------|--------|--------|--------|---|--------|---------|---------|---|--------|--------|--------|--------|--|-------|-------|-------|---|----------|---------|--------|--------|---|--------|---------|---------|---|---------|---------|--------|-------|---|---------|---------|---------|---|--------|--------|--------|-------|---|---------|---------|---------|---|----------|----------|----------|--------|--|--------|---------|---------|---|--------|--------|--------|---|--|---|-----|-----|---|--------|--------|--------|--------|---|--------|--------|--------|---|--------|--------|--------|-------|---------------------------------------|--------|-----------|-----------|------|---------|-----------|------------|-----------|--|---------|---------|---------|---|----------|---------|--------|--------|--|---------|--------|--------|---|----------|---------|--------|--------|--|-------|--------|--------|---|--------|--------|--------|---|---|---------|---------|---------|---|----------|----------|----------|-------|---|---------|---------|---------|---|----------|----------|----------|---|--|------|-----------|-----------|------|------|-----------|------------|-----------|-----------------------------------|--------|--------|--------|---|---|---|---|---|--|--------|---------|---------|---|---------|---------|--------|--------|--|---------|---------|---------|---|----------|---------|--------|--------|---|---------|---------|---------|---|----------|---------|--------|--------|--|---------|--------|--------|---|----------|---------|--------|--------|--|---------|---------|---------|---|----------|----------|----------|---|---|-------|---------|---------|---|--------|--------|--------|---|---|-------|-----------|-----------|------|--------|-----------|------------|-----------|---------------------------------------|------|-----------|-----------|------|------|-----------|------------|-----------|--|---|-----|-----|---|---------|---------|---|-------|---|---------|---------|---------|---|-------|-------|-------|-------|-----------------------------------|---------|---------|---------|---|----------|---------|--------|--------|--|-------|--------|--------|---|----------|---------|--------|--------|---|---|---|---|---|---|---|---|---|---|-------|--------|--------|---|--------|--------|--------|---|---------------------------------------|---------|-----------|-----------|------|----------|-----------|------------|-----------|-----------------------------------|---|---------|---------|---|---|---|---|---|------------------------|---|---|---|---|---|---|---|---|-----------------------------------|---|---|---|---|---|---|---|---|---------------------------------------|---|---|---|---|---------|---------|---|-------|---|---------|---------|---------|---|-------|-------|-------|-------|-----------------------------------|---------|-------|-------|---|----------|---------|--------|--------|--|-------|--------|--------|---|--------|--------|--------|---|---|---|---|---|---|---|---|---|---|---|-------|--------|--------|---|--------|--------|--------|---|---------------------------------------|------|-----------|-----------|------|------|-----------|------------|-----------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Original Budget | Final Budget | Actual | Variance Positive (Negative) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenues: | | | | | | | | | Property taxes..... | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | Business taxes..... | - | - | - | - | - | - | - | - | Sales and use tax..... | - | - | - | - | - | - | - | - | Hotel room tax..... | - | - | - | - | - | - | - | - | Other local taxes..... | - | - | - | - | 15,950 | 16,981 | 16,981 | - | Licenses, permits, and franchises..... | 995 | 481 | 481 | - | - | - | - | - | Fines, forfeitures, and penalties..... | 5,643 | 9,265 | 9,265 | - | - | 102 | 102 | - | Interest and investment income..... | - | 334 | 334 | - | - | 781 | 781 | - | Rents and concessions..... | - | - | - | - | - | - | - | - | Intergovernmental: | | | | | | | | | Federal..... | 48,475 | 50,148 | 50,148 | - | - | - | - | - | State..... | 38,666 | 25,713 | 25,713 | - | - | 51 | 51 | - | Other..... | - | 45 | 45 | - | 200 | 2,521 | 2,521 | - | Charges for services..... | 3,404 | 18,032 | 18,032 | - | 30,828 | 42,230 | 41,942 | (288) | Other..... | 532 | 2,520 | 2,520 | - | - | 186 | 189 | 3 | Total revenues..... | 97,715 | 106,538 | 106,538 | - | 46,778 | 62,852 | 62,567 | (285) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 88,553 | 92,952 | 92,952 | - | - | - | - | - | Public works, transportation and commerce..... | - | 15 | 15 | - | 45,430 | 53,162 | 40,547 | 12,615 | Human welfare and neighborhood development..... | 5,060 | 6,636 | 6,636 | - | 16,577 | 17,075 | 15,245 | 1,830 | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | 97 | 97 | - | General administration and finance..... | 4,679 | 2,760 | 2,760 | - | 454 | 239 | 239 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | 250 | 250 | - | - | - | - | - | Interest and other fiscal charges..... | - | 192 | 192 | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 98,292 | 102,805 | 102,805 | - | 62,461 | 70,573 | 56,128 | 14,445 | Excess (deficiency) of revenues over (under) expenditures..... | (577) | 3,733 | 3,733 | - | (15,683) | (7,721) | 6,439 | 14,160 | Other financing sources (uses): | | | | | | | | | Transfers in..... | - | 569 | 569 | - | 22,311 | 23,021 | 23,021 | - | Transfers out..... | (1,322) | (1,593) | (1,593) | - | (17,926) | (19,054) | (19,054) | - | Issuance of commercial paper..... | - | (1,473) | (1,473) | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | (1,323) | (2,682) | - | 2,682 | Total other financing sources (uses)..... | (1,322) | (2,497) | (2,497) | - | 3,062 | 1,285 | 3,967 | 2,682 | Net changes in fund balances..... | (1,899) | 1,236 | 1,236 | - | (12,621) | (6,436) | 10,406 | 16,842 | Budgetary fund balances, July 1, as previously reported..... | 1,899 | 78,938 | 78,938 | - | 12,621 | 97,660 | 97,660 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | 1,899 | 78,938 | 78,938 | - | 12,621 | 97,660 | 97,660 | - | Budgetary fund balances, June 30..... | \$ - | \$ 80,174 | \$ 80,174 | \$ - | \$ - | \$ 91,224 | \$ 108,066 | \$ 16,842 |
| Property taxes..... | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Business taxes..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales and use tax..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hotel room tax..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other local taxes..... | - | - | - | - | 15,950 | 16,981 | 16,981 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Licenses, permits, and franchises..... | 995 | 481 | 481 | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fines, forfeitures, and penalties..... | 5,643 | 9,265 | 9,265 | - | - | 102 | 102 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest and investment income..... | - | 334 | 334 | - | - | 781 | 781 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rents and concessions..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Intergovernmental: | | | | | | | | | Federal..... | 48,475 | 50,148 | 50,148 | - | - | - | - | - | State..... | 38,666 | 25,713 | 25,713 | - | - | 51 | 51 | - | Other..... | - | 45 | 45 | - | 200 | 2,521 | 2,521 | - | Charges for services..... | 3,404 | 18,032 | 18,032 | - | 30,828 | 42,230 | 41,942 | (288) | Other..... | 532 | 2,520 | 2,520 | - | - | 186 | 189 | 3 | Total revenues..... | 97,715 | 106,538 | 106,538 | - | 46,778 | 62,852 | 62,567 | (285) | Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 88,553 | 92,952 | 92,952 | - | - | - | - | - | Public works, transportation and commerce..... | - | 15 | 15 | - | 45,430 | 53,162 | 40,547 | 12,615 | Human welfare and neighborhood development..... | 5,060 | 6,636 | 6,636 | - | 16,577 | 17,075 | 15,245 | 1,830 | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | 97 | 97 | - | General administration and finance..... | 4,679 | 2,760 | 2,760 | - | 454 | 239 | 239 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | 250 | 250 | - | - | - | - | - | Interest and other fiscal charges..... | - | 192 | 192 | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 98,292 | 102,805 | 102,805 | - | 62,461 | 70,573 | 56,128 | 14,445 | Excess (deficiency) of revenues over (under) expenditures..... | (577) | 3,733 | 3,733 | - | (15,683) | (7,721) | 6,439 | 14,160 | Other financing sources (uses): | | | | | | | | | Transfers in..... | - | 569 | 569 | - | 22,311 | 23,021 | 23,021 | - | Transfers out..... | (1,322) | (1,593) | (1,593) | - | (17,926) | (19,054) | (19,054) | - | Issuance of commercial paper..... | - | (1,473) | (1,473) | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | (1,323) | (2,682) | - | 2,682 | Total other financing sources (uses)..... | (1,322) | (2,497) | (2,497) | - | 3,062 | 1,285 | 3,967 | 2,682 | Net changes in fund balances..... | (1,899) | 1,236 | 1,236 | - | (12,621) | (6,436) | 10,406 | 16,842 | Budgetary fund balances, July 1, as previously reported..... | 1,899 | 78,938 | 78,938 | - | 12,621 | 97,660 | 97,660 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | 1,899 | 78,938 | 78,938 | - | 12,621 | 97,660 | 97,660 | - | Budgetary fund balances, June 30..... | \$ - | \$ 80,174 | \$ 80,174 | \$ - | \$ - | \$ 91,224 | \$ 108,066 | \$ 16,842 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Federal..... | 48,475 | 50,148 | 50,148 | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| State..... | 38,666 | 25,713 | 25,713 | - | - | 51 | 51 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other..... | - | 45 | 45 | - | 200 | 2,521 | 2,521 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Charges for services..... | 3,404 | 18,032 | 18,032 | - | 30,828 | 42,230 | 41,942 | (288) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other..... | 532 | 2,520 | 2,520 | - | - | 186 | 189 | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total revenues..... | 97,715 | 106,538 | 106,538 | - | 46,778 | 62,852 | 62,567 | (285) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Expenditures: | | | | | | | | | Current: | | | | | | | | | Public protection..... | 88,553 | 92,952 | 92,952 | - | - | - | - | - | Public works, transportation and commerce..... | - | 15 | 15 | - | 45,430 | 53,162 | 40,547 | 12,615 | Human welfare and neighborhood development..... | 5,060 | 6,636 | 6,636 | - | 16,577 | 17,075 | 15,245 | 1,830 | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | 97 | 97 | - | General administration and finance..... | 4,679 | 2,760 | 2,760 | - | 454 | 239 | 239 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | 250 | 250 | - | - | - | - | - | Interest and other fiscal charges..... | - | 192 | 192 | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 98,292 | 102,805 | 102,805 | - | 62,461 | 70,573 | 56,128 | 14,445 | Excess (deficiency) of revenues over (under) expenditures..... | (577) | 3,733 | 3,733 | - | (15,683) | (7,721) | 6,439 | 14,160 | Other financing sources (uses): | | | | | | | | | Transfers in..... | - | 569 | 569 | - | 22,311 | 23,021 | 23,021 | - | Transfers out..... | (1,322) | (1,593) | (1,593) | - | (17,926) | (19,054) | (19,054) | - | Issuance of commercial paper..... | - | (1,473) | (1,473) | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | (1,323) | (2,682) | - | 2,682 | Total other financing sources (uses)..... | (1,322) | (2,497) | (2,497) | - | 3,062 | 1,285 | 3,967 | 2,682 | Net changes in fund balances..... | (1,899) | 1,236 | 1,236 | - | (12,621) | (6,436) | 10,406 | 16,842 | Budgetary fund balances, July 1, as previously reported..... | 1,899 | 78,938 | 78,938 | - | 12,621 | 97,660 | 97,660 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | 1,899 | 78,938 | 78,938 | - | 12,621 | 97,660 | 97,660 | - | Budgetary fund balances, June 30..... | \$ - | \$ 80,174 | \$ 80,174 | \$ - | \$ - | \$ 91,224 | \$ 108,066 | \$ 16,842 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current: | | | | | | | | | Public protection..... | 88,553 | 92,952 | 92,952 | - | - | - | - | - | Public works, transportation and commerce..... | - | 15 | 15 | - | 45,430 | 53,162 | 40,547 | 12,615 | Human welfare and neighborhood development..... | 5,060 | 6,636 | 6,636 | - | 16,577 | 17,075 | 15,245 | 1,830 | Community health..... | - | - | - | - | - | - | - | - | Culture and recreation..... | - | - | - | - | - | 97 | 97 | - | General administration and finance..... | 4,679 | 2,760 | 2,760 | - | 454 | 239 | 239 | - | Distributions to other governments..... | - | - | - | - | - | - | - | - | Debt service: | | | | | | | | | Principal retirement..... | - | 250 | 250 | - | - | - | - | - | Interest and other fiscal charges..... | - | 192 | 192 | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 98,292 | 102,805 | 102,805 | - | 62,461 | 70,573 | 56,128 | 14,445 | Excess (deficiency) of revenues over (under) expenditures..... | (577) | 3,733 | 3,733 | - | (15,683) | (7,721) | 6,439 | 14,160 | Other financing sources (uses): | | | | | | | | | Transfers in..... | - | 569 | 569 | - | 22,311 | 23,021 | 23,021 | - | Transfers out..... | (1,322) | (1,593) | (1,593) | - | (17,926) | (19,054) | (19,054) | - | Issuance of commercial paper..... | - | (1,473) | (1,473) | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | (1,323) | (2,682) | - | 2,682 | Total other financing sources (uses)..... | (1,322) | (2,497) | (2,497) | - | 3,062 | 1,285 | 3,967 | 2,682 | Net changes in fund balances..... | (1,899) | 1,236 | 1,236 | - | (12,621) | (6,436) | 10,406 | 16,842 | Budgetary fund balances, July 1, as previously reported..... | 1,899 | 78,938 | 78,938 | - | 12,621 | 97,660 | 97,660 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | 1,899 | 78,938 | 78,938 | - | 12,621 | 97,660 | 97,660 | - | Budgetary fund balances, June 30..... | \$ - | \$ 80,174 | \$ 80,174 | \$ - | \$ - | \$ 91,224 | \$ 108,066 | \$ 16,842 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public protection..... | 88,553 | 92,952 | 92,952 | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public works, transportation and commerce..... | - | 15 | 15 | - | 45,430 | 53,162 | 40,547 | 12,615 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Human welfare and neighborhood development..... | 5,060 | 6,636 | 6,636 | - | 16,577 | 17,075 | 15,245 | 1,830 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Community health..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Culture and recreation..... | - | - | - | - | - | 97 | 97 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| General administration and finance..... | 4,679 | 2,760 | 2,760 | - | 454 | 239 | 239 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Distributions to other governments..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debt service: | | | | | | | | | Principal retirement..... | - | 250 | 250 | - | - | - | - | - | Interest and other fiscal charges..... | - | 192 | 192 | - | - | - | - | - | Bond issuance costs..... | - | - | - | - | - | - | - | - | Total expenditures..... | 98,292 | 102,805 | 102,805 | - | 62,461 | 70,573 | 56,128 | 14,445 | Excess (deficiency) of revenues over (under) expenditures..... | (577) | 3,733 | 3,733 | - | (15,683) | (7,721) | 6,439 | 14,160 | Other financing sources (uses): | | | | | | | | | Transfers in..... | - | 569 | 569 | - | 22,311 | 23,021 | 23,021 | - | Transfers out..... | (1,322) | (1,593) | (1,593) | - | (17,926) | (19,054) | (19,054) | - | Issuance of commercial paper..... | - | (1,473) | (1,473) | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | (1,323) | (2,682) | - | 2,682 | Total other financing sources (uses)..... | (1,322) | (2,497) | (2,497) | - | 3,062 | 1,285 | 3,967 | 2,682 | Net changes in fund balances..... | (1,899) | 1,236 | 1,236 | - | (12,621) | (6,436) | 10,406 | 16,842 | Budgetary fund balances, July 1, as previously reported..... | 1,899 | 78,938 | 78,938 | - | 12,621 | 97,660 | 97,660 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | 1,899 | 78,938 | 78,938 | - | 12,621 | 97,660 | 97,660 | - | Budgetary fund balances, June 30..... | \$ - | \$ 80,174 | \$ 80,174 | \$ - | \$ - | \$ 91,224 | \$ 108,066 | \$ 16,842 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Principal retirement..... | - | 250 | 250 | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest and other fiscal charges..... | - | 192 | 192 | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bond issuance costs..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total expenditures..... | 98,292 | 102,805 | 102,805 | - | 62,461 | 70,573 | 56,128 | 14,445 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Excess (deficiency) of revenues over (under) expenditures..... | (577) | 3,733 | 3,733 | - | (15,683) | (7,721) | 6,439 | 14,160 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other financing sources (uses): | | | | | | | | | Transfers in..... | - | 569 | 569 | - | 22,311 | 23,021 | 23,021 | - | Transfers out..... | (1,322) | (1,593) | (1,593) | - | (17,926) | (19,054) | (19,054) | - | Issuance of commercial paper..... | - | (1,473) | (1,473) | - | - | - | - | - | Issuance of bonds..... | - | - | - | - | - | - | - | - | Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | Budget reserves and designations..... | - | - | - | - | (1,323) | (2,682) | - | 2,682 | Total other financing sources (uses)..... | (1,322) | (2,497) | (2,497) | - | 3,062 | 1,285 | 3,967 | 2,682 | Net changes in fund balances..... | (1,899) | 1,236 | 1,236 | - | (12,621) | (6,436) | 10,406 | 16,842 | Budgetary fund balances, July 1, as previously reported..... | 1,899 | 78,938 | 78,938 | - | 12,621 | 97,660 | 97,660 | - | Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | Budgetary fund balances, July 1, as restated..... | 1,899 | 78,938 | 78,938 | - | 12,621 | 97,660 | 97,660 | - | Budgetary fund balances, June 30..... | \$ - | \$ 80,174 | \$ 80,174 | \$ - | \$ - | \$ 91,224 | \$ 108,066 | \$ 16,842 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfers in..... | - | 569 | 569 | - | 22,311 | 23,021 | 23,021 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfers out..... | (1,322) | (1,593) | (1,593) | - | (17,926) | (19,054) | (19,054) | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issuance of commercial paper..... | - | (1,473) | (1,473) | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issuance of bonds..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Premium on issuance of bonds..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Budget reserves and designations..... | - | - | - | - | (1,323) | (2,682) | - | 2,682 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total other financing sources (uses)..... | (1,322) | (2,497) | (2,497) | - | 3,062 | 1,285 | 3,967 | 2,682 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net changes in fund balances..... | (1,899) | 1,236 | 1,236 | - | (12,621) | (6,436) | 10,406 | 16,842 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Budgetary fund balances, July 1, as previously reported..... | 1,899 | 78,938 | 78,938 | - | 12,621 | 97,660 | 97,660 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Budgetary fund balances, July 1, as restated..... | 1,899 | 78,938 | 78,938 | - | 12,621 | 97,660 | 97,660 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Budgetary fund balances, June 30..... | \$ - | \$ 80,174 | \$ 80,174 | \$ - | \$ - | \$ 91,224 | \$ 108,066 | \$ 16,842 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Schedule of Revenues, Expenditures, and Changes
in Fund Balances – Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Real Property Fund | | | | San Francisco County Transportation Authority Fund | | | |
|--|--------------------|----------------|----------------|------------------------------|--|----------------|----------------|------------------------------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
| Revenues: | | | | | | | | |
| Property taxes..... | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Business taxes..... | - | - | - | - | - | - | - | - |
| Sales and use tax..... | - | - | - | - | 101,701 | 111,212 | 111,474 | 262 |
| Hotel room tax..... | - | - | - | - | - | - | - | - |
| Other local taxes..... | - | - | - | - | - | - | - | - |
| Licenses, permits, and franchises..... | - | - | - | - | 4,834 | 4,834 | 4,652 | (182) |
| Fines, forfeitures, and penalties..... | - | - | - | - | - | - | - | - |
| Interest and investment income..... | - | - | 5 | 5 | 375 | 7,778 | 2,196 | (5,582) |
| Rents and concessions..... | 10,241 | 104,497 | 106,568 | 2,071 | - | - | - | - |
| Intergovernmental: | | | | | | | | |
| Federal..... | - | - | - | - | 17,348 | 26,973 | 2,009 | (24,964) |
| State..... | - | - | - | - | - | 6,827 | 551 | (6,276) |
| Other..... | 859 | 859 | 859 | - | 691 | 5,574 | 1,135 | (4,439) |
| Charges for services..... | 844 | 844 | 574 | (270) | - | - | - | - |
| Other..... | 1,555 | 6,008 | 5,558 | (449) | - | - | - | - |
| Total revenues..... | 13,490 | 112,206 | 113,564 | 1,356 | 124,949 | 163,198 | 122,017 | (41,181) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Public protection..... | - | - | - | - | - | - | - | - |
| Public works, transportation and commerce..... | - | 667 | 667 | - | 179,356 | 163,066 | 123,793 | 39,273 |
| Human welfare and neighborhood development..... | - | - | - | - | - | - | - | - |
| Community health..... | - | - | - | - | - | - | - | - |
| Culture and recreation..... | - | 423 | 423 | - | - | - | - | - |
| General administration and finance..... | - | 81,313 | 75,001 | 6,312 | - | - | - | - |
| Distributions to other governments..... | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal retirement..... | 16,360 | 218 | - | 218 | 14,125 | 14,125 | 15,025 | (900) |
| Interest and other fiscal charges..... | - | 5 | 5 | - | 10,505 | 7,673 | 7,502 | 171 |
| Bond issuance costs..... | - | - | - | - | - | - | - | - |
| Total expenditures..... | 16,360 | 82,626 | 76,096 | 6,530 | 203,986 | 184,864 | 146,320 | 38,544 |
| Excess (deficiency) of revenues over (under) expenditures..... | (2,861) | 29,580 | 37,468 | 7,888 | (79,037) | (21,666) | (24,303) | (2,637) |
| Other financing sources (uses): | | | | | | | | |
| Transfers in..... | - | - | - | - | 7,816 | 7,546 | 8,372 | 826 |
| Transfers out..... | (2,517) | (27,084) | (25,390) | 1,694 | - | - | - | - |
| Issuance of commercial paper..... | - | - | - | - | - | - | - | - |
| Issuance of bonds..... | - | - | - | - | 75,000 | 20,000 | - | (20,000) |
| Premium on issuance of bonds..... | - | - | - | - | - | - | - | - |
| Budget reserves and designations..... | - | - | - | - | - | - | - | - |
| Total other financing sources (uses)..... | (2,517) | (27,084) | (25,390) | 1,694 | 82,816 | 27,546 | 8,372 | (19,174) |
| Budget reserves and designations..... | (5,378) | 2,496 | 12,078 | 9,582 | 3,779 | 5,880 | (15,931) | (21,811) |
| Net changes in fund balances..... | | | | | | | | |
| Budgetary fund balances, July 1, as previously reported..... | 5,378 | 27,054 | 27,054 | - | (3,779) | 60,975 | 60,975 | - |
| Cumulative effect of accounting change..... | - | - | - | - | - | - | - | - |
| Budgetary fund balances, July 1, as restated..... | 5,378 | 27,054 | 27,054 | - | (3,779) | 60,975 | 60,975 | - |
| Budgetary fund balances, June 30..... | \$ - | \$ 29,550 | \$ 39,132 | \$ 9,582 | \$ - | \$ 66,855 | \$ 45,044 | \$ (21,811) |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Schedule of Revenues, Expenditures, and Changes
in Fund Balances – Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Senior Citizens Program Fund | | | | Tax Increment Financing Districts Fund | | | |
|--|------------------------------|---------------|---------------|------------------------------|--|---------------|---------------|------------------------------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
| Revenues: | | | | | | | | |
| Property taxes..... | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 13,598 | \$ 13,598 | \$ - |
| Business taxes..... | - | - | - | - | - | - | - | - |
| Sales and use tax..... | - | - | - | - | - | - | - | - |
| Hotel room tax..... | - | - | - | - | - | - | - | - |
| Other local taxes..... | - | - | - | - | - | - | - | - |
| Licenses, permits, and franchises..... | - | - | - | - | - | - | - | - |
| Fines, forfeitures, and penalties..... | - | - | - | - | - | - | - | - |
| Interest and investment income..... | - | - | - | - | - | 663 | 663 | - |
| Rents and concessions..... | - | - | - | - | - | - | - | - |
| Intergovernmental: | | | | | | | | |
| Federal..... | 5,589 | 5,956 | 5,956 | - | - | - | - | - |
| State..... | 4,185 | 4,988 | 4,988 | - | - | - | - | - |
| Other..... | - | - | - | - | - | - | - | - |
| Charges for services..... | - | - | - | - | - | - | - | - |
| Other..... | - | - | - | - | - | - | - | - |
| Total revenues..... | 9,774 | 10,944 | 10,944 | - | - | 14,261 | 14,261 | - |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Public protection..... | - | - | - | - | - | - | - | - |
| Public works, transportation and commerce..... | - | - | - | - | - | 62 | 62 | - |
| Human welfare and neighborhood development..... | 9,774 | 10,944 | 10,944 | - | - | - | - | - |
| Community health..... | - | - | - | - | - | - | - | - |
| Culture and recreation..... | - | - | - | - | - | - | - | - |
| General administration and finance..... | - | - | - | - | - | 22,586 | 22,586 | - |
| Distributions to other governments..... | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal retirement..... | - | - | - | - | - | - | - | - |
| Interest and other fiscal charges..... | - | - | - | - | - | 5,548 | 5,548 | - |
| Bond issuance costs..... | - | - | - | - | - | 835 | 835 | - |
| Total expenditures..... | 9,774 | 10,944 | 10,944 | - | - | 29,031 | 29,031 | - |
| Excess (deficiency) of revenues over (under) expenditures..... | - | - | - | - | - | (14,770) | (14,770) | - |
| Other financing sources (uses): | | | | | | | | |
| Transfers in..... | - | - | - | - | - | (4,711) | (4,711) | - |
| Transfers out..... | - | - | - | - | - | - | - | - |
| Issuance of commercial paper..... | - | - | - | - | - | - | - | - |
| Issuance of bonds..... | - | - | - | - | - | 29,390 | 29,390 | - |
| Premium on issuance of bonds..... | - | - | - | - | - | 516 | 516 | - |
| Budget reserves and designations..... | - | - | - | - | - | - | - | - |
| Total other financing sources (uses)..... | - | - | - | - | - | 25,195 | 25,195 | - |
| Budget reserves and designations..... | - | - | - | - | - | 10,425 | 10,425 | - |
| Net changes in fund balances..... | | | | | | | | |
| Budgetary fund balances, July 1, as previously reported..... | - | - | - | - | - | 3,485 | 3,485 | - |
| Cumulative effect of accounting change..... | - | - | - | - | - | 11,358 | 11,358 | - |
| Budgetary fund balances, July 1, as restated..... | - | - | - | - | - | 14,843 | 14,843 | - |
| Budgetary fund balances, June 30..... | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25,268 | \$ 25,268 | \$ - |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Schedule of Revenues, Expenditures, and Changes
in Fund Balances – Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | War Memorial Fund | | | | Total | | | |
|--|-------------------|--------------|----------|------------------------------|-----------------|--------------|--------------|------------------------------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
| Revenues: | | | | | | | | |
| Property taxes..... | \$ - | \$ - | \$ - | \$ - | \$ 272,450 | \$ 335,121 | \$ 344,341 | \$ 9,220 |
| Business taxes..... | - | - | - | - | 542,200 | 440,325 | 440,325 | - |
| Sales and use tax..... | - | - | - | - | 101,701 | 111,212 | 111,474 | 262 |
| Hotel room tax..... | - | - | - | - | 23,170 | 29,063 | 28,063 | - |
| Other local taxes..... | - | - | - | - | 18,450 | 17,678 | 17,678 | - |
| Licenses, permits, and franchises..... | - | - | - | - | 14,815 | 14,376 | 14,203 | (173) |
| Fines, forfeitures, and penalties..... | - | - | - | - | 10,660 | 23,000 | 23,007 | 7 |
| Interest and investment income..... | - | 75 | 186 | 111 | 3,559 | 72,695 | 71,949 | (746) |
| Rents and concessions..... | 3,486 | 4,092 | 3,797 | (295) | 65,033 | 167,898 | 172,364 | 4,466 |
| Intergovernmental: | | | | | | | | |
| Federal..... | - | - | - | - | 243,131 | 350,397 | 325,441 | (24,956) |
| State..... | - | - | - | - | 265,985 | 259,728 | 252,677 | (7,051) |
| Other..... | - | - | - | - | 2,674 | 10,239 | 5,800 | (4,439) |
| Charges for services..... | 586 | 683 | 642 | (41) | 122,503 | 148,209 | 144,732 | (3,477) |
| Other..... | - | - | - | - | 37,955 | 141,218 | 137,772 | (3,446) |
| Total revenues..... | 4,072 | 4,850 | 4,625 | (225) | 1,724,416 | 2,118,159 | 2,087,826 | (30,333) |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| Public protection..... | - | - | - | - | 88,863 | 94,234 | 94,234 | - |
| Public works, transportation and commerce..... | - | 31 | 31 | - | 390,826 | 384,288 | 320,806 | 63,482 |
| Human welfare and neighborhood development..... | - | - | - | - | 1,053,826 | 1,441,749 | 1,419,633 | 22,116 |
| Community health..... | - | - | - | - | 267,972 | 201,099 | 201,099 | - |
| Culture and recreation..... | 19,572 | 21,507 | 21,199 | 308 | 388,562 | 358,843 | 339,871 | 18,972 |
| General administration and finance..... | - | - | - | - | 40,950 | 143,980 | 137,668 | 6,312 |
| Distributions to other governments..... | - | - | - | - | - | 49,113 | 49,113 | - |
| Debt service: | | | | | | | | |
| Principal retirement..... | - | - | - | - | 60,153 | 18,005 | 18,549 | (544) |
| Interest and other fiscal charges..... | - | - | - | - | 11,554 | 16,114 | 15,943 | 171 |
| Bond issuance costs..... | - | - | - | - | - | 1,584 | 1,584 | - |
| Total expenditures..... | 19,572 | 21,538 | 21,230 | 308 | 2,302,706 | 2,709,009 | 2,598,500 | 110,509 |
| Excess (deficiency) of revenues over (under) expenditures..... | (15,500) | (16,688) | (16,605) | 83 | (578,290) | (590,850) | (510,674) | 80,176 |
| Other financing sources (uses): | | | | | | | | |
| Transfers in..... | 14,533 | 14,533 | 14,533 | - | 469,675 | 478,353 | 479,179 | 826 |
| Transfers out..... | - | - | - | - | (76,628) | (138,229) | (136,428) | 1,801 |
| Issuance of commercial paper..... | - | - | - | - | - | 3,100 | 3,100 | - |
| Issuance of bonds..... | - | - | - | - | 75,000 | 219,387 | 199,387 | (20,000) |
| Premium on issuance of bonds..... | - | - | - | - | - | 516 | 516 | - |
| Budget reserves and designations..... | - | - | - | - | (1,563) | (2,912) | - | 2,912 |
| Total other financing sources (uses)..... | 14,533 | 14,533 | 14,533 | - | 466,484 | 560,215 | 545,754 | (14,461) |
| Net changes in fund balances..... | (967) | (2,155) | (2,072) | 83 | (111,806) | (30,635) | 35,080 | 65,715 |
| Budgetary fund balances, July 1, as previously reported..... | 967 | 11,099 | 11,099 | - | 111,806 | 3,266,842 | 3,266,642 | - |
| Cumulative effect of accounting change..... | - | - | - | - | - | 11,358 | 11,358 | - |
| Budgetary fund balances, July 1, as restated..... | 967 | 11,099 | 11,099 | - | 111,806 | 3,278,000 | 3,278,000 | - |
| Budgetary fund balances, June 30..... | \$ - | \$ 8,944 | \$ 9,027 | \$ 83 | \$ - | \$ 3,247,365 | \$ 3,313,080 | \$ 65,715 |

