



THE PRESIDIO TRUST 2006 YEAR-END REPORT



A Presidio Century: 1906 - 2006

100  
years

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**BRIDGING THE GOLDEN GATE: THE VIEW FROM LAND'S END CIRCA 1910 (COVER) AND AS SEEN HERE IN FALL 2006.**

# The Mission

The Presidio Trust's mission is to preserve the Presidio as an enduring resource for the American people. We will accomplish this by transforming the Presidio into a great national park, by building a community to renew the spirit of the Presidio and to support the park, by forging public-private partnerships to finance the park, and by becoming a model of park management.

# Looking Forward



Finding the right balance among preservation, revitalization, stewardship, and economic imperatives is the key to the Presidio's future as a national park. I am pleased that the Presidio Trust received Urban Land Institute's *2006 Global Award for Excellence* as "a model for balancing economic and preservation goals, and private and public interests." It is important that the significance of finding an appropriate balance be recognized.

Moving a 230-year-old post, with 100-year-old infrastructure, from the past into the future is no easy task. Creating a national park in the midst of an urban area, re-establishing a community in the Presidio, revitalizing the forest, landscapes and architectural features that make the park unique and earned it federal protection — this is what the Presidio Trust seeks to achieve as it emerges from its initial decade of stewardship.

Soon a residential community will take shape in the Public Health Service Hospital district. The Main Post, once the "town center" of a bustling military community, will become the center of the new park. Acres of pavement will give way to landscapes; beautiful historic buildings will provide dining, exhibits, educational programs and other experiences for our visitors.

A network of trails and bikeways will connect the park's urban edge to its quieter reaches. On a forested knoll overlooking the Pacific, a campground will be revitalized offering San Francisco children a national park camping experience within the city.

All of this activity suggests that the Presidio will become a different place. It will not. We are revitalizing the Presidio's work places and neighborhoods, and enhancing and preserving its diverse landscapes and forest, with full appreciation of its history and enthusiasm for its future.

A handwritten signature in black ink that reads "David H. Grubb". The signature is written in a cursive, flowing style.

David H. Grubb  
Chairman, Board of Directors

# In Retrospect



For more than 200 years, the Presidio has stood sentinel at the Golden Gate, the dramatic gateway between our country and the world beyond the Pacific. As we consider the Presidio's location and history, we are reminded of how world events can shape our experiences and how local events can be felt globally.

In the course of a single year, we have celebrated the centennial of the San Francisco Earthquake and Fire, reminding us of the relationship between military and civil societies; Dr. Edgar Wayburn's 100th birthday, inspiring us to reflect upon the power of an individual; and the 10th anniversary of the Presidio Trust, cautioning us that, relative to the history of the Presidio, our stewardship role has really just begun.

By looking to the past we hope to learn how we can shape the Presidio's future as a national park. In this report, we look to some of the people, events, and activities that have shaped the Presidio over the past century. With this perspective, we are better equipped to attend to the tasks required to fulfill our mission to preserve the Presidio as an enduring resource for the American people.

The Presidio's history is inherent in its stands of cypress, pines, and eucalyptus, its historic buildings and landscapes, its native plant communities, and in its historic patterns of human use. These things are our heritage. The act of preserving them is a hopeful act – it expresses our belief in the future.

A handwritten signature in white ink that reads "Craig Middleton". The signature is fluid and cursive.

Craig Middleton  
*Executive Director*



As San Franciscans set about rebuilding their city after the great earthquake and fire of 1906, few could imagine what life would be like in the 21st century. On September 17, 1906, far from San Francisco's ashes, Edgar Wayburn was born in Georgia. His life began with the wild ambition of a nation that had reached its continental frontier and in his 100 years he has lived to see the nation divided over questions of its role in the world.

A force of nature himself, in the latter half of the century after two world wars had secured the nation's identity as a superpower and fed an economic boom that threatened to destroy its wilderness, Dr. Edgar Wayburn galvanized citizens and politicians to use their imagination and resolve to preserve and protect what we had at home, to love the land from which we drew our strength and our national identity. He was central to establishing Redwood National Park, to passing the Alaska National Interest Lands Conservation Act, and to creating the Golden Gate National Recreation Area, the country's largest urban national park.

**1906**

Presidio is a Refuge  
after the Quake

**1907**

A Great Place  
Engenders Bold Visions

**1937**

Building an Icon –  
The Golden Gate Bridge

**1962**

Presidio Becomes a  
National Historic Landmark

**1972**

A Park Comes  
to the People

The Presidio of San Francisco is a national park today largely because of Ed Wayburn's vision. This year he celebrated his 100th birthday. He has been honored with the Albert Schweitzer Prize for Humanitarianism and the Presidential Medal of Freedom for his work to conserve 100 million acres of our natural heritage. Ours is a more modest tribute: we have chosen in this report to reflect on what the Presidio is today by recollecting the milestones, coincidences, and decisions that have shaped the physical and psychological landscape of the Presidio throughout the last hundred years.

The Presidio is a record of human endeavor and ambition: its buildings have risen to define and circumscribe the land's use; its sand dunes gave way to a forest that was planted by soldiers to replicate their rank and file; and its magnificent harbor was bridged by imagination and engineering. The Presidio is also a record of the most noble of human impulses: to preserve the best of today for tomorrow's children. In the words of Ed Wayburn, "We should pass on to future generations the opportunity to enjoy these places and not have them transformed into ordinary places."

**1996**  
A Singular Place  
Requires a New Model

**2001**  
A Plan for Open Spaces  
Takes Shape

**2002**  
A Balanced Vision  
is Formed

**2006**  
Wayburn Redwood Grove  
Honors a Remarkable Life

AT 5:12 A.M. ON APRIL 18, 1906, THE GROUND BENEATH SAN FRANCISCO SHOOK FOR 55 SECONDS: PLUMES OF SMOKE SOON ROSE ABOVE THE CITY. Brigadier General Frederick Funston, the Presidio's acting commander, immediately sent troops into the burning city. By 7 a.m. soldiers were patrolling the streets and dynamiting firebreaks.

During the next 75 days, 5,800 troops provided relief to a quarter of a million San Franciscans. Army supply depots across the nation sent supplies which soldiers distributed along with food and clothing. The Army helped to maintain order and provide medical care. The emergency brought together one of the largest military forces ever assembled in peacetime.

The Army erected four temporary tent camps that housed 16,000 refugees on the Presidio — near the post hospital, in Tennessee Hollow, on the golf course, and at the northwestern edge of the Presidio, later Fort Scott, where refugees from Chinatown were encamped. Louise Herrick Wall, who walked across the burning city, included a description of the Presidio's Chinese camp in an article that appeared in the August 1906 *New Century Magazine*:

*“A sweet, breezy empty, salubrious place, it must seem most strangely unhomelike to its new dwellers. I heard the meadow-larks calling across the swales above the sound of ‘tent-peg that answered to hammer-nose.’ Under close military inspection, soldiers in khaki and Chinamen in black broadcloth were raising scores of clean, new tents, in ordered rows, over the bruised meadow flowers of yesterday.”*

1906: PRESIDIO IS A REFUGE AFTER THE QUAKE



# 1906



THEN



1. A view of the devastation as seen from Sacramento Street on April 18th, the morning of the first day of the fire.
2. The quake displaced roadways and ruptured water lines throughout the City, shown in this photo taken at Union and Steiner streets.
3. “We are doing all possible to aid residents of San Francisco in present terrible calamity,” wrote Brigadier General Funston in an April 18, 1906 telegram to Washington, D.C.
4. About 3,000 tents were erected in the Presidio to provide temporary shelter for refugees.

NOW



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5 - 6. The 91st Division USAR Band performed at the earthquake centennial.

7 - 8. Refugee cottage exhibits show how people lived following the quake.

9. Homes along Kobbe Avenue have been rehabilitated and structurally upgraded.

TODAY

Sharing the Presidio's history is central to the Trust's mission. Throughout April 2006, the Trust joined with schools, parks, local governments, and other organizations to commemorate the 1906 Earthquake and Fire. The Trust and National Park Service hosted a tent camp exhibit, tours, lectures, history walks, and programs on earthquake preparedness.

Army engineers designed refugee cottages, keeping San Franciscans in the city as it was rebuilt. The cottages were sited in city parks and housed some 35,000 people. The Army relocated two refugee cottages to the Presidio in 1986. They were recently restored and are open to visitors.

The earthquake interrupted the construction of the Officers' Row at Kobbe Avenue. When construction resumed, the Army used reinforced concrete in the remaining Mediterranean style duplexes. The Trust has rehabilitated the Kobbe homes and will complete the last two large Georgian Revival structures by 2008. All are being structurally upgraded.

Today Fort Scott recalls the words of Louise Wall; it is a "rolling stretch of country near the bay, with the purple Marin hills beyond."

**THE PRESIDIO HAS A TRADITION OF GREAT LANDSCAPE DESIGN.** Beautification of the post began in the 1880s with the planting of a forest on its hilltops and ridges. By 1907, a third of the Presidio was forested.

In 1905, Chicago architect Daniel H. Burnham envisioned San Francisco with Parisian-style radial boulevards, a monumental Civic Center, and a park that stretched from Twin Peaks to Lake Merced. His sketches included the Presidio showing a large central parade ground, a vast Drill Plain on the bay, and radial boulevards from hilltop to hilltop.

In the rush to rebuild after 1906, Burnham's imperial city seemed impractical, but he did influence the Presidio's future. In 1907, Major William W. Harts created the post's first master plan. Harts retained Burnham's expanded central parade ground and a Drill Plain on the bay. He replaced Burnham's radial boulevards with officers' quarters and barracks along contour streets on the wooded hilltops.

Harts also planned additional forestation and decorative plantings, and proposed to landscape the post's gates with trees and shrubs to create a sense of enclosure. His aesthetic is seen in the post's elegant drives and building configurations, in its distinctive Mission Revival architecture, and in its red and white color scheme.

# 1907

THEN



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1. A sketch from Burnham's 1905 plan shows a proposed Drill Plain along the northern waterfront. It was never constructed.

2 - 3. In 1907, Major Harts created the post's first master plan, which called for a broad public space on the Main Post parade ground, framed on three sides by buildings and open toward the bay. While his grand vision wasn't fully realized, these ideas continue to influence today's planning.

NOW



The current site plan for the proposed parade ground on the Main Post replaces an asphalt parking lot with a grand public gathering space as well as more intimate gardens.

TODAY

Acclaimed landscape architects continue to influence the Presidio's open spaces. Designer George Hargreaves' reawakening of the Crissy Field waterfront reclaims lost marshland and recalls the remarkable "era of flight." Lawrence Halprin's pastoral meadow at the Letterman Digital Arts Center is a beautiful new park gateway.

Working with Laurie Olin, the Trust is reinventing the Main Parade Ground as an "urban park in the heart of the national park." Visitors will explore the Presidio's past through an interpretive program that is built into the landscape, enjoy the superb views from the Parade's open vantage point, and gather for large events as well as quieter pastimes.

These new landscapes are essential to reinventing the post as a 21st century park, equal in boldness and vision to our most cherished public spaces, from Central Park to the Washington Mall.



NAMED THE "GOLDEN GATE" BY JOHN FREMONT IN 1846 WHEN THE UNITED STATES FIRST OCCUPIED THE PRESIDIO, the character of the great harbor and the waterfront changed with that of the post and the city. During the Civil War, Fort Point was built to shield the strategic harbor. The Panama Pacific International Exhibition welcomed millions to the waterfront in 1915, celebrating San Francisco's renewal after the devastation of 1906. As the age of flight soared during the roaring twenties, the waterfront became the center of West Coast aviation, with Crissy Field welcoming the first around-the-world flight in 1924.

Fear of enemy fire, earthquakes, and despoiling the bay's natural beauty fueled opposition to bridging the harbor. The military, which controlled both sides of the bay, met at Fort Scott in 1924 to review preliminary plans, and ultimately approved the project. Engineer Joseph Strauss set up his field office inside Fort Point. Construction began in 1933 with a ground-breaking ceremony at Crissy Field, "the like of which for pageantry and enthusiastic support of the citizenry had never before been witnessed in the bay region."

The Golden Gate Bridge opened on May 28, 1937, along with its two connecting viaducts: Park Presidio Boulevard from the south and Doyle Drive, sweeping westward between the waterfront and the Main Post, fracturing Harts' grand 1907 vision. Once considered the "bridge that couldn't be built," the Golden Gate Bridge is one of the longest suspension bridges in the world.

# 1937



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THEN

**1. A marvel of design and engineering,** the bridge quickly became an American icon, characterizing a century of growth and innovation.

**2. Mothers, wives, and children of aviators** gathered at Crissy Field in the 1920s.

**3. Construction of the Golden Gate Bridge** ended Crissy Field's use as a first-line air base.



NOW

Crissy Field's renaissance as a great public space is being enhanced with revitalization of its historic buildings.

TODAY

The Golden Gate Bridge is an essential part of the Presidio landscape, a constant reminder of where we are.

When a newly landscaped Crissy Field was opened in May 2001, the popular enthusiasm for the waterfront park echoed that for the Golden Gate Bridge sixty-four years before. Crissy Field has become one of the country's most acclaimed public spaces.

The Trust is complementing the waterfront transformation begun by the Golden Gate National Parks Conservancy and National Park Service by reusing the historic airplane hangars at Crissy's western end for recreational purposes.

The Trust is active in the effort to replace Doyle Drive with a parkway which would reopen magnificent vistas and reconnect the waterfront to the Main Post, recalling Harts' turn of the century plan for the nation's most beautiful military post.

THE LAND SURROUNDING THE GOLDEN GATE HOLDS THE MEMORIES OF DISCOVERY AND CONQUEST, SERVICE AND PATRIOTISM, AMBITION AND INNOVATION. Complex narratives can be read through the structures and the landscapes that have shaped the Presidio.

The influence of people radiates from the Main Post, where remains of the original 18th Century Spanish *El Presidio* can still be seen. It continues with a Civil War-era streetscape, a man-made forest, a revered national cemetery, and brick and concrete homes and barracks that gave the post its sense of permanence. By the end of World War II, the last great period of the post's expansion, the Presidio had a greater variety of buildings than any other Army post in the nation.

In 1962, the federal government recognized the Presidio as an emblematic American place, a place that expressed our shared culture, and therefore declared it a National Historic Landmark.

The designation honors not only what is physically here, but also what *happened* here. The Presidio is where great European powers vied for land but never battled for it; where women first entered the Army as nurses, where "around the world" flights touched down, where the U.S. cavalry defended our national parks, and where the Army commanded its Pacific troops from the Spanish-American War through the Vietnam War. From Spanish colonialism to the present, essential American stories are manifest here.

# 1962

THEN



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3

1. The Presidio "coat of arms" was developed by the Army Institute of Heraldry.
2. Generations of families lived in the Presidio, and the park was home to many institutions supporting family life, from chapels to the movie theater to the Commissary/PX.
3. The Presidio's National Historic Landmark designation identifies more than 800 structures, sites, forest groves, and other landscapes. This Victorian, built in 1893, is one of 20 homes on Officers' Row.



NOW

4

4. Officers' Row along Funston Avenue is the oldest streetscape in San Francisco. This historic home was rehabilitated in 2006 and is now in use as a pre-school.



5

5. In 2006, Home and Garden Television (HGTV) and the National Trust for Historic Preservation highlighted the rehabilitation of 13 homes along historic Pilots' Row.

