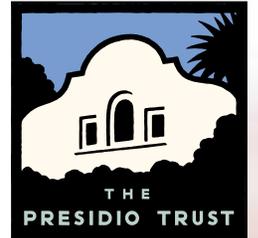


# A Park Emerges

THE PRESIDIO TRUST 2003 YEAR-END REPORT





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The Presidio Trust's mission is to preserve and enhance the natural, cultural, scenic, and recreational resources of the Presidio for public use in perpetuity, and to achieve long-term financial sustainability. These efforts encompass the natural areas, wildlife, and native habitats of the park, as well as the historic structures and designed landscapes that make the park a National Historic Landmark District. The Presidio Trust is dedicated to ensuring that visitors to this spectacular place will have the opportunity to gain a broader understanding of the Presidio and its place in American History.



# Message from the Chairman

Congress preserved the Presidio by making explicit the cost of its public benefits. This continues to stir public debate, because the Presidio is unlike any other national park. There is no precedent or template for what we are trying to do here.

In creating the Presidio Trust, Congress linked the Presidio's preservation to its economics. The Trust would combine the best practices of the public and private sectors, with financial authorities unique among federal agencies, to enhance and protect the Presidio for public enjoyment. The Trust would do so, furthermore, in a manner that would eventually relieve the taxpayer of the financial burden — nine years from now. This model makes sense for the Presidio, and it is proving to be successful.

The Trust has built a strong financial foundation for the Presidio's future, carefully investing public dollars, both annual appropriations and borrowing from the U.S. Treasury, and creating opportunities for private investment. The Trust's baseline investment of public money now generates revenue in excess of \$40 million annually, all of which supports the park.

Treasury borrowing has been dedicated to rehabilitating the Presidio's residences. By the

end of FY 2003, 774 non-historic and 167 historic residences had been rehabilitated and occupied, with a showcase preservation project of 22 historic homes currently underway in the Kobbe neighborhood near Fort Scott (see page 21). Today, residential leases account for more than half of our revenue. By FY 2006, all of the Presidio's homes will be rehabilitated and occupied, and will generate an estimated \$24 million each year for the park.

Early investment of public funds in building rehabilitation has not only generated revenue of its own, but has also made it possible to enhance the park and modernize the Presidio's infrastructure, making this a wonderful place to live and work, and thereby attracting critical private investment. People want to come here and be part of the Presidio's future.

The Trust also works with private investors to take advantage of the historic tax credit, one of the nation's most successful revitalization

programs. The tax credit provides an economic incentive for private investment in historic buildings which might otherwise be financially infeasible to rehabilitate and reuse.

The most ambitious example of historic tax credit at work in the Presidio is the Public Health Service Hospital complex, the largest historic preservation effort we have yet undertaken (see page 20). The sadly derelict complex of former hospital buildings in the park's southwestern corner will be redeveloped with private capital into a residential campus, an estimated \$90 million project. Financing a project of this magnitude is only possible through public-private partnership. The project will return dignity to the historic buildings, bring life to a corner of the park that has been vacant too long, and provide steady revenue.

We have few opportunities to generate revenue and many ways to spend it — whether it's maintaining roads and landscapes, replanting the aging forest, restoring serpentine habitat, or meeting the escalating cost of public safety. As confident as we are in the foundation we have built, the Presidio is nonetheless complex, and little can be taken for granted. For example, the cost of replanting and maintaining one acre of the Presidio's historic forest is approximately

\$200,000. Over time, the Presidio's historic forest, one of the park's most distinctive features, will cost nearly \$60 million to preserve and manage. The Trust is therefore exploring ways to strengthen our financial position, ensuring that we are making the best use of all the tools available to us.

In 2003, we asked the National Academy of Public Administration (NAPA) to review our budget outlook and organizational structure, and to assess whether the Trust is fully exercising the authorities given to us by Congress. Their study offered practical recommendations for expanding our financial strategies, and the Trust will be pursuing their recommendations to further attract private investment, such as using loan guarantees and direct loan authority. We are gratified that the NAPA study concluded that the Trust has established itself as a "champion of preserving (the Presidio's) natural and cultural resources, and serving the visitors who use them."

The NAPA study also highlighted something that park advocates have long understood — the importance of volunteer and philanthropic support. As we balance our resources across many park improvements, from building renovation to trail expansion, we will, in collaboration with the Golden Gate National Parks Conservancy, look to our generous community to help us in the

Presidio's stewardship.

This year has been a year of great progress and of many changes. In 2003, four of our board members retired and we celebrated their very significant contributions. From the board's first meeting in July 1997, two founding members, Amy Meyer and Bill Reilly, fostered a vision for the Presidio as a beautiful and accessible public park. Jennifer Hernandez championed the swift execution of our environmental cleanup program, and brought keen insight to the Presidio's management plan. Mike Heyman, the Secretary of the Interior's designee on the board, shaped our broad vision of the Presidio as a great and enduring public institution.

I hope that you will join me in welcoming our new board members, who were appointed in late 2003. The experience and leadership of Lydia Beebe, David Grubb, Bill Wilson, and Joseph Yew are already contributing much to this special place. Our new board members, like their predecessors, are committed to a legacy of preservation, and the sound financial management it takes to get there.



A handwritten signature in black ink, appearing to read "Toby Rosenblatt". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

**Toby Rosenblatt**  
*Chairman, Board of Directors*

# Message from the Executive Director

The Presidio Trust's purpose is to bring the Presidio to life as a place for the public to discover and enjoy. Each year we progress further, shaping the Presidio into a great park.

