

CITY AND COUNTY OF SAN FRANCISCO

Report to Government Audit and Oversight Committee
Year Ended June 30, 2014



Certified Public Accountants.

CITY AND COUNTY OF SAN FRANCISCO
Report to Government Audit and Oversight Committee
Year Ended June 30, 2014

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Government Audit and Oversight Committee
Mr. Ben Rosenfield, Controller
City and County of San Francisco
San Francisco, California

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City and County of San Francisco, California (City), as of and for the year ended June 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Other auditors audited the financial statements of the San Francisco International Airport, San Francisco Water Enterprise, Hetch Hetchy Water and Power, San Francisco Municipal Transportation Agency, San Francisco Wastewater Enterprise, and the Health Service System, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider item 2014-001 in the Current Year Recommendation section to be a significant deficiency.

The City's response to the recommendation is also described in the accompanying Current Year Recommendation section. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it. In addition, we would be pleased to discuss the recommendation in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing this recommendation.

In addition, we have provided a status of the prior recommendations made by us.

Professional auditing standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and U.S. Office of Management and Budget (OMB) Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our Audit Service Plan to you dated May 22, 2014. Professional standards also require that we communicate to you other information related to our audit as discussed in the Required Communications section.

We would like to thank City management and staff for the courtesy and cooperation extended to us during the course of our engagement.

The accompanying required communications, management comments, and recommendations are intended solely for the information and use of the Government Audit and Oversight Committee, Board of Supervisors, City management, and others within the organization, and are not intended to be and should not be used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

Walnut Creek, California
November 28, 2014

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REQUIRED COMMUNICATIONS

Significant Audit Findings

I. Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 2 to the financial statements. As described in Note 2(s) to the financial statements, the City changed accounting policies related to the following:

- ***GASB Statement No. 65 – Items Previously Reported as Assets and Liabilities***
This statement establishes accounting and financial reporting standards that reclassify certain items (that were previously reported as assets and liabilities) as deferred outflows of resources or deferred inflows of resources, and recognizes certain items (that were previously reported as assets and liabilities) as outflows of resources or inflows of resources. As of July 1, 2013, the City implemented this statement and restated the beginning net position by \$92.2 million in the primary government and \$13.4 million in the Successor Agency Private-Purpose Trust Fund to write off unamortized bond issuance costs that were previously reported as assets. In addition, in the government-wide financial statements, the remaining balance of unamortized losses and gains on refunding of debt was reclassified from assets and liabilities to deferred outflows of resources and deferred inflows of resources, respectively.
- ***GASB Statement No. 66 – Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62***
This statement amends Statement No. 10, *Codification of Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state and local government’s risk financing activities to the general fund and the internal service fund type. This statement also amends Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current servicing fee rate. The City’s adoption of this statement did not have a significant impact on its financial statements for the year ended June 30, 2014.
- ***GASB Statement No. 67 – Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25***
This statement addresses reporting by pension plans that administer benefits for governments and requires changes and additions in the Notes to the Financial Statements, Required Supplementary Information, and Other Supplemental Information. Significant changes include calculation of total and net pension liability for financial reporting, comprehensive footnote disclosure regarding pension liabilities, sensitivity of net pension liability to the discount rate, additional investment disclosure, expected long-term discount rate, and annual money-weighted rate of return on investments. Such information is presented in the San Francisco Employees’ Retirement System (Retirement System) financial report and reference is made to the Retirement System’s separate report in the notes to the City’s basic financial statements.

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REQUIRED COMMUNICATIONS (Continued)

I. Qualitative Aspects of Accounting Practice (Continued)

- ***GASB Statement No. 70 – Accounting and Financial Reporting for Nonexchange Financial Guarantees***

This statement is intended to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This statement also requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities and requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. This statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. The City's adoption of this statement did not have a significant impact on its financial statements for the year ended June 30, 2014.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

- a) Fair value of investments (including investment derivatives) and related net appreciation in the fair value of investments in the pension trust fund;
- b) Accrual and disclosure of claims liabilities;
- c) Estimated contractual adjustments and bad debt allowances for patient accounts receivable;
- d) Cost report settlement receivables and payable;
- e) Estimated bad debt allowance for accounts and loans receivable;
- f) Accrual of compensated absences;
- g) Depreciation estimates for capital assets, including depreciation methods and useful lives assigned to depreciable properties;
- h) Actuarial data of the pension plan and other postemployment benefits plans; and
- i) Estimated pollution remediation costs.