TODAY

The Presidio's Landmark status dictates our administration of the Presidio.

The Presidio is the largest preservation project in the nation. Historic tax credits and a combination of public and private investment have yielded dramatic historic preservation results. Nearly all of the park's 300 historic homes have been rehabilitated by the Trust's skilled craftsmen, as well as Civil War barracks and mid-century headquarters buildings.

Regional, national, and international preservation organizations have acknowledged the Presidio's leadership in historic preservation: in 2004, the California Preservation Conference highlighted the park; in 2005 the National Trust for Historic Preservation awarded founding Trust board chairman Toby Rosenblatt the prestigious President's Award for the Trust's preservation achievements. The International Council on Monuments and Sites (ICOMOS), the world's premiere organization dedicated to preserving the world's cultural heritage, has selected the Presidio to host its 10th annual symposium in 2007.



VISION, PERSONALITY, AND AMBITIOUS SOCIAL MOVEMENTS CONVERGED IN 1972 TO CREATE ONE OF THE LARGEST URBAN NATIONAL PARKS IN THE WORLD.

In 1969, the Nixon administration introduced *Parks to People*, an initiative to bring the national park experience to urban America. At the same time, San Francisco physician and Sierra Club president Edgar Wayburn was forming a vision for a great park that would preserve contiguous open space from Tomales Bay to San Francisco. In 1971, Dr. Wayburn joined forces with local artist Amy Meyer to champion this plan. Their organization, known as People for a Golden Gate National Recreation Area, believed that wilderness could begin in our own backyard.

The gentlemanly Wayburn won support from a fearsome political force, Representative Phillip Burton. A champion of the working class, Burton believed in the importance of public parklands. And he recognized the political power of a popular idea. Burton saw that the military post would one day be threatened by development. Thus, he placed a small provision in the legislation that established the Golden Gate National Recreation Area to set aside the Presidio as parkland should the Army depart.

The Golden Gate National Recreation Area was established in a mere 16 months. Today the GGNRA encompasses more than 75,000 acres with the Presidio at its center. The Presidio's spectacular urban location is one of its great advantages, providing a striking contrast in landscapes around the bay.

1972: A PARK COMES TO THE PEOPLE

# 1972

THEN



1. "A bronze statue of Burton (located at Fort Mason) stands ten feet, larger than life, as the living man often seemed," said Dr. Edgar Wayburn.

1. Congressman Phillip Burton (right) and Dr. Edgar Wayburn shared a belief in the importance of public open spaces.

2. President Richard Nixon and Interior Secretary Rogers Morton visited land proposed for the Golden Gate National Recreation Area in 1972.



TODAY

Always an open post, the Presidio today has become an invaluable outdoor resource for city dwellers as well as a destination for visitors.

The Presidio Trust is increasing and improving the Presidio's trails and bikeways, creating scenic overlooks, and enhancing and expanding Rob Hill Campground, the only overnight camping facility in the city. A new program, *Camping at the Presidio*, was launched in 2006 to provide overnight camping experiences to urban youth.

The Presidio Trust has articulated as one of its chief goals "to give every child in San Francisco a meaningful experience at the park." Through Presidio programs more and more children are discovering the Presidio as a place where they can explore and have fun, and where they can learn how important it is to take care of the world around them.

NOW



Today, four million people per year enjoy the park. Visitors engage with history, nature, and recreation through the Presidio's public programs and stewardship opportunities.

IN 1989, AS FEDERAL BUDGET DEFICITS CLIMBED AND THE COLD WAR FADED INTO MEMORY, the Base Realignment and Closure Commission announced that the Army would leave the Presidio in 1994, triggering the changeover of the Presidio to the national park system, as Phil Burton intended. Yet, the complexities and costs associated with the transition of post to park proved a real obstacle.

The National Park Service and its non-profit partner, the Golden Gate National Parks Association (GGNPA), convened a blue-ribbon panel to mobilize innovative thinking and community support in planning for the Presidio. The “Presidio Council” was steered by GGNPA chair Toby Rosenblatt, who would become the Trust’s first chair, GGNPA executive director Greg Moore, and park champion James Harvey, chairman and president of Transamerica Corporation.

As a vision for the Presidio took shape, the costs stirred debate in Congress and raised the question of whether the Presidio should be subsidized by taxpayers.

Congresswoman Nancy Pelosi championed a new model for managing public space: one that brought the best of the public and private sectors together to preserve and rehabilitate the Presidio as a national park. In November 1996 the Presidio Trust Act became law. Taxpayers would support the nascent park for 15 years; thereafter, the Trust would fund the park with revenues from leasing the buildings that are such an important part of the Army’s legacy.

# 1996

1996: A SINGULAR PLACE REQUIRES A NEW MODEL



1

## The Presidio Trust Act

Sec. 101. Findings

The Congress finds that –

- (1) the Presidio, located amidst the incomparable scenic splendor of the Golden Gate, is one of America’s great natural historic sites; . . .
- (7) the Presidio will be managed through an innovative public/private partnership that minimizes cost to the United States Treasury and makes efficient use of private sector resources.

THEN



2



1. An innovative, bi-partisan compromise created the Presidio Trust, signed into law by President Bill Clinton on November 12, 1996.

2. Congresswoman Nancy Pelosi, now Speaker of the House, was the force behind the Trust Act.



NOW

TODAY

The Presidio Trust model is working, though many challenges remain. The Trust has achieved operational self-sufficiency and has attracted private capital to revitalize public resources. These funds are channeled into the park, as homes, barracks and warehouses are rehabilitated for new uses; the forest and wild areas are preserved, and programs are offered for the visiting public. Though we have built a strong financial foundation, the Trust must continue to invest capital in historic structures, infrastructure, and roads and grounds.

About 2,700 people call the Presidio home, 4,000 employees work here each day, and more than 4 million visitors every year enjoy its great outdoors, learning about its history, and caring for its natural areas.

Though the mission of the Presidio has changed from defending the gates to welcoming the public, the physical environment remains largely constant, honoring the park's natural heritage.

ON A SHORT WALK THROUGH THE PRESIDIO YOU MIGHT PASS THROUGH A CYPRESS GROVE, catch a glimpse of a charming garden abutting a majestic home, or enjoy the sight of wildflowers amidst sand dunes. Some of these landscapes were shaped by people, others by age-old forces that forged a natural environment unique to this place.

Preserving the different kinds of lands in the Presidio and the wildlife that depend on them became central in the post to park transition. It was clear that, just as a Great Horned Owl might travel from ancient grasslands to a stand of Monterey pine, the Presidio's great outdoors must be managed with a mind towards how things interconnect.

Planning for comprehensive landscape management began in 1997. It encompassed the native plant communities that predate the arrival of people; the 300-acre forest first planted by the Army in 1880s and that is now essential to the Presidio's Landmark status; and the gardens, athletic fields, and golf course that tell the story of how people made the Presidio a comfortable place to live.

In 2001, the *Vegetation Management Plan* was approved. It addressed the need to balance nature, culture, and recreation; its goal was to create an equilibrium that could be sustained. Five years is but a moment in the evolution of a landscape. But as we celebrate this milestone, we see hardly a corner of the park untouched by helping hands.

# 2001



1

1. Volunteer support is indispensable to the success of the Presidio's natural resources program.

2



THEN

2 - 3. A former Army landfill (shown above in 2002) was removed and a grove of redwood trees overlooking a newly daylighted creek was planted (shown right in 2006).



NOW

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4. The locally rare native gray fox still inhabits the Presidio.



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5. Cypress, pine, and eucalyptus groves are being gradually replanted so that the Presidio's forest will be healthy and enduring.

6



7

6 - 7. Volunteers contribute more than 25,000 hours to care for the Presidio's landscapes.

TODAY

- 5,000,000 – Seeds collected for habitat restoration projects
- 62,000 – Plants grown annually at the Presidio Nursery
- 60,000 – Trees in the Historic Forest
- 25,000 – Volunteer hours annually by individuals, school and corporate groups
- 300 – Resource education and stewardship programs annually
- 300 – Bird species that use the park
- 177 – Plant species grown at the Presidio Nursery
- 60 – Bee species in the park
- 30 – Miles of trails
- 20 – Mammal species including the locally rare gray fox
- 15 – Rare plant species including the Presidio Clarkia
- 10 – Reptile and amphibian species including Pacific tree frogs
- 8 – Planned scenic overlooks
- 7 – Acres on the Main Parade Ground
- 2 – Community gardens
- 1 – Last wild Raven's manzanita plant in the world (it's in the Presidio)

THE PRESIDIO HAS LONG BEEN CHARACTERIZED BY PARADOX. It was seized to defend a harbor that was never invaded. It was a military post that guarded its independence from the adjacent city while welcoming the citizens to enjoy its open spaces. It is a national park site with more similarities to a small town than to a wilderness.

That the Presidio would be preserved as a national park, but would have to be financially self-sufficient, has also been viewed as a paradox. In 2000, the Trust began a master planning process to show how a balance would be achieved. The plan would have to consider the park's historic character, its status as a refuge for rare and endangered species, and strategies to preserve the Presidio's buildings through reuse, both to create a revenue stream and to establish a new community within the Presidio.

After two years of community input and debate, the *Presidio Trust Management Plan* presented a vision of more open space, a balanced use of built space that accommodates a variety of endeavors, opportunities for ongoing public participation, and responsible investment in the Presidio's future. It honors the expectation held across the nation that the Presidio's character and physical environment would remain true to its proud past. "The Presidio is the legacy of the generations who lived here and cared for this post," the Plan reads. "That legacy will be carried forward with the same spirit."

# 2002

THEN



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2006 Award for Excellence

1. The Presidio's master plan calls for creating new ways for people to enjoy the park, with improved facilities for activities and recreation.

2 - 3. The *Presidio Trust Management Plan* was honored with the Urban Land Institute 2006 Award for Excellence because of its innovation, its strong design qualities, and its relevance to the needs of the community today and in the future.



NOW

TODAY

*The Presidio Trust Management Plan*  
has received several awards, including:

- Urban Land Institute *Global Award for Excellence* (October 2006)
- Urban Land Institute *Award for Excellence: The Americas* (May 2006)
- American Planning Association, California Chapter – First Place in the category Planning Implementation, Large Jurisdiction (2003)
- National Association of Environmental Professionals – *Presidents and National Environmental Excellence Award* in multiple categories of Planning Integration and Environmental Management and Stewardship (June 2003)
- American Society of Landscape Architects – *Analysis and Planning Merit Award* (June 2003)
- American Planning Association, Northern Section, California Chapter – Best Comprehensive Planning, Large Jurisdiction (May 2003)
- California Association of Environmental Professionals – Outstanding Planning Document, First Place (April 2003)

ON JULY 31, 1933, A 26-YEAR OLD HARVARD MEDICAL SCHOOL GRADUATE RODE A FERRY ACROSS SAN FRANCISCO BAY on the last leg of a cross-country journey to his new home in the American West. Dr. Edgar Wayburn expected that his life would change in the City by the Bay, but he had no notion that his own destiny would be entwined with the unspoiled grassy hills and pristine shoreline he surveyed that day.

A love of wide open spaces became a driving force of Dr. Wayburn's life. He funneled his desire to preserve California's wilderness, rapidly shrinking in the boom years following World War II, into advocacy that pre-dates the modern environmental movement. Over the next seven decades Ed, with the support of his wife Peggy, successfully advocated for the preservation of more parkland than any other American. He convinced Congress to safeguard more than 100 million acres of wilderness, including the vast forests of Alaska and the grasslands of the Golden Gate National Recreation Area (see 1972). Ed and Peggy also raised four children to hold the same respect for wild places.

The Presidio is at the center of the land Ed helped to save, and there is no more fitting place for an enduring tribute. In October 2006, in celebration of his 100th birthday, the community gathered to dedicate a grove of Redwoods, his favorite tree, to Ed and his late wife Peggy. The Wayburn Redwood Grove, sitting alongside a newly restored creek running through the bustling Main Post, illustrates the complexity and beauty of the Presidio and the GGNRA.

# 2006



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2



1. Peggy and Ed Wayburn at Sawyer Glacier in Alaska.
2. Amy Meyer and Ed Wayburn at Land's End overlooking the Golden Gate in 1991.

"I've always been a sucker for Redwoods." – Dr. Edgar Wayburn



## TODAY

The life and legacy of Dr. Wayburn is detailed in his memoir *Your Land and Mine*. More about the history of the GGNRA is in *New Guardians for the Golden Gate*, by Amy Meyer.

“Ed Wayburn and I were moved when Nancy Pelosi expressed her gratitude to the people who had supported creation of the Golden Gate National Recreation Area and the saving of the Presidio. We could only wish that a congressman who had been dead for more than twenty-one years could have heard the applause following Nancy’s touching and reverential remarks when she lauded the genius of Congressman Phillip Burton.”

– Amy Meyer, on the occasion of the Presidio’s 10th anniversary as a park in 1994

The **Wayburn Redwood Grove** was dedicated in October 2006. Trust Executive Director Craig Middleton led guests in a toast to Ed’s achievements. Nancy Pelosi, now Speaker of the House, joined with hundreds of family members, friends, and admirers to thank Ed and Peggy for their visionary leadership.



*The Presidio is a site of great beauty and is probably excelled by no other military post in the world in the magnificence of its location and its commanding position.*

– Major William W. Harts, 1907



# Performance and Accountability Report

Years Ended September 30, 2006 and 2005,  
with Report of Independent Certified Public Accountants



# Performance and Accountability Report

*Years ended September 30, 2006 and 2005*

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## Management's Discussion and Analysis

### MESSAGE FROM THE EXECUTIVE DIRECTOR

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The Presidio Trust's mission is to preserve the Presidio as an enduring resource for the American people. The Trust is achieving its mission of resource preservation and financial self-sufficiency. The fiscal year 2006 Year-End Report illustrates our progress and demonstrates our commitment to both our financial mandate and our broad mission of developing the Presidio into a great national park.

The Trust's financial systems conform to government-wide standards, and the financial and performance data provided in this report are reliable and complete. No material internal control weaknesses have been identified.

### OVERVIEW

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The Presidio Trust is the federal corporation created by Congress to preserve, protect, and enhance the Presidio of San Francisco, one of the nation's most beautiful and historically significant military posts, and to transform it into a national park that is economically self sustaining.<sup>1</sup>

The Trust Act<sup>2</sup> mandates that the Trust become independent of annual federal appropriations by the end of fiscal year 2012. The Trust finances park operations through a direct appropriation, rental revenue from both residential and non-residential property, reimbursable agreements with other governmental agencies, and fees for services. Federal appropriations are invested in projects that generate revenue with the objective that earned revenue will replace federal appropriations by 2013.

The Trust began managing the Presidio in July 1998, and in just over eight years has made significant progress towards rehabilitating the historic landscapes and buildings that distinguish the Presidio as a National Historic Landmark District, preserving and enhancing the Presidio's natural beauty and native habitats, in making the former military post inviting to the public, and finally towards establishing a strong economic foundation for the park's future. In 2006, the Presidio Trust won the Urban Land Institute's prestigious "Global Award for Excellence" for progress in implementing the *Presidio Trust Management Plan*.

In fiscal years 2004 and 2005, midway through the 15-year schedule of federal appropriations, the Trust earned sufficient revenue to cover its operating costs, allowing federal appropriations to be invested solely in revenue-generating projects and critical resource preservation. The Trust's success to date is a good indicator that the agency is making wise use of appropriations, investing federal dollars effectively to establish a sound source of revenues to support the park in perpetuity.