In 2003, we developed cultural programs and hosted public events that attracted people with interests ranging from archeology to the American Flag. We hope that these visitors gained a deeper understanding of the Presidio, with an appreciation for its role in the region's history and ecology, as well as its national significance. Nearly all of the Presidio's homes, American archetypes, are rehabilitated and leased, generating more than 50 percent of our earned revenue, and bringing everyday liveliness to the park, both of which are critical. We are developing the Presidio's recreational resources, and have begun to establish a comprehensive network of trails. And we took the first steps towards restoring the Presidio's Main Post,

the geographical heart of the Presidio, as its social center.

As Congress intended, all of this demonstrates the recurring benefit of our revenue-generating efforts. It has been a great year for the park.

The most poignant story of the Presidio is one of everyday human experience. Generations of soldiers and their families passed through the Presidio, leaving for unknown perils, or returning home. This year we celebrated the Presidio's military past, including family life, through the Centennial of Flight at Crissy Field, the Memorial Day commemoration at the National Cemetery, and tours of the Presidio's historic neighborhoods.

Taken together, the Presidio's historic homes and neighborhoods reflect the changes in

American domestic architecture, town planning, and landscape design that occurred over 100 years, from Civil War through world wars — reflecting changes in American values and aspirations. Our historic homes are one of our richest cultural resources, and essential to any understanding of the Presidio's significance. We are rehabilitating these for contemporary needs, bringing more people to live in the park, in keeping with the Presidio's domestic character.

Over the past decade, the Presidio has become an increasingly popular destination for runners, hikers, and bicyclists of all ages. Nearly 30 miles of trails cross the park, but they developed haphazardly, without regard to vistas or orientation to the general plan of the Presidio. In 2003, the Trust and the National Park Service completed a *Trails and Bikeways* plan to improve and expand Presidio trails, and create scenic overlooks to take advantage of the park's most spectacular views. We were also proud to join with the Golden Gate National Parks Conservancy and

the National Park Service in *Trails Forever*, an initiative to enhance trails and to develop a tradition of trails stewardship throughout the 75,000 acre Golden Gate National Recreation Area.

The Presidio has magnificent open spaces, but has yet to restore a central gathering place, a focal point for quotidian life. The Trust has been working with landscape architect and urban designer Laurie Olin and the Olin Partnership of Philadelphia to transform the Main Parade, today seven acres of asphalt, into an exciting civic space, and to help us revitalize the Main Post. This project will concentrate activity on the Main Post, create more versatile spaces for public use, and bring a vibrant mix of uses to the Montgomery Street Barracks — the red brick icons of military order that flank the Parade as it slopes toward the bay.

Where the rhythm of daily military life, from mess hall to formations, once determined the character of the post, new activities and purpose will find a place, creating there own daily

rhythms. The public will gather at the Main Post, whether to enjoy a museum exhibit, a concert, or a meal after a glorious evening walk.

As we approach the 10th anniversary of the post to park transition, the Presidio has become a destination for more and more visitors, curious about the Presidio's history, and eager to understand what it takes to make this a great park. The Presidio is emerging as an enduring public institution, mindful of its history, open to the future.



A handwritten signature in black ink that reads "Craig Middleton". The signature is fluid and cursive, written over a light blue background.

**Craig Middleton**  
*Executive Director*

c. 700

The Ohlone Indians were the first known users of the lands at the Golden Gate.

1776

The Spanish established a military and civilian "presidio" (the Spanish word for "walled fortification") on the site.

1821

After the Mexican Revolution, Mexico takes possession of the Presidio.

1846

War erupts between Mexico and the United States. American forces seize control of the Presidio.

1861

The Civil War establishes the Presidio as a strategic U.S. military post.

1941

The Presidio serves as a major training center for U.S. troops headed for World War II's Pacific Theater.

1962

The Presidio is designated a National Historic Landmark District.

1989

The Base Realignment and Closure Commission designates the Presidio for closure.

1994

The Sixth U.S. Army departs the Presidio. The National Park Service assumes management of the area.



Left to right: The Montgomery Street Barracks, circa 1890; El Presidio viewed from Pershing House, circa 1900; Despite the changes, the historic footprint of the Main Post is clearly seen in these shots from 1925 and 1950.

# Historical Overview

The Presidio is rich in both natural beauty and history. The magnificent lands at the Golden Gate first supported the Ohlone Indians, and later explorers, immigrants, and pioneers from around the world.

1996

Federal legislation creates the Presidio Trust.

1998

The Presidio Trust assumes management of non-coastal areas of the Presidio (80% of the park).

2002

The Presidio Trust Management Plan, which outlines land use policies for Area B of the Presidio, is adopted by unanimous vote of the Trust Board of Directors.

A ground lease is signed by Letterman Digital Arts Ltd. for the 23-acre site of the former Letterman Hospital, and ground is broken to begin construction on the new digital arts center.

2003

The Trust begins planning for major revitalization projects at the Public Health Service Hospital and the Main Parade Ground.

A plan is published, and work begins, to create an integrated and extended network of trails throughout the Presidio.