CITY AND COUNTY OF SAN FRANCISCO
Schedule of Current Expenditures by Department
Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds
Year Ended June 30, 2023
(In Thousands)

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|--|-----------------|--------------|-----------|------------------------------|
| BUILDING INSPECTION FUND | | | | |
| Public Works, Transportation and Commerce | | | | |
| Building Inspection..... | \$ 92,642 | \$ 86,664 | \$ 82,559 | \$ 4,105 |
| Total Building Inspection Fund..... | 92,642 | 86,664 | 82,559 | 4,105 |
| CHILDREN AND FAMILIES FUND | | | | |
| Public Works, Transportation and Commerce | | | | |
| Public Works..... | - | 170 | 170 | - |
| Human Welfare and Neighborhood Development | | | | |
| Child Support Services..... | 13,434 | 13,524 | 12,947 | 577 |
| Children and Families Commission..... | - | 262 | 262 | - |
| Children, Youth and Their Families..... | 226,666 | 247,277 | 235,043 | 12,234 |
| Early Childhood..... | 253,149 | 186,448 | 186,448 | - |
| Human Services..... | - | 3,012 | 3,012 | - |
| Total Children and Families Fund..... | 493,249 | 450,523 | 437,712 | 12,811 |
| General Administration and Finance | | | | |
| Telecommunications and Information Services..... | - | 127 | 127 | - |
| Distributions to Other Governments | | | | |
| Distributions to Other Governments..... | - | 49,113 | 49,113 | - |
| Total Children and Families Fund..... | 493,249 | 499,933 | 487,122 | 12,811 |
| COMMUNITY / NEIGHBORHOOD DEVELOPMENT FUND | | | | |
| Public Works, Transportation and Commerce | | | | |
| Economic and Workforce Development..... | 9,501 | 7,192 | 7,192 | - |
| Municipal Transportation Agency..... | - | 178 | 178 | - |
| Public Utilities Commission..... | - | 223 | 223 | - |
| Public Works..... | - | 10,207 | 10,207 | - |
| Total Public Works..... | 9,501 | 17,800 | 17,800 | - |
| Human Welfare and Neighborhood Development | | | | |
| Children, Youth and Their Families..... | - | 100 | 100 | - |
| Early Childhood..... | 5,000 | 1,638 | 1,638 | - |
| Homelessness and Supportive Housing..... | - | 15,997 | 15,997 | - |
| Human Services..... | - | 17,213 | 17,213 | - |
| Mayor's Office..... | 66,296 | 320,033 | 320,033 | - |
| Port..... | - | 103,600 | 103,600 | - |
| Rent Arbitration Board..... | 15,294 | 15,818 | 10,938 | 4,880 |
| Total Human Welfare and Neighborhood Development..... | 86,590 | 474,399 | 469,519 | 4,880 |
| Community Health | | | | |
| Public Health..... | - | 153 | 153 | - |
| Culture and Recreation | | | | |
| Arts Commission..... | - | 154 | 154 | - |
| Recreation and Park Commission..... | 1,336 | 519 | 519 | - |
| Total Culture and Recreation..... | 1,336 | 673 | 673 | - |
| General Administration and Finance | | | | |
| General Services Agency - Administrative Services..... | 2,700 | 2,249 | 2,249 | - |
| Planning..... | 7,985 | 4,113 | 4,113 | - |
| Total General Administration and Finance..... | 10,685 | 6,362 | 6,362 | - |
| Total Community / Neighborhood Development Fund..... | 108,112 | 499,387 | 494,507 | 4,880 |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Schedule of Current Expenditures by Department
Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|--|-----------------|----------------|----------------|------------------------------------|
| COMMUNITY HEALTH SERVICES FUND | | | | |
| Public Protection | | | | |
| Adult Probation..... | - | 45 | 45 | - |
| Public Works, Transportation and Commerce | | | | |
| Public Works..... | - | 2,093 | 2,093 | - |
| Human Welfare and Neighborhood Development | | | | |
| Homelessness and Supportive Housing..... | 609 | 489 | 489 | - |
| Community Health | | | | |
| Public Health..... | 184,258 | 144,390 | 144,390 | - |
| Total Community Health Services Fund..... | <u>184,867</u> | <u>147,017</u> | <u>147,017</u> | <u>-</u> |
| CONVENTION FACILITIES FUND | | | | |
| Culture and Recreation | | | | |
| General Services Agency - Administrative Services..... | 69,308 | 66,660 | 55,555 | 11,105 |
| Total Convention Facilities Fund..... | <u>69,308</u> | <u>66,660</u> | <u>55,555</u> | <u>11,105</u> |
| CULTURE AND RECREATION FUND | | | | |
| Public Works, Transportation and Commerce | | | | |
| Economic and Workforce Development..... | 825 | 263 | 263 | - |
| Public Works..... | - | 112 | 112 | - |
| | <u>825</u> | <u>375</u> | <u>375</u> | <u>-</u> |
| Human Welfare and Neighborhood Development | | | | |
| Mayor's Office..... | 2,940 | 3,030 | 3,030 | - |
| Culture and Recreation | | | | |
| Arts Commission..... | 13,108 | 11,173 | 11,173 | - |
| Asian Art Museum..... | 490 | 351 | 351 | - |
| Fine Arts Museums..... | 1,092 | 1,559 | 1,559 | - |
| Recreation and Park Commission..... | 5,683 | 5,181 | 4,946 | 235 |
| | <u>20,373</u> | <u>18,264</u> | <u>18,029</u> | <u>235</u> |
| General Administration and Finance | | | | |
| General Services Agency - Administrative Services..... | 15,977 | 16,812 | 16,812 | - |
| Total Culture and Recreation Fund..... | <u>40,115</u> | <u>38,481</u> | <u>38,246</u> | <u>235</u> |
| ENVIRONMENTAL PROTECTION FUND | | | | |
| Human Welfare and Neighborhood Development | | | | |
| Environment..... | 12,245 | 8,713 | 6,338 | 2,375 |
| Total Environmental Protection Fund..... | <u>12,245</u> | <u>8,713</u> | <u>6,338</u> | <u>2,375</u> |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Schedule of Current Expenditures by Department
Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|--|-----------------|---------------|---------------|------------------------------------|
| GASOLINE TAX FUND | | | | |
| Public Works, Transportation and Commerce | | | | |
| Municipal Transportation Agency..... | - | 1,242 | 1,242 | - |
| Public Utilities Commission..... | - | 922 | 922 | - |
| Public Works..... | 63,072 | 46,778 | 39,289 | 7,489 |
| | <u>63,072</u> | <u>48,942</u> | <u>41,453</u> | <u>7,489</u> |
| General Administration and Finance | | | | |
| Telecommunications and Information Services..... | - | 4 | 4 | - |
| Total Gasoline Tax Fund..... | <u>63,072</u> | <u>48,946</u> | <u>41,457</u> | <u>7,489</u> |
| GENERAL SERVICES FUND | | | | |
| Public Protection | | | | |
| District Attorney..... | 310 | 195 | 195 | - |
| Culture and Recreation | | | | |
| Fine Arts Museums..... | - | 1,025 | 1,025 | - |
| General Administration and Finance | | | | |
| Assessor/Recorder..... | 2,503 | 1,973 | 1,973 | - |
| Board of Supervisors..... | 18 | 30 | 30 | - |
| General Services Agency - Administrative Services..... | 564 | 7,063 | 7,063 | - |
| Human Resources..... | 138 | 216 | 216 | - |
| Mayor's Office..... | 150 | 402 | 402 | - |
| Telecommunications and Information Services..... | 1,918 | 1,336 | 1,336 | - |
| Treasurer/Tax Collector..... | 1,639 | 1,232 | 1,232 | - |
| | <u>6,930</u> | <u>12,252</u> | <u>12,252</u> | <u>-</u> |
| Total General Services Fund..... | <u>7,240</u> | <u>13,472</u> | <u>13,472</u> | <u>-</u> |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Schedule of Current Expenditures by Department
Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|--|-----------------|--------------|--------|------------------------------------|
| GIFT AND OTHER EXPENDABLE TRUSTS FUND | | | | |
| Public Protection | | | | |
| Fire Department..... | - | 16 | 16 | - |
| Police Department..... | - | 115 | 115 | - |
| | - | 131 | 131 | - |
| Public Works, Transportation and Commerce | | | | |
| Public Works..... | - | 1,268 | 1,268 | - |
| Human Welfare and Neighborhood Development | | | | |
| Environment..... | 60 | 4 | 4 | - |
| Homelessness and Supportive Housing..... | - | 60 | 60 | - |
| Human Services..... | 95 | 6 | 6 | - |
| Mayor's Office..... | - | 15 | 15 | - |
| Status of Women..... | 100 | 7 | 7 | - |
| | 255 | 92 | 92 | - |
| Community Health | | | | |
| Public Health..... | - | 132 | 132 | - |
| Culture and Recreation | | | | |
| Arts Commission..... | - | 308 | 308 | - |
| Fine Arts Museums..... | - | 163 | 163 | - |
| Library..... | 5 | - | - | - |
| Recreation and Park Commission..... | 745 | 446 | 446 | - |
| | 750 | 917 | 917 | - |
| General Administration and Finance | | | | |
| General Services Agency - Administrative Services..... | - | 19 | 19 | - |
| Telecommunications and Information Services..... | - | 12 | 12 | - |
| | - | 31 | 31 | - |
| Total Gift and Other Expendable Trusts Fund..... | 1,005 | 2,571 | 2,571 | - |
| GOLF FUND | | | | |
| Culture and Recreation | | | | |
| Recreation and Park Commission..... | 20,629 | 19,992 | 19,431 | 561 |
| Total Golf Fund..... | 20,629 | 19,992 | 19,431 | 561 |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Schedule of Current Expenditures by Department
Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|---|-----------------|--------------|---------|------------------------------------|
| HUMAN WELFARE FUND | | | | |
| Public Works, Transportation and Commerce | | | | |
| Public Works..... | - | 1,067 | 1,067 | - |
| Human Welfare and Neighborhood Development | | | | |
| Early Childhood..... | 530 | 530 | 530 | - |
| Homelessness and Supportive Housing..... | 113,206 | 151,836 | 151,836 | - |
| Human Services..... | 74,190 | 71,780 | 71,780 | - |
| Status of Women..... | 220 | 220 | - | 220 |
| | 188,146 | 224,366 | 224,146 | 220 |
| General Administration and Finance | | | | |
| Telecommunications and Information Services..... | - | 62 | 62 | - |
| Total Human Welfare Fund..... | 188,146 | 225,495 | 225,275 | 220 |
| LOW AND MODERATE INCOME HOUSING ASSET FUND | | | | |
| Human Welfare and Neighborhood Development | | | | |
| Mayor's Office..... | 5,000 | 11,538 | 11,538 | - |
| Total Low and Moderate Income Housing Asset Fund..... | 5,000 | 11,538 | 11,538 | - |
| OPEN SPACE AND PARK FUND | | | | |
| Public Works, Transportation and Commerce | | | | |
| Public Works..... | - | 1,875 | 1,875 | - |
| | - | 1,875 | 1,875 | - |
| Culture and Recreation | | | | |
| Arts Commission..... | - | 12 | 12 | - |
| Recreation and Park Commission..... | 71,092 | 66,974 | 61,942 | 5,032 |
| | 71,092 | 66,986 | 61,954 | 5,032 |
| Total Open Space and Park Fund..... | 71,092 | 68,861 | 63,829 | 5,032 |
| OUR CITY OUR HOME FUND | | | | |
| Public Protection | | | | |
| Adult Probation..... | - | 911 | 911 | - |
| Public Works, Transportation and Commerce | | | | |
| Public Works..... | - | 3,089 | 3,089 | - |
| Human Welfare and Neighborhood Development | | | | |
| Homelessness and Supportive Housing..... | 233,381 | 227,433 | 227,433 | - |
| Human Services..... | - | 324 | 324 | - |
| Mayor's Office..... | - | 6,187 | 6,187 | - |
| | 233,381 | 233,944 | 233,944 | - |
| Community Health | | | | |
| Public Health..... | 83,714 | 56,424 | 56,424 | - |
| General Administration and Finance | | | | |
| Controller..... | - | 500 | 500 | - |
| Treasurer/Tax Collector..... | 2,225 | 904 | 904 | - |
| | 2,225 | 1,404 | 1,404 | - |
| Total Our City Our Home Fund..... | 319,320 | 295,772 | 295,772 | - |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Schedule of Current Expenditures by Department
Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|---|-----------------|----------------|----------------|------------------------------------|
| PUBLIC LIBRARY FUND | | | | |
| Public Works, Transportation and Commerce | | | | |
| Public Works..... | - | 3,942 | 3,942 | - |
| | | <u>3,942</u> | <u>3,942</u> | <u>-</u> |
| Culture and Recreation | | | | |
| Arts Commission..... | - | 11 | 11 | - |
| Library..... | 185,502 | 162,288 | 160,557 | 1,731 |
| | <u>185,502</u> | <u>162,299</u> | <u>160,568</u> | <u>1,731</u> |
| General Administration and Finance | | | | |
| Telecommunications and Information Services..... | - | 28 | 28 | - |
| Total Public Library Fund..... | <u>185,502</u> | <u>166,269</u> | <u>164,538</u> | <u>1,731</u> |
| PUBLIC PROTECTION FUND | | | | |
| Public Protection | | | | |
| Adult Probation..... | 3,622 | 2,255 | 2,255 | - |
| District Attorney..... | 8,008 | 9,674 | 9,674 | - |
| Emergency Management..... | 42,501 | 35,434 | 35,434 | - |
| Fire Department..... | - | 5,524 | 5,524 | - |
| Juvenile Probation..... | 18,176 | 10,015 | 10,015 | - |
| Police Department..... | 12,139 | 27,121 | 27,121 | - |
| Public Defender..... | 1,785 | 1,215 | 1,215 | - |
| Sheriff..... | 2,322 | 1,714 | 1,714 | - |
| | <u>88,553</u> | <u>92,952</u> | <u>92,952</u> | <u>-</u> |
| Public Works, Transportation and Commerce | | | | |
| Public Works..... | - | 15 | 15 | - |
| Human Welfare and Neighborhood Development | | | | |
| Children, Youth and Their Families..... | 5,010 | 3,355 | 3,355 | - |
| Status of Women..... | 50 | 3,281 | 3,281 | - |
| | <u>5,060</u> | <u>6,636</u> | <u>6,636</u> | <u>-</u> |
| General Administration and Finance | | | | |
| City Attorney..... | 4,679 | 2,702 | 2,702 | - |
| General Services Agency - Administrative Services..... | - | 58 | 58 | - |
| | <u>4,679</u> | <u>2,760</u> | <u>2,760</u> | <u>-</u> |
| Total Public Protection Fund..... | <u>98,292</u> | <u>102,363</u> | <u>102,363</u> | <u>-</u> |
| PUBLIC WORKS, TRANSPORTATION AND COMMERCE FUND | | | | |
| Public Works, Transportation and Commerce | | | | |
| Municipal Transportation Agency..... | - | 29 | 29 | - |
| Public Works..... | 45,430 | 53,105 | 40,490 | 12,615 |
| Public Utilities Commission..... | - | 28 | 28 | - |
| | <u>45,430</u> | <u>53,162</u> | <u>40,547</u> | <u>12,615</u> |
| Human Welfare and Neighborhood Development | | | | |
| Environment..... | 16,577 | 17,075 | 15,245 | 1,830 |
| Culture and Recreation | | | | |
| Arts Commission..... | - | 57 | 57 | - |
| Recreation and Park Commission..... | - | 40 | 40 | - |
| | <u>-</u> | <u>97</u> | <u>97</u> | <u>-</u> |
| General Administration and Finance | | | | |
| Controller..... | 5 | 5 | 5 | - |
| Planning..... | 200 | - | - | - |
| Treasurer/Tax Collector..... | 249 | 234 | 234 | - |
| | <u>454</u> | <u>239</u> | <u>239</u> | <u>-</u> |
| Total Public Works, Transportation and Commerce Fund..... | <u>62,461</u> | <u>70,573</u> | <u>56,128</u> | <u>14,445</u> |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Schedule of Current Expenditures by Department
Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Special Revenue Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
|--|---------------------|---------------------|---------------------|------------------------------------|
| REAL PROPERTY FUND | | | | |
| Public Works, Transportation and Commerce | | | | |
| Public Works..... | - | 667 | 667 | - |
| Culture and Recreation | | | | |
| Recreation and Park Commission..... | - | 423 | 423 | - |
| General Administration and Finance | | | | |
| General Services Agency - Administrative Services..... | - | 81,313 | 75,001 | 6,312 |
| Total Real Property Fund..... | <u>-</u> | <u>82,403</u> | <u>76,091</u> | <u>6,312</u> |
| SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY FUND | | | | |
| Public Works, Transportation and Commerce | | | | |
| Board of Supervisors..... | 179,356 | 163,066 | 123,793 | 39,273 |
| Total SF County Transportation Authority Fund..... | <u>179,356</u> | <u>163,066</u> | <u>123,793</u> | <u>39,273</u> |
| SENIOR CITIZENS PROGRAM FUND | | | | |
| Human Welfare and Neighborhood Development | | | | |
| Human Services..... | 9,774 | 10,944 | 10,944 | - |
| Total Senior Citizens Program Fund..... | <u>9,774</u> | <u>10,944</u> | <u>10,944</u> | <u>-</u> |
| TAX INCREMENT FINANCING DISTRICTS FUND | | | | |
| Public Works, Transportation and Commerce | | | | |
| Port..... | - | 62 | 62 | - |
| General Administration and Finance | | | | |
| General Services Agency - Administrative Services..... | - | 22,586 | 22,586 | - |
| Total Tax Increment Financing Districts Fund..... | <u>-</u> | <u>22,648</u> | <u>22,648</u> | <u>-</u> |
| WAR MEMORIAL FUND | | | | |
| Public Works, Transportation and Commerce | | | | |
| Public Works..... | - | 31 | 31 | - |
| Culture and Recreation | | | | |
| War Memorial..... | 19,572 | 21,507 | 21,199 | 308 |
| Total War Memorial Fund..... | <u>19,572</u> | <u>21,538</u> | <u>21,230</u> | <u>308</u> |
| Total Special Revenue Funds With Legally Adopted Budgets | <u>\$ 2,230,999</u> | <u>\$ 2,673,306</u> | <u>\$ 2,562,424</u> | <u>\$ 110,882</u> |

CITY AND COUNTY OF SAN FRANCISCO
Combining Balance Sheet
Nonmajor Governmental Funds – Debt Service Funds
June 30, 2023
(In Thousands)

| | General Obligation Bond Fund | Certificates of Participation Funds | Other Bond Funds | Total |
|--|---|--|-----------------------------|-------------------|
| Assets: | | | | |
| Deposits and investments with City Treasury..... | \$ 188,052 | \$ - | \$ - | \$ 188,052 |
| Deposits and investments outside City Treasury..... | - | 73,823 | 13 | 73,836 |
| Receivables: | | | | |
| Property taxes and penalties..... | 4,877 | - | - | 4,877 |
| Interest and other..... | 2,241 | 302 | - | 2,543 |
| Total assets..... | \$ 195,170 | \$ 74,125 | \$ 13 | \$ 269,308 |
| Liabilities: | | | | |
| Unearned revenues and other liabilities..... | \$ 30,079 | \$ - | \$ - | \$ 30,079 |
| Total liabilities..... | 30,079 | - | - | 30,079 |
| Deferred inflows of resources..... | 4,250 | - | - | 4,250 |
| Fund balances: | | | | |
| Restricted..... | 160,841 | 74,125 | 13 | 234,979 |
| Total fund balances..... | 160,841 | 74,125 | 13 | 234,979 |
| Total liabilities, deferred inflows of resources and fund balances..... | \$ 195,170 | \$ 74,125 | \$ 13 | \$ 269,308 |

CITY AND COUNTY OF SAN FRANCISCO
**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**
Nonmajor Governmental Funds – Debt Service Funds
Year Ended June 30, 2023
(In Thousands)

| | General Obligation Bond Fund | Certificates of Participation Funds | Other Bond Funds | Total |
|---|---|--|-----------------------------|-------------------|
| Revenues: | | | | |
| Property taxes..... | \$ 353,645 | \$ - | \$ - | \$ 353,645 |
| Fines, forfeitures, and penalties..... | 18,240 | - | - | 18,240 |
| Interest and investment income..... | 6,802 | 2,798 | 5 | 9,605 |
| Intergovernmental | | | | |
| State..... | 625 | - | - | 625 |
| Other..... | 9,637 | - | - | 9,637 |
| Total revenues..... | 388,949 | 2,798 | 5 | 391,752 |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal retirement..... | 276,320 | 38,920 | 3,470 | 318,710 |
| Interest and other fiscal charges..... | 109,461 | 46,595 | 258 | 156,314 |
| Bond issuance costs..... | 1 | - | - | 1 |
| Total expenditures..... | 385,782 | 85,515 | 3,728 | 475,025 |
| Excess (deficiency) of revenues over (under) expenditures..... | | | | |
| | 3,167 | (82,717) | (3,723) | (83,273) |
| Other financing sources: | | | | |
| Transfers in..... | 5,528 | 84,993 | 3,729 | 94,250 |
| Total other financing sources..... | 5,528 | 84,993 | 3,729 | 94,250 |
| Net changes in fund balances..... | 8,695 | 2,276 | 6 | 10,977 |
| Fund balances at beginning of year..... | 152,146 | 71,849 | 7 | 224,002 |
| Fund balances at end of year..... | \$ 160,841 | \$ 74,125 | \$ 13 | \$ 234,979 |

CITY AND COUNTY OF SAN FRANCISCO
Schedule of Revenues, Expenditures, and Changes
in Fund Balance – Budget and Actual – Budget Basis
Nonmajor Governmental Funds – Debt Service Fund
Year Ended June 30, 2023
(In Thousands)

| | General Obligation Bond Fund | | | |
|--|------------------------------|-------------------|-------------------|------------------------------|
| | Original Budget | Final Budget | Actual | Variance Positive (Negative) |
| Revenues: | | | | |
| Property taxes..... | \$ 358,587 | \$ 358,587 | \$ 353,645 | \$ (4,942) |
| Fines, forfeitures, and penalties..... | 18,408 | 18,408 | 18,240 | (168) |
| Interest and investment income..... | - | 1,451 | 7,640 | 6,189 |
| Intergovernmental | | | | |
| State..... | 700 | 700 | 625 | (75) |
| Other..... | 6,183 | 11,660 | 9,637 | (2,023) |
| Total revenues..... | <u>383,878</u> | <u>390,806</u> | <u>389,787</u> | <u>(1,019)</u> |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal retirement..... | 258,545 | 276,320 | 276,320 | - |
| Interest and other fiscal charges..... | 125,333 | 113,084 | 109,461 | 3,623 |
| Bond issuance costs..... | - | 1 | 1 | - |
| Total expenditures..... | <u>383,878</u> | <u>389,405</u> | <u>385,782</u> | <u>3,623</u> |
| Excess (deficiency) of revenues over (under) expenditures..... | - | 1,401 | 4,005 | 2,604 |
| Other financing sources: | | | | |
| Transfers in..... | - | 5,528 | 5,528 | - |
| Total other financing sources..... | - | 5,528 | 5,528 | - |
| Net changes in fund balance..... | - | 6,929 | 9,533 | 2,604 |
| Budgetary fund balance, July 1..... | - | 165,445 | 165,445 | - |
| Budgetary fund balance, June 30..... | <u>\$ -</u> | <u>\$ 172,374</u> | <u>\$ 174,978</u> | <u>\$ 2,604</u> |