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REQUIRED COMMUNICATIONS (Continued)

I. Qualitative Aspects of Accounting Practice (Continued)

Management's judgments and estimates were based on the following:

- a) Management's estimate of the fair value of investments in the pension trust fund is discussed in Note 2(d) to the financial statements.
- b) Reserves for workers' compensation and general liability claims were based on actuarial evaluations using historical loss and other data. Reserves for other claims liabilities were determined by the City Attorney's judgment about the ultimate outcome of the claim.
- c) Estimated bad debt allowances for patient accounts receivable were based on historical experience. See d) below for basis for contractual adjustments.
- d) Estimated contractual adjustments and cost report balances were based on prior cost report adjustments, previous regulatory settlements, and potential future retrospective adjustments.
- e) Estimated bad debt allowance for accounts receivable was based on historical experience and loans receivable was based on the type of loan (e.g., forgivable, deferred, grant or amortizing) and management's estimate regarding the likelihood of collectability based on loan provisions and collateral.
- f) Accrual of compensated absences is based on unused employee sick leave and vacation and the employees' pay rates at year-end.
- g) Useful lives for depreciable property were determined by management based on the nature of the capital asset. The City uses the straight line method of depreciation and three different conventions for the amount of first-year depreciation based on the departments that purchased the capital assets.
- h) The actuarial pension and other postemployment benefits data, including the funded status and required contributions of the plans, are based on actuarial calculations performed by the City's independent actuaries.
- i) Estimated pollution remediation costs are based on reports from independent consultants.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial reporting units (opinion units) that collectively comprise the City's basic financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures related to pension benefits and other postemployment benefits. The disclosures about pension benefits and other postemployment benefits are described in Note 9 to the financial statements and are based on actuarial valuations.

The financial statement disclosures are neutral, consistent, and clear.

II. Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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REQUIRED COMMUNICATIONS (Continued)

III. Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to each opinion unit's financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

IV. Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

V. Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 28, 2014.

VI. Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

VII. Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

VIII. Required Supplementary Information

We applied certain limited procedures to management's discussion and analysis, the schedules of funding progress, and the schedule of employer contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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REQUIRED COMMUNICATIONS (Continued)

IX. Other Supplementary Information

We were engaged to report on combining fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections of the comprehensive annual financial report, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

X. Other Information in Documents Containing Audited Financial Statements

During the year, the City included its audited basic financial statements in various debt offering documents (e.g., official statements). We do not have an obligation to perform any procedures to corroborate other information contained in such debt offering documents. We were not associated with and did not have any involvement with such documents. Accordingly, we did not perform any procedures on these documents and provide no assurance as to the other information contained in the debt offering documents.

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CURRENT YEAR RECOMMENDATION

Item 2014-001 – Information Technology Governance
Significant Deficiency

Criteria:

A top-down governance structure is integral to providing direction and establishing an entity's control environment by issuing enterprise-wide policies and procedures. The Committee of Sponsoring Organizations of the Treadway Commission (COSO) standards, for example, require that the top-level of governance establish policies and procedures for its entire organization. Because such policies and procedures may not address all of the needs and limitations of an organization's entities, the standards also allow for local policies and procedures or desk top manuals to exist. However, these local documents need to have the approval of the top governance authority to ensure that the top governance structure is aware of, and agrees with, the local controls that are being instituted. Additionally, the COSO framework standards encourage that continual monitoring of these controls exist to ensure that the documented controls are followed and function as intended.

Condition:

The City operates under a decentralized structure wherein departments independently establish information technology (IT) policies and procedures according to their operations. This decentralized IT environment has contributed to inconsistent IT controls being utilized throughout the City's IT environment.