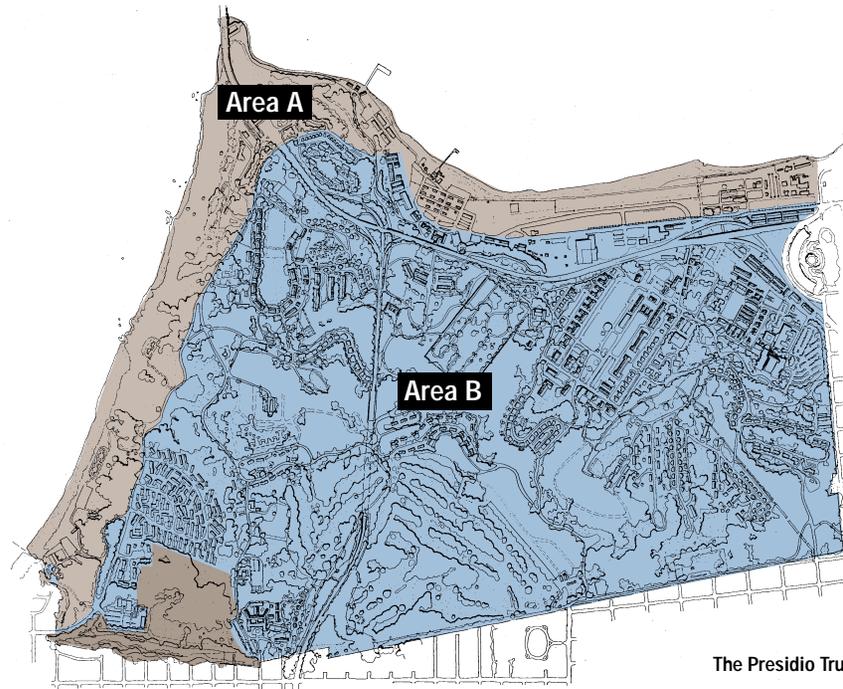
A record number of visitors come to the Presidio to participate in programs and public events, view exhibits and educational programs, and volunteer their time in habitat restoration programs as park stewards.

2013

The Presidio must achieve financial self-sufficiency by this deadline, as mandated by Congress.

Its strategic location overlooking bay and ocean attracted the military of three nations, beginning with the Spanish in 1776. Subsequently, Mexico and the United States had military posts at the Presidio, making it one of the oldest continuously operating military posts in the nation. From the Civil War through the Cold War, the Presidio was used as a training site and a point of debarkation to foreign theaters of combat. It was the site of Crissy Airfield, and the Letterman Army Medical Center and research complex.

When the Sixth U.S. Army departed in 1994, the Presidio became part of the 76,000-acre Golden Gate National Recreation Area. The Presidio was designated a National Historic Landmark in 1962. Today, the Presidio is considered the largest historic preservation project in the nation. The Presidio currently attracts more than four million visitors each year, and is home to 900 households and 175 organizations. Part of the International Network of Biosphere Reserves, the Presidio is also a refuge for many wildlife and plant species.



The Presidio Trust manages the interior 80 percent of the park lands (Area B), and the National Park Service maintains jurisdiction over the coastal areas of the park (Area A).



# About the Presidio Trust

The Presidio Trust is a federal corporation and executive agency created by Congress in 1996. The Presidio Trust manages the interior 80 percent of the park lands (Area B), while the National Park Service maintains jurisdiction over the coastal areas of the park (Area A). The Trust must preserve and enhance the Presidio and also become financially self-sufficient by the year 2013.

Six presidential appointees and a designee of the Secretary of the Interior serve on the Presidio Trust's Board of Directors. An executive director reports to the board, and oversees a professional staff whose expertise includes environmental science and preservation, historic preservation and restoration, operations and maintenance, planning and resource management, real estate development and leasing, public affairs and programs, law, and finance.





# Restoring the Park

### **Improving Access: Trails Through the Presidio**

Multi-use trails help visitors enjoy parks in their own way and at their own pace. The Presidio's trail system, which began taking shape while the park was a U.S. Army base, includes 28 miles of trailways that vary widely in quality, visitor amenities, and accessibility. Improving this network became a focus of the Trust this year when the *Presidio Trails and Bikeways Master Plan* was adopted. The plan is a blueprint for improving and expanding the park's trail system over the next 20 years. Upgrades on heavily used trails will be underway within five years.

The Presidio Trust, Golden Gate National Parks Conservancy, and the National Park Service have joined forces to create *Trails Forever*, an initiative to improve and expand the trails that traverse the coastline from Marin through San Francisco, the Presidio, and San Mateo. It will create new opportunities for discovery and enjoyment of these areas, raise awareness of fragile natural resources, and engage the community in conservation efforts. Visitor amenities such as overlooks, benches, restrooms, and picnic areas, are also part of the initiative.

Two priority trail projects for the Trust are the Presidio Ridgetops trail and the Presidio Promenade. Presidio Ridgetops will link the south side of the Presidio near Mountain Lake to the northern waterfront at Crissy Field. The 2.5-mile trail will include an off-road, multi-use

trail through the Presidio Forest, and a parallel roadside trail with striped bike lanes. As part of the project, a new overlook will be constructed above San Francisco National Cemetery, offering views of the cemetery, Marin headlands, and the Golden Gate. The Presidio Promenade will link some of the Presidio's most historically significant areas. A safe urban trail with dedicated bike lanes, it will lead from the Lombard Gate, through the park's historic heart including the Main Post, Cavalry Stables, and Fort Scott, to the Golden Gate Bridge.

The Trust has implemented a number of changes aimed at improving safety for pedestrians, bicyclists, and motorists. These have included new sidewalk and bike lanes along Lincoln Boulevard, the primary access road to the Baker Beach and South Baker Beach neighborhoods. In addition, crosswalks and intersections were realigned. The additions connect cyclists and foot traffic safely with the 25th Avenue gate.