The Presidio Trust Act directs the Trust to adhere to the general objectives of the 1994 *General Management Plan Amendment for the Presidio* (GMPA) developed by the National Park Service (NPS), and to abide by the Government Corporation Control Act. As an independent executive branch agency, the Trust is also accountable to the Office of Management and Budget (OMB) and the Government Accountability Office (GAO). The Trust is required to submit annual reports to Congress, as well as quarterly and annual financial reports to OMB and the Department of the Treasury.

<sup>1</sup> *The Presidio Trust oversees the interior 1,100 acres of the Presidio, and the National Park Service manages the 300 coastal acres.*

<sup>2</sup> *P.L. 104-333, November 12, 1996, 16 U.S.C. 460bb appendix.*

## MISSION, GOALS, AND ORGANIZATIONAL STRUCTURE

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### Mission and Goals

The Presidio Trust's mission is to preserve the Presidio as an enduring resource for the American people. The Trust integrates financial and preservation goals to manage the Presidio in a way that meets the challenges specific to the Presidio; no other national park is managed in this manner.

In 2002 the Trust adopted *The Presidio Trust Management Plan: Land Use Policies for Area B of the Presidio of San Francisco* (PTMP) which sets the framework for how the Trust will balance resource preservation, public use, and revenue generation. PTMP presents a vision of the Presidio as a very unique park, one that is animated by people whose everyday activity – living in the post's homes and working in its historic buildings – is not only critical for its economic feasibility, but is also essential for preserving the Presidio's character.

In fiscal year 2005, the Trust developed a five-year strategic plan and identified four goals that are essential to achieving its mission.

1. **Preserve and enhance the Presidio's rich historical, cultural, and natural resources**
2. **Generate revenue and develop philanthropy to support the preservation, enhancement, and operation of the Presidio as a national park**

3. **Operate, maintain, and upgrade the Presidio's facilities and infrastructure in an efficient and sustainable manner**
4. **Encourage public use, understanding, and enjoyment of the Presidio**

### Organizational Structure

The Presidio Trust was established by Congress as a wholly-owned corporation of the federal government. Congress requires the Trust to be accountable for delivering on its multiple mandates – resource preservation, park enhancement, and public use – while also ensuring that it develops the financial capacity to sustain the park in perpetuity. The Trust Act (Public Law 104-333) gives the Trust the flexibility to operate in the marketplace, make real-time decisions, and retain revenues to reinvest in the park.

Authority is vested in a seven-member board of directors, six of whom are appointed by the President of the United States, and the seventh is the Secretary of the Interior or the Secretary's designee. An executive director oversees an organization that includes a chief operating officer, chief financial officer, general counsel, and directors of human resources, planning, real estate, operations and maintenance, design and construction, cultural and natural resources, environmental remediation, and public affairs and programs.

**FISCAL YEAR 2006 PERFORMANCE**

In the course of fiscal year 2006, the Trust completed projects that advance its goals. *The Fiscal Year 2006 Performance and Accountability Report* presents strategic goals and key fiscal year 2006 objectives and performance.

**Goal 1**  
*Preserve and enhance the Presidio’s rich historical, cultural, and natural resources*

The Presidio is a National Historic Landmark District with 469 historic buildings, important archaeological resources, and diverse designed landscapes including a forest planted at the end of the 19th century. The Presidio landscape also features natural resources that are rare in an urban environment. Taken together, these resources and attributes are the reason that the Presidio is being preserved as a national park. During fiscal year 2006, the Trust continued activities to safeguard and enhance these resources, bringing forth the Presidio’s character as a park.

**1.1 HISTORIC BUILDINGS**

KEY FY2006 OBJECTIVES	PERFORMANCE
Finalize agreements for redevelopment of Public Health Service Hospital district and the Presidio Theatre; complete rehabilitation of 2 Civil War-era homes; continue efforts to rehabilitate historic Montgomery Street Barracks, the West Crissy hangar buildings, and the historic stables	87,046 square feet of historic building space rehabilitated

Since 1998, the Trust has improved and reused nearly two million square feet of residential building space and one million square feet of non-residential building space, much of which is historic. The Trust has set an ambitious goal of rehabilitating an additional one million square feet of non-residential historic building space between fiscal years 2005 and 2009. Critical to achieving this goal is rehabilitating the Public Health Service Hospital, the Presidio’s largest historic building, and the ancillary buildings and dwellings in that district. Other projects included in this goal are the historic hangar buildings along West Crissy and the stables buildings, warehouses along East Mason, and the historic Montgomery Street barracks on the Main Parade in the Main Post. These are multi-year projects. Additional sources of capital are likely to be required for some of the Main Post rehabilitation projects.

In fiscal year 2006, the Trust completed rehabilitation of two Civil War-era barracks buildings that sit prominently on the Main Parade, as well as a Civil War-era home on Funston Avenue. Work continues on the remaining Funston Avenue Victorians as well as on the remaining historic structures on Kobbe Avenue, which will be completed in fiscal year 2007.

The Trust initiated pre-development activity for a lodge which will launch the revitalization efforts of the historic Main Post. The Trust has also begun pre-development for rehabilitation of the West Letterman – Thornburgh district which is adjacent to the Letterman Digital Arts Center. These projects will potentially rehabilitate nearly 200,000 square feet of historic building space and will stimulate the final phase of redevelopment in the northeastern segment of the park.

An ongoing program of preservation maintenance protects the historic fabric of buildings until there is sufficient capital for complete rehabilitation.

### 1.2 HISTORIC FOREST

KEY FY2006 OBJECTIVES	PERFORMANCE
Reforest 2.5 acres of historic forest	2.5 acres of forest in key historic stands completed

The 300-acre Presidio forest is an even-aged forest planted at the end of the 19th century; about half of it has reached the end of its lifespan. The Trust is undertaking gradual reforestation to convert the forest to a more sustainable uneven-aged system. The Trust will exceed its goal of reforesting approximately 10 percent of the declining stands by fiscal year 2009.

### 1.3 DESIGNED LANDSCAPES

KEY FY2006 OBJECTIVES	PERFORMANCE
Improve 18 acres of designed landscape areas: Complete Presidio Promenade; begin construction on 3rd scenic overlook; and complete landscape improvements in 2 residential areas	Improved 3.2 acres of designed landscape areas

Between fiscal years 2005 and 2009, the Trust plans to improve more than 30 acres of designed landscapes, including prominent historic streetscapes and the Main Parade Ground, which will be revitalized as a grand civic open space with an overall interpretive scheme as part of the landscape. Construction drawings for the Main Parade project will be completed in fiscal year 2007.

In fiscal year 2006, the Trust completed the first two segments of the Presidio Promenade, one of the park’s principal trails that will traverse the Presidio’s historic core, connecting the eastern urban edge of the park to the Golden Gate Bridge. The final phase of the Promenade will be completed in fiscal year 2007.

Construction on a third scenic overlook is pending philanthropic funds; it is anticipated to be completed in fiscal year 2007. Upgrades in the Presidio Terrace and Liggett neighborhoods will be completed in fiscal year 2007.

**1.4 ARCHAEOLOGICAL RESOURCES**

KEY FY2006 OBJECTIVES	PERFORMANCE
Develop interpretive plan for El Presidio; provide educational programs; provide volunteer opportunities	Completed interpretive plan for El Presidio  Received 1,450 volunteer hours

In fiscal year 2005, the Trust completed its archaeology management plan, and completed an interpretive plan for El Presidio in fiscal year 2006. The Trust also completed a design study for a future archaeology center located in the Officers’ Club as it continued investigations of the original adobe structure of the Officers’ Club. The adobe walls date the building to the 1790s, identifying it as San Francisco’s oldest building. Investigations of the Officers’ Club are integral to efforts to date the boundaries of El Presidio, the original Spanish encampment.

**1.5 ENVIRONMENTAL REMEDIATION**

KEY FY2006 OBJECTIVES	PERFORMANCE
Finalize RAP 3; complete 4 CERCLA sites; issue draft RAP 4 and draft RAP 5 to Cal-EPA	Completed 6 CERCLA sites and 54 petrol sites

The Trust is in the process of revising its long-term schedule for completing its environmental remediation program. It is anticipated, however, that by fiscal year 2009, approximately 65 percent of the CERCLA<sup>3</sup> program will be completed; the program includes 50 sites. In fiscal year 2006, the Trust remediated six CERCLA sites and 54 tank sites. The Trust plans to finalize and sign a remedial action plan, RAP 3, early in fiscal year 2007 that will identify remedies for nearly 30 sites.

<sup>3</sup> *The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) was enacted by Congress on December 11, 1980. It provides broad federal authority to respond directly to releases or threatened releases of hazardous substances that may endanger public health or the environment.*

## 1.6 NATURAL RESOURCES

KEY FY2006 OBJECTIVES	PERFORMANCE
Continue restoration of environmental remediation sites and riparian habitat; provide volunteer and educational opportunities; provide plants for restoration activities; release environmental assessment for Tennessee Hollow restoration project	Restored 4.2 acres of riparian habitat Received approximately 25,000 volunteer hours Provided 80,000 plants Provided 290 drop-in educational programs

The Trust's near-term objectives for natural resource preservation and enhancement are to restore the natural processes of remediation sites and to enhance habitat for wildlife as well as for native plant communities. Community stewardship is essential to these efforts, and the Trust is strengthening its volunteer and education programs to ensure ongoing support.

One of the most significant restoration projects in the Presidio will be Tennessee Hollow, the largest watershed in the Presidio. The environmental assessment for restoration of the eastern portion of the watershed was delayed to allow for continued community outreach and will be released in fiscal year 2007.

### Goal 2

*Generate revenue and develop philanthropy to support the preservation, enhancement, and operation of the Presidio as a national park*

In fiscal year 2006, the Trust invested approximately 85 percent of its capital to support revenue-generating projects. The Trust has controlled operating costs, made prudent investments in building rehabilitation, and negotiated agreements that benefit the park, both financially and programmatically, and has thereby established a strong financial foundation for the park's future. The Trust has demonstrated that it will have the financial capacity to operate and maintain the Presidio in perpetuity for public use after federal appropriations cease.

Given the constraints on capital available for rehabilitating historic buildings, the Trust has not met its revenue targets for non-residential leasing, although it has exceeded its residential revenues and has therefore met its overall revenue targets.

### 2.1 – 2.2 LEASING

KEY FY2006 OBJECTIVES	PERFORMANCE
\$26.3 million in revenues from residential leasing	\$31.9 million earned from residential leasing
\$19.6 million in revenues from non-residential leasing	\$15.2 million earned from non-residential leasing

**2.3 PHILANTHROPY**

KEY FY2006 OBJECTIVES	PERFORMANCE
Refine project designs; develop campaign strategy	<p>Completed project designs for trails, overlooks, Rob Hill Campground</p> <p>Completed design drawings for the Main Parade</p> <p>Initiated campaign feasibility study</p> <p>Received \$570,000 in donated funds</p>

The Trust has entered into a partnership with the Golden Gate National Parks Conservancy to build philanthropic support for the Presidio. Designs are underway for numerous park enhancements that will be funded by private donors, including trails and overlooks, the Main Parade, Rob Hill Campground, and Tennessee Hollow.

**2.4 REVENUES FROM SPECIAL EVENTS**

KEY FY2006 OBJECTIVES	PERFORMANCE
\$1.6 million in revenues from special event permits	\$1.7 million earned from special event permits

The Trust manages a number of special event venues throughout the park that facilitates formal use of the park for active recreation and celebration as well as uses that generate revenue.

*Goal 3*

*Operate, maintain, and upgrade the Presidio's facilities and infrastructure in an efficient and sustainable manner to support the Presidio as a national park*

Akin to a small town, the Presidio is a complex park to manage; much of the park's infrastructure and facilities are antiquated. Updating infrastructure, establishing efficient operations, and applying sustainable practices are critical to the Trust's ability to achieve its mission.

### 3.1 SAFETY

KEY FY2006 OBJECTIVES	PERFORMANCE
Reduce workers' compensation by 15 percent	The Trust did not meet this objective in fiscal year 2006

The Trust is implementing a light duty program to reduce lost work days.

### 3.2 TRANSPORTATION

KEY FY2006 OBJECTIVES	PERFORMANCE
Construct transit center in the Main Post; continue implementation of residential permit parking program; increase commuter shuttle ridership	<p>Completed construction of transit center</p> <p>75 percent of the residential permit parking program implemented to date</p> <p>Ridership of commuter shuttle is at capacity</p>

The Trust completed construction of a transit center in the Main Post and expanded its commuter shuttle service for park residents and employees. A permit parking program in residential areas is being implemented in phases and will be completed in fiscal year 2007. Permit parking in non-residential areas will commence subsequently.

### 3.3 – 3.4 – 3.5 INFRASTRUCTURE, AND ROADS & GROUNDS

KEY FY2006 OBJECTIVES	PERFORMANCE
Complete phase 1 of the recycled water treatment plant; upgrade utilities to support redevelopment; improve accessibility	<p>Completed preliminary infrastructure for phase 1 of the recycled water treatment plant</p> <p>Upgraded utilities in Main Post</p> <p>Continued program of accessibility compliance</p>

A recycled water treatment plant will be the Trust's largest infrastructure project. Due to significant increases in construction costs, the Trust has decided to complete the project in phases over the next several years. The Trust has also undertaken a comprehensive study of water needs, sources, and infrastructure; the study will be completed in fiscal year 2007.

The Trust maintains 30 miles of roadways and associated pedestrian walkways. An ongoing pavement management plan addresses safety, traffic calming, and accessibility.

### 3.6 RESOURCE CONSERVATION AND POLLUTION PREVENTION

KEY FY2006 OBJECTIVES	PERFORMANCE
Conserve water and show incremental increase in waste diversion by converting waste to compost	Decreased water use by 10 percent  759 cubic yards of compost created

The Trust is committed to operating and maintaining the park in a sustainable manner, both financially and environmentally, and actively promotes water conservation, waste reduction, and recycling. Irrigation systems are improved and low-flow devices are installed in buildings; green waste is converted to compost; and recycling minimizes waste. The Trust is exceeding its resource conservation targets.

### 3.7 BUILDINGS AND FACILITIES MAINTENANCE

KEY FY2006 OBJECTIVES	PERFORMANCE
Complete cyclic maintenance on 15 percent of the park's residences	Completed cyclic maintenance on 15 percent of the park's residential buildings
Achieve incremental improvements for "turning" vacated units	Reduced the time it takes to turn vacant units for releasing by 10 percent

In 2005, the Trust began an 8-year cyclic maintenance program for residential buildings addressing exterior painting, roofs, and deferred maintenance, with the target of completing two neighborhoods, or approximately 15 percent of the buildings each year. The Trust is on target to complete its first cycle. In fiscal year 2006, the Trust also began a cyclic maintenance program for occupied non-residential buildings, and has completed inspections of occupied non-residential buildings.

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#### *Goal 4*

#### *Encourage public use, understanding, and enjoyment of the Presidio*

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The Presidio was once one of the nation's oldest continuously operating military posts; its varied and beautiful landscape embodies an uninterrupted span of military history. The Trust is creating opportunities for the public to explore the Presidio's history, to enjoy its many resources, and to understand the Trust's efforts to preserve the Presidio as an enduring resource for the American people.