CITY AND COUNTY OF SAN FRANCISCO
Combining Balance Sheet
Nonmajor Governmental Funds – Capital Projects Funds
June 30, 2023
(In Thousands)

| | City Facilities Improvement Fund | Recreation and Park Projects Fund | Street Improvement Fund | Total |
|---|----------------------------------|-----------------------------------|-------------------------|-------------------|
| | Assets: | | | |
| Deposits and investments with City Treasury..... | \$ 422,435 | \$ 7,598 | \$ - | \$ 430,033 |
| Deposits and investments outside City Treasury..... | 91,485 | - | 16 | 91,501 |
| Receivables: | | | | |
| Federal and state grants and subventions..... | - | 20,445 | 6,804 | 27,249 |
| Charges for services..... | - | - | 4 | 4 |
| Interest and other..... | 2,680 | 105 | 9 | 2,794 |
| Due from other funds..... | - | - | 14,596 | 14,596 |
| Total assets..... | <u>\$ 516,600</u> | <u>\$ 28,148</u> | <u>\$ 21,429</u> | <u>\$ 566,177</u> |
| Liabilities: | | | | |
| Accounts payable..... | \$ 15,509 | \$ 4,508 | \$ 3,163 | \$ 23,180 |
| Accrued payroll..... | 847 | 35 | 188 | 1,070 |
| Unearned grant and subvention revenues..... | - | 1,854 | - | 1,854 |
| Due to other funds..... | 3,542 | - | 4,645 | 8,187 |
| Unearned revenues and other liabilities..... | 66 | - | 11,244 | 11,310 |
| Bonds, loans, leases, and other payables..... | 18,034 | - | - | 18,034 |
| Total liabilities..... | <u>37,998</u> | <u>6,397</u> | <u>19,240</u> | <u>63,635</u> |
| Deferred inflows of resources..... | - | 12,989 | 2,607 | 15,596 |
| Fund balances: | | | | |
| Restricted..... | 478,602 | 8,762 | - | 487,364 |
| Unassigned..... | - | - | (418) | (418) |
| Total fund balances..... | <u>478,602</u> | <u>8,762</u> | <u>(418)</u> | <u>486,946</u> |
| Total liabilities, deferred inflows of resources and fund balances..... | <u>\$ 516,600</u> | <u>\$ 28,148</u> | <u>\$ 21,429</u> | <u>\$ 566,177</u> |

CITY AND COUNTY OF SAN FRANCISCO
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds – Capital Projects Funds
Year Ended June 30, 2023
(In Thousands)

| | City Facilities Improvement Fund | Recreation and Park Projects Fund | Street Improvement Fund | Total |
|---|--|--|-------------------------------|-------------------|
| Revenues: | | | | |
| Interest and investment income..... | \$ 10,016 | \$ 769 | \$ 210 | \$ 10,995 |
| Rents and concessions..... | - | - | 219 | 219 |
| Intergovernmental: | | | | |
| Federal..... | - | 1,343 | 2,937 | 4,280 |
| State..... | - | 13,534 | 1,716 | 15,250 |
| Other..... | - | 500 | 240 | 740 |
| Other..... | 25,171 | 5,060 | - | 30,231 |
| Total revenues..... | <u>35,187</u> | <u>21,206</u> | <u>5,322</u> | <u>61,715</u> |
| Expenditures: | | | | |
| Debt service: | | | | |
| Interest and other fiscal charges..... | 1,513 | 2 | 5 | 1,520 |
| Bond issuance costs..... | 481 | - | - | 481 |
| Capital outlay..... | 100,183 | 29,806 | 18,895 | 148,884 |
| Total expenditures..... | <u>102,177</u> | <u>29,808</u> | <u>18,900</u> | <u>150,885</u> |
| Deficiency of revenues | | | | |
| under expenditures..... | (66,990) | (8,602) | (13,578) | (89,170) |
| Other financing sources (uses): | | | | |
| Transfers in..... | 2,591 | 586 | 6,058 | 9,235 |
| Transfers out..... | (43,382) | - | (77) | (43,459) |
| Issuance of bonds: | | | | |
| Face value of bonds issued..... | 67,805 | - | - | 67,805 |
| Premium on issuance of bonds..... | 2,950 | - | - | 2,950 |
| Total other financing sources (uses)..... | <u>29,964</u> | <u>586</u> | <u>5,981</u> | <u>36,531</u> |
| Net changes in fund balances..... | (37,026) | (8,016) | (7,597) | (52,639) |
| Fund balances at beginning of year..... | 515,628 | 16,778 | 7,179 | 539,585 |
| Fund balances at end of year..... | <u>\$ 478,602</u> | <u>\$ 8,762</u> | <u>\$ (418)</u> | <u>\$ 486,946</u> |

CITY AND COUNTY OF SAN FRANCISCO
INTERNAL SERVICE FUNDS

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

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

Finance Corporation – Accounts for the lease financing services provided by the Finance Corporation to City departments. The City established the Finance Corporation Internal Service fund because its sole purpose is to provide lease financing to the City.

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

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

CITY AND COUNTY OF SAN FRANCISCO

Combining Statement of Net Position
Internal Service Funds
June 30, 2023
(In Thousands)

| | Central Shops Fund | Finance Corporation | Reproduction Fund | Telecom- munications & Information Fund | Total |
|--|-----------------------|------------------------|----------------------|--|-------------------|
| Assets: | | | | | |
| Current assets: | | | | | |
| Deposits and investments with City Treasury..... | \$ 4,583 | \$ - | \$ 2,143 | \$ 58,745 | \$ 65,471 |
| Receivables: | | | | | |
| Charges for services..... | 81 | - | 26 | 112 | 219 |
| Interest and other..... | 20 | 27 | - | 369 | 416 |
| Leases..... | - | 14,739 | - | 381 | 15,120 |
| Restricted assets: | | | | | |
| Deposits and investments outside City Treasury..... | - | 6,449 | - | - | 6,449 |
| Total current assets..... | 4,684 | 21,215 | 2,169 | 59,607 | 87,675 |
| Noncurrent assets: | | | | | |
| Receivables: Leases..... | - | 68,554 | - | 6,793 | 75,347 |
| Capital assets: | | | | | |
| Land and other assets not being depreciated/amortized | 74 | - | - | 239 | 313 |
| Facilities and equipment, net of depreciation/amortization..... | 256 | - | 824 | 31,690 | 32,770 |
| Total capital assets..... | 330 | - | 824 | 31,929 | 33,083 |
| Total noncurrent assets..... | 330 | 68,554 | 824 | 38,722 | 108,430 |
| Total assets..... | 5,014 | 89,769 | 2,993 | 98,329 | 196,105 |
| Deferred outflows of resources: | | | | | |
| Unamortized loss on refunding of debt..... | - | 602 | - | - | 602 |
| Pensions..... | 4,791 | - | - | 13,760 | 18,551 |
| OPEB..... | 2,849 | - | - | 6,203 | 9,052 |
| Total deferred outflows of resources..... | 7,640 | 602 | - | 19,963 | 28,205 |
| Liabilities: | | | | | |
| Current liabilities: | | | | | |
| Accounts payable..... | 1,381 | 43 | 411 | 8,759 | 10,594 |
| Accrued payroll..... | 848 | - | 149 | 2,684 | 3,681 |
| Accrued vacation and sick leave pay..... | 471 | - | - | 2,181 | 2,652 |
| Accrued workers' compensation..... | - | - | - | 256 | 256 |
| Bonds, loans, leases, and other payables..... | - | 14,455 | 136 | 10,103 | 24,694 |
| Accrued interest payable..... | - | 691 | 1 | 214 | 906 |
| Unearned revenues and other liabilities..... | - | 2,540 | 7 | 34 | 2,581 |
| Total current liabilities..... | 2,700 | 17,729 | 704 | 24,231 | 45,364 |
| Noncurrent liabilities: | | | | | |
| Accrued vacation and sick leave pay..... | 461 | - | - | 2,492 | 2,953 |
| Accrued workers' compensation..... | - | - | - | 1,084 | 1,084 |
| Bonds, loans, leases, and other payables..... | - | 72,440 | 158 | 15,575 | 88,173 |
| Net pension liability..... | 6,784 | - | - | 20,358 | 27,142 |
| Net other postemployment benefits (OPEB) liability..... | 17,561 | - | - | 26,589 | 44,150 |
| Total noncurrent liabilities..... | 24,806 | 72,440 | 158 | 66,098 | 163,502 |
| Total liabilities..... | 27,506 | 90,169 | 862 | 90,329 | 208,866 |
| Deferred inflows of resources: | | | | | |
| Unamortized gain on refunding of debt..... | - | 202 | - | - | 202 |
| Pensions..... | 1,374 | - | - | 4,288 | 5,662 |
| OPEB..... | 3,780 | - | - | 4,427 | 8,207 |
| Leases..... | - | - | - | 7,101 | 7,101 |
| Total deferred inflows of resources..... | 5,154 | 202 | - | 15,816 | 21,172 |
| Net position: | | | | | |
| Net investment in capital assets..... | 330 | - | 529 | 6,037 | 6,896 |
| Unrestricted (deficit)..... | (20,336) | - | 1,602 | 6,110 | (12,624) |
| Total net position..... | \$ (20,006) | \$ - | \$ 2,131 | \$ 12,147 | \$ (5,728) |

CITY AND COUNTY OF SAN FRANCISCO

Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2023
(In Thousands)

| | Central Shops Fund | Finance Corporation | Reproduction Fund | Telecom- munications & Information Fund | Total |
|--|-----------------------|------------------------|----------------------|--|-------------------|
| Operating revenues: | | | | | |
| Charges for services..... | \$ 39,209 | \$ - | \$ 10,497 | \$ 136,376 | \$ 186,082 |
| Rents and concessions..... | - | - | - | 492 | 492 |
| Total operating revenues..... | 39,209 | - | 10,497 | 136,868 | 186,574 |
| Operating expenses: | | | | | |
| Personal services..... | 16,510 | - | 2,797 | 40,613 | 59,920 |
| Contractual services..... | 5,602 | - | 6,397 | 50,004 | 62,003 |
| Materials and supplies..... | 14,249 | - | 350 | 3,548 | 18,147 |
| Depreciation and amortization..... | 50 | - | 264 | 14,448 | 14,762 |
| General and administrative..... | 109 | - | - | 333 | 442 |
| Services provided by other departments..... | 1,891 | - | 687 | 13,759 | 16,337 |
| Other..... | - | - | - | 831 | 831 |
| Total operating expenses..... | 38,411 | - | 10,495 | 123,536 | 172,442 |
| Operating income..... | 798 | - | 2 | 13,332 | 14,132 |
| Nonoperating revenues (expenses): | | | | | |
| Operating grants: State / other..... | 53 | - | - | 172 | 225 |
| Interest and investment income..... | - | 2,057 | - | 264 | 2,321 |
| Interest expense..... | (45) | (2,687) | (19) | (395) | (3,146) |
| Other, net..... | - | 630 | 2 | 50 | 682 |
| Total nonoperating revenues (expenses)..... | 8 | - | (17) | 91 | 82 |
| Income (loss) before transfers..... | 806 | - | (15) | 13,423 | 14,214 |
| Transfers in..... | 45 | - | 17 | 300 | 362 |
| Transfers out..... | - | - | - | (141) | (141) |
| Change in net position..... | 851 | - | 2 | 13,582 | 14,435 |
| Net position (deficit) at beginning of year..... | (20,857) | - | 2,129 | (1,435) | (20,163) |
| Net position (deficit) at end of year..... | \$ (20,006) | \$ - | \$ 2,131 | \$ 12,147 | \$ (5,728) |

CITY AND COUNTY OF SAN FRANCISCO

Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2023
(In Thousands)

| | Central Shops Fund | Finance Corporation | Reproduction Fund | Telecom- munications & Information Fund | Total |
|---|-----------------------|------------------------|----------------------|--|------------|
| Cash flows from operating activities: | | | | | |
| Cash received from customers..... | \$ 39,254 | \$ 16,274 | \$ 10,478 | \$ 137,485 | \$ 203,491 |
| Cash paid for employees' services..... | (16,789) | - | (2,792) | (45,874) | (65,455) |
| Cash paid to suppliers for goods and services..... | (21,941) | (340) | (7,268) | (64,732) | (94,281) |
| Net cash provided by operating activities..... | 524 | 15,934 | 418 | 26,879 | 43,755 |
| Cash flows from noncapital financing activities: | | | | | |
| Operating grants..... | 53 | - | - | 172 | 225 |
| Transfers in..... | 45 | - | 17 | 300 | 362 |
| Transfers out..... | - | - | - | (141) | (141) |
| Net cash provided by noncapital financing activities..... | 98 | - | 17 | 331 | 446 |
| Cash flows from capital and related financing activities: | | | | | |
| Acquisition of capital assets..... | - | - | - | (1,263) | (1,263) |
| Retirement of lease obligation..... | - | (13,255) | (136) | (7,689) | (21,080) |
| Interest paid on debt..... | - | (2,729) | (2) | (226) | (2,957) |
| Net cash used in capital and related financing activities..... | - | (15,984) | (138) | (9,178) | (25,300) |
| Cash flows from investing activities: | | | | | |
| Interest and investment income..... | - | 92 | - | 128 | 220 |
| Other investing activities..... | (45) | - | (17) | 141 | 79 |
| Net cash provided by (used in) investing activities..... | (45) | 92 | (17) | 269 | 299 |
| Change in cash and cash equivalents..... | 577 | 42 | 280 | 18,301 | 19,200 |
| Cash and cash equivalents at beginning of year..... | 4,006 | 6,407 | 1,863 | 40,444 | 52,720 |
| Cash and cash equivalents at end of year..... | \$ 4,583 | \$ 6,449 | \$ 2,143 | \$ 58,745 | \$ 71,920 |
| Reconciliation of operating income to net cash provided by operating activities: | | | | | |
| Operating income..... | \$ 796 | \$ - | \$ 2 | \$ 13,332 | \$ 14,132 |
| Adjustments for non-cash and other activities: | | | | | |
| Depreciation and amortization..... | 50 | - | 264 | 14,448 | 14,762 |
| Other..... | - | - | 2 | 50 | 52 |
| Changes in assets and deferred outflows of resources/liabilities and deferred inflows of resources: | | | | | |
| Receivables, net..... | 45 | 13,255 | (25) | 624 | 13,899 |
| Accounts payable..... | (60) | - | 167 | 3,744 | 3,851 |
| Accrued payroll..... | 107 | - | 4 | 396 | 507 |
| Accrued vacation and sick leave pay..... | (72) | - | - | 344 | 272 |
| Accrued workers' compensation..... | - | - | - | (85) | (85) |
| Due to other funds..... | (31) | - | - | - | (31) |
| Unearned revenue and other liabilities..... | - | 2,679 | 4 | - | 2,683 |
| Related to leases..... | - | - | - | (58) | (58) |
| Net pension liability/asset and pension related deferred outflows and inflows of resources..... | (1,623) | - | - | (4,182) | (5,805) |
| Net OPEB liability and OPEB related deferred outflows and inflows of resources..... | 1,310 | - | - | (1,734) | (424) |
| Total adjustments..... | (274) | 15,934 | 418 | 13,547 | 29,623 |
| Net cash provided by operating activities..... | \$ 524 | \$ 15,934 | \$ 418 | \$ 26,879 | \$ 43,755 |
| Reconciliation of cash and cash equivalents to the combining statement of net position: | | | | | |
| Deposits and investments with City Treasury: | | | | | |
| Unrestricted..... | \$ 4,583 | \$ - | \$ 2,143 | \$ 58,745 | \$ 65,471 |
| Deposits and investments outside City Treasury: | | | | | |
| Restricted..... | - | 6,449 | - | - | 6,449 |
| Total deposits and investments..... | 4,583 | 6,449 | 2,143 | 58,745 | 71,920 |
| Cash and cash equivalents at end of year on statement of cash flows..... | \$ 4,583 | \$ 6,449 | \$ 2,143 | \$ 58,745 | \$ 71,920 |
| Non-cash capital and related financing activities: | | | | | |
| Acquisition of capital assets on accounts payable and via lease..... | \$ 92 | \$ - | \$ - | \$ 3,278 | \$ 3,370 |

CITY AND COUNTY OF SAN FRANCISCO

FIDUCIARY FUNDS

Pension and Other Employee Benefit Trust Funds are used to record assets from employee and employer contributions and investment earnings which are held for employee benefits.

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

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

Retiree Health Care Trust - Accounts for the contributions from employees, City contributions and the earnings and profits from investment of monies. Disbursements are to be made for benefits, expenses and other charges properly allocable to the trust fund.

Custodial Funds are used to report fiduciary activities that are not reported in Pension and Other Employee Benefit Trust Funds, Private-Purpose Trust Funds, or Investment Trust Funds.

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

Community Facilities Districts Fund – Accounts for the activities of various Community Facilities Districts and Special Tax Districts which have been established for the purpose of financing facilities and services.

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

Medical Reimbursement Accounts Fund – Accounts for balances in Medical Reimbursement Accounts held by the City pursuant to the Health Care Security Ordinance.

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

Successor Agency Custodial Fund – Accounts for the custodial funds of the Successor Agency.

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

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

CITY AND COUNTY OF SAN FRANCISCO
Combining Statement of Fiduciary Net Position
Fiduciary Funds
Pension and Other Employee Benefit Trust Funds
June 30, 2023
(In Thousands)

| | Pension Trust Fund | Other Employee Benefit Trust Fund | Other Post-employment Benefit Trust Fund | Total |
|--|-----------------------------|-----------------------------------|--|----------------------|
| | Employees Retirement System | Health Service System | Retiree Health Care Trust | |
| Assets: | | | | |
| Deposits and investments with City Treasury..... | \$ - | \$ 119,967 | \$ 2,558 | \$ 122,525 |
| Deposits and investments outside City Treasury: | | | | |
| Cash and deposits..... | 17,929 | - | - | 17,929 |
| Short-term investments..... | 376,288 | - | 7,918 | 384,206 |
| Debt securities..... | 1,835,260 | - | 205,810 | 2,041,070 |
| Equity securities..... | 10,448,696 | - | 569,418 | 11,018,114 |
| Real assets..... | 5,207,943 | - | 35,983 | 5,243,926 |
| Private equity and other alternative investments.... | 15,764,931 | - | 126,626 | 15,891,557 |
| Foreign currency contracts, net..... | (1,029) | - | - | (1,029) |
| Invested securities lending collateral..... | 562,491 | - | - | 562,491 |
| Receivables: | | | | |
| Employer and employee contributions..... | 22,935 | 27,542 | 7,068 | 57,545 |
| Brokers, general partners and others..... | 122,854 | - | 13,000 | 135,854 |
| Interest and other..... | 16,595 | 990 | 1,294 | 18,879 |
| Other assets..... | - | 5,201 | - | 5,201 |
| Total assets..... | <u>34,374,893</u> | <u>153,700</u> | <u>969,675</u> | <u>35,498,268</u> |
| Deferred outflows related to OPEB..... | 2,366 | - | - | 2,366 |
| Liabilities: | | | | |
| Accounts payable..... | 59,453 | 6,805 | 25 | 66,283 |
| Estimated claims payable..... | - | 38,152 | - | 38,152 |
| Payable to brokers..... | 53,813 | - | 1,225 | 55,038 |
| Payable to borrowers of securities..... | 562,408 | - | - | 562,408 |
| Other liabilities..... | - | 3,999 | - | 3,999 |
| Net OPEB liability..... | 11,279 | - | - | 11,279 |
| Total liabilities..... | <u>686,953</u> | <u>48,956</u> | <u>1,250</u> | <u>737,159</u> |
| Deferred inflows related to OPEB..... | 1,878 | - | - | 1,878 |
| Net position restricted for: | | | | |
| Pensions..... | 33,688,428 | - | - | 33,688,428 |
| Postemployment healthcare benefits..... | - | - | 968,425 | 968,425 |
| Individuals, organizations, and other governments.. | - | 104,744 | - | 104,744 |
| Restricted for pension and other employee benefits.. | <u>\$ 33,688,428</u> | <u>\$ 104,744</u> | <u>\$ 968,425</u> | <u>\$ 34,761,597</u> |

CITY AND COUNTY OF SAN FRANCISCO
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Pension and Other Employee Benefit Trust Funds
Year Ended June 30, 2023
(In Thousands)

| | Pension Trust Fund | Other Employee Benefit Trust Fund | Other Post-employment Benefit Trust Fund | Total |
|--|-----------------------------|-----------------------------------|--|----------------------|
| | Employees Retirement System | Health Service System | Retiree Health Care Trust | |
| Additions: | | | | |
| Employee contributions..... | \$ 413,916 | \$ 199,197 | \$ 75,157 | \$ 688,270 |
| Employer contributions..... | 672,651 | 873,618 | 273,752 | 1,820,021 |
| Total contributions..... | <u>1,086,567</u> | <u>1,072,815</u> | <u>348,909</u> | <u>2,508,291</u> |
| Investment income (expenses): | | | | |
| Interest..... | 66,501 | 3,301 | 13,662 | 83,464 |
| Dividends..... | 94,883 | - | - | 94,883 |
| Net appreciation (depreciation) in fair value of investments..... | 1,560,025 | (315) | 70,419 | 1,630,129 |
| Securities lending income..... | 29,305 | - | - | 29,305 |
| Total investment income..... | <u>1,750,714</u> | <u>2,986</u> | <u>84,081</u> | <u>1,837,781</u> |
| Less investment expenses: | | | | |
| Other investment expenses..... | (80,048) | - | (417) | (80,465) |
| Net investment income..... | <u>1,670,666</u> | <u>2,986</u> | <u>83,664</u> | <u>1,757,316</u> |
| Total additions, net..... | <u>2,757,233</u> | <u>1,075,801</u> | <u>432,573</u> | <u>4,265,607</u> |
| Deductions: | | | | |
| Benefit payments..... | 1,820,269 | 1,077,773 | 225,262 | 3,123,304 |
| Refunds of contributions..... | 24,096 | - | - | 24,096 |
| Administrative expenses..... | 22,964 | - | 171 | 23,135 |
| Total deductions..... | <u>1,867,329</u> | <u>1,077,773</u> | <u>225,433</u> | <u>3,170,535</u> |
| Change in net position..... | 889,904 | (1,972) | 207,140 | 1,095,072 |
| Net position at beginning of year..... | <u>32,798,524</u> | <u>106,716</u> | <u>761,285</u> | <u>33,666,525</u> |
| Net position at end of year..... | <u>\$ 33,688,428</u> | <u>\$ 104,744</u> | <u>\$ 968,425</u> | <u>\$ 34,761,597</u> |

CITY AND COUNTY OF SAN FRANCISCO
Combining Statement of Fiduciary Net Position
Fiduciary Funds
Custodial Funds
June 30, 2023
(In Thousands)

| | <u>Assistance Program Fund</u> | <u>Community Facilities Districts Fund</u> | <u>Deposits Fund</u> |
|--|------------------------------------|--|----------------------|
| Assets: | | | |
| Deposits and investments with City Treasury..... | \$ 18,464 | \$ 1,667 | \$ 25,684 |
| Deposits and investments outside City Treasury: | | | |
| Cash and deposits..... | - | 163,591 | 183 |
| Receivables: | | | |
| Federal and state grants and subventions..... | - | - | - |
| Charges for services..... | - | - | 3 |
| Taxes..... | - | - | - |
| Interest and other..... | 114 | 949 | 18 |
| Restricted assets: | | | |
| Deposits and investments outside City Treasury..... | - | - | - |
| Total assets..... | <u>18,578</u> | <u>166,207</u> | <u>25,888</u> |
| Liabilities: | | | |
| Accounts payable..... | - | 566 | 101 |
| Custodial obligations to State of California..... | - | - | - |
| Taxes payable to other governments..... | - | - | - |
| Other liabilities..... | - | - | - |
| Total liabilities..... | <u>-</u> | <u>566</u> | <u>101</u> |
| Net position restricted for: | | | |
| Individuals, organizations, and other governments..... | <u>\$ 18,578</u> | <u>\$ 165,641</u> | <u>\$ 25,787</u> |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Statement of Fiduciary Net Position
Fiduciary Funds
Custodial Funds (Continued)
June 30, 2023
(In Thousands)

| | <u>Medical Reimbursement Accounts Fund</u> | <u>State Revenue Collection Fund</u> | <u>Successor Agency Custodial Fund</u> |
|--|--|--|--|
| Assets: | | | |
| Deposits and investments with City Treasury..... | \$ 875,043 | \$ 704 | \$ 42,811 |
| Deposits and investments outside City Treasury: | | | |
| Cash and deposits..... | - | - | - |
| Receivables: | | | |
| Federal and state grants and subventions..... | - | - | - |
| Charges for services..... | - | 1 | - |
| Taxes..... | - | - | - |
| Interest and other..... | 4,039 | 1 | 2,220 |
| Restricted assets: | | | |
| Deposits and investments outside City Treasury..... | - | - | 28,885 |
| Total assets..... | <u>879,082</u> | <u>706</u> | <u>73,916</u> |
| Liabilities: | | | |
| Accounts payable..... | 2,017 | 16 | 41 |
| Custodial obligations to State of California..... | - | 690 | - |
| Taxes payable to other governments..... | - | - | - |
| Other liabilities..... | - | - | - |
| Total liabilities..... | <u>2,017</u> | <u>706</u> | <u>41</u> |
| Net position restricted for: | | | |
| Individuals, organizations, and other governments..... | <u>\$ 877,065</u> | <u>\$ -</u> | <u>\$ 73,875</u> |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Statement of Fiduciary Net Position
Fiduciary Funds
Custodial Funds (Continued)
June 30, 2023
(In Thousands)

| | Tax Collection | | |
|--|-----------------------|------------------|---------------------|
| | Fund | Other | Total |
| Assets: | | | |
| Deposits and investments with City Treasury..... | \$ 209,857 | \$ 58,641 | \$ 1,232,871 |
| Deposits and investments outside City Treasury: | | | |
| Cash and deposits..... | 2 | - | 163,776 |
| Receivables: | | | |
| Federal and state grants and subventions..... | - | 8,537 | 8,537 |
| Charges for services..... | - | - | 4 |
| Taxes..... | 155,105 | - | 155,105 |
| Interest and other..... | 13 | 95 | 7,449 |
| Restricted assets: | | | |
| Deposits and investments outside City Treasury..... | - | - | <u>28,885</u> |
| Total assets..... | <u>364,977</u> | <u>67,273</u> | <u>1,596,627</u> |
| Liabilities: | | | |
| Accounts payable..... | - | 9,419 | 12,160 |
| Custodial obligations to State of California..... | - | - | 690 |
| Taxes payable to other governments..... | 247,894 | 4,557 | 252,451 |
| Other liabilities..... | <u>117,083</u> | <u>-</u> | <u>117,083</u> |
| Total liabilities..... | <u>364,977</u> | <u>13,976</u> | <u>382,384</u> |
| Net position restricted for: | | | |
| Individuals, organizations, and other governments..... | <u>\$ -</u> | <u>\$ 53,297</u> | <u>\$ 1,214,243</u> |