### **The Presidio Forest**

The historic Presidio Forest was planted by the U.S. Army between 1886 and 1910. Its formal row plantings, reflecting the order and structure of the military, were designed to create an impression of vastness, and to separate the post from the surrounding city. Over the past century, the forest has become a treasured resource to Presidio visitors from the Bay Area and well beyond, and contributes to the park's National

Historic Landmark District status.

To date, more than five acres have been reforested. The Presidio Trust faces a considerable challenge in forest management over the coming years. Because the forest was planted within two decades, the half of its trees which are pine and cypress are reaching the end of their natural lifespans at approximately the same time. More than 150 acres of trees must therefore be replanted over the next 60 years to assure that the beautiful forested landscape of the park is preserved, and that a healthy and self-sustaining forest is created.

Careful planning and research are being invested in the reforestation project so that the revitalized forest will be enduring, and will retain its historic character. In 2003, the Trust forestry staff planted 150 eucalyptus trees of three different species at Rob Hill, a site which is located near the World War II Memorial and overlooks the Pacific Ocean. The trees are being monitored to determine which species is most suitable to the soil and climate of the area. This species will replace the invasive Tasmanian Blue Gum eucalyptus trees that were originally planted at the site, thereby improving the health of the forest while maintaining the historic qualities of the grove.

To make room for the new trees, aging eucalyptus that were growing too close to the Rob Hill campground area, and those that had been damaged by years of "topping" by the



Environmental Remediation



Blue-eyed grass is one of more than 130 native plants grown at the Presidio's nursery for park projects



Mountain Lake

Army, were removed. During the planting period, the Trust Utility Department finished additional improvements to enhance the appearance and safety of the campground.

The forestry staff has also planted 142 Monterey pine trees grown from the root cuttings of Presidio pines found to be resistant to pine pitch canker. This fungus has decimated the pines in Monterey and Santa Cruz counties, and many aging pines in the Presidio have the disease as well. Trust staff, working with plant pathologists from U.C. Davis, identified 17 pines that were resistant to the fungus. Offspring of these trees have been planted in a project called the Pine Experimental Reforestation. The trees' health will be tracked as they grow, and the strongest strains will be cloned for reforestation of nearly 20 percent of the forest that is historically populated by pines.

Natural resources staff completed several studies which will contribute to the enhancement of wildlife and plant values of the Presidio forest. The Eucalyptus Understory Diversification Project examined the feasibility of introducing native species to a cultural forest understory. A number of woody species show promise of success in future diversification projects. The Oak Establishment Project examined methods for increasing survival and growth of planted coast live oaks within a cultural forest. Staff are currently analyzing data from these studies.

### Restoring the Natural Environment

The Presidio's natural areas are a haven for some of the last remaining native plant communities that once thrived in the city, as well as many species of birds and other wildlife. The Trust's partnerships with the National Park Service and Golden Gate National Parks Conservancy in 2003 helped boost community-based stewardship in on-going projects, and expanded stewardship in new projects and additional park terrain. Park staff from all three agencies enjoined schools, corporate groups, Presidio residents, and members of the broader public in a wide range of conservation activities ranging from wildflower seed collection to wildlife monitoring. In total, nearly 20,000 volunteer hours were dedicated to the park.

The restoration of 2.5 acres of native serpentine grassland at Inspiration Point has been in progress since the historic view was recreated in 2001. This rare habitat is vital to the survival of the endangered Presidio Clarkia, named for its location here in the Presidio. The upper two acres of the site were replanted with more than 30,000 native grasses and wildflowers. The growth and health of the plants are being monitored to determine how best to restore other similar plant communities in the park.

Also in 2003, the Mountain Lake Enhancement Plan was further implemented. This natural freshwater lake is a favorite destination of park visitors. For years, the health of the lake has been declining due to its decreasing depth,

poor water quality, and the invasive non-native vegetation that has grown around it. This year, more than 4,000 native perennials, shrubs, and trees were planted to enhance the beauty and improve the ecology of the lake's perimeter. In addition, trees were planted between the lake and Park Presidio Boulevard to reduce street noise, and benches were installed along the shore.

The Trust excavated and removed 19,000 tons of waste from a former Army landfill next to the World War II memorial, exposing 2.7 acres of native soil. Since the soil has been buried for decades, a study was initiated to better understand its specific properties and determine how it should be restored. In 2003, 10,000 native plants were planted at the site as part of this study. Most of the plants were grown at the Presidio Native Plant Nursery. The nursery, a partnership effort between the Presidio Trust and the Golden Gate National Parks Conservancy, propagated and grew approximately 53,000 plants in 2003. More than 150 volunteers and 825 students gave more than 11,000 hours to support nursery activities.

California Quail, California's state bird threatened with extinction in San Francisco, continue to inhabit the Presidio with the support of monthly public habitat restoration programs in partnership with the Golden Gate Audubon Society. This past year, Quail recovery efforts that were once limited to the three-acre Quail Commons restoration project site, were expanded to include selected habitat in a variety of landscapes within a 40-acre area.

### **Environmental Remediation: The Clean-Up Continues**

In 1999, the Presidio Trust assumed responsibility from the U.S. Army for the environmental remediation of the Presidio. Since that time, the Trust has worked methodically to remove landfills, petroleum and lead deposits, skeet and firing range debris, and other contaminants from sites identified throughout the park.

In 2003, the Trust's remediation department passed a major milestone when it created and submitted a revised park-wide feasibility study for remediation. The study replaces an earlier one developed by the Army and sets the highest standards for remediation of Presidio lands and resources.