#### 4.1, 4.3 PUBLIC ENJOYMENT, PARTICIPATION, AND ORIENTATION

KEY FY2006 OBJECTIVES	PERFORMANCE
Produce and/or co-sponsor 40 events and programs per year; show incremental increase in program participation; initiate Main Post signage and wayside program; initiate predevelopment for lodging in the Main Post	<p>Sponsored or co-sponsored 40 events</p> <p>Increased participation in programs and events by approximately 30 percent, to 250,000</p> <p>Implemented an historic signage program and began development of a wayside program for the Main Post and Presidio Promenade</p> <p>Initiated an ADA program to address remedial facilities issues</p>

#### 4.2 PUBLIC INFORMATION

KEY FY2006 OBJECTIVES	PERFORMANCE
Improve communication and marketing materials	<p>Redesigned the newsletter as a quarterly guide to the park</p> <p>Redesigned the website and improved its functionality</p>

#### 4.4 RECREATION

KEY FY2006 OBJECTIVES	PERFORMANCE
Continue implementation of the <i>Presidio Trails and Bikeways Master Plan</i> ; construct a third scenic overlook; publish the second <i>Kids on Trails</i> guide	<p>Completed phase 2 of the Presidio Promenade</p> <p>Constructed the Immigrant Point picnic area</p> <p>Rerouted and improved the Anza Trail</p> <p>Began improvements to the Bay Area Ridge Trail</p> <p>Initiated development of a camping program at Rob Hill Campground</p>

The Trust is developing designs for trails and overlooks, a system of trail signage, trail maps, and interpretive guides. The Trust also operates and maintains picnic grounds, ball fields, and facilitates special uses of the park for recreation and leisure.

A second *Kids on Trails* guide will be published early in fiscal year 2007.

## FINANCIAL RESOURCES AND RESULTS OF OPERATIONS

The accompanying financial statements summarize the Trust's financial position, show the net cost of operations and changes in net position, provide information on budgetary resources and financing, and present the sources of revenues and expenditures during fiscal years 2006 and 2005. Following are highlights of the information presented in the financial statements.

### Financial Position

This statement is designed to show the Trust's position as of September 30, 2006 and in comparison to its position a year earlier.

The Trust's total assets were \$275.73 million and \$256.55 million at the end of fiscal years 2006 and 2005, respectively. This growth of \$19.18 million in assets is primarily the result of the Trust's investment in property, plant and equipment, which grew in net by \$20.36 million during the year. Of the fiscal year 2006 total assets, \$105.07 million consisted of investments in U.S. Treasury securities through the Bureau of the Public Debt.

There were \$141.30 million and \$119.67 million in liabilities at the end of fiscal years 2006 and 2005 respectively. Fiscal year 2006 liabilities include \$49.98 million in debt to the U.S. Treasury. Payments on this debt are for interest only until 2015, and the debt is to be repaid in full by 2029. Fiscal year 2006 liabilities also include an environmental remediation cleanup cost comprised of \$43.8 million remaining from an advance from the Army for environmental remediation and an unfunded liability of \$23 million. This liability increased by \$15.2 million during the year due to a re-estimate of the cost to complete the remediation work at the Presidio.

The Trust's net position was \$134.43 million at the end of fiscal year 2006, and \$136.89 million at the end of fiscal year 2005, a decrease in net position during the year of \$2.46 million. This small decrease is the net effect of the substantial increase in assets offset by the recognition of the additional liability for environmental remediation of \$23 million.

### Net Cost of Operations

This statement is intended to report net costs of the Trust as a component unit of the federal government and the net cost to the public. It demonstrates that the Trust had a net cost of operations of \$23.46 million during fiscal year 2006.

The gross operating costs of \$97.69 million and \$59.47 million, for fiscal years 2006 and 2005, are detailed on the *Statement of Net Cost*. These gross operating costs consist of intragovernmental costs of \$21.41 million and \$12.62 million, and costs incurred with the public of \$45.51 million and \$37.14 million for the Presidio Trust General Program during fiscal years 2006 and 2005. For the Environmental Remediation program the intragovernmental costs were \$0.38 million and \$0.36 million, and the gross costs with the public were \$30.38 million and \$9.35 million during fiscal years 2006 and 2005. These costs were reduced by \$74.23 million and \$71.36 million of earned revenues to arrive at net cost of operations of \$23.46 million in fiscal year 2006 and \$(11.89) million in fiscal year 2005. For the Presidio Trust General Program the intragovernmental earned revenues were \$4.70 million and \$3.51 million, and the revenues earned from the public were \$58.82 million and \$56.26 million for fiscal years 2006 and 2005. For the Environmental Remediation program most revenues are considered intragovernmental. For fiscal years 2006 and 2005, those revenues were \$10.66 and \$11.60 million. For fiscal year 2006 there was also \$0.08 million in earned revenue from the public.

### **Budgetary Resources**

The Trust follows federal accounting standards. This statement reports on the Trust's budgetary resources, the extent to which obligations exist as claims on those resources, and the relationship of those obligations to outlays.

The Trust's budgetary resources were \$168.03 million in fiscal year 2006 and \$169.21 million in 2005. For fiscal years 2006 and 2005, this consisted of \$20 million, less a rescission of \$0.10 million, and \$20 million, less a rescission of \$0.28 in appropriated funds; \$82.02 million and \$89.54 million in unobligated funds; and \$70.67 million and \$68.70 million in collections. Obligations incurred against these resources were \$106.34 million for fiscal year 2006 and \$87.19 million for 2005. Unobligated balances at the end of fiscal years 2006 and 2005 were \$61.69 million and \$82.02 million, respectively. This unobligated balance is due primarily to the advance of funds from the Army for environmental remediation and funds held for purposes other than operations, such as tenant security deposits and restricted donations.

### **Financing Sources Other Than Earned Revenues**

Financing sources other than earned revenues funded the Trust's net cost of operations. The Trust reported \$21.00 million and \$20.76 million of other financing sources on the *Statement of Changes in Net Position* for fiscal years 2006 and 2005. This consisted primarily of appropriations used.

### **Risks and Uncertainties**

The Presidio Trust has the responsibility to do environmental cleanup on the Presidio. An environmental remediation study by third party consultants was performed during fiscal year 2006. Management based its estimate for cleanup costs to completion on the study which made

certain assumptions at a point in time and therefore are inherently imprecise. In addition, those assumptions are subject to external risk factors such as regulatory requirements and construction cost changes. See **NOTE 10** to the accompanying financial statements for an in-depth discussion of the risks and uncertainties related to the environmental cleanup as of September 30, 2006. The Trust will re-evaluate its estimates on a go-forward basis. Actual results may vary from those estimates.

### **LIMITATIONS OF THE FINANCIAL STATEMENTS**

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The Trust has prepared its financial statements to report its financial position and results of operation. These financial statements have been prepared from the Trust's general ledger and subsidiary reports in accordance with the formats prescribed by the Office of Management and Budget. These statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. These statements should be read in view of the fact that the Trust is a federal corporation, and therefore, liabilities cannot be liquidated without authorizing legislation.

The accuracy of the information contained in the principal financial statements and the quality of internal controls rests with management. Management is confident that sufficient segregation of duties and other internal controls exist so that the financial statements are reliable and complete.

The financial statements of the Trust have been reviewed by Grant Thornton, an independent public accounting firm. Their opinion on our statements is contained in their letter, which is found herein.

## MANAGEMENT ASSURANCES

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### Statement of Assurance on Internal Controls over Financial Reporting

The Presidio Trust management is responsible for establishing and maintaining effective internal control over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations. The Presidio Trust conducted its assessment of the effectiveness of the Presidio Trust internal control over financial reporting in accordance with OMB Circular A-123, *Management's Responsibility for Internal Control*. Based on the results of this evaluation, other than the scope limitation noted in Exhibit I, the Presidio Trust can provide reasonable assurance that the internal controls were operating effectively and no other material weaknesses were found in the design or operation of the internal control over financial reporting.



Craig Middleton  
November 15, 2006

## EXHIBIT I

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### Summary of Scope Limitation and Management Action Plan

#### Internal Audit Finding

The Trust updated its documentation of internal controls on the information system process and the evaluating and testing of those controls is ongoing. This testing was not completed by September 30, 2006, therefore the Trust was not able to provide assurance whether the internal controls about the Trust's information system process were operating effectively as of that date.

#### Management Action Plan

As part of evaluating and testing the Trust will summarize all internal controls in a control matrix and test the effectiveness of those controls in 2007.

#### Internal Audit Finding

The Trust received philanthropic grants and contributions from certain organizations. The Trust expects to continuously receive grants and contributions in the future. The Trust has not completed the documentation and testing of the internal controls on this process as of September 30, 2006.

#### Management Action Plan

The Trust will establish and document the controls and procedures to manage, record and report contributions and grants received by the Trust from various organizations and individuals in 2007. The Trust will summarize all internal controls in a control matrix and will evaluate and test the effectiveness of those internal controls in 2007.

## Report of Independent Certified Public Accountants



**Accountants and Business Advisors**

### Report of Independent Certified Public Accountants

To the Board of Directors of  
The Presidio Trust

We have audited the accompanying balance sheets of the Presidio Trust (the Trust) as of September 30, 2006 and 2005, the related statements of net cost, changes in net position, budgetary resources, and financing for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the following paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 06-03, *Audit Requirements for Federal Financial Statements*. These standards and requirements require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

On July 1, 1998, the Trust assumed jurisdiction over approximately 1,100 acres of federal land and over 800 buildings from the National Park Service. The United States Army previously administered the property. Many of the structures are greater than 40 years old and pursuant to Trust depreciation policies were fully depreciated at the date of transfer. Statement of Federal Financial Accounting Standards (SFFAS) No. 6 – *Accounting for Property, Plant and Equipment (PPE)* – requires PPE to be recognized when title passes to the entity. Additionally,

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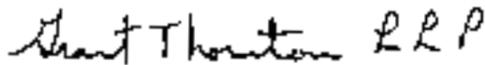
SFFAS No. 6 requires that the cost of general PPE transferred from other federal entities be the cost recorded by the transferring entity, net of accumulated depreciation; if such amounts cannot be reasonably ascertained, the cost of the PPE is to be its fair value at the time transferred.

As discussed in Note 7 to the Financial Statements, because of the lack of available information from the National Park Service and the United States Army, the Trust valued buildings less than 40 years old by using appropriate construction industry indices, less an accumulated depreciation adjustment to ascertain net asset value at the date of the Trust's formation. However, improvements made to buildings over 40 years old and land improvements have been valued at zero net book value but may still have a net cost value. Under SFFAS No. 6, the Trust should have recorded these improvements at fair value. Estimating the values of these improvements would have been a process that the Trust considers to be lengthy, cost prohibitive, and which would have resulted in information that is meaningless to the users of the Trust's financial statements. We were unable to satisfy ourselves as to the estimate of the carrying amount for these assets.

In our opinion, except for the effects of adjustments to the financial statements, if any, that might have been determined to be necessary had we been able to examine evidence supporting the recorded balances of certain improvements within the property, plant and equipment accounts, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of September 30, 2006 and 2005, and its net costs, its changes in net position, budgetary resources, and financing for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of expressing an opinion on the financial statements referred to in the first paragraph. The information presented in the Management's Discussion and Analysis and the information presented in the Required Supplementary Information is not a required part of the Trust's financial statements, but is considered supplementary information, as applicable. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 9, 2006, on our consideration of the Trust's internal control over financial reporting and on our tests of its compliance with applicable laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports are to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.



November 9, 2006  
San Francisco, California

# Financial Statements

## BALANCE SHEETS

	SEPTEMBER 30,	
	2006	2005
<b>ASSETS</b>		
Intragovernmental Assets		
Fund Balance with Treasury <b>[NOTE 2]</b>	\$ 6,174,848	\$ 5,075,179
Investments <b>[NOTE 4]</b>	105,067,623	108,361,219
Accounts Receivable, Net <b>[NOTE 5]</b>	2,186,274	2,283,377
	113,428,745	115,719,775
Cash and Other Monetary Assets <b>[NOTE 3]</b>	500	500
Accounts Receivable, Net <b>[NOTE 5]</b>	1,277,107	1,369,767
General Property, Plant, and Equipment, Net <b>[NOTE 7]</b>	146,150,998	125,795,072
Other Assets		
Government Improvement Accounts <b>[NOTE 8]</b>	281,372	432,384
Advances <b>[NOTE 8]</b>	1,167	0
Prepayments <b>[NOTE 8]</b>	825,184	750,384
Deferred Rent Receivable <b>[NOTE 8]</b>	13,763,093	12,485,319
	162,299,421	140,833,426
<b>TOTAL ASSETS</b>	<b>275,728,166</b>	<b>256,553,201</b>
<b>LIABILITIES</b>		
Intragovernmental Liabilities		
Accounts Payable	4,756,593	61,356
Debt <b>[NOTE 9]</b>	49,978,000	49,978,000
Other Liabilities		
Employer Contributions Payable <b>[NOTE 11]</b>	164,959	153,892
Other Post Employment Benefits Payable <b>[NOTE 11]</b>	1,506,643	1,566,172
Unearned Revenue <b>[NOTE 11]</b>	3,406,275	1,791,000
Prepaid Rents <b>[NOTE 11]</b>	1,199	10,250
FECA Actuarial Liability <b>[NOTE 11]</b>	33,414	35,135
	59,847,083	53,595,805
Accounts Payable	5,670,941	6,293,951
Other Liabilities		
Environmental Remediation Cleanup Cost Liability <b>[NOTE 10]</b>	66,818,169	51,572,380
Contingent Liabilities <b>[NOTE 18]</b>	269,000	0
Capital Lease Liability <b>[NOTE 13]</b>	0	25,217
Security Deposits <b>[NOTE 11]</b>	3,816,252	3,123,658
Unearned Revenue <b>[NOTE 11]</b>	1,003,325	1,257,765
Payroll Payable <b>[NOTE 11]</b>	1,023,632	949,266
Annual Leave Liability <b>[NOTE 12]</b>	1,793,301	1,764,429
Unfunded Accounts Payable <b>[NOTE 12]</b>	109,645	99,583
Prepaid Rents <b>[NOTE 11]</b>	946,543	984,515
	81,450,808	66,070,764
<b>TOTAL LIABILITIES</b>	<b>141,297,891</b>	<b>119,666,569</b>
<b>NET POSITION</b>		
Unexpended Appropriation – Other Funds	0	0
Cumulative Results of Operations – Other Funds	134,430,275	136,886,632
<b>TOTAL NET POSITION</b>	<b>134,430,275</b>	<b>136,886,632</b>
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<b>\$ 275,728,166</b>	<b>\$ 256,553,201</b>

The accompanying notes are an integral part of these statements.

## STATEMENTS OF NET COST

	FOR THE YEARS ENDED SEPTEMBER 30,	
	2006	2005
<b>PROGRAM COSTS</b>		
<b>Presidio Trust – General Program</b>		
Intragovernmental Gross Costs [NOTE 19]	\$ 21,410,085	\$ 12,618,438
Less: Intragovernmental Earned Revenues [NOTE 19]	4,669,955	3,508,150
Intragovernmental Net Costs	16,740,130	9,110,288
Gross Cost with the Public	45,513,144	37,138,579
Less: Earned Revenues	58,820,834	56,256,934
Net Costs with the Public	(13,307,690)	(19,118,355)
<b>OTHER PROGRAMS</b>		
<b>Environmental Remediation</b>		
Intragovernmental Gross Costs [NOTE 19]	382,815	358,385
Less: Intragovernmental Earned Revenues [NOTE 19]	10,657,540	11,597,259
Intragovernmental Net Costs	(10,274,725)	(11,238,874)
Gross Cost with the Public	30,379,541	9,353,987
Less: Earned Revenues	79,874	0
Net Costs with the Public	30,299,667	9,353,987
<b>NET COST OF OPERATIONS</b>	<b>\$ 23,457,383</b>	<b>\$ (11,892,954)</b>

The accompanying notes are an integral part of these statements.