As part of our financial statements audit, we evaluated the City's general information technology environment and controls. Our review included evaluating controls over IT governance, computer operations, and system security of key networks and financial reporting applications. We noted that within the City's current IT environment top-down governance is minimal because the set-up and monitoring of all department-controlled networks and applications reside with the departments. As a result, variations exist in IT policies and procedures among City departments. Examples of variations include:

- User access rights within the various software applications
- Password control configurations
- Change management process

To provide overall technology direction for departments, the City appointed the Committee on Information Technology (COIT) with the leadership role in making policy recommendations and establishing long-range plans to ensure a consistent level of service. Although COIT is increasingly aware of the current IT environment and plans to establish itself as the formalized top-down IT governance structure within the City, many of the policies developed by COIT remain in draft form.

In addition, general computer controls over the access to programs and data require that network and application security controls be implemented to assure administrative, master, and super user activities are proper and authorized, and to safeguard information technology resources and data. The City does not have policies to regularly review high-level user activities.

Cause:

The City experienced a few setbacks this year, such as turnover in key positions in the Department of Technology (Chief Information Officer and the Chief Technology Officer). During fiscal year 2013-14, COIT focused on determining funding priorities for systems as well as overseeing large projects such as citywide Wi-Fi and migrating email to a central system.

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CURRENT YEAR RECOMMENDATION

Item 2014-001 – Information Technology Governance (Continued)

Effect:

The current decentralized IT environment has contributed to inconsistent IT controls being utilized throughout the City's IT environment.

Recommendation:

We recommend the City prioritize the drafting and release of formal information technology policies and procedures to be used as a guideline by all City departments to establish basic level IT controls citywide.

The City should also develop policies and implement procedures for regular reviews of high-level user activities. The reviews should be performed by a position outside of the chain of command of these users with high-level access and should be pursuant to guidelines and criteria that would aid in identifying the nature of the activities.

Management Response:

We agree. The City now has a permanent Chief Information Officer (CIO), who is also the Executive Director of the Department of Technology (DT). He will meet with COIT and discuss the prioritization of the formal information technology policies and procedures to ensure the City departments have the appropriate guidelines needed for basic level IT controls. In addition, the CIO has recently appointed a Chief Information Security Officer (CISO) at DT, and initiated the hiring of a permanent Deputy Director of Administration and Finance and a Deputy Director of Service Delivery. These roles are critical to establishing proper IT governance and controls.

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STATUS OF PRIOR YEAR RECOMMENDATIONS

Reference Number:	2013-1 Governance of Payroll Process <i>Other Matter</i>
Finding/ Comment:	In August 2012, the Controller's Office eMerge Division launched and replaced many of the City's existing human resources, benefits administration, and payroll processes and systems with one online system – eMerge PeopleSoft. While the Controller's Office eMerge Division oversaw the operation of the payroll system, City departments had outdated policies and procedures based on the prior payroll system.
Status of Corrective Action:	Implemented. The Controller's Office has issued to departments in January 2014 formal policies and procedures for using the eMerge PeopleSoft system, and have implemented various controls to monitor for adherence to the new policies.
Reference Number:	2012-2 New Pension Accounting Standards <i>Informational Comment</i>
Finding/ Comment:	In June 2012, the Governmental Accounting Standards Board (GASB) issued two new accounting and financial reporting standards for pension plans: Statement No. 67, <i>Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25</i> , and Statement No. 68, <i>Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27</i> . These new standards will dramatically change the Retirement System's and the City's financial statements and disclosures and will result in the recognition of a net pension liability in the City's financial statements. We recommend the City consult with the Retirement System's actuary to develop a better understanding of and to quantify the impact of these new accounting and reporting standards on the City's current financial statements.
Status of Corrective Action:	In progress. The Retirement System implemented GASB Statement No. 67 during fiscal year 2013-14. The City will implement GASB Statement No. 68 in fiscal year 2014-15.