Also in 2003, 33,000 tons of waste were removed from two large Army landfills known as Landfill 4 and Fill Site 5, and the sites were planted with trees and native vegetation. Regulatory and design documentation is nearly complete on two more landfills that will be removed in 2004. Work was completed on a review of two landfills near the Public Health Service Hospital. Planning for the cleanup of Mountain Lake, Landfill E (at a popular sports field) and 15 additional sites throughout the park also moved ahead.

In the petroleum removal program, Trust staff completed cleanup work of contaminated soil in the Letterman area to make way for construction of the Trust's water recycling plant. The Trust continued work on Corrective Action





Plans for several contaminated sites including the Commissary and Post Exchange. In addition, Trust staff removed four underground petroleum storage tanks. Dramatic progress was seen in the Lead-Based Paint Site Program, with soil cleanups completed at 26 sites and dripline soil testing at 100 sites. In addition, a draft Lead in Soil Cleanup Plan was completed and submitted to regulators for review.

### **The Main Post: "Creating a Vital Public Space"**

The Main Post has been the Presidio's center of activity throughout its 225-year history. The Main Parade Ground, once a field for military drills and ceremonies, has been covered by a large asphalt parking lot since the World War II era. The Trust has begun the process of revitalizing this area, and will create a beautiful park center that retains a strong connection to its long military history.

After a national search, the Trust selected the Philadelphia-based Olin Partnership, headed by internationally-known Laurie Olin, as the landscape architects to oversee the design process for this important project. Olin has long experience in revitalizing historic spaces, having recently participated in Philadelphia's newly reconstructed Liberty Bell Center, the National Constitution Center, and New York's Bryant Park, among numerous other projects across the country and around the world.

Concurrent with planning for the Main Parade Ground, the Trust will develop a transportation center designed to improve access to the Presidio and provide visitor orientation. A small non-historic building on the north end of the Main Post will be removed and replaced with a new structure that will include covered bus waiting areas, public restrooms, a retail space such as a café, and room for informational materials, bus schedules, and maps.

The process of gathering public input on the Main Parade project has begun with a series of public meetings. The conceptual design phase will be completed by Summer 2004, at the end of which the Trust will have established clear goals, strategies for site interpretation and parking, and a preferred design concept.

### **Natural Environment Research Projects**

2003 saw a wide range of contracted research projects which will provide better understanding and conservation of the Presidio's natural resources.

Dr. Matthew LaForce of San Francisco State University completed a project on the geology of Inspiration Point, and will be expanding the study to include other areas of the Presidio in 2004. The geology of the Presidio is interesting and complex due to the plate tectonics that occur in this area. The study determined soil depths and characteristics, nutrient composition, and heavy



Reforestation



Acmon blue butterfly on dune knotweed



California Quail



Great Blue Heron at Crissy Field Marsh



White-crowned Sparrow perched on flowering currant



Coyote sightings were reported regularly throughout the park in 2003

metal toxicity. This work will help us define the boundaries of the rare serpentine habitat that is home to most of our rare plant species.

Phil Williams and Associates conducted a study to identify a broad array of options for ensuring the long-term ecological viability of the Crissy Field Marsh. This study will inform a subsequent planning process that assures compliance with both the National Historic Preservation Act and National Environmental Protection Act.

Dr. Erin Boydston of the U.S. Geological Survey has begun a study of the Presidio's predatory mammals including fox, skunk, raccoon, cat, and coyote. The primary objective of this project is to study the behavior of these animals in the varied landscape of the Presidio in order to identify natural challenges they face, and which factors allow them to coexist with humans. The study has assisted the Trust in evaluating the effects of coyote presence in the Presidio, and helped human residents live safely in association with coyotes and other urban wildlife.

PRBO Conservation Science, under the guidance of Tom Gardali, completed a quail color banding project to establish a California Quail Monitoring Program for the Presidio. In addition, a web-based data entry form was developed so that members of the general public can now report incidental quail sightings. Over time, the

quails' home range size, movement patterns, and habitat use will be assessed to inform appropriate management recommendations for conservation of this locally rare species.

PRBO Conservation Science also completed a four-year survey of songbirds in the Presidio. The study identified 61 songbird species that either visit or live in the park, and set a baseline that can be used to monitor populations and diversity over time. More than 20 survey stations gathered data on species abundance, richness and diversity. All species encountered were classified by management status, nest location and nest type.

Dr. William Russell of the U.S. Geological Survey initiated a research project to assess the effectiveness of various soil treatments in reducing non-native invasive vegetation that colonizes new dune restoration sites. Planting boxes with different soil treatments will be studied to determine the most effective way to reduce weed invasion. These weeds compete with the desired planting palette and threaten the success of restoration projects. The study results will provide guidance in the restoration and management of coastal dune systems in the Presidio.

### Archaeology Projects: Uncovering the Presidio's Living Past

Just as the Trust must plan the future of the Presidio, it must also illustrate and interpret its past. Two major archaeology projects were underway in the park during 2003, one in the Tennessee Hollow area and the other in the Officers' Club, Building 50 on the Main Post.

Dr. Barbara Voss of Stanford University is directing a multi-year project to explore promising sites within the Tennessee Hollow watershed. During this summer's excavations, archaeology students discovered three Spanish-colonial/Mexican period deposits, including the stone foundation of an adobe house. The structure is believed to be one of those occupied by members of the Briones family, who lived in the area in the early 1800s. The stone foundations are in remarkably good condition, and retain the upper level of stone, mud mortar, and adobe brick supports commonly used in construction at the time. The building's interior, and other deposits around its exterior, will be further excavated in Summer 2004.