STATEMENTS OF CHANGES  
IN NET POSITION

	FOR THE YEARS ENDED SEPTEMBER 30,			
	2006		2005	
	<i>Cumulative Results of Operations</i>	<i>Unexpended Appropriations</i>	<i>Cumulative Results of Operations</i>	<i>Unexpended Appropriations</i>
<b>Beginning Balances</b>	\$ 136,886,632	\$ 0	\$ 104,233,026	\$ 0
<b>Budgetary Financing Sources</b>				
Appropriations Received	0	20,000,000	0	20,000,000
Other Adjustments (rescissions, etc.) (+/-)	0	(95,200)	0	(278,000)
Appropriations Used	19,904,800	(19,904,800)	19,722,000	(19,722,000)
<b>Other Financing Sources</b>				
Imputed Financing from Costs Absorbed by Others	1,096,226		1,038,652	
<b>Total Financing Sources</b>	<b>21,001,026</b>	<b>0</b>	<b>20,760,652</b>	<b>0</b>
<b>Net Cost of Operations</b>	<b>23,457,383</b>		<b>(11,892,954)</b>	
<b>ENDING BALANCES</b>	<b>\$ 134,430,275</b>	<b>\$ 0</b>	<b>\$ 136,886,632</b>	<b>\$ 0</b>

The accompanying notes are an integral part of these statements.

**STATEMENTS OF  
BUDGETARY RESOURCES**

	<b>FOR THE YEARS ENDED SEPTEMBER 30,</b>	
	<b>2006</b>	<b>2005</b>
<b>BUDGETARY RESOURCES</b>		
Unobligated Balance – Brought Forward, October 1	\$ 82,020,326	\$ 89,536,124
Budget Authority		
Appropriation	20,000,000	20,000,000
Spending Authority from Offsetting Collections		
Collected	70,673,431	68,702,025
Change in Receivables from Federal Sources	2,137,724	1,464,487
Advance Received	(6,705,159)	(10,212,176)
<b>Total Spending Authority from Offsetting Collections</b>	<b>66,105,996</b>	<b>59,954,336</b>
Permanently Not Available	95,200	278,000
<b>TOTAL BUDGETARY RESOURCES</b>	<b>\$ 168,031,122</b>	<b>\$ 169,212,460</b>
<b>STATUS OF BUDGETARY RESOURCES</b>		
Obligations Incurred		
Reimbursable	\$ 106,337,724	\$ 87,192,134
Unobligated Balances – Available		
Apportioned	61,693,398	82,020,326
<b>TOTAL STATUS OF BUDGETARY RESOURCES</b>	<b>\$ 168,031,122</b>	<b>\$ 169,212,460</b>
<b>CHANGE IN OBLIGATED BALANCE</b>		
Obligated Balance, Net		
Unpaid Obligations, Brought Forward, October 1	\$ 35,011,131	\$ 28,520,847
Less: Uncollected Customer Payments from Federal Sources, Brought Forward, October 1	(3,602,279)	(2,137,793)
Total Unpaid Obligated Balance, Brought Forward, October 1	31,408,852	26,383,054
Obligations Incurred Net (+/-)	106,337,724	87,192,134
Less: Gross Outlays	(88,096,403)	(80,701,850)
Change in Uncollected Customer Payments from Federal Sources (+/-)	2,137,724	1,464,487
Obligated Balance, Net, End of Period		
Unpaid Obligations	53,252,453	35,011,131
Less: Uncollected Customer Payments from Federal Sources	(5,740,002)	(3,602,279)
<b>TOTAL, UNPAID OBLIGATED BALANCE, NET, END OF PERIOD</b>	<b>\$ 67,891,496</b>	<b>\$ 39,363,623</b>
<b>NET OUTLAYS</b>		
Gross Outlays	88,096,403	80,701,850
Less: Offsetting Collections	(63,968,272)	(58,489,851)
Less: Distributed Offsetting Receipts	(4,844,294)	(3,216,318)
<b>NET OUTLAYS</b>	<b>\$ 28,972,425</b>	<b>\$ 25,428,317</b>

*The accompanying notes are an integral part of these statements.*

## STATEMENTS OF FINANCING

	<b>FOR THE YEARS ENDED SEPTEMBER 30,</b>	
	<b>2006</b>	<b>2005</b>
<b>RESOURCES USED TO FINANCE ACTIVITIES</b>		
<b>Budgetary Resources Obligated</b>		
Obligations Incurred	\$ 106,337,724	\$ 87,192,134
Less: Spending Authority from Offsetting Collections and Recoveries	66,105,996	59,954,336
Obligations Net of Offsetting Collections and Recoveries	40,231,729	27,237,798
Less: Offsetting Receipts	(4,844,294)	(3,216,318)
Net Obligations	45,076,023	30,454,116
<b>Other Resources</b>		
Transfers in/out Without Reimbursement	0	0
Imputed Financing from Costs Absorbed by Others	1,096,226	1,038,652
Net Other Resources Used to Finance Activities	1,096,226	1,038,652
<b>TOTAL RESOURCES USED TO FINANCE ACTIVITIES</b>	<b>46,172,249</b>	<b>31,492,768</b>
<b>RESOURCES USED TO FINANCE ITEMS NOT PART OF THE NET COST OF OPERATIONS</b>		
Change in Budgetary Resources Obligated for Goods, Services, and Benefits Not Yet Provided	(20,849,350)	(18,148,954)
Resources that Fund Expenses Recognized in Prior Periods	(25,216)	(29,089)
Other	(6,255,342)	(4,405,536)
Resources that Finance the Acquisition of Assets	(25,462,230)	(27,129,363)
Other Resources or Adjustments to Net Obligated Resources that Do Not Affect the Net Cost of Operations	(1,256,018)	(1,589,214)
<b>TOTAL RESOURCES USED TO FUND ITEMS NOT PART OF THE NET COST OF OPERATIONS</b>	<b>(53,848,156)</b>	<b>(51,302,156)</b>
<b>TOTAL RESOURCES USED TO FINANCE THE NET COST OF OPERATIONS</b>	<b>(7,675,907)</b>	<b>(19,809,388)</b>
<b>COMPONENTS OF THE NET COST OF OPERATIONS THAT WILL NOT REQUIRE OR GENERATE RESOURCES IN THE CURRENT PERIOD</b>		
<b>Components Requiring or Generating Resources in Future Periods</b>		
Increase in Annual Leave Liability	28,872	86,085
Increase in Environmental and Disposal Liability	23,000,000	0
Increase in Exchange Revenue Receivable from the Public	0	40,938
Other	1,276,054	1,624,710
<b>Total Components of Net Cost of Operations that will Require or Generate Resources in</b>	<b>24,304,926</b>	<b>1,751,733</b>
<b>Components Not Requiring or Generating Resources</b>		
Depreciation and Amortization	5,740,934	4,906,168
Other	1,087,430	1,258,533
<b>TOTAL COMPONENTS NOT REQUIRING OR GENERATING RESOURCES</b>	<b>6,828,365</b>	<b>6,164,701</b>
<b>NET COST OF OPERATIONS</b>	<b>\$ 23,457,383</b>	<b>\$ (11,892,954)</b>

*The accompanying notes are an integral part of these statements.*

## Notes to the Financial Statements

*September 30, 2006 and 2005*

### 1. THE PRESIDIO TRUST AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### The Presidio Trust

The Presidio Trust (the Trust), an executive agency, is a wholly-owned government corporation established by Congress in 1996 through enactment of the Presidio Trust Act (P.L. 104-333). The Trust's mission is to:

- preserve and enhance the Presidio as part of the national park system
- achieve financial self-sufficiency by Fiscal Year 2013

From 1846 to 1994, the Presidio was used as a U.S. military installation. In 1994, the National Park Service (NPS) assumed full control of the Presidio until 1998 when the Trust assumed responsibility for approximately 1,100 acres of non-coastal areas.

The Trust is guided by the Presidio Trust Act to operate in accordance with general objectives of the 1994 General Management Plan Amendment for the Presidio and the Government Corporation Control Act. The Trust is overseen by a seven member board of directors including a designee from the Department of the Interior (DOI) and six individuals from the private sector.

It currently finances operations through appropriations, which will decrease over the next six years, reimbursable agreements with other government agencies, and rental leases for both residential and non-residential property. If the Trust fails to achieve self-sufficiency by fiscal year 2013, the net assets will be transferred to the General Services Administration for disposition.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

#### The Accounting Standards

The financial statements have been prepared to report the financial position and results of operations of the Trust. The financial statements were prepared from the Trust's accounting records in accordance with accounting principles generally accepted in the United States of America (GAAP), and the form and content specified by the Office of Management and Budget (OMB) in OMB Circular A-136.

GAAP for federal entities is the standard prescribed by the Federal Accounting Standards Advisory Board (FASAB), designated by the American Institute of Certified Public Accountants (AICPA) as the official accounting standards setting body of the Federal government. These financial statements are two year comparatives.

#### Basis of Accounting

The Trust accounts for its assets, liabilities, net position, revenues, expenses, and other financing sources in accordance with the requirements of the U.S. Government Standard General Ledger (USSGL). Use of sub-accounts allows transactions to be recorded at a more detailed level and provide relevant management information.

While the financial statements are on an accrual basis, underlying transactions are recorded using both the accrual basis of accounting and a budgetary basis of accounting. Under the accrual method, expenses are recognized when resources are consumed, without regard to the payment of cash. Under the budgetary method, expenditures are recognized when the obligation occurs. Budgetary accounting facilitates compliance with legal constraints and controls over the use of Federal funds.

### Balance Sheets

The balance sheets present amounts of future economic benefits owned or managed by the Trust (assets), amounts owed (liabilities), and amounts that comprise the difference (net position). The major components are described below.

**ASSETS** include assets that the Trust holds and has the authority to use in its operations.

**INTRAGOVERNMENTAL ASSETS** are receivables due to the Trust and funds held by other Federal entities.

**LIABILITIES** represent amounts owed by the Trust as the result of transactions that have occurred.

**INTRAGOVERNMENTAL LIABILITIES** are claims against the Trust by other Federal entities.

**NET POSITION** contains the following components:

*Unexpended Appropriations* include the portion of the Trust's appropriations represented by undelivered orders and unobligated balances.

*Cumulative Results of Operations* represent the net results of operations since the inception of the Trust.

### Statement of Net Cost

The Statement of Net Cost shows the components of the net cost of the Trust's operations for the periods presented.

*Program Costs* represent the gross costs or expenses incurred by the Trust for each program activity.

*Earned Revenues* or exchange revenues arise when a Government entity provides goods and services to the public or to another Government entity for a fee.

*Net Cost* is the difference between the program's gross costs and its related exchange revenues.

### Statement of Changes in Net Position

The Statement of Changes in Net Position reports the change in net position and is affected by changes in Cumulative Results of Operations and Unexpended appropriations. Major components are described below.

*Budgetary Financing Sources* are non-exchange revenues that include appropriations, transfers of assets from other Government entities, and imputed financing.

*Other Financing Sources* do not represent budgetary resources and include imputed financing from costs absorbed by others, including financing of certain costs by one Federal entity on behalf of another Federal entity.

### Statement of Budgetary Resources

The Statement of Budgetary Resources provides information about the availability of budgetary resources as well as their status at the end of the year. Major components are described below.

*Budgetary Resources* represents the total resources available through appropriations, direct spending authority, obligation limitations, and unobligated balances at the beginning of the period or transferred in during the period, spending authority from offsetting collections, and any adjustments to budgetary authority.

*Status of Budgetary Resources* represents resources as obligated and unobligated. Obligated amounts are no longer available and unobligated balances remain available to the Trust.

### Statement of Financing

The Statement of Financing is a reconciliation of the preceding statements. Accrual basis accounting standards used in the Statement of Net Cost, Statement of Changes in Net Position, and Balance Sheets differ from the budgetary basis used in the Statement of Budgetary Resources, especially in the treatment of liabilities. A liability not covered by budgetary resources may not be recorded as a funded liability in the budgetary accounts of the Trust's general ledger, which supports the Statement of Budgetary Resources. Liabilities are considered "funded" for purposes of the Balance Sheets, Statement of Net Cost and Statement of Changes in Net Position. Offsetting receipts represent collections in relationship to actual budgetary authority.

### Use of Estimates in Preparing Financial Statements

Preparation of financial statements in accordance with generally accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

### Revenue Recognition

Rental revenue is recognized using the straight-line method over the term of the lease. Any amounts deferred that are not payable by the lessee until future years are included in deferred rent receivable. Deferred rent receivable is included in other assets [NOTE 8].

### Intragovernmental Relationships and Transactions

In the course of its operations, the Trust has relationships and financial transactions with numerous Federal agencies.

### Department of the Interior (DOI)

An interagency agreement exists between the Trust and the DOI for the DOI to provide payroll and travel support services. Additional

interagency agreements between the Trust, the National Park Service and US Park Police cover public safety services. The Trust provides rent and utility services to DOI.

### Department of the Treasury (Treasury)

All banking activities are conducted in accordance with the directives issued by the Department of the Treasury – Financial Management Service (FMS). Trust investments in non-marketable U.S. Treasury securities are traded through and held in book entry form at the Department of the Treasury – Bureau of the Public Debt (BPD).

## 2. FUND BALANCE WITH TREASURY

Fund Balance with Treasury by fund type as of September 30, 2006 and September 30, 2005 are as follows:

	<b>2006</b>	<b>2005</b>
Revolving Funds	\$ 6,174,848	\$ 5,075,179

Status of Fund Balance with Treasury on September 30, 2006 and September 30, 2005 are as follows:

	<b>2006</b>	<b>2005</b>
Unobligated – Available	\$ 6,174,848	\$ 5,075,179

## 3. CASH AND OTHER MONETARY ASSETS

The Trust does not maintain a petty cash fund or any bank accounts. The residential property management company under contract with the Trust maintains a petty cash account. The balance in this account as of September 30, 2006 and 2005 was \$500.

#### 4. INVESTMENTS

The Trust is required by Public Law 104-333 to invest excess cash only in non-marketable Treasury securities issued by the BPD. For non-marketable/market based securities the market value approximates the net value at both September 30, 2006 and 2005.

##### INVESTMENTS AS OF SEPTEMBER 30, 2006 INTRAGOVERNMENTAL SECURITIES

	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Cost/ Par Value</i>	<i>Unamortized Discount</i>	<i>Net Value</i>
Non-marketable/Market Based	10/2/06	5.03%	\$ 69,787,000	\$ 0	\$ 69,787,000
Non-marketable/Market Based	9/30/29	5.52%	2,978,000	0	2,978,000
Non-marketable/Market Based	9/30/29	6.12%	30,266,000	0	30,266,000
			103,031,000	0	103,031,000
Interest Receivable			2,036,623	0	2,036,623
<b>TOTAL INVESTMENTS</b>			<b>\$ 105,067,623</b>	<b>\$ 0</b>	<b>\$ 105,067,623</b>

Both of the investments with a September 30, 2029 maturity date are investments of the proceeds from Trust borrowings from the Treasury [see **NOTE 9**]. The BPD invests these proceeds until the Trust needs access to the cash. As of September 30, 2006, the Trust was owed \$19,502 of interest on the investments with a maturity date of October 2, 2006 and \$2,017,121 of interest on the investments that represent the proceeds from Trust borrowings. Those amounts were paid in full to the Trust by the BPD on October 2, 2006.