CITY AND COUNTY OF SAN FRANCISCO
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Custodial Funds
Year Ended June 30, 2023
(In Thousands)

| | Assistance | Community | |
|--|---------------------|-----------------------|----------------------|
| | Program Fund | Districts Fund | Deposits Fund |
| Additions: | | | |
| Property taxes..... | \$ - | \$ 38,050 | \$ - |
| Interest and investment income (loss)..... | 330 | 7,525 | 196 |
| Custodial additions..... | 990 | - | 31,644 |
| Other additions..... | <u>-</u> | <u>51,829</u> | <u>-</u> |
| Total additions, net..... | <u>1,320</u> | <u>97,404</u> | <u>31,840</u> |
| Deductions: | | | |
| Interest on debt..... | - | 29,393 | - |
| Property taxes distributed to other governments..... | - | - | - |
| Custodial distributions to State..... | - | - | - |
| Other custodial deductions..... | <u>971</u> | <u>25,130</u> | <u>31,869</u> |
| Total deductions..... | <u>971</u> | <u>54,523</u> | <u>31,869</u> |
| Change in net position..... | 349 | 42,881 | (29) |
| Net position at beginning of year..... | <u>18,229</u> | <u>134,118</u> | <u>25,816</u> |
| Cumulative effect of accounting change..... | <u>-</u> | <u>(11,358)</u> | <u>-</u> |
| Net position at beginning of year, as restated..... | <u>18,229</u> | <u>122,760</u> | <u>25,816</u> |
| Net position at end of year..... | <u>\$ 18,578</u> | <u>\$ 165,641</u> | <u>\$ 25,787</u> |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Custodial Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Medical Reimbursement Accounts Fund | State Revenue Collection Fund | Successor Agency Custodial Fund |
|--|---|-------------------------------------|--|
| Additions: | | | |
| Property taxes..... | \$ - | \$ - | \$ 19,920 |
| Interest and investment income (loss)..... | (7,129) | 20 | 1,311 |
| Custodial additions..... | 901,517 | 12,802 | 970 |
| Other additions..... | - | - | - |
| Total additions, net..... | <u>894,388</u> | <u>12,822</u> | <u>22,201</u> |
| Deductions: | | | |
| Interest on debt..... | - | - | - |
| Property taxes distributed to other governments..... | - | - | - |
| Custodial distributions to State..... | - | 12,822 | - |
| Other custodial deductions..... | 17,323 | - | 14,685 |
| Total deductions..... | <u>17,323</u> | <u>12,822</u> | <u>14,685</u> |
| Change in net position..... | 877,065 | - | 7,516 |
| Net position at beginning of year..... | - | - | 66,359 |
| Cumulative effect of accounting change..... | - | - | - |
| Net position at beginning of year, as restated..... | - | - | 66,359 |
| Net position at end of year..... | <u>\$ 877,065</u> | <u>\$ -</u> | <u>\$ 73,875</u> |

(Continued)

CITY AND COUNTY OF SAN FRANCISCO
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Custodial Funds (Continued)
Year Ended June 30, 2023
(In Thousands)

| | Tax Collection Fund | Other | Total |
|--|------------------------|------------------|---------------------|
| Additions: | | | |
| Property taxes..... | \$ 5,328,722 | \$ 209,415 | \$ 5,596,107 |
| Interest and investment income (loss)..... | 13,053 | 118 | 15,424 |
| Custodial additions..... | - | 74,834 | 1,022,757 |
| Other additions..... | - | - | 51,829 |
| Total additions, net..... | <u>5,341,775</u> | <u>284,367</u> | <u>6,686,117</u> |
| Deductions: | | | |
| Interest on debt..... | - | - | 29,393 |
| Property taxes distributed to other governments..... | 5,341,775 | 209,682 | 5,551,457 |
| Custodial distributions to State..... | - | - | 12,822 |
| Other custodial deductions..... | - | 79,783 | 169,761 |
| Total deductions..... | <u>5,341,775</u> | <u>289,465</u> | <u>5,763,433</u> |
| Change in net position..... | - | (5,098) | 922,684 |
| Net position at beginning of year..... | - | 58,395 | 302,917 |
| Cumulative effect of accounting change..... | - | - | (11,358) |
| Net position at beginning of year, as restated..... | - | 58,395 | 291,559 |
| Net position at end of year..... | <u>\$ -</u> | <u>\$ 53,297</u> | <u>\$ 1,214,243</u> |

CITY AND COUNTY OF SAN FRANCISCO

Schedule of Fund Balance – General Fund
Fiscal Years 2018-19 through 2022-23
(In Thousands)

| | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|--|-------------|-------------|-------------|-------------|-------------|
| Restricted for rainy day (Economic Stabilization account) | \$229,069 | \$229,069 | \$114,539 | \$114,539 | \$114,539 |
| Restricted for rainy day (One-time Spending account) | 95,908 | - | - | - | - |
| Committed for budget stabilization (citywide) | 396,760 | 362,607 | 320,637 | 320,637 | 330,010 |
| Committed for Recreation & Parks savings reserve | 803 | 803 | - | - | - |
| Assigned, not available for appropriation | | | | | |
| Assigned for encumbrances | 351,446 | 394,912 | 407,137 | 462,668 | 424,301 |
| Assigned for appropriation carryforward | 496,846 | 630,759 | 753,776 | 940,213 | 840,748 |
| Assigned for budget savings incentive program (Citywide) | 86,979 | - | - | - | - |
| Assigned for salaries and benefits | 28,965 | 25,371 | 5,088 | 17,921 | 27,927 |
| Assigned for Self-Insurance | - | - | 42,454 | 45,567 | 46,496 |
| Assigned for Hotel Tax Loss Contingency | - | - | 6,000 | 3,500 | 3,500 |
| Total Fund Balance Not Available for Appropriation | 1,686,776 | 1,643,521 | 1,649,631 | 1,905,045 | 1,787,521 |
| Assigned and unassigned, available for appropriation | | | | | |
| Assigned for litigation and contingencies | 186,913 | 160,314 | 173,591 | 235,133 | 259,230 |
| Assigned for subsequent year's budget | 210,638 | 370,405 | 173,989 | 307,743 | 122,701 |
| Unassigned for General Reserve | 130,894 | 78,498 | 78,333 | 57,696 | 64,707 |
| Unassigned - Budgeted for use second budget year | 285,152 | 84 | - | 149,695 | 291,710 |
| Unassigned - Projected for use third and fourth budget year | - | - | - | 163,400 | 81,190 |
| Unassigned - Contingency for second budget year | 308,000 | 510,400 | - | - | - |
| Unassigned - COVID-19 Response and Economic Contingency R | - | - | 113,500 | 13,999 | - |
| Unassigned - Federal & State Emergency Revenue Reserve | - | - | 100,000 | 81,300 | 81,300 |
| Unassigned - Fiscal Cliff Reserve | - | - | 293,900 | 229,750 | 220,432 |
| Unassigned - Business Tax Stabilization Reserve | - | - | 149,000 | 29,454 | 29,454 |
| Unassigned - Gross Receipts Prepayment Reserve | - | - | 26,000 | - | - |
| Unassigned - Other Reserve | - | - | 13,807 | 1,021 | 22,234 |
| Unassigned - Available for future appropriation | 8,897 | 18,283 | 31,784 | 39,795 | 3,126 |
| Total Fund Balance Available for Appropriation | 1,130,494 | 1,137,884 | 1,153,904 | 1,308,986 | 1,176,084 |
| Total Fund Balance, Budget Basis | 2,817,270 | 2,781,505 | 2,803,535 | 3,214,031 | 2,963,605 |
| Budgeted Basis to GAAP Basis Reconciliation | | | | | |
| Total Fund Balance - Budget Basis | 2,817,270 | 2,781,505 | 2,803,535 | 3,214,031 | 2,963,605 |
| Unrealized gain or loss on investments | 16,275 | 36,626 | 3,978 | (156,403) | (158,859) |
| Nonspendable fund balance | 1,259 | 1,274 | 2,714 | 4,134 | 1,174 |
| Cumulative Excess Property Tax Revenues Recognized on Budget E | (23,793) | (20,655) | (31,745) | (32,874) | (40,685) |
| Cumulative Excess Health, Human Service, Franchise Tax and other | (87,794) | (139,590) | (120,569) | (118,791) | (111,163) |
| Inventories | - | 33,212 | 17,925 | - | - |
| Pre-paid lease revenue | (6,194) | (6,450) | (5,734) | (4,954) | (5,935) |
| Total Fund Balance, GAAP Basis | \$2,717,023 | \$2,685,922 | \$2,670,104 | \$2,905,143 | \$2,648,137 |

CITY AND COUNTY OF SAN FRANCISCO

General Fund Schedule of Revenues, Expenditures, and Changes
In Fund Balance¹
Fiscal Years 2018-19 through 2022-23
(In Thousands)

| | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|--------------|--------------|--------------|--------------|--------------|
| Revenues: | | | | | |
| Property Taxes ² | \$ 2,248,004 | \$ 2,075,002 | \$ 2,332,864 | \$ 2,336,071 | \$ 2,459,052 |
| Business Taxes | 917,811 | 622,154 | 722,642 | 861,172 | 850,593 |
| Other Local Taxes ³ | 1,215,308 | 996,180 | 709,018 | 1,115,553 | 1,108,545 |
| Licenses, Permits And Franchises | 27,960 | 25,318 | 12,332 | 32,078 | 28,953 |
| Fines, Forfeitures, And Penalties | 4,740 | 3,705 | 4,508 | 5,755 | 3,191 |
| Interest And Investment Income | 88,523 | 65,459 | (1,605) | (93,447) | 68,319 |
| Rents And Concessions | 14,460 | 9,816 | 5,111 | 10,668 | 11,775 |
| Intergovernmental | 1,069,349 | 1,183,341 | 1,607,803 | 1,795,395 | 1,339,711 |
| Charges For Services | 257,814 | 229,759 | 230,048 | 238,438 | 243,234 |
| Other | 46,254 | 62,218 | 46,434 | 23,285 | 29,677 |
| Total Revenues | 5,890,221 | 5,472,952 | 5,669,155 | 6,324,948 | 6,143,050 |
| Expenditures: | | | | | |
| Public Protection | 1,362,031 | 1,479,195 | 1,498,514 | 1,562,797 | 1,654,953 |
| Public Works, Transportation and Commerce | 202,988 | 203,350 | 204,973 | 232,078 | 265,019 |
| Human Welfare and Neighborhood Development | 1,071,309 | 1,252,865 | 1,562,982 | 1,478,115 | 1,577,163 |
| Community Health | 809,120 | 909,261 | 1,056,590 | 1,002,047 | 967,381 |
| Culture and Recreation | 152,250 | 155,164 | 145,405 | 159,056 | 172,832 |
| General Administration & Finance | 267,997 | 304,073 | 314,298 | 298,742 | 301,748 |
| General City Responsibilities | 144,808 | 129,941 | 113,913 | 156,870 | 189,570 |
| Total Expenditures | 4,030,503 | 4,433,849 | 4,896,675 | 4,889,705 | 5,128,666 |
| Excess Of Revenues Over Expenditures | 1,859,718 | 1,039,103 | 772,480 | 1,435,243 | 1,014,384 |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | 104,338 | 87,618 | 343,498 | 84,107 | 119,361 |
| Transfers Out | (1,468,971) | (1,157,822) | (1,166,855) | (1,209,383) | (1,316,074) |
| Other ⁴ | (3) | - | (338) | (74,928) | (74,677) |
| Total Other Financing Sources (Uses) | (1,364,636) | (1,070,204) | (823,695) | (1,200,204) | (1,271,390) |
| Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses | 495,082 | (31,101) | (51,215) | 235,039 | (257,006) |
| Total Fund Balance at Beginning of Year | 2,221,941 | 2,717,023 | 2,685,922 | 2,670,104 | 2,905,143 |
| Cumulative Effect of accounting change | - | - | 35,397 | - | - |
| Total Fund Balances at End of Year - GAAP Basis | \$ 2,717,023 | \$ 2,685,922 | \$ 2,670,104 | \$ 2,905,143 | \$ 2,648,137 |
| Assigned for Subsequent Year's Appropriations and Unassigned Fund Balance, Year End | | | | | |
| - GAAP Basis | 326,582 | 395,776 | 179,077 | 325,664 | 150,628 |
| - Budget Basis | 812,687 | 896,172 | 901,980 | 1,016,157 | 852,147 |

¹ Summary of financial information derived from City ACFRs. Fund balances include amounts reserved for rainy day (Economic Stabilization and One-time Spending amounts), encumbrances, appropriation carryforwards and other purposes (as required by the Charter or appropriate accounting practices) as well as unreserved designated and undesignated available fund balances (which amounts constitute unrestricted General Fund balances). Other includes debt service net of capital outlay and inception of leases/IBITAs.

² The City recognized \$548.0 million of "Excess Educational Revenue Augmentation Fund (ERAF)" revenue in FY 2018-19, representing FY16-17, FY17-18, and FY18-19 (3 fiscal years) of ERAF. Please see "GENERAL FUND REVENUES - Property Taxation" for more information about Excess ERAF.

³ Other Local Taxes includes sales, hotel, utility users, parking, sugar sweetened beverage, stadium admissions, access line, and cannabis taxes (effective January 1, 2022).

CITY AND COUNTY OF SAN FRANCISCO

Statistical Section

This section of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

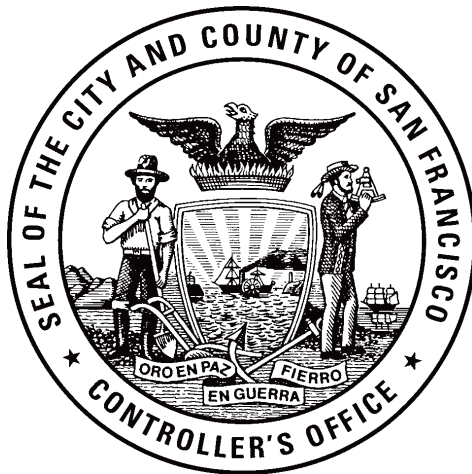
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources:

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.



STATISTICAL SECTION

CITY AND COUNTY OF SAN FRANCISCO
NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 (In Thousands)

| | Fiscal Year | | | | | | | | | |
|--|--------------|---------------------|--------------|--------------|---------------------|---------------|---------------|---------------------|---------------------|---------------------|
| | 2014 | 2015 ⁽¹⁾ | 2016 | 2017 | 2018 ⁽²⁾ | 2019 | 2020 | 2021 ⁽³⁾ | 2022 ⁽⁴⁾ | 2023 ⁽⁵⁾ |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 2,483,086 | \$ 2,684,808 | \$ 2,750,782 | \$ 2,873,927 | \$ 3,311,218 | \$ 3,681,341 | \$ 3,853,271 | \$ 3,927,209 | \$ 4,183,166 | \$ 4,491,155 |
| Restricted for: | | | | | | | | | | |
| Revenue for rainy day | 83,194 | 114,969 | 120,106 | 125,889 | 143,977 | 324,977 | 229,069 | 114,539 | 114,359 | 114,539 |
| Debt service | 91,900 | 87,772 | 83,029 | 108,179 | 136,132 | 104,720 | 113,765 | 136,571 | 152,808 | 156,851 |
| Capital projects | 110,808 | 26,263 | 198,962 | 257,634 | 199,586 | 186,015 | 257,975 | 256,804 | 259,063 | 318,105 |
| Community development | 200,640 | 297,094 | 433,398 | 434,691 | 427,684 | 624,127 | 608,464 | 1,267,587 | 1,255,903 | 968,679 |
| Transportation Authority activities | 12,496 | 13,496 | 15,657 | 16,189 | 17,499 | 21,554 | 28,673 | 42,420 | 56,868 | 72,024 |
| Building inspection programs | 97,628 | 109,512 | 134,663 | 150,109 | 155,448 | 166,510 | 162,162 | 130,927 | 101,447 | 74,418 |
| Children and families | 59,572 | 100,892 | 105,177 | 115,284 | 134,548 | 181,248 | 187,538 | 511,810 | 621,973 | 669,822 |
| Culture, recreation, grants and other purposes | 208,368 | 209,399 | 240,524 | 265,444 | 319,595 | 415,236 | 470,912 | 505,112 | 582,898 | 656,619 |
| Unrestricted (deficit) | (1,034,361) | (2,359,981) | (2,073,235) | (2,560,735) | (2,950,720) | (2,904,237) | (2,838,247) | (3,133,782) | (2,037,486) | (2,030,969) |
| Total governmental activities net position | \$ 2,341,631 | \$ 1,287,214 | \$ 2,009,065 | \$ 1,768,411 | \$ 1,891,977 | \$ 2,901,491 | \$ 3,133,622 | \$ 3,795,197 | \$ 5,331,016 | \$ 5,522,546 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 4,832,659 | \$ 5,117,879 | \$ 5,690,741 | \$ 5,752,069 | \$ 6,178,022 | \$ 6,764,333 | \$ 7,013,098 | \$ 7,003,396 | \$ 6,783,452 | \$ 6,851,218 |
| Restricted for: | | | | | | | | | | |
| Debt service | 64,143 | 100,929 | 127,073 | 202,262 | 294,459 | 331,118 | 316,671 | 242,381 | 158,479 | 171,232 |
| Capital projects | 363,601 | 398,745 | 340,996 | 394,634 | 515,072 | 558,980 | 521,169 | 510,813 | 651,952 | 1,014,138 |
| Other purposes | 24,721 | 35,866 | 70,505 | 93,686 | 294,122 | 165,675 | 116,861 | 301,944 | 358,526 | 10,174 |
| Unrestricted (deficit) | 732,736 | (335,083) | (251,379) | (670,759) | (1,492,713) | (1,117,385) | (1,004,828) | (1,162,508) | (435,349) | (168,113) |
| Total business-type activities net position | \$ 6,017,860 | \$ 5,278,250 | \$ 5,987,836 | \$ 6,771,902 | \$ 5,787,002 | \$ 6,700,721 | \$ 6,864,933 | \$ 6,866,026 | \$ 7,498,160 | \$ 7,878,649 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets ⁽⁶⁾ | \$ 7,032,674 | \$ 7,520,698 | \$ 8,151,422 | \$ 8,321,778 | \$ 9,157,665 | \$ 10,048,870 | \$ 10,474,620 | \$ 10,561,206 | \$ 10,561,965 | \$ 10,935,272 |
| Restricted for: | | | | | | | | | | |
| Revenue for rainy day | 83,194 | 114,969 | 120,106 | 125,889 | 143,977 | 324,977 | 229,069 | 114,539 | 114,359 | 114,539 |
| Debt service | 156,043 | 188,995 | 210,102 | 310,441 | 430,631 | 435,638 | 430,436 | 378,352 | 311,287 | 338,083 |
| Capital projects | 418,103 | 330,213 | 423,132 | 569,348 | 569,115 | 692,052 | 703,868 | 646,400 | 771,576 | 1,208,105 |
| Community development | 200,640 | 297,094 | 433,398 | 434,691 | 427,684 | 624,127 | 608,464 | 1,267,587 | 1,255,903 | 968,679 |
| Transportation Authority activities | 12,496 | 13,496 | 15,657 | 16,189 | 17,499 | 21,554 | 28,673 | 42,420 | 56,868 | 72,024 |
| Building inspection programs | 97,628 | 109,512 | 134,663 | 150,109 | 155,448 | 166,510 | 162,162 | 130,927 | 101,447 | 74,418 |
| Children and families | 59,572 | 100,892 | 105,177 | 115,284 | 134,548 | 181,248 | 187,538 | 511,810 | 621,973 | 669,822 |
| Culture, recreation, grants and other purposes | 231,069 | 245,365 | 311,029 | 359,143 | 613,717 | 580,911 | 557,773 | 607,056 | 541,424 | 666,793 |
| Unrestricted (deficit) ⁽⁷⁾ | 67,752 | (2,355,480) | (1,897,787) | (2,844,956) | (3,971,305) | (3,473,875) | (3,424,068) | (3,805,674) | (1,909,323) | (1,669,540) |
| Total primary government activities net position | \$ 8,359,491 | \$ 6,565,484 | \$ 8,006,889 | \$ 7,558,313 | \$ 7,678,970 | \$ 9,002,212 | \$ 10,098,595 | \$ 10,655,223 | \$ 12,827,179 | \$ 13,401,155 |

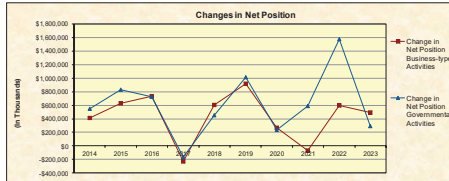
- Notes:
- (1) In fiscal year 2015, the City adopted the provisions of GASB Statement Nos. 68 and 71. As restatement of all prior periods is not practical, the cumulative effect of applying these statements is reported as a restatement of beginning net position as of July 1, 2014.
 - (2) Certain net position reclassifications were made to reflect the primary government as a whole perspective since fiscal year 2019. See Note 10(d) in the Notes to Basic Financial Statements for details.
 - (3) In fiscal year 2018, the City adopted the provisions of GASB Statement No. 75. As restatement of all prior periods is not practical, the cumulative effect of applying this statement is reported as a restatement of beginning net position as of July 1, 2017.
 - (4) In fiscal year 2021, the City adopted the provisions of GASB Statement No. 84. As restatement of all prior periods is not practical, the cumulative effect of applying this statement is reported as a restatement of beginning net position as of July 1, 2020.
 - (5) In fiscal year 2022, the City adopted the provisions of GASB Statement Nos. 87 and 89. As restatement of all prior periods is not practical, the cumulative effect of applying GASB Statement No. 87 is reported as a restatement of beginning net position as of July 1, 2021.
 - (6) In fiscal year 2023, the City adopted the provisions of GASB Statement Nos. 94 and 96. As restatement of all prior periods is not practical, the cumulative effect of applying GASB Statement Nos. 94 and 96 is reported as a restatement of beginning net position as of July 1, 2021.

CITY AND COUNTY OF SAN FRANCISCO
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 (In Thousands)

| | Fiscal Year | | | | | | | | | |
|---|--------------|---------------------|--------------|---------------|---------------------|---------------|---------------|---------------------|---------------------|---------------------|
| | 2014 | 2015 ⁽¹⁾ | 2016 | 2017 | 2018 ⁽²⁾ | 2019 | 2020 | 2021 ⁽³⁾ | 2022 ⁽⁴⁾ | 2023 ⁽⁵⁾ |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Public protection | \$ 1,229,591 | \$ 1,108,200 | \$ 1,222,549 | \$ 1,692,234 | \$ 1,496,749 | \$ 1,496,934 | \$ 1,661,262 | \$ 1,744,103 | \$ 1,592,725 | \$ 1,671,702 |
| Public works, transportation and commerce | 200,712 | 270,454 | 418,978 | 387,423 | 321,577 | 331,717 | 362,133 | 530,087 | 336,069 | 446,286 |
| Human welfare and neighborhood development | 1,039,190 | 1,073,652 | 1,223,493 | 1,543,047 | 1,593,060 | 1,720,425 | 2,137,989 | 2,384,990 | 2,332,500 | 2,483,425 |
| Community health | 786,761 | 776,040 | 747,071 | 868,628 | 914,512 | 860,422 | 1,148,208 | 1,241,262 | 1,151,847 | 1,206,314 |
| Culture and recreation | 367,623 | 355,876 | 311,028 | 539,916 | 425,688 | 584,219 | 519,016 | 487,261 | 386,314 | 537,383 |
| General administration and finance | 298,563 | 299,623 | 286,383 | 327,209 | 330,538 | 416,370 | 475,428 | 335,772 | 462,618 | 482,618 |
| Distributions to other governments | 85,230 | 94,577 | 113,490 | 145,247 | 118,956 | 156,907 | 119,063 | 100,077 | 47,206 | 49,113 |
| General City responsibilities | 115,880 | 115,020 | 115,357 | 113,264 | 138,048 | 153,220 | 144,600 | 144,334 | 155,407 | 155,729 |
| Unallocated interest on long-term debt and cost of issuance | 4,683,026 | 4,002,452 | 4,469,290 | 5,026,056 | 5,399,281 | 5,743,609 | 6,519,249 | 7,087,005 | 6,139,148 | 7,008,122 |
| Total governmental activities expenses | 10,727,608 | 10,027,200 | 11,148,967 | 12,887,371 | 11,363,702 | 11,363,702 | 12,887,371 | 14,087,371 | 12,887,371 | 13,401,155 |
| Business-type activities: | | | | | | | | | | |
| Airport | 827,658 | 863,338 | 900,621 | 1,122,802 | 1,092,154 | 1,067,265 | 1,344,734 | 1,294,064 | 1,176,430 | 1,278,517 |
| Port | 1,037,368 | 1,018,261 | 1,199,420 | 1,468,988 | 1,364,254 | 1,364,368 | 1,438,417 | 1,327,418 | 1,076,249 | 1,439,162 |
| Water | 88,551 | 91,449 | 118,361 | 102,667 | 123,116 | 131,884 | 142,126 | 110,108 | 110,108 | 127,817 |
| Waste | 470,200 | 438,885 | 470,254 | 572,500 | 538,068 | 536,480 | 576,140 | 627,875 | 606,409 | 666,970 |
| Power | 137,639 | 149,438 | 153,472 | 188,921 | 202,366 | 314,471 | 362,669 | 411,605 | 477,202 | 544,742 |
| Hospitals | 1,011,452 | 996,305 | 1,002,618 | 1,370,154 | 1,294,045 | 1,236,823 | 1,332,648 | 1,378,112 | 1,300,106 | 1,419,409 |
| Sewer | 343,446 | 293,506 | 344,289 | 273,077 | 284,298 | 304,010 | 296,342 | 318,976 | 328,352 | 343,618 |
| Market | 120 | - | - | - | - | - | - | - | - | - |
| Total business-type activities expenses | 3,816,454 | 3,784,229 | 4,017,122 | 5,124,110 | 4,795,852 | 4,886,823 | 5,613,334 | 5,688,170 | 5,072,646 | 5,820,215 |
| Total primary government expenses | \$ 7,909,010 | \$ 7,296,761 | \$ 8,426,392 | \$ 10,766,668 | \$ 10,946,132 | \$ 10,630,126 | \$ 12,023,068 | \$ 12,995,731 | \$ 11,211,604 | \$ 13,428,307 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Public protection | \$ 69,673 | \$ 70,444 | \$ 86,164 | \$ 83,896 | \$ 87,614 | \$ 121,848 | \$ 105,508 | \$ 85,980 | \$ 101,317 | \$ 103,361 |
| Public works, transportation and commerce | 135,842 | 130,661 | 130,410 | 148,804 | 157,416 | 164,578 | 138,328 | 136,450 | 102,004 | 133,695 |
| Human welfare and neighborhood development | 90,848 | 90,612 | 273,986 | 164,756 | 82,925 | 134,829 | 212,743 | 207,874 | 237,611 | 170,585 |
| Community health | 67,680 | 63,130 | 60,078 | 68,601 | 104,335 | 101,678 | 107,078 | 120,141 | 87,248 | 91,066 |
| Culture and recreation | 89,969 | 88,202 | 86,205 | 97,614 | 125,776 | 136,928 | 127,196 | 42,676 | 62,569 | 135,988 |
| General administration and finance | 60,071 | 61,403 | 52,417 | 45,385 | 73,225 | 95,278 | 97,190 | 80,700 | 108,863 | 188,245 |
| General City responsibilities | 39,445 | 37,031 | 45,922 | 37,387 | 54,138 | 56,027 | 66,885 | 87,943 | 55,587 | 68,805 |
| Operating grants and contributions | 1,142,004 | 1,165,340 | 1,289,902 | 1,280,262 | 1,278,000 | 1,392,116 | 1,618,001 | 1,500,330 | 2,163,341 | 1,762,809 |
| Capital grants and contributions | 39,379 | 48,213 | 24,736 | 19,493 | 63,181 | 146,400 | 130,937 | 105,409 | 160,625 | 160,625 |
| Total governmental activities program revenues | 7,700,001 | 7,805,506 | 2,091,877 | 1,920,177 | 2,029,518 | 2,440,876 | 2,619,310 | 2,789,038 | 3,076,031 | 2,803,119 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Airport | 770,691 | 815,364 | 886,991 | 926,800 | 1,063,802 | 985,443 | 843,879 | 515,416 | 821,263 | 1,064,104 |
| Port | 521,628 | 499,544 | 495,266 | 500,030 | 511,984 | 505,189 | 205,285 | 207,288 | 315,443 | 300,188 |
| Water | 85,019 | 95,296 | 109,733 | 113,353 | 109,769 | 122,033 | 168,863 | 94,330 | 120,961 | 128,687 |
| Waste | 379,882 | 406,847 | 419,616 | 460,331 | 525,639 | 542,391 | 603,391 | 681,612 | 674,117 | 691,091 |
| Power | 134,438 | 147,803 | 164,736 | 189,979 | 191,963 | 345,396 | 421,284 | 391,171 | 480,447 | 583,477 |
| Hospitals | 661,038 | 654,718 | 620,320 | 873,221 | 967,936 | 1,014,124 | 1,092,622 | 1,070,390 | 1,167,663 | 1,213,805 |
| Sewer | 260,097 | 256,002 | 281,775 | 277,341 | 315,096 | 331,081 | 344,128 | 327,665 | 368,882 | 363,036 |
| Market | 141 | - | - | - | - | - | - | - | - | - |
| Operating grants and contributions | 190,351 | 191,101 | 189,623 | 270,167 | 217,506 | 251,977 | 455,673 | 710,059 | 545,626 | 444,009 |
| Capital grants and contributions | 615,445 | 357,810 | 374,924 | 353,046 | 465,166 | 487,009 | | | | |