The excavation work also recovered more than 100,000 artifacts that are currently being catalogued and analyzed by Stanford University researchers. They include household ceramics, construction tiles, bottle glass, and wrought

metal artifacts such as nails, spikes, and hinges. This excavation, the first systematic investigation of homes outside the central quadrangle area of any presidio site in North America, will provide new insights into the complex interactions between early colonial and native populations.

The Officers' Club, the second oldest building in San Francisco, and the Mission Dolores Church are the only buildings from the Spanish Colonial period remaining in San Francisco. The Officers' Club was once part of the original fortified quadrangle built shortly after the initial colonial occupation in 1776. It has been continually used by the militaries of Spain, Mexico, and the United States, serving many functions through the years. Covered by years of modification, remodeling, and repair, some of the last remaining adobe walls in San Francisco still exist deep within the building's walls.

In 2003, a project to determine the condition of the adobe structure hidden beneath Building 50's architectural facade, and the extent of the historic fabric in the building, was begun by the Presidio Trust, National Park Service, and the Architectural Conservation LLC. The information collected during this project will be important to the building's rehabilitation, and provide information about the Presidio's history and the early colonial history of California.



Students and visitors examine an archaeology research site at Tennessee Hollow.



The site is marked in grids for careful study.



Archaeologists dug pits to uncover centuries of artifacts.

# Supporting the Park



## Real Estate Update

The Presidio's residential and non-residential properties provide revenue that supports the park. The Trust faces a number of challenges during the rehabilitation process, including:

- abatement of lead paint and asbestos
- seismic upgrades
- electrical and plumbing upgrades
- repair and refinishing of floors, trim, and hardware
- retrofitting with energy and water-efficient fixtures

To date, 774 non-historic and 167 historic housing units have been rehabilitated. In FY 2003, the Trust rehabilitated 25 historic homes, and 33 non-historic homes. Six commercial buildings, a total of 107,691 square feet, were rehabilitated and prepared for occupancy. In addition, 20 commercial buildings with a total of 196,411 square feet of space were leased.

## New Tenants Enrich Presidio Community

In fiscal year 2003, more than two dozen new commercial tenants joined the Presidio Community, bringing the total number of occupants to more than 200. "Some of our new tenants have taken a particularly creative approach to re-using the Presidio's unique spaces," said Paul Osmundson, director of real estate for the Trust. "This helps us preserve the historic character of the park."

## Presidio Wine Bunkers

Battery McKinnon-Stotsenberg is a 106-year old, 8,500 square foot historic bunker used to house mortars and shells that defended the Golden Gate through three wars. The building has three-foot thick concrete walls, and its roof is covered with plants and shrubs to conceal it from overflying military aircraft. Because of its unique characteristics, its role in the Presidio's present-day community was unclear to park planners.

A Bay Area restaurateur and owner of a storage rental company toured the battery. He noted that its thick walls and absence of windows guaranteed that the interior temperature never rose above 59 degrees, and that humidity levels were invariably low. An idea was sparked. Now called Presidio Wine Bunkers, the battery has been fitted with storage lockers. It offers a perfectly controlled environment to protect and store collectibles, and a great place to visit them.

## Sports Basement

The former Commissary building was a grocery store for the Army community for many years. The store's location, directly across from Crissy Field with its bike and jogging paths, was appealing to the Sports Basement, a local sporting equipment retailer. Sports Basement, which offers a regular schedule of community education and outreach programs, and stresses sustainability in equipping



Historic Home Preservation



Old hardware is painstakingly cleaned and reused.



Presidio Wine Bunkers



Public Health Service Hospital



Letterman Construction



Historic Home Preservation

and running its business, was uniquely appealing to the Trust as a potential tenant.

The Sports Basement found creative uses for much of the equipment left behind in the former Commissary, reducing waste. Old display tables, recycled couches, and even the remaining refrigerator cases, add to the unique style of the store. The Presidio’s sporting community jogs, strolls, runs and bikes to the store on their way to enjoy the park. And Sports Basement’s focus on community, and promotion of physical fitness, complements the Trust’s efforts to encourage use, respect, and appreciation of the area.

### Bay School

The Bay School of San Francisco is an independent high school emphasizing science, technology, ethics, and world religions, and their crucial interrelationship. In summer of 2003, Bay School moved their administrative offices into a building on Funston Avenue in the Presidio, with future plans to move the school’s campus into the park.

A new school founded by veteran educators, Bay School curriculum will focus on developing understanding of different cultures, races, religions and individuals. The school is scheduled to open in the Fall of 2004 in temporary space, and will occupy Building 35, their permanent home, in the Fall of 2005.

### The Public Health Service Hospital — Historic Preservation on a Grand Scale

The Public Health Service Hospital (PHSH) district, at the southwest corner of the Presidio, covers 42 acres, and includes about 400,000 square feet of built space. The first hospital built on the site in 1875 was dedicated to the care of merchant seamen. The old hospital was replaced with the current structure in 1932. This structure, also historic, has stood underutilized or vacant since 1981 and is rapidly deteriorating due to disuse and vandalism.

Preserving and reusing the PHSH district’s buildings represents the largest historic preservation project yet undertaken by the Trust. At a recent public meeting, two development teams presented their project proposals to rehabilitate the main hospital and other historic buildings in the area for primarily residential uses.