##### INVESTMENTS AS OF SEPTEMBER 30, 2005 INTRAGOVERNMENTAL SECURITIES

	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Cost/ Par Value</i>	<i>Unamortized Discount</i>	<i>Net Value</i>
Non-marketable/Market Based	10/3/05	3.46%	\$ 75,110,000	\$ 0	\$ 75,110,000
Non-marketable/Market Based	9/30/29	5.52%	2,978,000	0	2,978,000
Non-marketable/Market Based	9/30/29	6.12%	30,266,000	0	30,266,000
			108,354,000	0	108,354,000
Interest Receivable			7,219	0	7,219
<b>TOTAL INVESTMENTS</b>			<b>\$ 108,361,219</b>	<b>\$ 0</b>	<b>\$ 108,361,219</b>

The Trust was owed \$7,219 of interest on the investments as of September 30, 2005. This amount was paid in full to the Trust by the BPD on October 3, 2005.

## 5. ACCOUNTS RECEIVABLE, NET

Accounts receivable as of September 30, 2006, is comprised of the following:

	<i>Government</i>	<i>Non-Government</i>	<i>Total</i>
Gross Accounts Receivable	\$ 2,186,274	\$ 1,657,964	\$ 3,844,238
Less Allowance for Uncollectible Accounts	0	(380,857)	(380,857)
<b>NET ACCOUNTS RECEIVABLE AT SEPTEMBER 30, 2006</b>	<b>\$ 2,186,274</b>	<b>\$ 1,277,107</b>	<b>\$ 3,463,381</b>

Receivables consist of amounts due from rental properties, service district charges, utilities, venue rentals, and reimbursable contracts. The Trust's methodology for calculating an allowance for uncollectible accounts is as follows:

As a federal agency, the Trust has the full force of the United States government to facilitate collecting past due amounts. In addition, the Trust reviews accounts over 90 days past due; the Trust identifies collectable accounts and does not record any bad debt expense for these accounts. For the remaining receivables over 90 days old, the Trust reserves 75% of the balance as allowance for uncollectible accounts.

Accounts receivable as of September 30, 2005, is comprised of the following:

	<i>Government</i>	<i>Non-Government</i>	<i>Total</i>
Gross Accounts Receivable	\$ 2,283,377	\$ 1,565,883	\$ 3,849,260
Less Allowance for Uncollectible Accounts	0	(196,116)	(196,116)
<b>NET ACCOUNTS RECEIVABLE AT SEPTEMBER 30, 2005</b>	<b>\$ 2,283,377</b>	<b>\$ 1,369,767</b>	<b>\$ 3,653,144</b>

## 6. DIRECT LOANS AND LOAN GUARANTEE, NON-FEDERAL BORROWERS

The Trust has authority to operate the following direct loan and/or loan guarantee programs:

- The Trust is empowered to provide direct loans to non-Federal borrowers. As of September 30, 2006, the Trust had not exercised this authority.
- The Trust is empowered to guarantee loans to non-Federal borrowers for construction and renovation. As of September 30, 2006, the Trust had not exercised this authority.

## 7. GENERAL PROPERTY, PLANT AND EQUIPMENT

General Property, Plant and Equipment (PP&E) includes fixed assets owned by the Trust as the result of purchases by the Trust and/or transfers from other governmental entities, primarily the NPS. In general, the Trust capitalizes fixed assets valued in excess of \$25,000 with a useful life of two or more years.

<i>Classification</i>	<i>Estimated Useful Life</i>	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Balance at 9/30/06</i>	<i>Net Balance at 9/30/05</i>
Land and Land Rights	N/A	\$ 0	\$ 0	\$ 0	\$ 0
Improvements to Land	N/A	0	0	0	0
Construction-in-Progress	N/A	19,485,524	N/A	19,485,524	25,061,842
Buildings, Improvements, Renovations & Rehabilitations	40 years <sup>1</sup>	134,909,363	26,574,428	108,334,935	83,997,200
Other Property, Plant and Equipment (including furnishings, equipment, and software)	<sup>2</sup>	30,397,074	12,066,535	18,330,539	16,736,030
		<b>\$ 184,791,961</b>	<b>\$ 38,640,963</b>	<b>\$ 146,150,998</b>	<b>\$ 125,795,072</b>

Specific Trust capitalization and depreciation guidelines are as follows:

- <sup>1</sup> Buildings, Improvements and Related Renovations and Rehabilitations useful life of 40 years or less for improvements and renovations depending on remaining building life.
- <sup>2</sup> Other Property, Plant and Equipment are depreciated using a straight line method over their estimated useful lives ranging from three to twenty years.

Additionally, the Trust capitalizes expenditures for improvements to infrastructure and buildings based upon the following criteria:

- costs exceed \$25,000
- are not considered to be repairs and maintenance

Furnishings and equipment purchased for an individual unit cost in excess of \$25,000 are also capitalized. Assets may include in addition to direct costs an assigned indirect cost component. Indirect costs are determined in accordance with the guidelines set forth in OMB Circular A-11 and the Statement of Federal Financial Accounting Standards (SFFAS) No. 6, and are comprised of those indirect costs incurred to bring the Property, Plant and Equipment to a form and location suitable for its intended use. The Trust identified these costs based upon a review of its overhead and operating activities. Costs are allocated using an activity based costing method to all supported activities including capital assets.

Land is considered to be general PPE and, in accordance with SFFAS No. 6, is to be recorded at cost. The land comprising the Presidio was acquired as an outcome of the resolution of hostilities between the United States and the government of Mexico in the mid-19th century. As such, no cost can be affixed to the land and land rights.

At September 30, 1999, most of the Trust's PPE was transferred from the NPS. SFFAS No. 6 requires that the cost of general PPE transferred from other federal entities be the cost recorded by the transferring entity, net of accumulated depreciation; if such amounts can be reasonably ascertained, the cost of the PPE is to be its fair value at the time transferred. After extensive investigation, the Trust determined that historical cost information for buildings, building improvements and land, and infrastructure improvements was not available from the NPS and/or the Army. Therefore:

- any transferred building over 40 years old, including the cost of related renovations or rehabilitations prior to the Trust's formation, was considered fully depreciated and was recorded at a book value of \$0
- any transferred structure less than 40 years old (built in 1959 or later) was recorded at estimated replacement cost reduced for the effects of inflation by using appropriate construction industry indices, less an accumulated depreciation adjustment, to ascertain net asset value at the date of the Trust's formation
- other PPE transferred to the Trust from the NPS was capitalized at historical cost less depreciation that would have been recorded over its useful life, based on the Trust's depreciation guidelines
- transferred land and infrastructure improvements are reflected at a net book value of \$0. Under SFFAS No. 6, the Trust should have recorded these improvements at fair value. Estimating the values of these improvements would have been a process that the Trust considers to be cost prohibitive

Capital assets are depreciated using the straight line method over their useful lives in accordance with Trust guidelines. For financial statement purposes, a pro-rated share of depreciation expense for the asset is recorded in the year of acquisition or project completion depending on the month the asset is placed into service.

## 8. OTHER ASSETS

	<b>2006</b>	<b>2005</b>
Government Improvement Account	\$ 281,372	\$ 432,384
Advances	1,167	0
Prepayments	825,184	750,384
Deferred Rent Receivable	13,763,093	12,485,319
<b>TOTAL OTHER ASSETS</b>	<b>\$ 14,870,816</b>	<b>\$ 13,668,087</b>

The Government Improvement Account (GIA) is a bank account that has contributions made by a tenant in lieu of rent for the sole purpose of improving the government facilities. Neither the Trust nor the tenant is able to withdraw monies from the account unilaterally [see **NOTE 13**].

Advances represent advances to employees which were not repaid in full as of September 30, 2006.

Prepayments represent premiums paid on insurance policies and the remaining balance of employee commuter checks that have not been disbursed. Insurance premiums are amortized over the life of the policy.

Deferred rent receivable is the revenue recognized on a straight-line basis for long-term property leaseholds. There is no allowance for uncollectible accounts for the deferred receivables as they are all deemed collectible at this time.

**9. DEBT**

	<i>Maturity Date</i>	<i>2006</i>	<i>2005</i>
<b>DEBT TO THE TREASURY</b>			
<b>Note C</b> (dated 9/29/00)	9/30/2029	\$ 20,000,000	\$ 20,000,000
<b>Note C</b> (dated 9/28/00)	9/30/2029	20,000,000	20,000,000
<b>Note C</b> (dated 9/29/01)	9/30/2029	9,978,000	9,978,000
<b>TOTAL PRINCIPAL</b>		<b>\$ 49,978,000</b>	<b>\$ 49,978,000</b>

The Presidio Trust Act granted the Trust the authority to borrow from the U.S. Treasury. The aggregate amount of outstanding obligations at any one time is limited to \$50 million. These borrowings financed building and infrastructure rehabilitation by the Trust. Borrowing

was contingent on the Secretary of the Treasury determining that the projects to be funded from the proceeds were creditworthy. In 1999, the Trust and the Secretary of the Treasury established a written borrowing agreement to advance funds for capital improvement projects. The Trust executed a promissory note for the requested amount to evidence the obligation of the Trust to repay the Treasury the sum borrowed, together with any late charges that might be incurred.

In fiscal year 2006, no additional debt obligations were issued. The Trust has issued the following promissory notes to the BPD:

- 1) **Note C** (dated 9/29/00)  
Principal amount is \$20 million. The amount was used for the capital improvement projects activities in, on, or in support of the particular Trust assets, specifically the Baker Beach Apartments, Building 220 and Building 36. The note includes a pledge by the Trust to the Treasury of all rents, revenues, income, and proceeds arising out of the Trust's administration, operation, and leasing of the specific assets (Baker Beach Apartments, Building 220 and Building 36) that have been improved. The note carries an interest rate of 6.122% and matures on September 30, 2029.
- 2) **Note C** (dated 9/28/00)  
Principal amount is \$20 million. The amount of the request was used for the capital improvement projects activities in, on, or in support of any Trust assets. The note includes a pledge by the Trust to the Treasury of all rents, revenues, income, and proceeds arising out of the Trust's administration, operation, and leasing of the Baker Beach Apartments, Building 220 and Building 36. The note carries an interest rate of 6.122% and matures on September 30, 2029.

3) **Note C** (dated 9/29/01)

Principal amount is \$9,978,000. The amount of the request was used for the capital improvement projects activities in, on, or in support of any Trust assets. The note includes a pledge by the Trust to the Treasury of all rents, revenues, income, and proceeds arising out of the Trust's administration, operation, and leasing of the Baker Beach Apartments, Building 220 and Building 36. The note carries an interest rate of 5.515% and matures on September 30, 2029.

The BPD invested the unused portion of the account in government securities through their investment department. The interest earned is recorded in a governmental interest receipt account and used to pay the interest owed to the Treasury.

The Trust incurred \$2,999,087 and \$2,999,087 in interest cost in 2006 and 2005, respectively, all of which was included in program costs.

## **10. OTHER LIABILITIES – ENVIRONMENTAL REMEDIATION**

### **Advances for Environmental Cleanup Costs**

The Army closed its base at the Presidio in September 1994 and transferred administrative jurisdiction of the Presidio to the NPS through the DOI for incorporation into the Golden Gate National Recreation Area.

Executive Order 12580 delegated the responsibility to conduct the environmental cleanup of the Presidio to the Army. Under an interagency agreement with the DOI, the Army retained this responsibility as one of the terms of the jurisdictional transfer and initiated certain actions to address environmental conditions at the Presidio.

When Congress created the Trust in 1996, it separated the administrative jurisdiction of the Presidio into two areas: Area A, over which DOI retained authority, and Area B, which was transferred to the Trust in July 1998.

Under a Memorandum of Agreement (the Presidio MOA) among the Trust, DOI, and the Army, the Trust assumed the Army's responsibilities as lead agent for the environmental cleanup in both Area A and Area B. The Army provided \$100 million to the Trust in exchange for the Trust's assumption of such responsibilities. The Trust agreed to accept the amount of \$100 million, paid over a four year period, based upon a feasibility study and estimated cost of environmental liability prepared by an environmental consultant. (The Army actually paid the Trust \$99 million over three years, receiving a \$1 million discount for completing payment ahead of schedule.) The funds that have not been spent to-date are reported as an Environmental Remediation Advance on the Trust's financial statements.

Under a separate memorandum of agreement between the Trust and DOI (the Area A MOA), the Trust confirmed its agreement to take over lead agent responsibility for the cleanup of Area A of the Presidio. The Area A MOA also set out specific time periods, priorities and processes for remedy selection for environmental cleanup of Area A. In particular, the Trust agreed to set aside a total of \$25 million for the environmental remediation of Area A.

Cleanup includes enumerated sites where a potential environmental threat (Substance and Condition) is presently known or may exist based on past Army studies or records. Cleanup also includes unknown contamination which is any environmental threat at or from the Presidio other than an enumerated site that existed at the Presidio before October 1, 1994 (Presidio base closure) or was the result of an Army act or omission on or after October 1, 1994.

The Trust performs all cleanup work at enumerated sites using the Army's funds and is the point of contact for all regulatory agencies and the public. The Army retained responsibility to fund and/or to perform all environmental cleanup work of unknown contamination as well as sole responsibility for the clean up of radioactive materials, chemical and biological warfare agents, and unexploded ordnance if discovered at the Presidio.

The Trust must use the funds transferred from the Army to address environmental cleanup of enumerated sites. If any funds are left after cleanup of the enumerated sites, the Trust can use the excess to address other environmental conditions at or emanating from the Presidio.

If cleanup costs for the enumerated sites exceed the \$100 million threshold plus insurance proceeds (see discussion of the Trust's environmental insurance policies below) by \$10 million, the Army must seek additional appropriated funds for the enumerated sites. The Army is excused from this requirement if the Trust's mismanagement or inefficient use of funds causes the cost overrun.

The Trust obtained two environmental insurance policies: a Remediation Stop Loss (RSL) policy and a Real Estate Environmental Liability (REEL) policy:

The RSL policy provides the Trust with insurance against cost overruns in implementing environmental remedies that have been approved by the appropriate regulatory agencies for known contamination at enumerated sites. The RSL policy pays for remediation costs in excess of a threshold \$100 million (self-insured retention) spent by the Trust for "necessary and

reasonable" costs. The RSL policy has a liability limit of \$100 million. The RSL policy is set up so that the Trust pays the first \$100 million of remediation costs and the RSL policy would pay for the second \$100 million. The Army and DOI are each named as an additional insured on the RSL policy.

The REEL policy provides coverage for unknown contamination. The REEL policy has a limit of \$10 million (with a \$25,000 deductible per claim) and a \$50 million total for all claims. DOI is a named insured under the REEL policy. At present, the Trust has claims pending against the REEL coverage but the amount of recovery cannot be determined at this time.