CITY AND COUNTY OF SAN FRANCISCO
CHANGES IN NET POSITION (Continued)
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 (In Thousands)

| | Fiscal Year | | | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2014 | 2015 ⁽¹⁾ | 2016 | 2017 | 2018 ⁽²⁾ | 2019 | 2020 | 2021 ⁽³⁾ | 2022 ⁽⁴⁾ | 2023 ⁽⁵⁾ |
| Net (expenses)/revenue | | | | | | | | | | |
| Governmental activities..... | \$ (2,133,555) | \$ (2,175,896) | \$ (2,316,380) | \$ (3,697,381) | \$ (3,369,763) | \$ (3,302,733) | \$ (3,990,930) | \$ (4,299,517) | \$ (3,063,047) | \$ (4,805,003) |
| Business-type activities..... | (7,234) | (100,483) | (212,230) | (1,109,845) | (426,591) | (327,585) | (814,820) | (1,306,555) | (892,200) | (714,869) |
| Total primary government net expenses..... | \$ (2,140,789) | \$ (2,276,379) | \$ (2,528,610) | \$ (4,807,226) | \$ (3,796,354) | \$ (3,630,318) | \$ (4,805,750) | \$ (5,606,072) | \$ (3,955,247) | \$ (5,519,872) |
| General Revenue and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes..... | \$ 1,521,471 | \$ 1,640,383 | \$ 1,808,917 | \$ 1,951,696 | \$ 2,363,863 | \$ 2,581,308 | \$ 2,733,334 | \$ 2,972,067 | \$ 3,004,800 | \$ 3,167,382 |
| Business taxes..... | 563,406 | 611,932 | 660,926 | 702,331 | 890,142 | 919,552 | 833,931 | 1,894,004 | 1,326,675 | 1,290,918 |
| Sales and use tax..... | 227,636 | 260,424 | 270,091 | 291,395 | 293,916 | 326,295 | 279,453 | 233,390 | 201,155 | 200,385 |
| Hotel room tax..... | 310,052 | 394,262 | 387,661 | 370,344 | 352,176 | 408,348 | 282,970 | 37,698 | 174,609 | 278,961 |
| Utility users tax..... | 96,810 | 98,979 | 98,651 | 101,203 | 94,460 | 93,918 | 94,231 | 81,367 | 105,225 | 110,661 |
| Other local taxes..... | 391,638 | 451,994 | 399,852 | 542,557 | 424,167 | 510,435 | 474,859 | 453,852 | 676,304 | 564,753 |
| Interest and investment income (loss)..... | 21,887 | 20,737 | 24,648 | 35,240 | 46,020 | 176,300 | 142,181 | 10,688 | (160,697) | 157,267 |
| Other..... | 70,024 | 46,906 | 59,266 | 162,933 | 71,834 | 86,789 | 63,952 | 67,636 | 82,295 | 99,471 |
| Transfers - internal activities of primary government..... | (311,627) | (504,791) | (671,173) | (647,942) | (753,283) | (802,748) | (879,450) | (861,966) | (866,631) | (885,106) |
| Special item..... | - | - | - | - | - | - | - | - | - | - |
| Total governmental activities..... | 2,881,207 | \$ 3,000,820 | \$ 3,038,220 | \$ 3,529,767 | \$ 3,822,315 | \$ 4,312,247 | \$ 4,223,061 | \$ 4,889,541 | \$ 4,833,745 | \$ 5,093,602 |
| Business-type activities: | | | | | | | | | | |
| Interest and investment income (loss)..... | 29,843 | 25,999 | 28,566 | 28,547 | 39,010 | 182,666 | 151,319 | (3,066) | (108,628) | 108,704 |
| Other..... | 62,737 | 200,148 | 240,636 | 257,419 | 246,827 | 237,045 | 245,466 | 440,608 | 327,454 | 240,145 |
| Transfers - internal activities of primary government..... | 311,627 | 504,791 | 671,173 | 647,942 | 753,283 | 802,748 | 879,450 | 861,966 | 866,631 | 885,106 |
| Special item..... | - | - | - | - | - | - | - | - | - | - |
| Extraordinary gain (loss)..... | (6,843) | - | - | - | - | - | - | - | - | - |
| Total business-type activities..... | \$ 377,367 | \$ 730,938 | \$ 940,375 | \$ 933,986 | \$ 1,032,126 | \$ 1,268,799 | \$ 1,078,228 | \$ 1,289,008 | \$ 1,085,457 | \$ 1,233,955 |
| Total primary government..... | \$ 2,258,661 | \$ 3,731,758 | \$ 3,978,595 | \$ 4,463,753 | \$ 4,854,441 | \$ 5,551,046 | \$ 5,299,289 | \$ 6,178,549 | \$ 5,919,202 | \$ 6,327,557 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities..... | \$ 547,742 | \$ 824,930 | \$ 721,849 | \$ (167,144) | \$ 452,552 | \$ 1,009,514 | \$ 232,131 | \$ 590,024 | \$ 1,570,698 | \$ 288,689 |
| Business-type activities..... | 459,645 | 630,373 | 729,105 | (225,924) | 603,129 | 913,719 | 264,232 | 683,047 | (82,249) | 499,009 |
| Total primary government..... | \$ 1,007,387 | \$ 1,455,303 | \$ 1,450,954 | \$ (383,064) | \$ 1,055,681 | \$ 1,923,233 | \$ 496,363 | \$ 1,273,071 | \$ 1,488,449 | \$ 787,698 |



- Notes:
- In fiscal year 2014-15, the City adopted the provisions of GASB Statement Nos. 68 and 71. As restatement of all prior periods is not practical, the cumulative effect of applying these statements is reported as a restatement of beginning net position as of July 1, 2014.
 - In fiscal year 2017-18, the City adopted the provisions of GASB Statement No. 75. As restatement of all prior periods is not practical, the cumulative effect of applying this statement is reported as a restatement of beginning net position as of July 1, 2017.
 - In fiscal year 2020-21, the City adopted the provisions of GASB Statement No. 84. As restatement of all prior periods is not practical, the cumulative effect of applying this statement is reported as a restatement of beginning net position as of July 1, 2020.
 - In fiscal year 2021-22, the City adopted the provisions of GASB Statement Nos. 87 and 89. As restatement of all prior periods is not practical, the cumulative effect of applying GASB Statement No. 87 is reported as a restatement of beginning net position as of July 1, 2021.
 - In fiscal year 2022-23, the City adopted the provisions of GASB Statement Nos. 94 and 96. As restatement of all prior periods is not practical, the cumulative effect of applying GASB Statement Nos. 94 and 96 is reported as a restatement of beginning net position as of July 1, 2022.

CITY AND COUNTY OF SAN FRANCISCO
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)
 (In Thousands)

| | Fiscal Year | | | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| General Fund | | | | | | | | | | |
| Nonspendable..... | \$ 24,022 | \$ 24,786 | \$ 522 | \$ 525 | \$ 1,512 | \$ 1,259 | \$ 1,274 | \$ 2,714 | \$ 4,134 | \$ 1,174 |
| Restricted..... | 83,194 | 114,969 | 120,106 | 125,689 | 143,977 | 324,977 | 229,069 | 114,539 | 114,539 | 114,539 |
| Committed..... | 145,126 | 142,815 | 187,170 | 327,607 | 371,698 | 397,563 | 363,410 | 320,637 | 320,637 | 330,010 |
| Assigned..... | 508,903 | 705,076 | 879,567 | 1,088,288 | 1,291,499 | 1,361,787 | 1,581,761 | 1,562,035 | 2,012,745 | 1,724,903 |
| Unassigned..... | 74,317 | 157,550 | 241,797 | 328,594 | 413,255 | 631,437 | 510,408 | 670,179 | 453,088 | 477,511 |
| Total general fund..... | \$ 836,562 | \$ 1,145,196 | \$ 1,429,162 | \$ 1,870,702 | \$ 2,221,941 | \$ 2,717,029 | \$ 2,685,922 | \$ 2,670,104 | \$ 2,905,143 | \$ 2,646,137 |
| All other governmental funds | | | | | | | | | | |
| Nonspendable..... | \$ 441 | \$ 329 | \$ 82 | \$ 82 | \$ 82 | \$ 140 | \$ 82 | \$ 82 | \$ 124 | \$ 356 |
| Restricted..... | 1,115,226 | 1,110,836 | 1,443,956 | 1,701,020 | 2,232,040 | 2,309,105 | 2,229,282 | 3,384,275 | 3,615,837 | 3,565,843 |
| Assigned..... | 50,733 | 66,740 | 66,085 | 78,413 | 124,076 | 114,840 | 125,319 | 224,658 | 259,607 | 291,062 |
| Unassigned..... | (64,983) | (34,159) | (103,811) | (245,445) | (604) | (531) | (729) | (1,920) | (1,041) | (1,936) |
| Total other governmental funds..... | \$ 1,101,417 | \$ 1,143,747 | \$ 1,406,312 | \$ 1,534,070 | \$ 2,365,294 | \$ 2,493,554 | \$ 2,353,954 | \$ 3,607,095 | \$ 3,674,537 | \$ 3,856,326 |

CITY AND COUNTY OF SAN FRANCISCO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)
 (In Thousands)

| | Fiscal Year | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Revenues: | | | | | | | | | | |
| Property taxes..... | \$ 1,517,261 | \$ 1,642,159 | \$ 1,708,778 | \$ 1,937,694 | \$ 2,171,601 | \$ 2,785,473 | \$ 2,654,037 | \$ 2,964,753 | \$ 2,998,200 | \$ 3,157,038 |
| Business taxes..... | 563,406 | 611,932 | 660,926 | 702,331 | 899,142 | 919,552 | 833,931 | 1,894,604 | 1,326,675 | 1,200,918 |
| Sales and use tax..... | 227,636 | 240,424 | 267,443 | 291,710 | 296,209 | 329,296 | 279,453 | 233,393 | 293,155 | 309,385 |
| Hotel room tax..... | 310,652 | 394,262 | 387,661 | 370,344 | 382,176 | 408,348 | 280,970 | 37,698 | 174,609 | 278,961 |
| Utility users tax..... | 86,810 | 98,979 | 98,651 | 101,203 | 94,460 | 93,918 | 94,231 | 81,367 | 105,225 | 110,661 |
| Other local taxes..... | 391,638 | 451,994 | 399,882 | 542,567 | 424,187 | 515,435 | 474,859 | 453,829 | 676,327 | 564,753 |
| Licenses, permits and franchises..... | 42,371 | 42,959 | 43,722 | 44,397 | 43,180 | 43,416 | 38,472 | 27,186 | 48,834 | 43,156 |
| Fines, forfeitures and penalties..... | 28,425 | 28,154 | 36,169 | 30,788 | 34,220 | 48,896 | 43,830 | 74,273 | 44,581 | 44,322 |
| Interest and investment income (loss)..... | 21,678 | 20,583 | 23,931 | 35,089 | 45,890 | 177,832 | 141,638 | 10,688 | (160,819) | 156,887 |
| Rent and concessions..... | 90,712 | 99,102 | 135,865 | 100,544 | 105,284 | 155,346 | 118,865 | 76,313 | 131,450 | 184,208 |
| Intergovernmental: | | | | | | | | | | |
| Federal..... | 426,314 | 465,196 | 416,823 | 411,369 | 421,024 | 442,328 | 590,697 | 907,362 | 1,096,707 | 635,680 |
| State..... | 721,735 | 751,574 | 776,865 | 823,012 | 875,402 | 994,916 | 990,264 | 1,105,834 | 1,207,042 | 1,293,904 |
| Other..... | 8,408 | 15,774 | 85,872 | 13,814 | 16,993 | 13,630 | 26,483 | 26,890 | 20,081 | 8,938 |
| Charges for services..... | 333,904 | 359,044 | 392,665 | 378,437 | 415,669 | 437,540 | 398,405 | 376,113 | 397,270 | 387,553 |
| Other..... | 134,923 | 123,605 | 264,722 | 188,311 | 186,034 | 246,010 | 214,359 | 182,826 | 186,499 | 207,346 |
| Total revenues..... | 4,998,273 | 5,345,741 | 5,789,974 | 5,971,620 | 6,411,371 | 7,561,936 | 7,181,394 | 8,453,129 | 8,543,836 | 8,673,710 |
| Expenditures: | | | | | | | | | | |
| Public protection..... | 1,172,487 | 1,210,157 | 1,269,000 | 1,323,577 | 1,378,754 | 1,460,198 | 1,551,125 | 1,570,458 | 1,644,421 | 1,748,187 |
| Public works, transportation and commerce..... | 232,005 | 203,999 | 416,152 | 332,693 | 441,668 | 428,378 | 488,697 | 458,154 | 471,415 | 505,421 |
| Human welfare and neighborhood development..... | 995,192 | 1,095,419 | 1,252,588 | 1,424,425 | 1,499,216 | 1,698,081 | 2,070,388 | 2,339,937 | 2,539,914 | 2,998,446 |
| Community health..... | 761,439 | 753,832 | 776,612 | 712,495 | 815,782 | 918,330 | 1,026,915 | 1,170,730 | 1,181,711 | 1,168,603 |
| Culture and recreation..... | 331,914 | 352,852 | 364,909 | 390,038 | 424,794 | 453,554 | 460,157 | 417,106 | 464,643 | 513,127 |
| General administration and finance..... | 233,977 | 251,370 | 277,729 | 303,113 | 312,441 | 346,154 | 392,629 | 395,792 | 377,185 | 439,767 |
| Distributions to other governments..... | - | - | - | - | - | - | - | - | 47,296 | 49,113 |
| General City responsibilities..... | 86,996 | 98,658 | 114,684 | 121,447 | 110,920 | 144,808 | 129,941 | 113,913 | 168,870 | 189,570 |
| Debt service: | | | | | | | | | | |
| Principal retirement..... | 190,266 | 200,497 | 252,456 | 283,356 | 381,141 | 338,416 | 296,875 | 356,986 | 439,550 | 400,960 |
| Interest and other fiscal charges..... | 119,142 | 121,371 | 119,723 | 125,091 | 138,925 | 168,839 | 150,646 | 154,598 | 173,656 | 181,463 |
| Bond issuance costs..... | 2,185 | 2,734 | 7,108 | 2,695 | 8,934 | 876 | 4,455 | 7,864 | 3,330 | 5,747 |
| Payment to refunded bond escrow agent..... | - | - | - | - | - | - | 8,365 | 7,167 | 7,769 | - |
| Capital outlay..... | 449,726 | 412,740 | 223,904 | 297,089 | 337,741 | 323,979 | 454,137 | 275,638 | 250,754 | 220,917 |
| Total expenditures..... | 4,575,339 | 4,793,620 | 5,074,865 | 5,316,019 | 5,848,496 | 6,269,601 | 7,034,870 | 7,274,701 | 7,756,523 | 8,422,321 |
| Excess of revenues over expenditures..... | 330,934 | 552,121 | 715,109 | 655,601 | 592,875 | 1,292,335 | 146,524 | 1,178,428 | 787,313 | 251,389 |

CITY AND COUNTY OF SAN FRANCISCO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)
 (In Thousands)

| | Fiscal Year | | | | | | | | | |
|--|-------------|-------------|-------------|-------------|--------------|-------------|--------------|--------------|-------------|--------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Other financing sources (uses): | | | | | | | | | | |
| Transfers in..... | 583,283 | 558,287 | 580,737 | 641,123 | 625,147 | 853,553 | 701,391 | 983,647 | 757,902 | 702,230 |
| Transfers out..... | (675,296) | (1,061,086) | (1,251,800) | (1,222,163) | (1,398,562) | (1,654,966) | (1,380,325) | (1,825,686) | (1,626,205) | (1,587,557) |
| Issuance of bonds and loans: | | | | | | | | | | |
| Face value of bonds issued..... | 209,955 | 155,620 | 472,325 | 276,570 | 1,293,595 | 72,420 | 393,310 | 823,665 | 468,380 | 267,975 |
| Face value of refunding debt issued..... | 47,220 | 293,910 | 123,600 | - | - | - | 222,315 | 161,870 | 414,205 | - |
| Face value of loans issued..... | 8,735 | 136,763 | - | 46,000 | - | - | - | - | - | - |
| Premium on issuance of bonds..... | 19,773 | 69,833 | 32,845 | 12,432 | 76,243 | - | 73,759 | 93,427 | 124,411 | 6,364 |
| Payment to refunded bond escrow agent..... | (48,055) | (359,225) | (131,935) | - | - | - | (257,675) | (193,579) | (463,448) | - |
| Proceeds from sale of capital assets..... | - | - | - | 122,000 | - | - | - | - | - | - |
| Other financing sources - capital leases..... | 12,869 | 7,750 | 5,650 | 37,738 | 2,027 | - | - | - | - | - |
| Inception of lease and subscriptions..... | - | - | - | - | - | - | - | - | 41,913 | 72,033 |
| Total other financing sources (uses)..... | (62,516) | (200,148) | (168,578) | (86,302) | 598,450 | (728,993) | (247,225) | 23,344 | (282,842) | (538,956) |
| Special item..... | - | - | - | - | 11,137 | - | - | - | - | - |
| Net change in fund balances..... | \$ 288,418 | \$ 351,964 | \$ 548,531 | \$ 569,299 | \$ 1,172,462 | \$ 563,342 | \$ (100,701) | \$ 1,201,772 | \$ 502,471 | \$ (287,569) |
| Debt service as a percentage of noncapital expenditures..... | 7.61% | 7.55% | 7.98% | 8.46% | 9.75% | 8.51% | 7.06% | 7.42% | 8.50% | 7.39% |
| Debt service as a percentage of total expenditures..... | 6.76% | 6.71% | 7.33% | 7.68% | 8.86% | 7.90% | 6.36% | 7.04% | 7.90% | 6.92% |

CITY AND COUNTY OF SAN FRANCISCO
ASSESSED VALUE OF TAXABLE PROPERTY ⁽¹⁾⁽³⁾⁽⁴⁾
 Last Ten Fiscal Years
 (In Thousands)

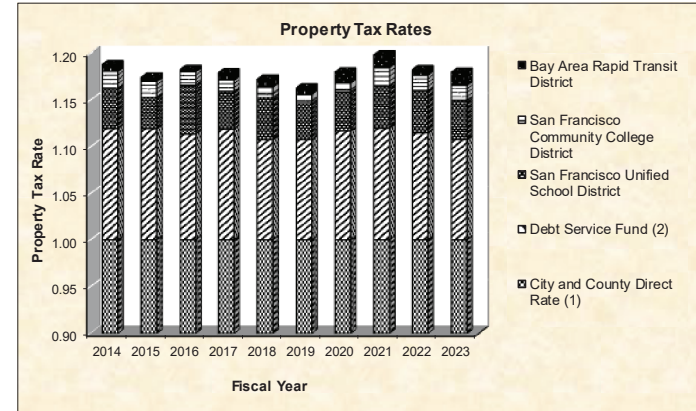
| Fiscal Year | Assessed Value | | | Exemptions ⁽²⁾ | | | Total Taxable Assessed Value | Total Direct Tax Rate |
|-------------|----------------|-------------------|----------------|---------------------------|--------------|------------------------------|------------------------------|-----------------------|
| | Real Property | Personal Property | Total | Non-reimbursable | Reimbursable | Redevelopment Tax Increments | | |
| 2014 | \$ 179,368,068 | \$ 4,101,609 | \$ 183,469,677 | \$ 7,494,941 | \$ 657,439 | \$ 15,962,884 | \$ 159,354,413 | 1.00% |
| 2015 | 186,530,855 | 4,392,133 | 190,922,988 | 8,173,599 | 656,490 | 15,730,217 | 166,362,682 | 1.00% |
| 2016 | 197,889,670 | 4,667,489 | 202,557,159 | 8,252,472 | 654,116 | 15,798,019 | 177,852,552 | 1.00% |
| 2017 | 216,357,277 | 5,003,459 | 221,360,736 | 9,061,126 | 647,177 | 17,057,074 | 194,595,369 | 1.00% |
| 2018 | 240,129,959 | 5,033,413 | 245,163,372 | 11,372,719 | 638,914 | 20,790,719 | 212,361,020 | 1.00% |
| 2019 | 268,211,395 | 5,398,846 | 273,610,241 | 15,056,415 | 627,379 | 21,989,616 | 235,936,831 | 1.00% |
| 2020 | 289,711,888 | 7,346,098 | 297,057,986 | 17,689,802 | 617,454 | 23,132,814 | 255,617,916 | 1.00% |
| 2021 | 311,911,097 | 6,935,352 | 318,846,449 | 18,672,211 | 605,611 | 21,679,824 | 277,888,803 | 1.00% |
| 2022 | 321,740,412 | 6,903,321 | 328,643,733 | 20,331,278 | 599,790 | 22,430,502 | 285,282,163 | 1.00% |
| 2023 | 346,030,954 | 7,029,571 | 353,060,525 | 21,043,071 | 585,760 | 21,589,228 | 309,842,466 | 1.00% |

Source:
 Controller, City and County of San Francisco

- Notes:
- (1) Assessed value of taxable property represents all property within the City. The maximum tax rate is 1% of the full cash value or \$1/\$100 of the assessed value, excluding the tax rate for debt service.
 - (2) Exemptions are summarized as follows:
 - (a) Non-reimbursable exemptions are revenues lost to the City because of provisions of California Constitution, Article XIII(3).
 - (b) Reimbursable exemptions arise from Article XII(25) which reimburses local governments for revenues lost through the homeowners' exemption in Article XIII(3) (k).
 - (c) Tax increments were allocations made to the former San Francisco Redevelopment Agency under authority of California Constitution, Article XVI and Section 33675 of the California Health & Safety Code. Actual allocations are limited under an indebtedness agreement between the City and Redevelopment Agency.
 - (3) Does not include SB-813 supplemental property taxes.
 - (4) Based on year end actual assessed values.

CITY AND COUNTY OF SAN FRANCISCO
DIRECT AND OVERLAPPING PROPERTY TAX RATES
 Last Ten Fiscal Years
 (Rate Per \$100 of Assessed Value)

| Fiscal Year | City and County Direct Rate ⁽¹⁾ | Overlapping Rates | | | | Total |
|-------------|--|----------------------------------|---------------------------------------|--|---------------------------------|--------|
| | | Debt Service Fund ⁽²⁾ | San Francisco Unified School District | San Francisco Community College District | Bay Area Rapid Transit District | |
| 2014 | 1.00000000 | 0.11947956 | 0.04288739 | 0.01813305 | 0.00750000 | 1.1880 |
| 2015 | 1.00000000 | 0.11945760 | 0.03326497 | 0.01707743 | 0.00450000 | 1.1743 |
| 2016 | 1.00000000 | 0.11346583 | 0.05246647 | 0.01407283 | 0.00260000 | 1.1826 |
| 2017 | 1.00000000 | 0.11894004 | 0.03982180 | 0.01245918 | 0.00800000 | 1.1792 |
| 2018 | 1.00000000 | 0.10740904 | 0.04517555 | 0.01135485 | 0.00840000 | 1.1723 |
| 2019 | 1.00000000 | 0.10748997 | 0.03869354 | 0.00982024 | 0.00700000 | 1.1630 |
| 2020 | 1.00000000 | 0.11669015 | 0.04160439 | 0.00979486 | 0.01200000 | 1.1801 |
| 2021 | 1.00000000 | 0.11972733 | 0.04510041 | 0.01973594 | 0.01390000 | 1.1985 |
| 2022 | 1.00000000 | 0.11463663 | 0.04503343 | 0.01681493 | 0.00600000 | 1.1825 |
| 2023 | 1.00000000 | 0.10761763 | 0.04216026 | 0.01595993 | 0.01400000 | 1.1797 |



- Notes:
- (1) Proposition 13 allows each county to levy a maximum tax of \$1 per \$100 of full cash value. Full cash value is equivalent to assessed value pursuant to Statutes of 1978, Senate Bill 1656.
 - (2) On June 6, 1978, California voters approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, that limits the taxing power of California public agencies. Legislation enacted to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that notwithstanding any other law, local agencies may not levy property taxes except to pay debt service on indebtedness approved by voters prior to July 1, 1978 or any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-thirds of the voting public.

CITY AND COUNTY OF SAN FRANCISCO
PRINCIPAL PROPERTY ASSESSEES
 Current Fiscal Year and Nine Fiscal Years Ago
 (Dollar in Thousands)

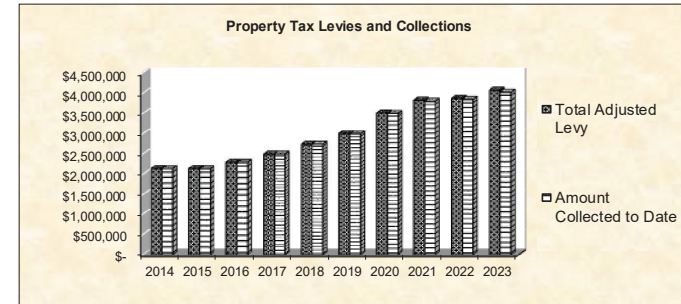
| Assessee | Type of Business | Fiscal Year 2023 | | | Fiscal Year 2014 | | |
|---|-----------------------|---------------------------------------|------|---|------------------------|------|---|
| | | Taxable Assessed Value ⁽¹⁾ | Rank | Percentage of Total Taxable Assessed Value ⁽²⁾ | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value ⁽²⁾ |
| Transbay Towers LLC | Office, Commercial | \$ 1,837,581 | 1 | 0.56% | \$ - | - | - |
| Sutter Bay Hospitals | Office, Commercial | 1,790,041 | 2 | 0.54% | - | - | - |
| G5W Arena LLC | Entertainment Complex | 1,308,691 | 3 | 0.40% | - | - | - |
| Park Tower Owner LLC | Office, Commercial | 1,118,039 | 4 | 0.34% | - | - | - |
| KRE Exchange Owner LLC | Office, Commercial | 1,103,805 | 5 | 0.34% | - | - | - |
| HWA 555 Owners LLC | Office, Commercial | 1,091,951 | 6 | 0.33% | 941,010 | 1 | 0.52% |
| Elm Property Venture LLC | Office, Commercial | 1,056,254 | 7 | 0.32% | - | - | - |
| PPF Paramount One Market Plaza Owner LP | Office, Commercial | 894,928 | 8 | 0.27% | 770,892 | 2 | 0.42% |
| SHR St. Francis LLC | Hotel | 770,454 | 9 | 0.23% | 368,994 | 8 | 0.20% |
| SFDC 50 Fremont LLC | Office, Commercial | 739,295 | 10 | 0.22% | - | - | - |
| Emporium Mall LLC | Retail, Commercial | - | - | - | 430,661 | 3 | 0.24% |
| SPF China Basin Holdings LLC | Office, Commercial | - | - | - | 423,273 | 4 | 0.23% |
| SHC Embarcadero LLC | Office, Commercial | - | - | - | 398,608 | 5 | 0.22% |
| SF Hilton Inc | Hotel | - | - | - | 389,595 | 6 | 0.21% |
| Post-Montgomery Associates | Office, Commercial | - | - | - | 387,267 | 7 | 0.21% |
| PPF Off One Maritime Plaza LP | Office, Commercial | - | - | - | 367,384 | 9 | 0.20% |
| Wells REIT II - 333 Market St LLC | Office, Commercial | - | - | - | 349,062 | 10 | 0.19% |
| Total | | \$ 11,711,039 | | 3.55% | \$ 4,826,746 | | 2.64% |

Source: Assessor, City and County of San Francisco

- Notes:
 (1) Data for fiscal year 2022-2023 updated as of August 1, 2022.
 (2) Assessed values for fiscal years 2022-2023 and 2013-2014 are from the tax rolls of calendar year 2022 and 2013, respectively.