The Trust will select one of the two developers to undertake the project, with construction scheduled to begin in Spring 2005. The rehabilitated hospital and residences could be ready for leasing in 2007. When completed, the PHSH community will enhance a dilapidated and deserted area, and contribute significant income to Park improvements and maintenance.

### Construction Progresses at Letterman Site

After the former Letterman Army Medical Center was deconstructed and removed in 2002, new construction began on the hospital's former site. The Letterman Digital Arts Center is now taking shape, and the buildings should be ready for occupancy late in 2005. With its long term lease, the Letterman Digital Arts Center will provide a strong creative presence at the Presidio, and will contribute substantial annual income to support park operations.

### Restoring Historic Homes: Kobbe Avenue and Storey Avenue

Fort Winfield Scott's officers' row housing, situated along serpentine Kobbe Avenue, offers one of the most memorable architectural and landscape experiences at the Presidio. Built in 1912 after the Earthquake of 1906, these 11 stately duplexes were constructed of stucco-covered reinforced concrete, with walls that are eight inches thick. They were designed in the Mediterranean and Georgian Revival styles. Set on high ground with glimpses of San Francisco Bay framed by the Presidio forest, the Kobbe Avenue homes were among the first Presidio residences sited to take advantage of the post's hilly terrain

and spectacular views. These impressive residences are undergoing rehabilitation, and will be available for occupancy beginning in Spring 2004.

Eight identical buildings, all duplexes, were built as officers' quarters in 1933 along Storey Avenue, just south of the Golden Gate Bridge. Vacant for years, they were in a state of significant disrepair when the Trust retained Page and Turnbull, a nationally-recognized San Francisco architectural firm, to develop plans for their rehabilitation. Design work began in early 2003 and, using a third-party general contractor, rehabilitation commenced in the fall. All 16 units are expected to be occupied in Summer of 2004.

In both neighborhoods, overhead utilities were moved underground to improve both performance and the atmosphere of the neighborhood. Kitchens and bathrooms were modernized. Wherever possible, the original brass window clasps, drawer pulls, stairway ornamentation, moldings, and other fixtures were painstakingly cleaned of years of paint, dirt and rust, and restored to their original beauty. While still very historic in feeling, the homes will be practical for modern living.

Right: Construction at Letterman Digital Arts Center



# Enjoying the Park



The Historic Flag Exhibition



Women of the World Exhibition



Presidio House Tours



Arbor Day plantings and activities

With the goal of encouraging public use and enjoyment of the Presidio, the Trust and its partners sponsor programming that spans education, cultural enrichment, and family fun. Many local and national groups use the Presidio as a venue for major sporting events as well.

Programming highlights for fiscal year 2003 include:

**December – Holiday Lights**  
This annual event, a tradition since the post's military days, was attended by more than 300 members of the Presidio community. Attendees enjoyed the traditional tree lighting, caroling, and refreshments at the Presidio Fire Station. Partners included the Presidio Fire Department and the Presidio YMCA.

**January through February – Flag Exhibition at the Officers' Club**  
Titled *The American Flag: Two Centuries of Concord and Conflict*, this unique exhibition of historically and artistically significant flags was visited by more than 4,000. The exhibition was accompanied by a series of evening programs and a celebration of Flag Day at the Pershing Square flagpole on June 14th.

**March through April – Women of the World Exhibition at the Officers' Club**  
This exhibition included more than 170 works by women artists from around the world. It was presented by the International Museum of Women, and viewed by more than 5,000. The exhibition was complemented by a series of evening programs, including a discussion of the changing role of women in the military.

**March – Presidio House Tours**  
PresidiGo shuttles took visitors to tour historic houses in the Main Post and East Hills neighborhoods. Guides on the shuttles and docents in each house explained how the Presidio grew under Army occupation, and what domestic life in the military was like. Partners included the Presidio and Fort Point Historical Association, and the National Park Service.

**April – Presidio Arbor Day**  
Presidio community volunteers worked with members of Friends of the Urban Forest and forestry staff of the Presidio Trust to plant dozens of trees at the former site of Landfill 4. Activities included a public barbeque, music, story-telling, a tree climbing demonstration, and a tree hike.

Partners included Friends of the Urban Forest, Neighborhood Associations for Presidio Planning, the Golden Gate Raptor Observatory, and the National Park Service.

**May – Memorial Day**  
The largest Memorial Day observance in the City of San Francisco, the ceremony included a short parade in the Main Post and a formal ceremony at the San Francisco National Cemetery. It was attended by more than 1,500 patriots. Partners included Veterans' organizations,

and the Veterans Administration.

**June – Presidio Pasados**  
This annual commemoration of the Presidio's past included dance, music, children's activities, and storytelling. The evening was highlighted by a special concert and dance presentation. Partners included the National Park Service and Mission Dolores.

**October 4 – Film in the Fog**  
For the second consecutive year, San Franciscans grabbed their overcoats, sleeping bags and blankets, and headed to the Presidio for an outdoor screening of a classic film. Attendees enjoyed live music as they picnicked and chatted with family and friends. More than 1,500 film fans then settled into their lawn chairs to enjoy the evening. Partners for the event included the San Francisco Film Society,



Tree climbing demonstration on Arbor Day

Presidio Bowling Alley, and the Presidio Golf Course.