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UNCORRECTED FINANCIAL STATEMENT MISSTATEMENTS

			STATEMENT OF NET POSITION /			STATEMENT OF CHANGES IN	
			BALANCE SHEET			NET POSITION/ FUND BALANCE	
Index	Fund Type	Description	Assets DR (CR)	Liabilities DR (CR)	Net Position DR (CR)	Revenue DR (CR)	Expenses DR (CR)
GOVERNMENTAL ACTIVITIES							
GA1	General Fund	Effect of net adjustments from General Fund (see below)	\$ 3,672,946	\$ -	\$ -	\$ (3,672,946)	\$ -
	Governmental Activities	General liabilities	-	7,357,000	-	-	-
	Governmental Activities	Legal expenses	-	-	-	-	(7,357,000)
		To adjust general liability for large case reserves.					
		TOTAL GOVERNMENTAL ACTIVITIES	\$ 3,672,946	\$ 7,357,000	\$ -	\$ (3,672,946)	\$ (7,357,000)
BUSINESS-TYPE ACTIVITIES							
BA1	Business-Type Activities	Effect of net adjustments from SF General Hospital (see below)	\$ 8,987,353	\$ (115,245)	\$ 2,934,468	\$ (5,542,327)	\$ (395,313)
	Business-Type Activities	Effect of net adjustments from Laguna Honda Hospital (see below)	462,478	-	(420,101)	78,885	(121,262)
	Business-Type Activities	Effect of net adjustments from other Enterprise funds (see below)	-	-	11,727,000	(109,639,000)	97,912,000
		TOTAL BUSINESS-TYPE ACTIVITIES	\$ 9,449,831	\$ (115,245)	\$ 14,241,367	\$ (115,102,442)	\$ 97,395,425
GENERAL FUND							
GF1	General Fund	Unearned grants and subvention revenues	\$ -	\$ 2,887,004	\$ -	\$ -	\$ -
	General Fund	Unearned revenues and other liabilities	-	(2,887,004)	-	-	-
		To correct the classification of PG&E franchise fee between the financial statements items					
GF2	General Fund	Accounts receivable	3,672,946				
	General Fund	Revenue - utility user tax				(3,672,946)	
		To accrue for June 2014 utility user tax revenue.					
		TOTAL GENERAL FUND	\$ 3,672,946	\$ -	\$ -	\$ (3,672,946)	\$ -
SAN FRANCISCO GENERAL HOSPITAL							
SFGH1	SF General Hospital	Prepaid asset	\$ 395,313	\$ -	\$ -	\$ -	\$ -
	SF General Hospital	Contractual services	-	-	-	-	(386,780)
		General and administrative	-	-	-	-	(8,533)
		To recognize prepaid portion of expenses as of June 30, 2014.					
SFGH2	SF General Hospital	Allowance for contractual adjustment	2,000,000	-	-	-	-
	SF General Hospital	Medicare contractual adjustment - inpatient	(2,000,000)	-	-	-	-
		To reverse the contractual allowance cushion.					

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UNCORRECTED FINANCIAL STATEMENT MISSTATEMENTS (Continued)