CITY AND COUNTY OF SAN FRANCISCO
PROPERTY TAX LEVIES AND COLLECTIONS ^{(1) (2)}
 Last Ten Fiscal Years
 (In Thousands)

| Fiscal Year | Collected within the Fiscal Year of the Levy | | | Total Collections to Date | | |
|-------------|--|--------------|-----------------------------|--|--------------|-----------------------------|
| | Total Adjusted Levy | Amount | Percentage of Original Levy | Collections in Subsequent Years ⁽³⁾ | Amount | Percentage of Adjusted Levy |
| 2014 | \$ 2,138,245 | \$ 2,113,284 | 98.83% | \$ 23,009 | \$ 2,136,293 | 99.91% |
| 2015 | 2,139,050 | 2,113,968 | 98.83 | 21,166 | 2,135,134 | 99.82 |
| 2016 | 2,290,280 | 2,268,876 | 99.07 | 19,156 | 2,288,032 | 99.90 |
| 2017 | 2,492,789 | 2,471,486 | 99.15 | 21,966 | 2,493,452 | 100.03 |
| 2018 | 2,732,615 | 2,709,048 | 99.14 | 29,002 | 2,738,050 | 100.20 |
| 2019 | 2,999,794 | 2,977,664 | 99.26 | 17,194 | 2,994,858 | 99.84 |
| 2020 | 3,509,022 | 3,475,682 | 99.05 | 21,020 | 3,496,702 | 99.65 |
| 2021 | 3,823,246 | 3,785,038 | 99.00 | 9,800 | 3,794,838 | 99.26 |
| 2022 | 3,864,100 | 3,832,546 | 99.18 | 7,066 | 3,839,612 | 99.37 |
| 2023 | 4,067,270 | 4,032,813 | 99.15 | (12,876) | 4,019,937 | 98.84 |



Source: Controller, City and County of San Francisco

- Notes:
 (1) Includes San Francisco Unified School District, San Francisco Community College District, Bay Area Rapid Transit District, Bay Area Air Quality Management District, and the Successor Agency to the San Francisco Redevelopment Agency.
 (2) Does not include SB-813 supplemental property taxes.
 (3) Redemption roll collections or prior year reductions of secured annual taxes within the fiscal year. Prior year reductions occur when an exemption gets applied or an Assessment Appeals Board decision reduces a prior year assessed value.

CITY AND COUNTY OF SAN FRANCISCO
RATIOS OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years
 (In Thousands, except per capita amount)

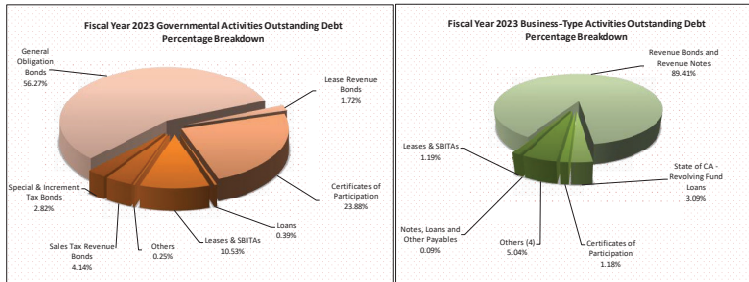
| Governmental Activities | | | | | | | | | |
|-------------------------|--------------------------|---------------------|-------------------------------|-----------|-----------------|----------|-------------------------|-------------------------------|--------------|
| Fiscal Year | General Obligation Bonds | Lease Revenue Bonds | Certificates of Participation | Loans | Leases & SBITAs | Others | Sales Tax Revenue Bonds | Special & Increment Tax Bonds | Subtotal |
| 2014 | \$ 2,105,885 | \$ 243,503 | \$ 544,817 | \$ 27,441 | \$ - | \$ 3,085 | \$ - | \$ - | \$ 2,924,731 |
| 2015 | 2,096,765 | 216,527 | 507,504 | 163,837 | - | - | - | - | 2,984,633 |
| 2016 | 2,227,515 | 197,217 | 623,956 | 143,059 | - | - | - | - | 3,191,747 |
| 2017 | 2,281,894 | 182,783 | 582,759 | 162,876 | - | 32,586 | - | - | 3,242,898 |
| 2018 | 2,693,252 | 171,667 | 987,014 | 47,462 | - | 30,654 | 268,917 | - | 4,198,966 |
| 2019 | 2,488,987 | 133,592 | 944,447 | 22,365 | - | 27,102 | 267,701 | - | 3,864,194 |
| 2020 | 2,351,707 | 127,138 | 1,191,336 | 21,985 | - | 23,400 | 253,566 | - | 3,968,622 |
| 2021 | 2,754,452 | 114,309 | 1,289,507 | 20,914 | - | 19,820 | 239,040 | - | 4,438,042 |
| 2022 | 2,893,380 | 100,835 | 1,250,691 | 20,418 | 511,317 | 16,089 | 224,114 | 112,107 | 5,128,951 |
| 2023 | 2,841,285 | 86,895 | 1,205,896 | 19,900 | 531,534 | 12,619 | 208,774 | 142,211 | 5,049,114 |

| Business-Type Activities | | | | | | | | | | |
|--------------------------|---------------------------------|------------------------------------|-------------------------------|--------------------------|-----------------|-----------------------|--------------|--------------------------|---|------------------------------|
| Fiscal Year | Revenue Bonds and Revenue Notes | State of CA - Revolving Fund Loans | Certificates of Participation | Loans and Other Payables | Leases & SBITAs | Others ⁽⁴⁾ | Subtotal | Total Primary Government | Percentage of Personal Income ⁽¹⁾⁽²⁾ | Per Capita ⁽¹⁾⁽³⁾ |
| 2014 | \$ 9,698,418 | \$ - | \$ 365,867 | \$ 7,596 | \$ - | \$ 2,512 | \$10,044,393 | \$ 12,969,124 | 16.79% | \$ 15,214 |
| 2015 | 10,040,660 | - | 355,113 | 7,840 | - | 1,174 | 10,404,787 | 13,389,420 | 14.95 | 15,533 |
| 2016 | 10,078,794 | - | 343,270 | 8,180 | - | 266 | 10,430,510 | 13,622,257 | 14.17 | 15,549 |
| 2017 | 11,185,043 | - | 330,524 | 9,241 | - | - | 11,525,208 | 14,768,106 | 13.93 | 16,798 |
| 2018 | 13,194,406 | 22,607 | 318,019 | 14,196 | - | - | 13,549,238 | 17,748,254 | 15.37 | 20,153 |
| 2019 | 14,935,423 | 88,032 | 304,547 | 18,763 | - | - | 15,348,765 | 19,230,959 | 16.35 | 21,815 |
| 2020 | 15,613,982 | 161,820 | 274,068 | 19,692 | - | - | 16,069,562 | 20,038,184 | 16.32 | 23,022 |
| 2021 | 15,995,962 | 215,966 | 260,138 | 19,001 | - | - | 16,491,067 | 20,929,109 | 15.97 | 25,798 |
| 2022 | 16,935,628 | 424,420 | 245,609 | 17,933 | 235,905 | - | 17,859,495 | 22,988,446 | 17.21 | 28,436 |
| 2023 | 17,493,248 | 604,673 | 230,442 | 17,163 | 232,972 | 985,586 | 19,564,084 | 24,613,198 | 17.93 | 30,836 |

CITY AND COUNTY OF SAN FRANCISCO
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 Last Ten Fiscal Years
 (In Thousands, except per capita amount)

| Fiscal Year | General Obligation Bonds ⁽¹⁾ | Less: Amounts Restricted for Debt Service | Total | Per Capita ⁽²⁾⁽³⁾ | Percentage of Taxable Assessed Value ⁽⁴⁾ |
|-------------|---|---|--------------|------------------------------|---|
| 2014 | \$ 2,105,885 | \$ 95,451 | \$ 2,010,434 | \$ 2,358 | 1.14% |
| 2015 | 2,096,765 | 91,292 | 2,005,473 | 2,327 | 1.10% |
| 2016 | 2,227,515 | 86,754 | 2,140,761 | 2,444 | 1.10% |
| 2017 | 2,281,894 | 111,892 | 2,170,002 | 2,468 | 1.02% |
| 2018 | 2,693,252 | 127,766 | 2,565,486 | 2,913 | 1.10% |
| 2019 | 2,488,987 | 104,149 | 2,384,838 | 2,705 | 0.92% |
| 2020 | 2,351,707 | 118,506 | 2,233,201 | 2,566 | 0.80% |
| 2021 | 2,754,452 | 141,107 | 2,613,345 | 3,221 | 0.87% |
| 2022 | 2,893,380 | 152,146 | 2,741,234 | 3,391 | 0.89% |
| 2023 | 2,841,285 | 160,841 | 2,680,444 | 3,358 | 0.81% |

- Notes:
- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements. In compliance with GASB Statement No. 65, the amount for general obligation bonds was restricted to exclude bond refunding gains or losses.
 - (2) Population data can be found in Demographic and Economic Statistics.
 - (3) Fiscal years 2020, 2021 and 2022 were updated from last year's ACFR with newly available data.
 - (4) Taxable property data can be found in Assessed Value of Taxable Property. Assessed value used is Total Assessed Value less Non-reimbursable Exemptions to calculate %.



- Notes:
- (1) See Demographic and Economic Statistics, for personal income and population data.
 - (2) 2020, 2021 and 2022 were updated from last year's ACFR with newly available data.
 - (3) 2020, 2021 and 2022 were updated from last year's ACFR with newly available data.
 - (4) The "Others" in 2023 consists of CP that were repaid by revenue bonds in FY 2024 and were reclassified as long-term debt.

CITY AND COUNTY OF SAN FRANCISCO

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(In Thousands)

| | Fiscal Year | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Debt limit | \$ 5,279,242 | \$ 5,482,482 | \$ 5,829,141 | \$ 6,368,988 | \$ 7,013,720 |
| Total net debt applicable to limit ⁽¹⁾ | 2,105,885 | 2,096,765 | 2,227,514 | 2,281,894 | 2,693,252 |
| Legal debt margin | \$ 3,173,357 | \$ 3,385,717 | \$ 3,601,627 | \$ 4,087,094 | \$ 4,320,468 |
| Total net debt applicable to the limit as a percentage of debt limit | 39.89% | 38.24% | 38.21% | 35.83% | 38.40% |

| | Fiscal Year | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 |
| Debt limit | \$ 7,756,615 | \$ 8,381,046 | \$ 9,005,227 | \$ 9,249,374 | \$ 9,960,524 |
| Total net debt applicable to limit ⁽¹⁾ | 2,488,987 | 2,351,707 | 2,754,452 | 2,893,380 | 2,841,285 |
| Legal debt margin | \$ 5,267,628 | \$ 6,029,339 | \$ 6,250,775 | \$ 6,355,994 | \$ 7,119,239 |
| Total net debt applicable to the limit as a percentage of debt limit | 32.09% | 28.06% | 30.59% | 31.28% | 28.53% |

Legal Debt Margin Calculation for Fiscal Year 2023

| | |
|--|----------------|
| Total assessed value | \$ 353,060,525 |
| Less: non-reimbursable exemptions ⁽²⁾ | 21,043,071 |
| Assessed value ⁽²⁾ | \$ 332,017,454 |
| Debt limit (three percent of valuation subject to taxation) ⁽³⁾ | \$ 9,960,524 |
| Debt applicable to limit - general obligation bonds | 2,841,285 |
| Legal debt margin | \$ 7,119,239 |

Notes:

- ⁽¹⁾ Per outstanding general obligation bonds adjusted with bond premium and discount.
- ⁽²⁾ Source: Assessor, City and County of San Francisco
- ⁽³⁾ City's Administrative Code Section 2.60 Limitations on Bonded Indebtedness.
"There shall be a limit on outstanding general obligation bond indebtedness of three percent of the assessed value of all taxable real and personal property, located within the City and County."

CITY AND COUNTY OF SAN FRANCISCO

DIRECT AND OVERLAPPING DEBT
(In Thousands)

2022-23 Assessed Valuation: \$329,109,288 (includes unitary utility valuation)

| GENERAL OBLIGATION BONDED DEBT: | Debt 6/30/23 |
|---|---------------------|
| San Francisco City and County General and School Purposes | \$ 2,587,798 |
| San Francisco Unified School District Bonds | 1,028,650 |
| San Francisco Community College District | 396,900 |
| TOTAL GENERAL OBLIGATION BONDED DEBT | \$ 4,013,348 |

| LEASE OBLIGATION BONDS: | |
|---|---------------------|
| San Francisco City and County | \$ 1,420,532 |
| TOTAL LEASE OBLIGATION BONDED DEBT | \$ 1,420,532 |

| | |
|-----------------------------------|---------------------|
| TOTAL COMBINED DIRECT DEBT | \$ 5,433,880 |
|-----------------------------------|---------------------|

| OVERLAPPING TAX AND ASSESSMENT DEBT: | |
|---|---------------------|
| Bay Area Rapid Transit District General Obligation Bonds (34.169%) | \$ 848,855 |
| San Francisco Community Facilities District No. 6 | 111,563 |
| San Francisco Community Facilities District No. 7 | 29,945 |
| San Francisco Community Facilities District No. 2009-1, Improvement Areas 1 and 2 | 2,337 |
| San Francisco Community Facilities District No. 2014-1 Transbay Transit Center | 576,115 |
| San Francisco Community Facilities District No. 2016-1 Treasure Island I.A. 1 and 2 | 83,295 |
| San Francisco Community Facilities District No. 2020-1 Mission Rock | 106,230 |
| City of San Francisco Assessment District No. 95-1 | 260 |
| ABAG Community Facilities District No. 2004-1 Seismic Safety Improvements | 8,530 |
| ABAG Community Facilities District No. 2006-1 San Francisco Rincon Hill | 4,655 |
| ABAG Community Facilities District No. 2006-2 San Francisco Mint Plaza | 2,685 |
| TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT | \$ 1,774,470 |

| OVERLAPPING TAX INCREMENT DEBT: | |
|--|-------------------|
| Successor Agency to the San Francisco Redevelopment Agency | \$ 757,038 |
| Transbay Joint Powers Authority | 234,035 |
| TOTAL OVERLAPPING INCREMENT DEBT | \$ 991,073 |

| OVERLAPPING TAX INCREMENT REVENUE DEBT: | |
|--|------------------|
| San Francisco Infrastructure and Revitalization Financing District No. 1 | \$ 29,390 |
| TOTAL OVERLAPPING TAX INCREMENT REVENUE DEBT | \$ 29,390 |

| | |
|---|------------------------------------|
| TOTAL DIRECT AND OVERLAPPING BONDED DEBT | \$ 8,228,813 ⁽¹⁾ |
|---|------------------------------------|

(1) Excludes tax and revenue anticipation notes, enterprise revenue bonds and airport improvement corporation bonds

| Ratio to 2022-23 Assessed Valuation (\$329,109,288): | |
|--|-------|
| Direct General Obligation Bonded Debt (\$4,013,348) | 1.22% |
| Combined Direct Debt (\$5,433,880) | 1.65% |
| Total Direct and Overlapping Bonded Debt | 2.50% |

| Ratio to 2022-23 Redevelopment Incremental Valuation (\$42,244,048): | |
|--|-------|
| Total Overlapping Tax Increment Debt | 2.35% |

Source: California Municipal Statistics, Inc

CITY AND COUNTY OF SAN FRANCISCO
PLEDGED-REVENUE COVERAGE
 Last Ten Fiscal Years
 (In Thousands)

| Fiscal Year | San Francisco International Airport ⁽¹⁾ | | | | | | | |
|-------------|--|---|-----------------------|------------------------|------------------------|------------|----------|--|
| | Operating Revenues ⁽²⁾ | Less: Operating Expenses ⁽³⁾ | Net Available Revenue | Debt Service | | | Coverage | |
| | | | | Principal | Interest | Total | | |
| 2014 | \$ 776,116 | \$ 402,176 | \$ 373,940 | \$ 163,095 | \$ 202,219 | \$ 365,314 | 1.02 | |
| 2015 | 824,482 | 392,361 | 432,121 | 181,645 | 211,804 | 393,449 | 1.10 | |
| 2016 | 880,948 | 412,114 | 468,834 | 208,860 | 185,297 | 394,157 | 1.19 | |
| 2017 | 934,692 | 543,019 | 391,673 | 194,225 | 210,330 | 404,555 | 0.97 | |
| 2018 | 1,075,118 | 505,018 | 570,100 | 201,295 ⁽⁴⁾ | 204,046 ⁽⁴⁾ | 405,341 | 1.41 | |
| 2019 | 1,072,368 | 495,222 | 577,146 | 214,710 ⁽⁴⁾ | 221,749 ⁽⁴⁾ | 436,459 | 1.32 | |
| 2020 | 1,031,129 | 618,954 | 412,175 | 210,595 | 268,573 | 479,168 | 0.86 | |
| 2021 | 540,309 ⁽⁴⁾ | 583,250 | (42,941) | 5,600 | 284,661 | 290,261 | -0.15 | |
| 2022 | 843,926 | 453,181 | 390,745 | 5,860 | 282,749 | 288,609 | 1.35 | |
| 2023 | 1,127,161 | 547,275 | 579,886 | 1,240 | 407,421 | 408,661 | 1.42 | |

- (1) The pledged-revenue coverage calculations presented in this schedule conform to the requirements of GASB Statement No. 44 and as such differ significantly from those calculated in accordance with the Airport Commission's 1991 Master Bond Resolution which authorized the sale and issuance of these bonds.
- (2) Operating revenues consist of Airport operating revenues and interest and investment income.
- (3) In accordance with GASB Statement No. 44, Airport operating expenses related to the pledged revenues exclude interest, depreciation and amortization.
- (4) Principal and interest payments were updated in FY2018 through FY2019. Operating Revenue was updated FY2021.

| Fiscal Year | San Francisco Water Department ⁽⁵⁾ | | | | | | | |
|-------------|---|---|----------------------------|-----------------------|--------------|-------------------------|------------|----------|
| | Gross Revenues ⁽⁶⁾ | Less: Operating Expenses ⁽⁷⁾ | Adjustments ⁽⁸⁾ | Net Available Revenue | Debt Service | | | Coverage |
| | | | | | Principal | Interest ⁽⁹⁾ | Total | |
| 2014 | \$ 390,789 | \$ 333,555 | \$ 426,527 | \$ 483,761 | \$ 25,850 | \$ 115,476 | \$ 141,326 | 3.42 |
| 2015 | 431,836 | 296,950 | 310,139 | 445,025 | 25,850 | 166,482 | 192,312 | 2.31 |
| 2016 | 423,111 | 314,786 | 283,568 | 391,893 | 29,695 | 189,500 | 219,195 | 1.79 |
| 2017 | 464,692 | 421,827 | 351,805 | 394,440 | 41,310 | 166,502 | 207,812 | 1.90 |
| 2018 | 532,087 | 370,147 | 337,643 | 499,583 | 48,875 | 185,084 | 233,959 | 2.14 |
| 2019 | 558,041 | 357,094 | 332,034 | 532,981 | 76,665 | 184,973 | 261,638 | 2.04 |
| 2020 | 593,868 | 398,117 | 386,127 | 581,878 | 100,970 | 168,240 | 269,210 | 2.16 |
| 2021 | 581,141 | 448,690 | 335,287 | 467,738 | 76,440 | 171,987 | 248,427 | 1.88 |
| 2022 | 565,317 | 401,612 ⁽¹⁰⁾ | 246,741 | 410,446 | 108,500 | 170,852 | 279,352 | 1.47 |
| 2023 | 705,443 | 438,837 | 300,158 | 566,764 | 125,285 | 181,777 | 307,062 | 1.85 |

- (5) The pledged-revenue coverage calculations presented in this schedule conform to the requirements of GASB Statement No. 44 and as such differ significantly from those calculated in accordance with the bond indenture.
- (6) Gross Revenues consist of charges for services, rental income and other income, investing activities and capacity fees.
- (7) In accordance with GASB Statement No. 44, Water Department operating expenses related to the pledged revenues exclude interest. FY2019 was updated with new available data.
- (8) Interest payment was restated to exclude capitalized interest and includes "springing" amendments.
- (9) Adjustments column included adjustment to investing activities, depreciation and non-cash expenses, changes in working capital and other available funds presented in the published Annual Disclosure Reports.
- (10) Operating Expenses were updated in FY2022.

| Fiscal Year | Municipal Transportation Agency | | | | | | | |
|-------------|---|--|-----------------------|--------------|----------|----------|----------|--|
| | Gross Pledged - Charges ⁽¹¹⁾⁽¹²⁾ | Less: Operating Expenses ⁽¹³⁾ | Net Available Revenue | Debt Service | | | Coverage | |
| | | | | Principal | Interest | Total | | |
| 2014 | \$ 642,614 | \$ 509,762 | \$ 132,852 | \$ 5,895 | \$ 3,686 | \$ 9,581 | 13.87 | |
| 2015 | 626,312 | 527,125 | 99,187 | 7,695 | 6,945 | 14,640 | 6.78 | |
| 2016 | 619,650 | 563,750 | 55,900 | 7,340 | 9,155 | 16,495 | 3.39 | |
| 2017 | 614,619 | 572,162 | 42,457 | 7,640 | 8,865 | 16,505 | 2.57 | |
| 2018 | 652,919 | 587,355 | 65,564 | 12,350 | 15,602 | 27,952 | 2.35 | |
| 2019 | 686,346 | 576,970 | 109,376 | 10,055 | 14,636 | 24,691 | 4.43 | |
| 2020 | 764,755 | 666,018 | 98,737 | 10,545 | 14,261 | 24,806 | 3.98 | |
| 2021 | 793,328 | 598,342 | 194,986 | 9,150 | 14,176 | 23,326 | 8.36 | |
| 2022 | 726,203 | 575,068 | 151,135 | 3,520 | 14,160 | 17,680 | 8.55 | |
| 2023 | 692,706 | 656,124 | 36,582 | 8,865 | 13,973 | 22,838 | 1.60 | |

- (11) The gross revenues consist of transit fares, parking fines and fees, rental income, advertising revenue, investment income, parking meter revenues (but only to the extent bonds or other parity obligations have financed traffic regulation and control functions), plus operating grants from Transportation Development Act (codified as Sections 99200 et seq. of the California Public Utilities Code), AB 1107 (codified at Section 29140 et seq. of the Public Utilities Code), and State Transit Assistance except for a portion that are restricted to application for paratransit purpose and therefore do not constitute pledged revenues.
- (12) FY2020 to FY2022 gross revenues include federal pandemic support and effective FY2021 include amounts received from proceeds of the Traffic Congestion Mitigation Tax levied by the City pursuant to the City's Traffic Congestion Mitigation Tax Ordinance (Article 32 of the City's Business and Tax Regulations Code).
- (13) The operating expenses exclude expenses funded by the City's General Fund support and paratransit restricted grants. In accordance with GASB Statement No. 44, operating expenses related to the pledged revenues exclude interest, depreciation, amortization and non-cash expenses.