#### **Liability for Environmental Cleanup Costs**

In 2006 the Trust, in conjunction with third party consultants, updated its estimate of the cost to complete all work related to the environmental cleanup of the Presidio. In addition to a projection of the estimated cost to complete the remediation the independent third party also provided management with an analysis of the progress made related to the environmental remediation of the Presidio.

The following table identifies the Trust's costs from inception of the environmental cleanup program to date and sets forth the current estimate of total costs at completion. The table separately identifies the costs related to the cleanup of contaminants known and inventoried at the time the Army turned the cleanup over to the Trust and contaminants identified by the Trust subsequent to the Army's turnover.

	<i>Known Contaminants As of 9/30/2006</i>		<i>Unknown Contaminants As of 9/30/2006</i>		<i>Total As of 9/30/2006</i>	<i>Estimated Total At Completion</i>
	<i>Spent</i>	<i>At Completion</i>	<i>Spent</i>	<i>At Completion</i>		
Allowable Costs*	\$ 38.3	\$ 94.5	\$ 1.0	\$ 8.1	\$ 39.3	\$ 102.6
Other Costs*	15.7	27.3	0.2	0.3	15.9	27.6
<b>TOTAL COSTS*</b>	<b>54.0</b>	<b>121.8</b>	<b>1.2</b>	<b>8.4</b>	<b>55.2</b>	<b>130.2</b>
Add						
Liability per Balance Sheet*					66.8	
<b>TOTAL AT COMPLETION*</b>					<b>\$ 122.0</b>	
Less Resources						
Army*		99.0		0.0		99.0
Insurance or Army*		0.0		8.4		8.4
<b>TOTAL AFTER RESOURCES*</b>		<b>\$ 23.0</b>		<b>\$ 0.0</b>		<b>\$ 23.0</b>
Anticipated Interest Income*		<b>\$ 23.0</b>		<b>\$ 0.0</b>		<b>\$ 23.0</b>

*\*Dollars Noted in Millions*

The Trust's financial statements reflect a liability for environmental remediation clean up costs of \$66.8 million, of which \$23 million is unfunded as of September 30, 2006. This represents the estimated cost at completion less the expected Army and insurance reimbursements. The actual cost at completion may vary from the current estimated cost at completion. The anticipated interest income of \$23 million will be recognized as revenue by the Trust in the year in which it is earned of which \$14.9 million has already been earned.

Trust management is studying the feasibility of the consultant's recommendations and will formulate a plan to implement selected cost saving measures. Steps under immediate consideration would result in the estimated cost to complete indicated in the table and would be consistent with the Trust's current commitments. The estimated cost to complete could increase in the future due to inflation and the timing of implementing the various remedies. Management will annually update the estimated cost to completion and will periodically enlist third party expertise to assist management in formulating detailed projections based on a thorough review of the remediation program.

**11. OTHER LIABILITIES**

	2006		2005	
	<i>Non-Current</i>	<i>Current</i>	<i>Non-Current</i>	<i>Current</i>
<b>INTRAGOVERNMENTAL</b>				
Employer Contributions Payable	\$ 0	\$ 164,959	\$ 0	\$ 153,892
Other Post Employment Benefits	725,361	781,282	944,451	621,721
Unearned Revenue	0	3,406,275	0	1,791,000
Prepaid Rents	0	1,199	0	10,250
FECA Actuarial	0	33,414	0	35,135
<b>TOTAL INTRAGOVERNMENTAL</b>	<b>725,361</b>	<b>4,387,129</b>	<b>944,451</b>	<b>2,611,998</b>
Contingent Liabilities [NOTE 18]	0	269,000	0	0
Capital Lease Liability [NOTE 13]	0	0	0	25,217
Security Deposits	3,815,752	500	3,121,573	2,085
Unearned Revenue	0	1,003,325	0	1,257,765
Payroll Payable	0	1,023,632	0	949,266
Annual Leave Liability [NOTE 12]	0	1,793,301	0	1,764,429
Unfunded Accounts Payable [NOTE 12]	0	109,645	0	99,583
Prepaid Rents	0	946,543	522,003	462,512
Environmental Remediation Cleanup Cost Liability [NOTE 10]	52,198,174	14,619,995	27,828,686	23,743,694
<b>TOTAL OTHER LIABILITIES</b>	<b>\$ 56,013,926</b>	<b>\$ 19,765,941</b>	<b>\$ 31,472,262</b>	<b>\$ 28,304,551</b>

**Other Post Employment Benefits**

Other post employment benefits include workers' compensation (FECA) & unemployment payable to the Department of Labor.

**FECA Actuarial Liability**

OMB requires that Federal agencies report an actuarial liability related to Future Workers' Compensation (FWC). The FWC benefits include the expected liability related to death, disability, medical and miscellaneous costs for approved compensation cases as well as a component for calculating incurred but not reported claims. The liability is determined by utilizing the historical benefit payment patterns related to a specific incurred period to estimate the future payments related to that period.

### Security Deposits

The residential lease management company, John Stewart Company, collects security deposits from the residential tenants and deposits them directly into the Trust's Treasury General Account. The non-residential lease management company, CB Richard Ellis, collects security deposits from the non-residential tenants and deposits them directly into the Trust's Treasury General Account. The Trust also collects security deposits for other services managed by the Trust.

### Unearned Revenue

The Presidio Trust collects permit fees for events that are held at Trust facilities. These events are paid for in advance by the clients. The revenue has not been earned for these events until the event has occurred. The amount in unearned revenue represents the monies collected for events that will be taking place in a fiscal year subsequent to the current year. Unearned revenue also includes monies received for specific projects (i.e. grants for specified improvements) on which the revenue is deferred because either the work has not been completed or the requirements of the agreement governing the work have not yet been met.

## 12. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

	2006	2005
<b>INTRAGOVERNMENTAL</b>		
FECA Actuarial	\$ 33,414	\$ 35,135
<b>OTHER</b>		
Environmental Remediation Cleanup Cost Liability [NOTE 10]	23,000,000	0
Annual Leave Liability	1,793,301	1,764,429
Accounts Payable	109,645	99,583
<b>TOTAL LIABILITIES NOT COVERED BY BUDGETARY RESOURCES</b>	<b>24,936,360</b>	<b>1,899,147</b>
Liabilities Covered by Budgetary Resources	116,361,531	117,767,422
<b>TOTAL LIABILITIES</b>	<b>\$ 141,297,891</b>	<b>\$ 119,666,569</b>

### Liabilities Not Covered by Budgetary Resources

Liabilities not covered by budgetary resources are those liabilities that may be funded from future resources. FECA Actuarial represents future workers' compensation payments, is an estimate based upon historical data and, as it is only an estimate, is unfunded (see NOTE 11). Annual leave is accrued as it is earned by employees and it is included in personnel compensation and benefits costs. An unfunded liability is recognized for earned but unused annual leave since, from a budgetary standpoint, this annual leave will be paid from future appropriations. The unfunded accounts payable is the liability that has been incurred by the residential property management company that had not been submitted to the Trust for reimbursement as of the fiscal year end.

**Liabilities Covered by Budgetary Resources**

Liabilities covered by budgetary resources are funded by: (1) new budget authority, (2) spending authority from offsetting collections, (3) recoveries of unexpired budget authority, (4) unobligated balances of budgetary resources at the beginning of the year, and (5) permanent indefinite appropriation or borrowing authority.

**13. LEASES****Trust as Lessee****Capital Leases**

The Trust currently maintains no capital leases.

**Operating Leases**

The operating leases are for equipment. The Trust currently leases multiple copiers which are under agreements that do not have a definitive lease period that exceed one year. The Presidio Trust also leases government vehicles from General Services Administration (GSA), but such leases do not have a definitive lease period that exceed one year.

**Trust as Lessor****Operating Leases****Description of Lease Arrangements**

The Trust's properties are being leased under operating leases that expire over the next 60 years. The Trust expects that these leases will be renewed or replaced by other leases in the normal course of business. In addition, eight leases are operated under contingent rental agreements wherein the monthly rental revenue is either a percent of the lessees' monthly revenue or base rent plus additional rent based upon a percent of the lessees' monthly revenue.

Additionally, the Trust has one lessee that operated under a contingent rental agreement wherein the monthly rent was a percent of the lessee's monthly revenue; however, the lessee remitted a portion of their monthly rental payment to a separate government improvement account at a commercial bank. These rental payments were accumulated and can only be used for improvements to the leased building. The Trust does not have signatory authority over the bank accounts. All improvements funded from this account must be mutually approved by both the lessee and the Trust. The balance of the commercial account totaled \$281,372 and \$432,384 in 2006 and 2005, respectively and is included in other assets. The arrangement of payments into the GIA account was terminated as of September 30, 2004 and all rental payments are now made directly to the Trust. The current lease term expires in January 2009.

The Trust also provides free rent or reduced rental rates to certain employees of the Trust, other Presidio based employees, and other governmental agencies.

Minimum future lease payments to be received under non-cancelable operating leases are as follows:

<i>Fiscal Year</i>	<i>Total</i>
2007	\$ 15,831,563
2008	14,641,662
2009	12,617,887
2010	12,157,825
2011	11,402,973
Thereafter	401,484,374
<b>TOTAL</b>	<b>\$ 468,136,284</b>

#### **14. AVAILABLE BORROWING AUTHORITY, END OF PERIOD**

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There was no borrowing authority available at September 30, 2006 or September 30, 2005.

#### **15. TERMS OF BORROWING AUTHORITY USED**

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The Trust was granted \$49,978,000 in borrowing authority. The terms surrounding the Trust's borrowing authority have been described in **NOTE 9 – Debt**. The debt the Trust has incurred is all related to the borrowing authority granted to the Trust.

#### **16. UNDELIVERED ORDERS AT END OF PERIOD**

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Undelivered orders represent amounts for which funds were obligated but the goods and/or services related to those specific orders have not been received. The balance of undelivered orders at September 30, 2006 and 2005 were \$40,130,685 and \$25,968,494, respectively.

#### **17. EXPLANATION OF THE RELATIONSHIP BETWEEN LIABILITIES NOT COVERED BY BUDGETARY RESOURCES ON THE BALANCE SHEET AND THE CHANGE IN COMPONENTS REQUIRING OR GENERATING RESOURCES IN FUTURE PERIODS**

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The Statement of Financing includes a section depicting the change in certain unfunded liabilities. The amounts in this section may not correlate exactly with the amounts shown in **NOTE 12 – Liabilities not covered by Budgetary Resources**. Differences primarily result from Treasury requirements related to where the changes in these liabilities are reported in the Statement of Financing. These requirements are dependent upon whether the change resulted in an increase or a decrease to the liability account.

#### **18. COMMITMENTS AND CONTINGENCIES**

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From time to time, the Trust is involved in legal matters, including tort and employment-related claims. Currently the Trust has pending four tort claims and thirteen claims of workplace discrimination.

The Trust is actively processing each of these claims and has assigned a contingent liability of \$269,000 to all of the claims, in the aggregate.

Trust management does not expect other pending legal matters to have a material impact on its financial condition or net costs.

**19. INTRAGOVERNMENTAL COSTS & EXCHANGE REVENUES****Exchange Revenue**

The Trust provides services to the public and other government entities. Revenue earned from the U.S. Treasury is from earnings on investments. Revenue earned from the Department of Defense is related to the advance for environmental remediation and is recognized when expenditures are made.

<i>Agency</i>	<i>Amount of Revenue Earned</i>	
	<b>2006</b>	<b>2005</b>
U.S. Treasury	\$ 6,255,242	\$ 4,405,536
Department of Defense	8,241,935	9,722,428
Department of the Interior	385,273	889,481
Department of the Army	300,000	0
Other	145,044	87,964
<b>TOTAL</b>	<b>\$ 15,327,494</b>	<b>\$ 15,105,409</b>

The Trust also incurs costs for services provided by other government agencies or for programs run by other government agencies. Costs incurred with the Office of Personnel Management (OPM) are for employee benefits. The Department of the Interior provides public safety, payroll, travel support and other miscellaneous services to the Trust. Costs incurred with the U.S. Treasury are for interest on loans.

<i>Agency</i>	<i>Amount of Cost Incurred</i>	
	<b>2006</b>	<b>2005</b>
Office of Personnel Management	\$ 5,226,114	\$ 5,011,075
Department of the Interior	11,966,833	3,436,061
U.S. Treasury	3,012,397	3,020,595
Department of Labor	954,203	831,341
General Services Administration	588,981	557,320
Other	44,373	120,431
<b>TOTAL</b>	<b>\$ 21,792,901</b>	<b>\$ 12,976,823</b>

**20. EXCHANGE REVENUES**

The Trust provides services to the public and other government entities which are priced at market value.

Required Supplementary Information  
September 30, 2006 and 2005

**1. INTRAGOVERNMENTAL ASSETS AND LIABILITIES**

**ASSETS**

Intragovernmental Assets as of September 30, 2006 are as follows:

<i>Agency</i>	<i>Investments</i>	<i>Accounts/Interest Receivable</i>	<i>Fund Balance with Treasury</i>
Department of the Treasury	\$ 103,031,000	\$ 2,036,623	\$ 6,174,848
Department of Defense	0	1,953,000	0
Department of the Interior	0	207,116	0
Other Federal Agencies	0	26,158	0
<b>TOTAL</b>	<b>\$ 103,031,000</b>	<b>\$ 4,222,897</b>	<b>\$ 6,174,848</b>

Intragovernmental Assets as of September 30, 2005 are as follows:

<i>Agency</i>	<i>Investments</i>	<i>Accounts/Interest Receivable</i>	<i>Fund Balance with Treasury</i>
Department of the Treasury	\$ 108,354,000	\$ 7,219	\$ 5,075,179
Department of Defense	0	1,791,000	0
Department of the Interior	0	484,646	0
Other Federal Agencies	0	7,731	0
<b>TOTAL</b>	<b>\$ 108,354,000</b>	<b>\$ 2,290,596</b>	<b>\$ 5,075,179</b>

**LIABILITIES**

Intragovernmental Liabilities [refer to **NOTE 11**] as of September 30, 2006 are as follows:

<i>Agency</i>	<i>Accounts Payable</i>	<i>Debt</i>	<i>Other Liabilities</i>
Department of the Treasury	\$ 0	\$ 49,978,000	\$ 0
Department of the Interior	4,702,265	0	150,000
Other	54,328	0	4,962,490
<b>TOTAL</b>	<b>\$ 4,756,593</b>	<b>\$ 49,978,000</b>	<b>\$ 5,112,490</b>

Intragovernmental Liabilities [refer to **NOTE 11**] as of September 30, 2005 are as follows:

<i>Agency</i>	<i>Accounts Payable</i>	<i>Debt</i>	<i>Other Liabilities</i>
Department of the Treasury	\$ 0	\$ 49,978,000	\$ 0
Department of the Interior	0	0	0
Other	61,356	0	3,556,449
<b>TOTAL</b>	<b>\$ 61,356</b>	<b>\$ 49,978,000</b>	<b>\$ 3,556,449</b>

**2. DEFERRED MAINTENANCE**

The Trust determined that there is deferred maintenance to many of the buildings that were transferred to the Trust. Using an Inventory Condition Assessment Program document from the NPS upon receipt of the property and an assessment survey by Trust personnel, the Trust determined that there is approximately \$4 million of deferred maintenance to buildings at the Presidio. There is no deferred maintenance for any other major class of assets.