Index	Fund Type	Description	STATEMENT OF NET POSITION / BALANCE SHEET			STATEMENT OF CHANGES IN NET POSITION/ FUND BALANCE	
			Assets DR (CR)	Liabilities DR (CR)	Net Position DR (CR)	Revenue DR (CR)	Expenses DR (CR)
SFGH3	SF General Hospital	Patient accounts receivable	5,548,027	-	-	-	-
	SF General Hospital	Medi-Cal inpatient revenue	-	-	-	(2,613,559)	-
	SF General Hospital	Net position - beginning	-	-	2,934,468	-	-
		<i>To accrue for FY 2014 patient revenues and receivables recorded in FY 2014 and the effect of FY 2013 revenue recorded in FY 2014.</i>					
SFGH4	SF General Hospital	Grants received in advance	-	742,414	-	-	-
	SF General Hospital	Unearned revenue	-	(742,414)	-	-	-
		<i>To reclassify grants received in advance to unearned revenue.</i>					
SFGH5	SF General Hospital	Other receivable	115,245	-	-	-	-
	SF General Hospital	Accounts payable	-	(115,245)	-	-	-
		<i>To reclassify outstanding debit balances of vouchers payable to supplier to accounts payable.</i>					
SFGH6	SF General Hospital	Patient accounts receivable	2,928,768	-	-	-	-
	SF General Hospital	Net patient revenues	-	-	-	(2,928,768)	-
		<i>To recognize unrecorded revenues as a result of the system glitch.</i>					
		TOTAL SAN FRANCISCO GENERAL HOSPITAL	\$ 8,987,353	\$ (115,245)	\$ 2,934,468	\$ (5,542,327)	\$ (395,313)
LAGUNA HONDA HOSPITAL							
LHH1	Laguna Honda Hospital	Net position - beginning	\$ -	\$ -	\$ 121,262	\$ -	\$ -
	Laguna Honda Hospital	Medical equipment maintenance expenses	-	-	-	-	(121,262)
		<i>To record expenses incurred during FY 2013 that were improperly recorded as expenses incurred during FY 2014.</i>					
LHH2	Laguna Honda Hospital	Accounts receivable	766,964	-	-	-	-
	Laguna Honda Hospital	Net patient service revenue	-	-	-	(225,601)	-
	Laguna Honda Hospital	Net position - beginning	-	-	(541,363)	-	-
		<i>recorded in FY 2015 and the effect of the FY 2013 revenues recorded in FY 2014.</i>					
LHH3	Laguna Honda Hospital	Net patient service revenue	-	-	-	304,486	-
	Laguna Honda Hospital	Accounts receivable	(304,486)	-	-	-	-
		<i>To record the difference between the accounts receivable subsidiary ledger and the general ledger.</i>					

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UNCORRECTED FINANCIAL STATEMENT MISSTATEMENTS (Continued)

Index	Fund Type	Description	STATEMENT OF NET POSITION / BALANCE SHEET			STATEMENT OF CHANGES IN NET POSITION/ FUND BALANCE	
			Assets DR (CR)	Liabilities DR (CR)	Net Position DR (CR)	Revenue DR (CR)	Expenses DR (CR)
LHH4	Laguna Honda Hospital	Equity investments	1,241,000	-	-	-	-
	Laguna Honda Hospital	Money market mutual funds	(1,241,000)	-	-	-	-
		<i>To correct investment classification as of June 30, 2014.</i>					
		TOTAL LAGUNA HONDA HOSPITAL	\$ 462,478	\$ -	\$ (420,101)	\$ 78,885	\$ (121,262)
ENTERPRISE FUNDS							
ENT1	Market Corp	Net position	\$ -	\$ -	\$ 11,727,000	\$ -	\$ -
	Market Corp	Other nonoperating revenues	-	-	-	(11,727,000)	-
		<i>To record the wind down of the Market Corporation in the prior fiscal period.</i>					
ENT2	Airport	Other nonoperating expenses	-	-	-	-	95,328,000
	Airport	Other nonoperating revenues/program revenues	-	-	-	(95,328,000)	-
		<i>To reclassify nonoperating expenses from nonoperating revenues/ general revenues.</i>					
ENT3	Hetch Hetchy	Other nonoperating expenses	-	-	-	-	2,584,000
	Hetch Hetchy	Other nonoperating revenues/program revenues	-	-	-	(2,584,000)	-
		<i>To reclassify nonoperating expenses from nonoperating revenues/ general revenues.</i>					
ENT4	Water	Other assets	6,017,000	-	-	-	-
	Water	Other receivables	(6,017,000)	-	-	-	-
		<i>To reclassify asset classifications to agree to stand alone report.</i>					
		TOTAL ENTERPRISE FUNDS	\$ -	\$ -	\$ 11,727,000	\$ (109,639,000)	\$ 97,912,000
TIDA							
TIDA1	TIDA	Fund balance	\$ -	\$ -	\$ 7,949	\$ -	\$ -
	TIDA	Expenditure	-	-	-	-	(7,949)
		<i>To adjust TIDA expenses incurred in the prior year.</i>					
		TOTAL TIDA	\$ -	\$ -	\$ 7,949	\$ -	\$ (7,949)