CITY AND COUNTY OF SAN FRANCISCO
PLEDGED-REVENUE COVERAGE (Continued)
 Last Ten Fiscal Years
 (In Thousands)

| Fiscal Year | San Francisco Wastewater Enterprise ⁽¹⁴⁾ | | | | | | | |
|-------------|---|--|-----------------------------|-----------------------|--------------|--------------------------|-----------|----------|
| | Gross Revenues ⁽¹⁵⁾ | Less: Operating Expenses ⁽¹⁶⁾ | Adjustments ⁽¹⁷⁾ | Net Available Revenue | Debt Service | | | Coverage |
| | | | | | Principal | Interest ⁽¹⁸⁾ | Total | |
| 2014 | \$ 262,497 | \$ 216,340 | \$ 172,831 | \$ 218,988 | \$ 32,805 | \$ 32,047 | \$ 64,852 | 3.38 |
| 2015 | 257,209 | 216,485 | 190,236 | 230,960 | 30,895 | 30,006 | 60,901 | 3.79 |
| 2016 | 262,960 | 221,553 | 198,524 | 239,931 | 31,115 | 28,907 | 60,022 | 4.00 |
| 2017 | 279,668 | 244,220 | 216,095 | 251,543 | 20,870 | 39,537 | 60,407 | 4.16 |
| 2018 | 317,413 | 238,906 | 231,515 | 310,022 | 20,015 | 26,988 | 47,003 | 6.60 |
| 2019 | 351,762 | 259,813 | 161,677 | 253,646 | 22,435 | 37,912 | 60,347 | 4.20 |
| 2020 | 356,265 | 262,259 | 287,798 | 381,804 | 23,324 | 39,475 | 62,799 | 6.08 |
| 2021 | 545,008 | 290,737 | 271,906 | 306,177 | 25,698 | 56,367 | 82,065 | 3.73 |
| 2022 | 360,756 | 255,010 | 205,089 | 310,835 | 25,363 | 61,257 | 86,620 | 3.59 |
| 2023 | 365,667 | 254,283 | 202,059 | 313,443 | 36,826 | 61,985 | 98,811 | 3.17 |

- (14) The pledged-revenue coverage calculations presented in this schedule conform to the requirements of GASB Statement No. 44 and as such differ significantly from those calculated in accordance with the bond indenture.
- (15) Gross revenues consist of charges for services, rental income and other income.
- (16) In accordance with GASB Statement No. 44, Wastewater Enterprise operating expenses related to the pledged revenues exclude interest. FY2018 was updated with new available data.
- (17) Adjustments include depreciation and non-cash expense, changes in working capital, investment income, SRF loan payments, and other available funds that are printed in published Annual Disclosure Reports. FY2018 was updated with new available data.
- (18) Interest payment was restated to include capitalized interest and includes a "springing" amendment.

| Fiscal Year | Port of San Francisco ⁽¹⁹⁾ | | | | | | | |
|-------------|--|--|-----------------------|--------------|----------|----------|----------|--|
| | Total Operating Revenues ⁽²⁰⁾ | Less: Operating Expenses ⁽²¹⁾ | Net Available Revenue | Debt Service | | | Coverage | |
| | | | | Principal | Interest | Total | | |
| 2014 | \$ 87,213 | \$ 63,410 | \$ 23,803 | \$ 725 | \$ 2,122 | \$ 2,847 | 8.36 | |
| 2015 | 96,265 | 60,896 | 35,369 | 1,400 | 2,771 | 4,171 | 8.48 | |
| 2016 | 100,699 | 64,896 | 35,803 | 1,225 | 2,951 | 4,176 | 8.57 | |
| 2017 | 114,854 | 89,822 | 24,972 | 1,265 | 2,904 | 4,169 | 5.99 | |
| 2018 | 111,969 | 79,027 | 32,972 | 1,325 | 2,849 | 4,174 | 7.90 | |
| 2019 | 128,222 | 87,500 | 40,722 | 1,390 | 2,787 | 4,177 | 9.75 | |
| 2020 | 108,454 | 89,544 | 18,910 | 1,455 | 2,718 | 4,173 | 4.53 | |
| 2021 | 89,734 | 112,283 | (22,549) | 1,660 | 1,615 | 3,275 | -6.89 | |
| 2022 | 122,777 | 79,567 | 43,210 | 1,705 | 1,569 | 3,274 | 13.20 | |
| 2023 | 137,056 | 97,880 | 39,176 | 1,745 | 1,529 | 3,274 | 11.97 | |

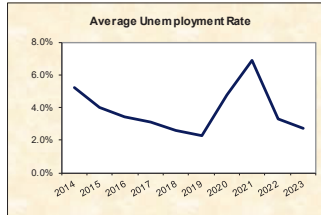
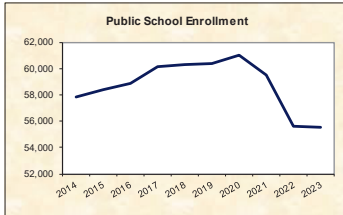
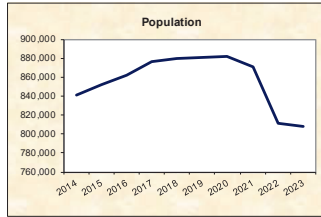
- (19) The pledged-revenue coverage calculations presented in this schedule conform to the requirements of GASB Statement No. 44 and as such differ significantly from those calculated in accordance with the bond indenture.
- (20) Total revenues consist of operating revenues and interest and investment income.
- (21) In accordance with GASB Statement No. 44, operating expenses related to the pledged-revenue stream exclude interest, depreciation and amortization. Details regarding outstanding debt can be found in the notes to the financial statements. Operating expenses, as defined by the bond indenture, also excludes amortized dredging costs. FY2019 - 2023 Operating expenses exclude South Beach Harbor fund.

| Fiscal Year ⁽²⁶⁾ | Hetch Hetchy Water and Power ⁽²²⁾ | | | | | | | |
|-----------------------------|--|--|-----------------------------|-----------------------|------------------------------|----------|----------|----------|
| | Gross Revenues ⁽²³⁾ | Less: Operating Expenses ⁽²⁴⁾ | Adjustments ⁽²⁵⁾ | Net Available Revenue | Debt Service ⁽²⁶⁾ | | | Coverage |
| | | | | | Principal | Interest | Total | |
| 2014 | \$ 105,767 | \$ 101,041 | \$ 11,726 | \$ 16,462 | \$ 1,308 | \$ 667 | \$ 1,975 | 8.33 |
| 2015 | 117,704 | 105,222 | 38,714 | 51,196 | 1,321 | 625 | 1,946 | 26.31 |
| 2016 | 122,954 | 110,012 | 20,102 | 33,044 | - | - | - | - |
| 2017 | 122,187 | 116,935 | 58,176 | 63,428 | - | - | - | - |
| 2018 | 122,251 | 119,395 | 64,356 | 67,212 | 710 | 1,860 | 2,570 | 26.15 |
| 2019 | 152,873 | 122,687 | 40,827 | 71,013 | 730 | 1,839 | 2,569 | 27.64 |
| 2020 | 151,835 | 148,127 | 76,853 | 80,561 | 755 | 1,813 | 2,568 | 31.37 |
| 2021 | 142,696 | 139,566 | 31,048 | 34,178 | 785 | 1,782 | 2,567 | 13.31 |
| 2022 | 176,897 | 142,716 | 64,445 | 98,626 | 815 | 3,602 | 4,417 | 22.33 |
| 2023 | 208,887 | 181,769 | 135,281 | 162,399 | 850 | 6,847 | 7,697 | 21.10 |

- (22) The pledged-revenue coverage calculations presented in this schedule conform to the requirements of GASB Statement No. 44 and as such differ significantly from those calculated in accordance with the bond indenture.
- (23) Gross revenues consists of charges for power services, rental income and other income.
- (24) Operating expenses only include power operating expense.
- (25) Adjustments include adjustments to investment income, depreciation, non-cash items and changes to working capital. FY2020 was revised with new data.
- (26) For FY2016 and FY2017 revenue bond debt service excludes state revolving fund loans, commercial paper and certificates of participation.

CITY AND COUNTY OF SAN FRANCISCO
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

| Fiscal Year | Population ⁽¹⁾ | Personal Income (In Thousands) ⁽²⁾ | Per Capita Personal Income ⁽³⁾ | Median Age ⁽⁴⁾ | Public School Enrollment ⁽⁵⁾ | Average Unemployment Rate ⁽⁶⁾ |
|-------------|---------------------------|---|---|---------------------------|---|--|
| 2014 | 852,469 | \$77,233,279 | \$90,600 | 37.4 | 57,860 | 5.2% |
| 2015 | 862,004 | 89,533,450 | 103,867 | 37.8 | 58,414 | 4.0% |
| 2016 | 876,103 | 96,161,308 | 109,760 | 37.9 | 58,865 | 3.4% |
| 2017 | 879,166 | 106,006,635 | 120,576 | 38.1 | 60,133 | 3.1% |
| 2018 | 880,696 | 115,444,581 | 131,083 | 38.1 | 60,263 | 2.6% |
| 2019 | 881,549 | 117,635,944 | 133,442 | 38.3 | 60,390 | 2.3% |
| 2020 | 870,393 | 122,788,484 ⁽⁸⁾ | 141,072 ⁽⁸⁾ | 38.2 | 61,031 | 4.8% |
| 2021 | 811,253 | 131,043,138 ⁽⁹⁾ | 161,532 ⁽⁹⁾ | 38.2 | 59,498 | 6.9% |
| 2022 | 808,437 | 133,601,151 ⁽⁸⁾ | 165,259 ⁽⁹⁾ | 38.5 | 55,592 | 3.3% |
| 2023 | 798,206 ⁽⁷⁾ | 137,238,298 ⁽⁸⁾ | 169,758 ⁽⁹⁾ | 38.9 ⁽¹⁰⁾ | 55,537 | 2.7% |



Sources:

- (1) US Census Bureau. Fiscal years 2020, 2021, and 2022 were updated from last year's ACFR with newly available data.
- (2) US Bureau of Economic Analysis. Fiscal years 2020, 2021, and 2022 were updated from last year's ACFR with newly available data.
- (3) US Bureau of Economic Analysis. Fiscal years 2020, 2021, and 2022 were updated from last year's ACFR with newly available data.
- (4) US Census Bureau, American Community Survey
- (5) California Department of Education
- (6) California Employment Development Department

Note:

- (7) 2023 population was estimated by multiplying the estimated 2022 population by the 2020 - 2021 population growth rate. Fiscal years 2020, 2021 and 2022 were updated from last year's ACFR with newly available data.
- (8) Personal income was estimated by assuming that its percentage of state personal income in 2021 and 2022 remained at the 2021 level of 4.44 percent. Fiscal years 2020, 2021 and 2022 were updated from last year's ACFR with newly available data.
- (9) Per capita personal income for 2023 was estimated by dividing the personal income for 2023 by the reported population in 2022. Fiscal years 2020, 2021 and 2022 are updated from last year's ACFR with newly available data. 2023 was estimated by multiplying the latest quarterly State income by 1000 and dividing by the estimated 2022 population.
- (10) Median age for 2023 was estimated by averaging the median age in 2021 and 2022.

CITY AND COUNTY OF SAN FRANCISCO
Principal Employers
 Current Year and Nine Years Ago

| Employer | Year 2021 ^{(1)(a)(c)} | | | Year 2012 ⁽²⁾ | | |
|--|--------------------------------|------|-------------------------------------|--------------------------|------|-------------------------------------|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| City and County of San Francisco..... | 35,802 | 1 | 6.38% | 25,458 | 1 | 5.33% |
| University of California, San Francisco ^(b) | 29,500 | 2 | 5.26% | 22,664 | 2 | 4.74% |
| Salesforce..... | 10,603 | 3 | 1.89% | 4,000 | 9 | 0.84% |
| San Francisco Unified School District..... | 10,322 | 4 | 1.84% | 8,189 | 5 | 1.71% |
| Sutter Health..... | 6,100 | 5 | 1.09% | - | - | - |
| Wells Fargo & Co..... | 5,899 | 6 | 1.05% | 8,300 | 4 | 1.74% |
| Uber Technologies Inc..... | 5,500 | 7 | 0.98% | - | - | - |
| Allied Universal..... | 4,095 | 8 | 0.72% | - | - | - |
| Kaiser Permanente..... | 3,921 | 9 | 0.70% | 3,581 | 10 | 0.75% |
| First Republic Bank..... | 3,042 | 10 | 0.54% | - | - | - |
| PG&E Corporation..... | - | - | - | 4,415 | 7 | 0.92% |
| California Pacific Medical Center..... | - | - | - | 8,559 | 3 | 1.79% |
| Gap, Inc..... | - | - | - | 6,000 | 6 | 1.26% |
| State of California..... | - | - | - | 4,184 | 8 | 0.88% |
| Total Top 10 Employers..... | 114,784 | | 20.45% | 95,350 | | 19.96% |
| Total City and County Employment ⁽³⁾..... | 561,308 | | | 477,650 | | |

Source:

- (1) City and County of San Francisco data provided by Office of Controller's Payroll and Personnel Services Division. The University of California, SF data is from the Data Source Corporate Personnel Data Warehouse. All other data is obtained from the San Francisco Business Times Book of Lists
- (2) FY 2011-12 Annual Comprehensive Financial Report - City and County of San Francisco
- (3) State of California Employee Development Department

Note:

- (a) The latest data as of calendar year-end 2021 is presented
- (b) The latest data as of April 2021 is presented
- (c) The calendar year-end 2022 data is not available

CITY AND COUNTY OF SAN FRANCISCO
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION (1)
 Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2014 | 2015 (2) | 2016 (2) | 2017 | 2018 | 2019 (3) | 2020 | 2021 | 2022 | 2023 |
| Public Protection | | | | | | | | | | |
| Fire Department..... | 1,484 | 1,494 | 1,575 | 1,620 | 1,646 | 1,667 | 1,677 | 1,641 | 1,678 | 1,801 |
| Police..... | 2,727 | 2,784 | 2,871 | 3,013 | 2,971 | 3,053 | 3,203 | 3,048 | 2,881 | 2,849 |
| Sheriff..... | 984 | 1,015 | 1,006 | 1,056 | 1,001 | 1,020 | 1,031 | 1,008 | 1,000 | 1,002 |
| Total Public Protection..... | 5,195 | 5,294 | 5,452 | 5,700 | 5,618 | 5,740 | 5,911 | 5,697 | 5,559 | 5,652 |
| Public Works, Transportation and Commerce | | | | | | | | | | |
| Municipal Transportation Agency..... | 4,484 | 4,685 | 4,931 | 5,160 | 5,178 | 5,338 | 5,477 | 5,520 | 5,584 | 5,806 |
| Airport Commission..... | 1,460 | 1,473 | 1,493 | 1,541 | 1,586 | 1,587 | 1,562 | 1,610 | 1,601 | 1,584 |
| Department of Public Works..... | 825 | 852 | 925 | 981 | 1,027 | 1,057 | 1,071 | 1,063 | 1,050 | 1,046 |
| Public Utilities Commission..... | 1,621 | 1,618 | 1,634 | 1,637 | 1,648 | 1,676 | 1,690 | 1,667 | 1,708 | 1,718 |
| Other..... | 612 | 606 | 607 | 607 | 631 | 621 | 626 | 607 | 604 | 633 |
| Total Public Works, Transportation and Commerce..... | 9,002 | 9,254 | 9,610 | 9,956 | 10,070 | 10,279 | 10,456 | 10,467 | 10,547 | 10,287 |
| Community Health | | | | | | | | | | |
| Public Health..... | 6,126 | 6,284 | 6,602 | 6,806 | 6,857 | 6,866 | 6,896 | 7,161 | 7,359 | 7,739 |
| Total Community Health..... | 6,126 | 6,284 | 6,602 | 6,806 | 6,857 | 6,866 | 6,896 | 7,161 | 7,359 | 7,739 |
| Human Welfare and Neighborhood Development | | | | | | | | | | |
| Human Services..... | 1,855 | 1,964 | 2,046 | 2,068 | 2,099 | 2,094 | 2,141 | 2,160 | 2,204 | 2,250 |
| Other..... | 244 | 246 | 242 | 375 | 386 | 394 | 411 | 425 | 499 | 596 |
| Total Human Welfare and Neighborhood Development..... | 2,099 | 2,210 | 2,288 | 2,443 | 2,485 | 2,488 | 2,552 | 2,586 | 2,703 | 2,846 |
| Culture and Recreation | | | | | | | | | | |
| Recreation and Park Commission..... | 870 | 893 | 916 | 935 | 934 | 927 | 940 | 912 | 925 | 947 |
| Public Library..... | 652 | 661 | 662 | 663 | 666 | 696 | 701 | 700 | 700 | 707 |
| War Memorial..... | 57 | 58 | 65 | 68 | 69 | 71 | 71 | 62 | 67 | 68 |
| Other..... | 213 | 214 | 215 | 211 | 214 | 213 | 212 | 200 | 198 | 202 |
| Total Culture and Recreation..... | 1,792 | 1,826 | 1,858 | 1,897 | 1,915 | 1,907 | 1,924 | 1,874 | 1,890 | 1,923 |
| General Administration and Finance | | | | | | | | | | |
| Administrative Services..... | 716 | 750 | 803 | 830 | 845 | 871 | 917 | 913 | 962 | 979 |
| City Attorney..... | 308 | 308 | 306 | 307 | 307 | 309 | 310 | 310 | 311 | 320 |
| Telecommunications and Information Services..... | 216 | 209 | 221 | 228 | 232 | 225 | 220 | 224 | 229 | 252 |
| Controller..... | 204 | 219 | 253 | 263 | 257 | 251 | 250 | 248 | 251 | 249 |
| Human Resources..... | 135 | 143 | 152 | 155 | 148 | 166 | 172 | 177 | 203 | 193 |
| Treasurer/Tax Collector..... | 211 | 226 | 219 | 219 | 207 | 207 | 208 | 205 | 198 | 207 |
| Mayor..... | 49 | 50 | 55 | 56 | 58 | 63 | 78 | 76 | 81 | 82 |
| Other..... | 602 | 615 | 658 | 695 | 697 | 699 | 738 | 709 | 734 | 731 |
| Total General Administration and Finance..... | 2,441 | 2,520 | 2,667 | 2,753 | 2,751 | 2,791 | 2,853 | 2,862 | 2,969 | 3,013 |
| General City Responsibilities | | | | | | | | | | |
| General City Responsibilities..... | - | - | - | - | - | - | 1 | - | - | - |
| Subtotal annually funded positions..... | 27,667 | 28,436 | 29,554 | 30,625 | 30,834 | 31,217 | 31,784 | 31,778 | 32,181 | 32,624 |
| Capital project funded positions..... | 1,569 | 1,721 | 1,789 | 2,124 | 2,211 | 2,300 | 2,409 | 2,441 | 2,513 | 2,698 |
| Total annually funded positions..... | 29,236 | 30,157 | 31,343 | 32,749 | 33,045 | 33,517 | 34,193 | 34,219 | 34,694 | 35,322 |

Source: Controller, City and County of San Francisco

Note:
 (1) Data represent budgeted and funded full-time equivalent positions.
 (2) 2015 and 2016 has been updated with newly available data.
 (3) 2019 has been updated with newly available data.

CITY AND COUNTY OF SAN FRANCISCO
OPERATING INDICATORS BY FUNCTION
 Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|---|-------------|------------|------------|------------|------------|------------|------------|-----------|---------|------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Public Protection | | | | | | | | | | |
| Fire and Emergency Communications | | | | | | | | | | |
| Total response time, measured in seconds, of first unit to highest priority incidents requiring possible medical care, 90th percentile..... | 510 | 492 | 461 | 460 | 474 | 475 | 489 | 515 | 515 | 524 |
| Police | | | | | | | | | | |
| Median Response Time to Priority A (Highest Priority) Calls (Minutes, Call Entry to On-Scene)..... | N/A | N/A | N/A | N/A | N/A | N/A | 5.48 | 5.81 | 6.64 | 6.85 |
| Number of homicides per 100,000 population..... | 4.70 | 6.60 | 6.20 | 7.90 | 4.90 | 5.10 | 4.75 | 6.00 | 6.20 | 6.80 |
| Public Works, Transportation, and Commerce | | | | | | | | | | |
| General Services Agency - Public Works | | | | | | | | | | |
| Percentage of San Franciscans who rate cleanliness of neighborhood streets as good or very good (Biennial City Survey)..... | N/A | 54% | N/A | 51% | N/A | N/A | N/A | N/A | N/A | 31% |
| Number of blocks of city streets repaired..... | 323 | 474 | 721 | 704 | 608 | 664 | 438 | 415 | 504 | 507 |
| Municipal Transportation Agency | | | | | | | | | | |
| Customer rating: Overall satisfaction with Muni..... | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 66.0% |
| Muni on-time performance..... | 58.8% | 56.1% | 59.9% | 57.3% | 56.5% | 55.2% | 52.3% | 47.0% | 50.9% | 56.5% |
| Percentage of scheduled service hours delivered..... | 90.70% | 97.00% | 99.00% | 98.90% | 97.50% | 94.30% | N/A | 90.00% | 92.80% | 98.30% |
| Airport | | | | | | | | | | |
| Percent change in air passenger volume..... | 3.2% | 4.5% | 6.7% | 4.9% | 7.0% | -0.1% | -29.3% | -59.0% | 155.1% | 20.0% |
| Culture and Recreation | | | | | | | | | | |
| Recreation and Park | | | | | | | | | | |
| Citywide average park score..... | 91% | 85% | 87% | 89% | 89% | N/A | 92% | N/A | 90% | 91% |
| Public Library | | | | | | | | | | |
| How patrons rate the quality of library staff assistance at the Main and Branch libraries and Bookmobiles on a scale of 1-10..... | N/A | 92% | 8.30 | 7.30 | 8.30 | 8.70 | N/A | N/A | N/A | N/A |
| Circulation of materials at San Francisco Libraries (3)..... | 10,844,953 | 10,684,760 | 10,778,428 | 10,814,015 | 11,092,406 | 11,730,624 | 10,924,062 | 8,359,441 | N/A | 12,530,168 |
| Asian and Fine Arts Museums | | | | | | | | | | |
| Number of visitors to City-owned art museums (3)..... | 2,042,135 | 1,712,076 | 1,830,284 | 1,730,378 | 1,678,662 | 1,601,223 | 809,076 | 355,224 | 947,742 | 1,565,583 |

Source: Controller, City and County of San Francisco

Note:
 (1) FY2014 through FY2019 median response date is not available. FY2020 through FY2023 reflects, in a decimal format, the time from the entry of a 911 call's information to the officer's arrival time.
 (2) The "Circulation of materials at San Francisco Libraries" measure is the sum of the "Circulation of eBooks and eMedia" and "Circulation of physical books and materials" measures.
 (3) The "Number of visitors to City-owned art museums" measure is the sum of the "Number of museum visitors (AMM)", "Number of de Young visitors (FAM)", and "Number of Legion of Honor visitors (FAM) measures."
 N/A = Information is not available. Note that in most cases this is due to the fact that the City Survey, which was administered annually until CY2006, then biennially afterwards, is the data source.

CITY AND COUNTY OF SAN FRANCISCO
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|--|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Police protection ⁽¹⁾ | | | | | | | | | | |
| Number of stations..... | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Number of police officers..... | 2,130 | 2,203 | 2,332 | 2,315 | 2,292 | 2,291 | 2,267 | 2,185 | 2,023 | 1,881 |
| Fire protection ⁽²⁾ | | | | | | | | | | |
| Number of stations..... | 46 | 47 | 47 | 47 | 47 | 47 | 47 | 47 | 47 | 45 |
| Number of firefighters..... | 896 | 907 | 995 | 1,029 | 1,044 | 1,040 | 1,024 | 954 | 967 | 1,008 |
| Public works | | | | | | | | | | |
| Miles of street ⁽³⁾ | 1,299 | 1,287 | 1,287 | 1,287 | 1,287 | 1,304 | 1,372 | 1,404 | 1,407 | 1,407 |
| Number of streetlights ⁽⁴⁾ | 44,656 | 44,907 | 44,498 | 44,686 | 44,891 | 44,832 | 44,631 | 42,737 | 43,202 | 43,205 |
| Water ⁽⁴⁾ | | | | | | | | | | |
| Number of services..... | 173,970 | 174,111 | 174,083 | 174,394 | 175,054 | 175,805 | 176,379 | 176,246 | 177,072 | 177,613 |
| Average daily consumption (million gallons)..... | 217 | 190 | 171 | 175 | 190 | 185 | 191 | 189 | 181 | 170 |
| Miles of water mains..... | 1,488 | 1,499 | 1,489 | 1,488 | 1,489 | 1,719 | 1,719 | 1,719 | 1,719 | 1,719 |
| Sewers ⁽⁴⁾ | | | | | | | | | | |
| Miles of collecting sewers and transport/storage sewers..... | 1,010 | 1,010 | 1,010 | 1,010 | 1,010 | 1,010 | 1,123 | 1,125 | 1,131 | 1,131 |
| Recreation and cultures | | | | | | | | | | |
| Number of parks ⁽⁵⁾ | 221 | 220 | 220 | 220 | 220 | 220 | 221 | 221 | 222 | 222 |
| Number of libraries ⁽⁶⁾ | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 | 28 |
| Number of library volumes (million) ⁽⁶⁾ | 3.6 | 3.6 | 3.8 | 3.9 | 3.7 | 3.5 | 3.9 | 3.5 | 4.4 | 4.9 |
| Public school education ⁽⁷⁾ | | | | | | | | | | |
| Attendance centers..... | 116 | 116 | 117 | 117 | 117 | 117 | 122 | 122 | 122 | 122 |
| Number of classrooms..... | 3,135 | 3,160 | 3,219 | 3,219 | 3,219 | 3,216 | 3,216 | 3,215 | 3,215 | 3,208 |
| Number of teachers, full-time equivalent..... | 3,129 | 3,281 | 3,339 | 3,272 | 3,196 | 3,886 | 3,518 | 3,419 | 3,808 | 3,351 |
| Number of students..... | 57,620 | 58,414 | 58,865 | 60,133 | 60,263 | 60,390 | 61,031 | 58,705 | 55,592 | 48,785 |

Sources:
 (1) Police Commission, City and County of San Francisco
 (2) Fire Commission, City and County of San Francisco - Includes fire fighters/paramedics, and incident support specialists
 (3) Department of Public Works, City and County of San Francisco
 (4) Public Utilities Commission, City and County of San Francisco. Combining miles of collecting and transport/storage sewers
 (5) Parks and Recreation Commission, City and County of San Francisco
 (6) Library Commission, City and County of San Francisco
 (7) San Francisco Unified School District

APPENDIX C

**CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE TREASURER
INVESTMENT POLICY**

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**CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE TREASURER & TAX COLLECTOR**

INVESTMENT POLICY

Effective September 2023

1.0 Policy

It is the policy of the Office of the Treasurer & Tax Collector of the City and County of San Francisco (Treasurer's Office) to invest public funds in a manner which will preserve capital, meet the daily cash flow demands of the City, and provide a market rate of return while conforming to all state and local statutes governing the investment of public funds.

2.0 Scope

This investment policy applies to all funds over which the Treasurer's Office has been granted fiduciary responsibility and direct control for their management.

3.0 Prudence

The standard of prudence to be used by the Treasurer's Office shall be the Prudent Investor Standard as set forth by California Government Code, Section 53600.3 and 27000.3. The Section reads as follows: The Prudent Investor Standard states that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Treasurer's Office, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Treasurer's Office.

This standard of prudence shall be applied in the context of managing those investments that fall under the Treasurer's direct control. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 Objective

The primary objectives, in priority order, of the Treasurer's Office's investment activities shall be:

4.1 Safety: Safety of principal is the foremost objective of the investment program. Investments of the Treasurer's Office shall be undertaken in a manner that seeks to ensure the preservation of capital. To attain this objective, the Treasurer's Office will diversify its investments.

4.2 Liquidity: The Treasurer's Office investment portfolio will remain sufficiently liquid to enable the Treasurer's Office to meet cash flow needs which might be reasonably anticipated.

4.3 Return on Investments: The portfolio shall be designed with the objective of generating a market rate of return without undue compromise of the first two objectives.

5.0 Delegation of Authority

The Treasurer of the City and County of San Francisco (Treasurer) is authorized by Charter Section 6.106 to invest funds available under California Government Code Title 5, Division 2, Part 1, Chapter 4, Article 1. The Treasurer shall submit any modification to this Investment Policy to the Treasury Oversight Committee members within five (5) working days of the adoption of the change.

6.0 Authorized Broker/Dealer Firms

The City seeks to employ a fair and unbiased broker-dealer selection process, which culminates in an array of small / medium and large-sized firms that provide the best investment opportunities and service to the City.

The Treasurer's Office will evaluate and classify broker-dealers based on the qualifications of the firm and firm's assigned broker.

When evaluating Broker-Dealers, the Treasurer's Office will strongly consider the Minority / Historically Disadvantaged status of both the firm's ownership and the assigned broker.

All broker-dealers are encouraged to apply for consideration. All applicants will be evaluated and classified based on the qualifications of the firm and the firm's assigned individual. \

All approved broker-dealers will be re-assessed on an on-going basis.

The inclusion of a Broker-Dealer on TTX's approved list does not guarantee that the firm will be successful in doing business with TTX.

All securities shall be purchased and sold in a competitive environment and investment decisions will be made based on best execution.

The Treasurer's Office will not do business with a firm which has, within any consecutive 48-month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the Treasurer, any member of the Board of Supervisors, or any candidate for those offices.

7.0 Authorized & Suitable Investments

Investments will be made pursuant to the California Government Code (including Section 53601 et seq.) and this investment policy to ensure sufficient liquidity to meet all anticipated disbursements.

Unless otherwise noted, the maximum maturity from the settlement date can be no longer than five years with a trade date no longer than 45 days from settlement date. .

All exposure limits defined below will be measured against total portfolio par value (unless otherwise specified) and at time of purchase.

Types of investment vehicles not authorized by this investment policy are prohibited.

In an effort to limit credit exposure, the Treasurer’s Office will maintain Eligible Issuer, Eligible Counterparty and Eligible Money Market lists for security types where appropriate. These lists are intended to guide investment decisions. Investments, at time of purchase, are limited solely to issuers, counterparties and money market funds listed; however, investment staff may choose to implement further restrictions at any time.

The Treasurer’s Office shall establish a Credit Committee comprised of the Treasurer, Chief Assistant Treasurer, Chief Investment Officer and additional investment personnel at the Treasurer’s discretion. The Committee shall review and approve all eligible issuers and counterparties prior to inclusion on the aforementioned Eligible Issuer, Eligible Counterparty and Eligible Money Market lists. The Committee shall also be charged with determining the collateral securing the City’s repurchase agreements.

In the event of a downgrade of the issuer’s credit rating below the stated requirements herein, the Credit Committee shall convene and determine the appropriate action.

In addition, the Treasurer’s Office shall conduct an independent credit review, or shall cause an independent credit review to be conducted, of the collateralized CD issuers to determine the creditworthiness of the financial institution. The credit review shall include an evaluation of the issuer’s financial strength, experience, and capitalization, including, but not limited to leverage and capital ratios relative to benchmark and regulatory standards (See Section 7.4). The following policy shall govern unless a variance is specifically authorized by the Treasurer and reviewed by the Treasury Oversight Committee pursuant to Section 5.0.