## Report of Independent Certified Public Accountants on Internal Control



**Accountants and Business Advisors**

### **Report of Independent Certified Public Accountants on Internal Control**

To the Board of Directors of  
The Presidio Trust

We have audited the balance sheets and the related statements of net cost, changes in net position, budgetary resources, and financing (hereinafter referred to as “financial statements”) of the Presidio Trust (the Trust) as of September 30, 2006 and 2005 and for the years then ended, and have issued our report thereon dated November 9, 2006, which was qualified due to the Trust’s valuation methodology for certain property, plant, and equipment transferred to the Trust at its inception.

Except for the matter discussed in the third, fourth and fifth paragraphs of our report on the financial statements, we conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 06-03, *Audit Requirements for Federal Financial Statements*.

In planning and performing our audits, we considered the Trust’s internal control over financial reporting by obtaining an understanding of the Trust’s internal control, determined whether internal controls had been placed in operation, assessed control risk, and performed tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 06-03. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers’ Financial Integrity Act of 1982, such as those controls relevant to ensuring efficient operations. The objective of our audits was not to provide assurance on internal control. Consequently, we do not provide an opinion on internal control.

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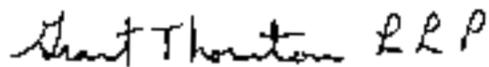
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Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions. Under standards issued by the American Institute of Certified Public Accountants, reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the Trust's ability to record, process, summarize, and report financial data consistent with the assertions by management in the financial statements. Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Because of inherent limitations in internal controls, misstatements, losses, or noncompliance may nevertheless occur and not be detected. However, we noted no matters involving the internal control and its operation that we consider to be material weaknesses as defined above.

In addition, we considered the Trust's internal control over required supplementary information by obtaining an understanding of the Trust's internal control, determined whether these internal controls had been placed in operation, assessed control risk, and performed tests of controls as required by OMB Bulletin No. 06-03 and not to provide assurance on these internal controls. Accordingly, we do not provide an opinion on such controls.

A separate letter, dated November 9, 2006, was provided to the Board of Directors and management of the Trust, which further discusses matters related to internal controls over financial reporting and other matters that came to our attention as a result of our audits.

This report is intended solely for the information and use of the Board of Directors and management of the Trust, OMB, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Grant Thornton LLP".

November 9, 2006  
San Francisco, California

## Report of Independent Certified Public Accountants on Compliance with Laws and Regulations

Grant Thornton 

**Accountants and Business Advisors**

### **Report of Independent Certified Public Accountants on Compliance with Laws and Regulations**

To the Board of Directors of  
The Presidio Trust

We have audited the balance sheets and the related statements of net cost, changes in net position, budgetary resources, and financing (hereinafter referred to as “financial statements”) of the Presidio Trust (the Trust) as of September 30, 2006 and 2005 and for the years then ended, and have issued our report thereon dated November 9, 2006 which was qualified due to the Trust’s valuation methodology for certain property, plant and equipment transferred to the Trust at its inception.

Except for the matter discussed in the third, fourth and fifth paragraphs of our report on the financial statements, we conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Bulletin No. 06-03, *Audit Requirements for Federal Financial Statements*.

The management of the Trust is responsible for complying with laws and regulations applicable to the Trust. As part of obtaining reasonable assurance about whether the Trust’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain other laws and regulations specified in OMB Bulletin No. 06-03, including the requirements referred to in the Federal Financial Management Improvement Act (FFMIA) of 1996. We limited our tests of compliance to these provisions and we did not test compliance with all laws and regulations applicable to the Trust.

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The results of our tests of compliance disclosed no instances of noncompliance with other laws and regulations or other matters discussed in the preceding paragraph that are required to be reported under Government Auditing Standards or OMB Bulletin No. 06-03.

Under FFMIA, we are required to report whether the Trust's financial management systems substantially comply with the Federal financial management systems requirements, applicable Federal accounting standards, and the United States Government Standard General Ledger at the transaction level. To meet this requirement, we performed tests of compliance with FFMIA section 803(a) requirements.

The results of our tests disclosed no instances in which the Trust's financial management systems did not substantially comply with the three requirements discussed in the preceding paragraph.

Providing an opinion on compliance with certain provisions of laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

This report is intended solely for the information and use of the Board of Directors and management of the Trust, OMB, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

*Grant Thornton LLP*

November 9, 2006  
San Francisco, California

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The Presidio Trust is governed by a seven-member board of directors. Six members are appointed by the President of the United States. The seventh is the U.S. Secretary of the Interior or his/her designee.

**David H. Grubb** is chairman of the Presidio Trust board of directors. He is chairman emeritus and former chief executive officer of Swinerton Incorporated, a prominent San Francisco-based general contractor. He serves on several cultural and business community committees and lends his support to a number of charitable organizations including: board of trustees – Saint Patrick’s Seminary, board of directors – Swinerton Incorporated, The Meadow Club, and San Domenico School. Mr. Grubb previously served on the board of trustees for the Golden Gate National Parks Conservancy, chairing the projects committee which oversaw the restoration of Crissy Field. He earned a bachelor of sciences from Princeton University in 1958, and a master’s degree in construction management from Stanford University in 1962.

**William Wilson**, vice-chairman of the Presidio Trust board of directors, has founded and led Bay Area-based real estate investment firms for over 40 years, including William Wilson and Associates, Wilson/Cornerstone Properties, and Wilson/Equity Office. He currently serves as managing partner of Wilson Meany Sullivan, Inc. Previously, he founded the Borel Companies (1963), Webcor Builders Inc. (1971), and Rusty Scupper Restaurants (1980). Mr. Wilson serves on several boards, including the California Academy of Sciences, the Multiple Myeloma Research Foundation and Consortium, the Lawrenceville School in New Jersey (*Emeritus*), and the Stanford University Department of Athletics’ Investment Trust (*Emeritus*). Mr. Wilson earned a bachelor of sciences in engineering from Stanford University in 1958.

**Lydia Beebe** joined Chevron as an attorney in 1977, and assumed her current position as corporate secretary in 1995. Ms. Beebe is a member of the State Bar of California and the American Bar Association. She served on the California Fair Employment and Housing Commission, which is responsible for enforcing state civil rights laws. She is a member of the San Francisco Municipal Fiscal Advisory Committee, serves on the board of Golden Gate University, and is Chairman-Elect for the Society of Corporate Secretaries and Governance Professionals. Ms. Beebe earned a bachelor’s degree in journalism in 1974 and a doctor of law degree in 1977 from the University of Kansas. She obtained an MBA from Golden Gate University in 1980.

**T. Robert Burke** is the managing director of Metropolitan Real Estate Equity Management, and is the chairman and co-founder of Institutional Housing Partners. He is the former chairman and co-founder of AMB Property Corporation and was a partner with Morrison and Foerster from 1975 to 1984. Previously, he was a staff attorney with the National Housing Law Project of the O.E.O. Legal Services Program. He is a trustee with Stanford University, and formerly served on the boards of the Stanford Management Company, Catholic Social Services of San Francisco, and the Fine Arts Museums of San Francisco. He is a member of the investment committee of the Hewlett Foundation and the UCSF Foundation. He holds a law degree (1967) and a bachelor of arts from Stanford University.

**Nancy Conner** has served the Bay Area’s parks and cultural institutions for more than 25 years. Since 1980, Ms. Conner has been a board member of the San Francisco Parks Trust (aka the Friends of Recreation and Parks), serving currently as board president. She also serves on the boards of the Golden Gate Park Concourse Authority and the San Francisco Symphony. Previously, Ms. Conner was a board

member of the Bothin Foundation, the San Francisco Boys’ Chorus, and the U.C. Berkeley Environmental Design Archives Advisory Board, among others. She co-founded the San Francisco Landscape Garden Show as a benefit event for city parks and recreation programs. Ms. Conner received a master’s degree from Stanford University in 1967 and a bachelor of arts from Wellesley College in 1964.

**Curtis F. Feeny** is an active supporter of the Presidio’s preservation as a park, testifying before the U.S. Senate and House of Representatives when the Presidio Trust was first being formed by Congress. He brings twenty-five years of experience in real estate development and capital investment to the Trust board. Mr. Feeny is the managing director for Voyager Capital, a Venture Capital firm. He worked from 1992 to 2000 as executive vice president with Stanford Management Company at Stanford University. Previously, Mr. Feeny worked for a decade with Trammell Crow Company and currently serves on its board. He previously served on the boards of the Children’s Health Council and the Stanford Federal Credit Union. He graduated from the Harvard School of Business in 1981, and holds a bachelor of sciences magna cum laude from Texas A&M University.

**Joseph Yew, Jr.**, is finance director with the San Francisco Public Utilities Commission. Previously he was vice president of E.J. De La Rosa & Co., an investment banking firm, and served for five years as treasury manager for the City of Oakland. Mr. Yew has also served as assistant state treasurer and executive director of the California Debt Limit Allocation Committee in the State Treasurer’s Office. He was an Alternate Board Member for State Treasurer on both the California Public Employees Retirement System (CalPERS) and the California State Teachers’ Retirement System (CalSTRS). Mr. Yew serves on the board of the Chinatown YMCA and the Unity Council in Oakland. He earned a bachelor of arts in economics from the University of California at Irvine in 1988 and a master of industrial administration (MBA) from Carnegie Mellon University in 1992.



From left: Curtis Feeny, T. Robert Burke, Nancy Conner, Vice-Chair William Wilson, Lydia Beebe, Joseph Yew, Jr., and Chairman David H. Grubb.

### EXECUTIVE DIRECTOR

**Craig Middleton** assumed the post of executive director in December 2002, after having served the Trust in several key roles. In 1997, he was selected by the Trust’s board of directors as the agency’s first employee. He served for four years as deputy director for government affairs, programs, and administration, and for one year as acting executive director. From 1993 to 1997, Middleton was director of government affairs for the Golden Gate National Parks Conservancy, where he worked closely with the Presidio Council, a blue-ribbon panel established by the Parks Conservancy to plan for the Presidio’s transition. Previously, he was a senior aide to Congresswoman Nancy Pelosi (D-San Francisco). Middleton holds a master’s degree in public administration from the Monterey Institute of International Studies and a bachelor’s degree in social science from the University of California at Santa Barbara.

## Organizations at the Presidio

3 Phases Energy Services	Core Studio	Grabhorn Institute	Letterman Digital Arts, Ltd.	Presidio Performing Arts Foundation	Social Venture Network Solutions
Aaron Wangenheim	Cow Hollow Preschool	Grantmakers Without Borders	Lexnet	Presidio School of Management	Solutions Alert
Acre Café	Coyote Films	Greywolf Capital Management LP	LoBue & Majdalany Management Group	Presidio Social Club	Soma Development
Adopt-A-Watershed	Crissy Field Center	Groundspring.org	Lone Mountain Children's Center	Presidio Sport and Medicine	Sports Basement, Inc.
Alexa Internet	DADA	Grove Consultants International	M&H Type	Presidio Wine Bunker	St. Francis Yacht Club
Alliance for California Traditional Arts	Discovery Mining, Inc.	Gulf of the Farallones National Marine Sanctuary	Marin Horizon School	Public Storage	State Farm
Althea Foundation	Dish	Haight Ashbury Free Clinics, Inc.	Mary DeVries	R & A Investment Forestry	State of the World Forum
Andalasia Productions, Inc.	Don't be Fueled	Hamilton Zanze & Company	MCT Associates	Raven Group	Swords to Plowshares Veterans Academy
Angel Island Immigration Station Foundation	Door Dog Music Production	Harry M. Snyder	Medicine Restaurant Group	Recurrent Energy	Thoreau Center for Sustainability
Ann Getty and Associates	Douglas Wright Consulting	Health Workforce Solutions	Miller Video and Film, Inc.	REDF	Threshold Foundation
ARCS Foundation	Duler & Company	Hub Strategy and Communications, Inc.	Monte Vista Management Company	Regeneration Project	Tides Center
Arion Press	Ealing Studios	Husdawg	Moore Foundation	Rex Foundation	Tides Foundation
ArtSeed	ECB Management Services, Inc.	ICON Exhibits	New Field Foundation	Richard & Rhoda Goldman Fund	Tides, Inc.
ArtsFest	ECOR-SF Holdings, Inc.	Institute for the Study and Development of Legal Systems	New Ways to Work, Inc.	Richard Beggs	The Orphanage
Aviation Personnel International	EcoTalk/Trash Talk	Interfaith Center	Niantic Corporation	Rick Murray	Tweak Films
B.A.Y. Fund	Edward E. Penhoet	International Convention on Human Rights	Northern California Independent Booksellers Association	Rights Workshop	United Religions Initiative
Bay Area Ridge Trail Council	Energy Foundation	International Forum on Globalization	Object Health	RockRose Institute	United States Postal Service
Bay Kids	Environmental History Project	Internet Archive	Omnia Foundation	Room to Read	Van Acker Construction Company
Bay School of San Francisco	Equal Access	Interview Clips	Pachamama Alliance	Rough House Editorial	Veracity, INC.
Bellingham Investment Management	Equity Community Builders, LLC	It's Yoga Kids	Pacific Forest Trust	Rubin Glickman	Veriditas, Inc.
Benningfield Financial Advisors	Eucalyptus Associates, Inc.	Jack Bellingham	Pacific Rip	Rudolf Steiner Foundation	Verity Wealth Advisory, LLC
BLUM, Inc.	Exploratorium	Jenifer Altman Foundation	Pacific Union	San Francisco Conservation Corps	W&JP Fund
Body of Work/Hopola, Inc.	Farallones Marine Sanctuary Association	Jeppesen VisionQuest, Inc.	Perk Presidio Café	San Francisco Film Centre	W. Clement and Jessie V. Stone Foundation
BoxIT	First Home, Inc.	Jeri Barnhill	Pohaku Fund	San Francisco Film Society	Walt Disney Family Foundation
Bright Minds Institute	First Republic Bank	Joe Goode Performance Group	Positive Coaching Alliance	San Francisco Gymnastics	Warming Hut
Buffalo Soldiers Museum and Library	Fleishhacker Foundation	John Stewart Company	Pottruck Family Foundation	San Francisco Medical Science	Westbase Productions
CDA Services LLC	Foghorn Creative	Just Answer	Pres a Vi	San Francisco Medical Society	WestEnd Capital Management
CDFgraphics	Fort Mason Foundation	Just Think Foundation	Presidio Bowling Center	San Francisco National Cemetery	Wilderness Society
Center for Citizen Initiatives	Fort Point and Presidio Historical Association	King Oscar, Inc.	Presidio Café	San Francisco Ocean Film Festival, Inc.	Winton DuPont Films
Center for Leadership Renewal	Fort Point National Historic Site Foundation for Environmental Education	L.S.B. Leakey Foundation	Presidio Child Development Center	SenSpa, LLC	World Wildlife Fund
Center for Resource Solutions	Friends of the Urban Forest	La Terrasse	Presidio Community YMCA	Serra Preschool	WorldLink Foundation
Columbia Foundation	Fund for International Non-Profit Development	Law School Consortium Project	Presidio Fitness, LLC	SF Aesthetics & Laser Medicine	WorldLink Media
Community Clinics Initiative	Garden Conservancy	Lawyers for Clean Water	Presidio Golf Course	SF Medical Society	Your Health
Conservatree	Geographic Expeditions, Inc.	Ledoux Esquire, Inc.	Presidio Internet Center, LLC	SF Psychotherapy Research Group	
Constellation Fund	Goldman Environmental Prize		Presidio IT		
Consultative Group on Biological Diversity					

## Creative Contributors

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