7.1 U.S. Treasuries

United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

| Allocation Maximum | Issuer Limit Maximum | Issue Limit Maximum | Maturity/Term Maximum |
|-----------------------------|----------------------|---------------------|-----------------------|
| 100% of the portfolio value | 100% | 100% | 5 years |

7.2 Federal Agencies

Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

| Allocation Maximum | Issuer Limit Maximum | Issue Limit Maximum | Maturity/Term Maximum |
|-----------------------------|----------------------|---------------------|-----------------------|
| 100% of the portfolio value | 100% | 100% | 5 years |

7.3 State and Local Government Agency Obligations

The Treasurer's Office may purchase bonds, notes, warrants, or other evidences of indebtedness of any local or State agency within the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or State, or by a department, board, agency, or authority of the local agency or State.

| Allocation Maximum | Issuer Limit Maximum | Issue Limit Maximum | Maturity/Term Maximum |
|----------------------------|----------------------|---------------------|-----------------------|
| 20% of the portfolio value | 5% | No Limit | 5 years |

Issuer Minimum Credit Rating: Issuers must possess either a short-term rating of the highest ranking or long-term credit rating (dependent upon maturity length) of the second highest ranking or better (irrespective of +/-) from at least one NRSRO (Nationally Recognized Statistical Rating Organization). This limitation applies to all local and State agencies within the 50 United States with the exception of the State of California.

7.4 Public Time Deposits (Term Certificates of Deposit)

The Treasurer's Office may invest in either:

1. Non-negotiable time deposits (Certificates of Deposit or CDs) that have FDIC or similar deposit insurance; or
2. Fully collateralized CDs in approved financial institutions.

The Treasurer's Office will invest in CDs and Time Deposits only with those firms having at least one branch office within the boundaries of the City and County of San Francisco. As required by Government Code Section 53649, the Treasurer's Office shall have a signed agreement with any depository accepting City funds.

For Public Time Deposits not employing deposit insurance (such as FDIC), the Treasurer's Office is authorized to accept two forms of collateral:

A. Deposit Collateral. Collateralized CDs are required to be fully collateralized with 110% of the type of collateral authorized in California Government Code, Section 53651 (a) through (i). The Treasurer's Office, at its discretion, may waive the collateralization requirements for any portion that is covered by deposit insurance.

B. Letters of Credit Issued by the Federal Home Loan Bank of San Francisco. As authorized by Section 53651 (p) of the California Government Code, Letter of Credit may be accepted as collateral and shall conform to the requirements of Section 53651.6 of the California Government Code include the following terms:

- (1) The Administrator, as defined by Section 53630 (g) of the California Government Code, shall be the beneficiary of the letter of credit; and

(2) The letter of credit shall be clean and irrevocable, and shall provide that the Administrator may draw upon it up to the total amount in the event of the failure of the depository savings association or federal association or if the depository savings association or federal association refuses to permit the withdrawal of funds by a treasurer.

| Allocation Maximum | Issuer Limit Maximum | Issue Limit Maximum | Maturity/Term Maximum |
|--------------------|----------------------|---------------------|-----------------------|
| \$80mm | \$20mm | N/A | 6 months |

Issuer Minimum Credit Rating (applies to collateralized CDs only): Maintenance of the minimum standards for “well-capitalized” status as established by the Federal Reserve Board. The current standards are as follows:

- Tier 1 risk-based capital ratio of 8% or greater
- Combined Tier 1 and Tier 2 capital ratio of 10% or greater
- Leverage ratio of 5% or greater

Failure to maintain minimum standards may result in early termination, subject to the discretion of the Treasurer’s Office.

7.5 Negotiable Certificates of Deposit / Yankee Certificates Of Deposit

Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Yankee certificates of deposit are negotiable instruments that are issued by a branch of a foreign bank.

| Allocation Maximum | Issuer Limit Maximum | Issue Limit Maximum | Maturity/Term Maximum |
|----------------------------|----------------------|---------------------|-----------------------|
| 30% of the portfolio value | No Limit | N/A | 5 years |

Issuer Minimum Credit Rating: Issuers must possess either a short-term rating of the highest ranking or long-term credit rating (dependent upon maturity length) of the second highest ranking or better (irrespective of +/-) from at least one NRSRO.

The purchase of Canadian Yankee CDs shall be limited to maturities of less than 400 days.

7.6 Bankers Acceptances

Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances.

| Allocation Maximum | Issuer Limit Maximum | Issue Limit Maximum | Maturity/Term Maximum |
|----------------------------|----------------------|---------------------|-----------------------|
| 40% of the portfolio value | 30% | No Limit | 180 days |

Issuer Minimum Credit Rating: None

7.7 Commercial Paper

Obligations issued by a corporation or bank to finance short-term credit needs, such as accounts receivable and inventory, which may be unsecured or secured by pledged assets.

| Allocation Maximum | Issuer Limit Maximum | Issue Limit Maximum | Maturity/Term Maximum |
|----------------------------|----------------------|---------------------|-----------------------|
| 25% of the portfolio value | 10% | None | 270 days |

Issuer Minimum Credit Rating: Issuers must possess a short-term credit rating of the highest ranking (irrespective of +/-) from at least one NRSRO.

7.8 Medium Term Notes

Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state, and operating within the U.S.

| Allocation Maximum | Issuer Limit Maximum | Issue Limit Maximum | Maturity/Term Maximum |
|----------------------------|----------------------|---------------------|-----------------------|
| 30% of the portfolio value | 10% | 5% | 5 Years |

Maturity Allocation Buckets:

- a. More than 4 years to Maturity: No more than 5% of Pool Par Value;
- b. 3 to 4 years to Maturity: No more than 5% of Pool Par Value; and
- c. 2 to 3 years to Maturity: No more than 5% of Pool Par Value.

Percentage of Pool Par Value is determined at the time a security is purchased. If subsequent to purchases, a Maturity bucket exceeds the 5% allocation, investment staff may continue to hold existing positions.

Issuer Minimum Credit Rating: Issuers must possess either a short-term rating of the highest ranking or long-term credit rating (dependent upon maturity length) of the second highest ranking or better (irrespective of +/-) from at least one NRSRO.

7.9 Repurchase Agreements

To the extent that the Treasurer's Office utilizes this investment vehicle, said collateral shall be delivered to a third-party custodian, so that recognition of ownership of the City and County of San Francisco is perfected.

| Type of Collateral | Allocation Maximum | Issuer Limit Maximum | Maturity/Term Maximum |
|--|--------------------|----------------------|-----------------------|
| Government securities | No Limit | N/A | 1 year |
| Securities permitted by CA Government Code, Sections 53601 and 53635 | 10% | N/A | 1 year |

7.10 Reverse Repurchase and Securities Lending Agreements

This procedure shall be limited to occasions when the cost effectiveness dictates execution, specifically to satisfy cash flow needs or when the collateral will secure a special rate. A reverse repurchase agreement shall not exceed 45 days; the amount of the agreement shall not exceed \$75MM; and the offsetting purchase shall have a maturity not to exceed the term of the repo.

7.11 Money Market Funds

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.).

| Fund Type | Allocation Maximum | Issuer Limit Maximum | Percentage of Fund's Net Assets Maximum | Maturity/Term Maximum |
|--------------------------|--------------------------|----------------------|---|-----------------------|
| Institutional Government | 20% of Total Pool assets | N/A | 5% | N/A |

Issuer Minimum Credit Rating: Fund must be rated in the highest rating category from not less than two NRSROs .

7.12 Local Agency Investment Fund (LAIF)

Investments in LAIF, a California state investment fund available to California municipalities, are authorized.

7.13 Supranationals

United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by:

- International Bank for Reconstruction and Development;
- International Finance Corporation; or
- Inter-American Development Bank;

| Allocation Maximum | Issuer Limit Maximum | Issue Limit Maximum | Maturity/Term Maximum |
|--------------------|----------------------|---------------------|-----------------------|
| 30% | None | None | 5 years |

Issuer Minimum Credit Rating: Issuers must possess either a short-term credit rating of the highest ranking or long-term credit rating (dependent upon maturity length) of the second highest ranking or better (irrespective of +/-) from at least one NRSRO.

8.0 Interest and Expense Allocations

The costs of managing the investment portfolio, including but not limited to: investment management; accounting for the investment activity; custody of the assets, managing and accounting for the banking; receiving and remitting deposits; oversight controls; and indirect and overhead expenses are charged to the investment earnings based upon actual labor hours worked in respective areas. Costs of these respective areas are accumulated and charged to the Pooled Investment Fund on a quarterly basis, with the exception of San Francisco International Airport costs which are charged directly through a work order.

The San Francisco Controller allocates the net interest earnings of the Pooled Investment Fund. The earnings are allocated monthly based on average balances.

9.0 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the Treasurer's Office shall be conducted on a delivery-versus-payment (DVP) basis pursuant to approved custodial safekeeping agreements. Securities will be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

10.0 Deposit and Withdrawal of Funds

California Government Code Section 53684 et seq. provides criteria for outside local agencies, where the Treasurer does not serve as the agency's treasurer, to invest in the County's Pooled Investment Fund, subject to the consent of the Treasurer. Currently, no government agency outside the geographical boundaries of the City and County of San Francisco shall have money invested in City pooled funds.

The Treasurer will honor all requests to withdraw funds for normal cash flow purposes that are approved by the San Francisco Controller. Any requests to withdraw funds for purposes other than cash flow, such as for external investing, shall be subject to the consent of the Treasurer. In accordance with California Government Code Sections 27136 et seq. and 27133(h) et seq., such requests for withdrawals must first be made in writing to the Treasurer. These requests are subject to the Treasurer's consideration for the stability and predictability of the Pooled Investment Fund, or the adverse effect on the interests of the other depositors in the Pooled Investment Fund. Any withdrawal for such purposes shall be at the value shown on the Controller's books as of the date of withdrawal.

11.0 Limits on Receipt of Honoraria, Gifts and Gratuities

In accordance with California Government Code Section 27133(d) et seq., this Investment Policy hereby establishes limits for the Treasurer, individuals responsible for management of the portfolios, and members of the Treasury Oversight Committee on the receipt of honoraria, gifts and gratuities from advisors, brokers, dealers, bankers or others persons with whom the Treasurer conducts business. Any individual who receives an aggregate total of gifts, honoraria and gratuities in excess of those limits must report the gifts, dates and firms to the Treasurer and complete the appropriate State disclosure.

These limits may be in addition to the limits set by a committee member's own agency, by state law, or by the California Fair Political Practices Commission. Members of the Treasury Oversight Committee also must abide by the following sections of the Treasurer's Office Statement of Incompatible Activities: Section III(A)(l)(a), (b) and (c) entitled "Activities that Conflict with Official Duties," and Section III(C) entitled "Advance Written Determination".

12.0 Reporting

In accordance with the provisions of California Government Code Section 53646, which states that the Treasurer may render a quarterly report or a monthly report on the status of the investment portfolio to the Board of Supervisors, Controller and Mayor; the Treasurer regularly submits a monthly report. The report includes the investment types, issuer, maturity date, par value, and dollar amount invested; market value as of the date of the report and the source of the valuation; a statement of compliance with the investment policy or an explanation for non-compliance; and a statement of the ability or inability to meet expenditure requirements for six months, as well as an explanation of why moneys will not be available if that is the case.

13.0 Social Responsibility

In addition to and subordinate to the objectives set forth in Section 4.0 herein, investment of funds should be guided by the following socially responsible investment goals when investing in corporate securities and depository institutions. Investments shall be made in compliance with the forgoing socially responsible investment goals to the extent that such investments achieve substantially equivalent safety, liquidity and yield compared to investments permitted by state law.

13.1 Social and Environmental Concerns

Investments are encouraged in entities that support community well-being through safe and environmentally sound practices and fair labor practices. Investments are encouraged in entities that support

equality of rights regardless of sex, race, age, disability or sexual orientation. Investments are discouraged in entities that manufacture tobacco products, firearms, or nuclear weapons. In addition, investments are encouraged in entities that offer banking products to serve all members of the local community, and investments are discouraged in entities that finance high-cost check-cashing, deferred deposit (payday-lending) businesses and organizations involved in financing, either directly or indirectly, the Dakota Access Pipeline or, as determined by the Treasurer, similar pipeline projects. Prior to making investments, the Treasurer's Office will verify an entity's support of the socially responsible goals listed above through direct contact or through the use of a third party such as the Investors Responsibility Research Center, or a similar ratings service. The entity will be evaluated at the time of purchase of the securities.

13.2 Community Investments

Investments are encouraged in entities that promote community economic development. Investments are encouraged in entities that have a demonstrated involvement in the development or rehabilitation of low income affordable housing, and have a demonstrated commitment to reducing predatory mortgage lending and increasing the responsible servicing of mortgage loans. Securities investments are encouraged in financial institutions that have a Community Reinvestment Act (CRA) rating of either Satisfactory or Outstanding, as well as financial institutions that are designated as a Community Development Financial Institution (CDFI) by the United States Treasury Department, or otherwise demonstrate commitment to community economic development.

13.3 City Ordinances

All depository institutions are to be advised of applicable City contracting ordinances, and shall certify their compliance therewith, if required.

14.0 Treasury Oversight Committee

A Treasury Oversight Committee was established by the San Francisco Board of Supervisors in Ordinance No. 316-00. The duties of the Committee shall be the following:

- (a) Review and monitor the investment policy described in California Government Code Section 27133 and prepared annually by the Treasurer.
- (b) Cause an annual audit to be conducted to determine the Treasurer's compliance with California Government Code Article 6 including Sections 27130 through 27137 and City Administrative Code Section 10.80-1. The audit may examine the structure of the investment portfolio and risk. This audit may be a part of the County Controller's usual audit of the Treasurer's Office by internal audit staff or the outside audit firm reviewing the Controller's Annual Report.
- (c) Nothing herein shall be construed to allow the Committee to direct individual decisions, select individual investment advisors, brokers, or dealers, or impinge on the day-to-day operations of the Treasurer. (See California Government Code, Section 27137.)

APPENDIX

Glossary

AGENCIES: Federal agency securities and/or Government-sponsored enterprises.

ASK/OFFER: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The CAFR is the City's official annual financial report. It consists of three major sections: introductory, financial, and statistical. The introductory section furnishes general information on the City's structure, services, and environment. The financial section contains all basic financial statements and required supplementary information, as well as information on all individual funds and discretely presented component units not reported separately in the basic financial statements. The financial section may also include supplementary information not required by GAAP. The statistical section provides trend data and nonfinancial data useful in interpreting the basic financial statements and is especially important for evaluating economic condition.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DEPOSITORY INSTITUTIONS: These institutions hold City and County moneys in the forms of certificates of deposit (negotiable or term), public time deposits and public demand accounts.

DERIVATIVES: (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FDIC DEPOSIT INSURANCE COVERAGE: The FDIC is an independent agency of the United States government that protects against the loss of insured deposits if an FDIC-insured bank or savings association fails. Deposit insurance is backed by the full faith and credit of the United States government. Since the FDIC was established, no depositor has ever lost a single penny of FDIC-insured funds. FDIC insurance covers funds in deposit accounts, including checking and savings accounts, money market deposit accounts and certificates of deposit (CDs). FDIC insurance does not, however, cover other financial products and services that insured banks may offer, such as stocks, bonds, mutual fund shares, life insurance policies, annuities or municipal securities. There is no need for depositors to apply for FDIC insurance or even to request it. Coverage is automatic. To ensure funds are fully protected, depositors should understand their deposit insurance coverage limits. The FDIC provides separate insurance coverage for deposits held in different ownership categories such as single accounts, joint accounts, Individual Retirement Accounts (IRAs) and trust accounts.

Basic FDIC Deposit Insurance Coverage Limits*

Single Accounts (owned by one person) \$250,000 per owner

Joint Accounts (two or more persons) \$250,000 per co-owner

IRAs and certain other retirement accounts \$250,000 per owner

Trust Accounts \$250,000 per owner per beneficiary subject to specific limitations and requirements**

*The financial reform bill, officially named the Dodd-Frank Wall Street Reform and Consumer Protection Act, signed into law on July 21, 2010, made the \$250,000 FDIC coverage limit permanent.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL FUNDS RATE: The rate of interest that depository institutions lend monies overnight to other depository institutions. Also referred to as the overnight lending rate. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks), which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single

provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC): Freddie Mac's mission is to provide liquidity, stability and affordability to the housing market. Congress defined this mission in (their) 1970 charter. Freddie Mac buys mortgage loans from banks, thrifts and other financial intermediaries, and re-sells these loans to investors, or keeps them for their own portfolio, profiting from the difference between their funding costs and the yield generated by the mortgages.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FmHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

GOVERNMENT SECURITIES: Obligations of the U.S. Government and its agencies and instrumentalities.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

NRSRO: Nationally Recognized Statistical Rating Organization; Credit rating agencies that are registered with the SEC. Such agencies provide an opinion on the creditworthiness of an entity and the financial obligations issued by an entity.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PAR VALUE: The principal amount of a bond returned by the maturity date.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

PUBLIC TIME DEPOSITS (Term Certificates Of Deposit): Time deposits are issued by depository institutions against funds deposited for a specified length of time. Time deposits include instruments such as deposit notes. They are distinct from certificates of deposit (CDs) in that interest payments on time deposits are calculated in a manner similar to that of corporate bonds whereas interest payments on CDs are calculated similar to that of money market instruments.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

QUALIFIED INSTITUTIONAL BUYER: A purchaser of [securities](#) that is deemed financially sophisticated and is legally recognized by securities market regulators to need less protection from issuers than most public investors.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current income return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

RULE 144A. A safe harbor exemption from the registration requirements of Section 5 of the Securities Act for certain offers and sales of qualifying securities by certain persons other than the issuer of the securities. The exemption applies to resales of securities to qualified institutional buyers, who are commonly referred to as “QIBs.”

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15(C)3-1: See Uniform Net Capital Rule.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$340,615,000

**CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2024-R1**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City and County of San Francisco (the “City”) in connection with the issuance of the bonds captioned above (the “Bonds”). The Bonds are issued pursuant to Resolution No. 97-20, adopted by the Board of Supervisors of the City on March 3, 2020 and duly approved by the Mayor of the City on March 13, 2020 (as amended by Resolution No. 130-21, adopted by the Board of Supervisors on March 23, 2021 and duly approved by the Mayor on April 2, 2021), and Resolution No. 121-24 adopted by the Board of Supervisors of the City on March 12, 2024 and duly approved by the Mayor of the City on March 22, 2024 (collectively, the “Resolution”).

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which: (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) including, but not limited to, the power to vote or consent with respect to any Bonds or to dispose of ownership of any Bonds; or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the City, acting in its capacity as Dissemination Agent under this Disclosure Certificate, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“Financial Obligation” means “financial obligation” as such term is defined in the Rule.

“Holder” shall mean either the registered owners of the Bonds, or, if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

“Listed Events” shall mean any of the events listed in Section 5(a) and Section 5(b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters or purchasers of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the City’s fiscal year (which is June 30), commencing with the report for the 2023-24 fiscal year (which is due not later than March 27, 2025), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Dissemination Agent is not the City, the City shall provide the Annual Report to the Dissemination Agent not later than 15 days prior to said date. The Annual Report must be submitted in electronic format and accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, that if the audited financial statements of the City are not available by the date required above for the filing of the Annual Report, the City shall submit unaudited financial statements and submit the audited financial statements as soon as they are available. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) If the City is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the City shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the City), file a report with the City certifying the date that the Annual Report was provided to the MSRB pursuant to this Disclosure Certificate.

SECTION 4. Content of Annual Reports. The City’s Annual Report shall contain or incorporate by reference the following information, as required by the Rule:

- (a) the audited general purpose financial statements of the City prepared in accordance with generally accepted accounting principles applicable to governmental entities;
- (b) a summary of budgeted general fund revenues and appropriations;
- (c) a summary of the assessed valuation of taxable property in the City;
- (d) a summary of the *ad valorem* property tax levy and delinquency rate;
- (e) a schedule of aggregate annual debt service on tax-supported indebtedness of the City; and
- (f) a summary of outstanding and authorized but unissued tax-supported indebtedness of the City.

Any or all of the items listed above may be set forth in a document or set of documents, or may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following events numbered 1-10 with respect to the Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) or adverse tax opinions;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the obligated person; or
10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The City shall give, or cause to be given, notice of the occurrence of any of the following events numbered 11-18 with respect to the Bonds not later than ten business days after the occurrence of the event, if material:

11. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
12. Modifications to rights of Bondholders;
13. Unscheduled or contingent Bond calls;
14. Release, substitution, or sale of property securing repayment of the Bonds;

15. Non-payment related defaults;
 16. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
 17. Appointment of a successor or additional trustee or the change of name of a trustee; or
 18. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material.
- (c) The City shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3, as provided in Section 3(b).
- (d) Whenever the City obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the City shall determine if such event would be material under applicable federal securities laws.
- (e) If the City learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the City shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection 5(b)(13) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend or waive this Disclosure Certificate or any provision of this Disclosure Certificate, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 3(b), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of the City Attorney or nationally recognized bond counsel, have complied with the

requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the owners of a majority in aggregate principal amount of the Bonds or (ii) does not, in the opinion of the City Attorney or nationally recognized bond counsel, materially impair the interests of the Holders.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5; and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Participating Underwriter, Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in a federal or state court located in the City and County of San Francisco, State of California. The sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: May 22, 2024

CITY AND COUNTY OF
SAN FRANCISCO

Greg Wagner
Controller

Approved as to form:

DAVID CHIU
CITY ATTORNEY

By: _____
Deputy City Attorney

EXHIBIT A

**FORM OF NOTICE TO THE
MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of City: CITY AND COUNTY OF SAN FRANCISCO
Name of Bond Issue: CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2024-R1
Date of Issuance: May 22, 2024

NOTICE IS HEREBY GIVEN to the Municipal Securities Rulemaking Board that the City has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate of the City and County of San Francisco, dated May 22, 2024. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

CITY AND COUNTY OF SAN FRANCISCO

By: _____ [to be signed only if filed]
Title _____

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APPENDIX E

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The information in numbered paragraphs 1-10 of this APPENDIX E, concerning The Depository Trust Company (“DTC”) and DTC’s book-entry system, has been furnished by DTC for use in official statements and the City takes no responsibility for the completeness or accuracy thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest or principal with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this APPENDIX E. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC. As used in this APPENDIX E, “Securities” means the Bonds, “Issuer” means the City, and “Agent” means the City Treasurer, acting as the paying agent.

1. The Depository Trust Company (“DTC”) will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book- entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC is rated “AA+” by Standard & Poor’s. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information presented on each website is *not* incorporated by reference as part of this Official Statement.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial

Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Securities of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MALI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

APPENDIX F

PROPOSED FORM OF OPINION OF CO-BOND COUNSEL

Upon issuance of the Bonds, Nixon Peabody LLP, and Husch Blackwell LLP, Co-Bond Counsel, propose to render their final approving opinion in substantially the following form:

May 22, 2024

Board of Supervisors
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102

Re: \$340,615,000 City and County of San Francisco General Obligation Refunding Bonds, Series 2024-R1

Ladies and Gentlemen:

We have acted as Co-Bond Counsel to the City and County of San Francisco (the “City”) in connection with the issuance of its \$340,615,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2024-R1 (the “Bonds”). The Bonds are issued pursuant to the provisions of (i) the Government Code of the State of California (the “State”), (ii) the Charter of the City and County of San Francisco, (iii) the Administrative Code of the City; and (iv) Resolution No. 97-20, adopted by the Board of Supervisors of the City (the “Board of Supervisors”) on March 3, 2020, and duly approved by the Mayor of the City (the “Mayor”) on March 13, 2020, as amended by Resolution No. 130-21, adopted by the Board of Supervisors on March 23, 2021, and duly approved by the Mayor on April 2, 2021, and Resolution No. 121-24, adopted by the Board of Supervisors on March 12, 2024, and duly approved by the Mayor on March 22, 2024 (collectively, the “Resolutions”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolutions.

As Co-Bond Counsel, we have examined copies, certified to us as being true and complete, of the proceedings of the City for the authorization and issuance of the Bonds. In this connection, we have also examined such certificates of public officials and officers of the City as we have considered necessary for the purposes of this opinion.

We have, with your approval, assumed that all items submitted to us as originals are authentic and that all items submitted as copies conform to the originals.

The Internal Revenue Code of 1986 (the “Code”) sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Bonds. Pursuant to the Resolutions and the Tax Compliance Certificate executed by the City in connection with the issuance of the Bonds (the “Tax Certificate”), the City has covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the City and certain other parties have made certain representations and certifications in the Resolutions and the Tax Certificate. We have not independently verified the accuracy of those certifications and representations.

On the basis of such examination, our reliance upon the assumptions contained herein and our consideration of those questions of law as we considered relevant, and subject to the limitations and qualifications in this opinion, we are of the opinion that:

1. The Bonds have been duly authorized and issued and constitute legally valid and binding obligations of the City, enforceable in accordance with their terms and the terms of the Resolutions.

2. The Bonds are payable solely from and are secured by a pledge of *ad valorem* taxes which may be levied without limitation as to the rate or amount upon all taxable real property in the City, and which, under the laws now in force with respect to the Bonds, may be levied within the limit prescribed by law upon all taxable personal property in the City, and from other available funds as set forth in the Resolutions.

3. The Resolutions have been duly authorized by the City and constitute the legally valid and binding obligations of the City, enforceable in accordance with their terms. The Bonds, assuming due authentication thereof by the City Treasurer, are entitled to the benefits of the Resolutions.

4. Under existing law, assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Interest on the Bonds will be taken into account in computing the alternative minimum tax imposed on certain corporations under the Code to the extent that such interest is included in the “adjusted financial statement income” of such corporations.

5. Interest on the Bonds is exempt from State personal income taxes under current State law.

The opinions set forth in paragraphs 1, 2 and 3 above (i) assume that the City Treasurer has duly authenticated the Bonds and (ii) are subject to (a) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors’ rights generally (including, without limitation, fraudulent conveyance laws), (b) the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, and (c) the limitations on legal remedies against government entities in the State.

In rendering the opinions set forth in paragraph 4 above, we are relying upon representations and covenants of the City and certain other parties in the Tax Certificate. In addition, we have assumed that all such representations are true and correct and that the City will comply with such covenants. We express no opinion with respect to the exclusion of the interest on the Bonds from gross income under Section 103(a) of the Code in the event that any of such representations are untrue or the City fails to comply with such covenants, unless such failure to comply is based on our advice or opinion.

Except as stated in paragraphs 4 and 5, we express no opinion as to any other federal, state or local tax consequences of the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. Furthermore, we express no opinion as to any federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other counsel.

No opinion is expressed herein on the accuracy, completeness or sufficiency of the Official Statement, dated May 9, 2024, or other offering material relating to the Bonds. This opinion is expressly limited to the matters set forth above and we render no opinion, whether by implication or otherwise, as to any other matters.

Our opinions are limited to matters of State law and applicable federal law, and we assume no responsibility as to the applicability of laws of other jurisdictions. We call attention to the fact that the

opinions expressed herein and the exclusion of interest on the Bonds from gross income for federal income tax purposes may be affected by actions taken or omitted or events occurring or failing to occur after the date hereof. We have not undertaken to determine, or inform any person, whether any such actions are taken, omitted, occur or fail to occur.

No opinions other than those expressly stated herein are implied or shall be inferred as a result of anything contained in or omitted from this letter. The opinions expressed in this letter are given only as of the time of its delivery, and we disclaim any obligation to revise or supplement this letter thereafter, including to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. Our engagement as co-bond counsel in connection with the original issuance and delivery of the Bonds is concluded upon delivery of this letter.

Respectfully submitted,

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FOR ADDITIONAL BOOKS: ELABRA.COM OR (888) 935-2272