**October – Crissy Field Centennial of Flight**

Thousands of visitors helped celebrate the centennial of flight at the Presidio. Events held at the Glass Palace and West Crissy Field included a marching band, kite building, helicopters and a working replica of the Wright Flyer on display, and a retro airline fashion show. Partners included SFO Museum, Golden Gate National Parks Conservancy, and the National Park Service.

**Ongoing – Kids on Trails**

To encourage young naturalists and their parents to enjoy Presidio trails, the Trust, in cooperation with the National Park Service, published an informative walking guide targeted at park visitors aged five

to eight. School groups, special interest groups, and individual families have taken advantage of the program.

**The Perfect Backdrop for a Public Event**

The Presidio is a favorite location for sporting events, festivals, and group gatherings. In fiscal year 2003, the Presidio was host to:

- 25 races including runs, walks, and cycling events
- 9 large picnics
- 34 large public and private events at Crissy Field, Fort Point, or the Coastal Trail
- 12 festivals and other public events

More than 100,000 people came to the Presidio for these and other events.

**The Rob Hill**

Campground is booked to capacity during its active months. Families, schools and leagues use the park's three ball fields for safe and convenient recreation. Joggers and cyclists make their regular treks along Presidio trails and pathways at all hours. Tourists walk the Main Post, attend weekend programs, or tour the park on the Presidigo Shuttle daily. At Inspiration Point, visitors can enjoy a private moment or share their wedding with friends.



Memorial Day



Presidio Pasados



Film in the Fog



Celebrating the Centennial of Flight



Kids enjoying the wind at the Centennial of Flight celebration



Kids on Trails



## Awards and Honors

The Presidio Trust and its consultant Sasaki Associates Inc. received first place honors for 2003 in the Outstanding Planning Document category from the Association of Environmental Professionals. The award recognized the Presidio Trust Management Plan for being “truly outstanding, easy to read, gorgeous and useful.” The agency also cited the PTMP for its “good balance of land uses and environmental protection, good integration of built and natural environments, excellent and rarely addressed reuse of existing buildings, and demolition to re-create habitat...”

The Presidio Trust received the 2003 Environmental Achievement Award from the U.S. Environmental Protection Agency for its outstanding compost and regeneration program. The program uses green waste generated in the park to create high quality, natural soil amend-

ments for use in improving landscapes, grounds, forests, and natural areas within the park. The program has also helped the Trust and partners eliminate use of toxic materials such as fertilizers and pesticides, and significantly reduce waste.

The Presidio Trust has received the 2003 Award of Excellence in the category of Planning Implementation/Large Jurisdiction from the California chapter of the American Planning Association. The award recognized the Presidio Trust Management Plan for “tackling the formidable task of transforming a former military base into a variety of public and private uses. The CCAPA jury was impressed with the stewardship of the property, and the successful implementation of the management plan.”



# Financial Statements

Years Ended September 30, 2003 and 2002,  
with Report of Independent Certified Public Accountants



# Financial Statements

*Years ended September 30, 2003 and 2002*

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## Management's Discussion and Analysis

### OVERVIEW

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The Presidio Trust (the Trust) is the federal entity created by Congress to be the guardian of the natural, scenic, recreational and cultural resources of the Presidio of San Francisco (Presidio) in partnership with the National Park Service (NPS). The Trust is managing the Presidio's transformation from a post of the U.S. Army to a first-of-its-kind sustainable national park serving both a vibrant internal community and millions of visitors.

The Trust is rehabilitating the historic structures that distinguish the Presidio as a National Historic Landmark District and enhancing the extraordinary natural environment that led Congress to include the Presidio in the Golden Gate National Recreation Area in 1972. As mandated by law, the Trust is on a path to achieve financial self-sufficiency by Fiscal Year 2013.

The Trust is directed 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 an independent executive branch agency and is therefore accountable to various federal oversight agencies such as the Office of Management and Budget (OMB) and the General Accounting Office (GAO). The Trust is required to submit annual reports to Congress, and quarterly and annual financial reports to OMB and the Department of the Treasury.

In July 1998, the Trust submitted to Congress its Financial Management Program (the Program). The Program outlines how the Trust will reduce its reliance on appropriated funds and achieve financial self-sufficiency. The Program calls for declining appropriations levels each successive year and no appropriations in Fiscal Year 2013 and beyond.

The Trust operations are currently financed through a direct appropriation, which will continue to decrease in each of the next nine years, rental leases for both residential and non-residential property, and reimbursable agreements with other government agencies. Additionally, the Trust manages service-related entities, including water treatment, electrical distribution and telecommunications for the Presidio.

## **MISSION, ORGANIZATIONAL STRUCTURE AND GOALS**

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### **Mission**

The mission of the Trust is to preserve and enhance the Presidio as a National Park and National Historic Landmark District in an urban area. In order to assure its continued preservation as a National Park, Congress has mandated that the Trust achieve financial self-sufficiency by Fiscal Year 2013.

To achieve its mission, the Trust is creating at the Presidio a model of sustainability – an innovative approach to park management that ensures consideration of long-term environmental, community and economic effects in all Trust decision-making.

In a step unusual for a government agency, the Trust developed in 1998 a 30-year financial model for the Presidio that provides a blueprint for achieving financial self-sufficiency by Fiscal Year 2013. The model formed the basis for the Trust's Financial Management Program (the Program), which was presented to Congress on July 8, 1998. The Program provides for an annual decline in direct appropriations from Congress, resulting in zero appropriations in Fiscal Year 2013, and details the level of capital investment needed prior to that break-even year in order to achieve sufficient annual cash flow to operate and maintain the park indefinitely.

Recognizing that many circumstances have changed since the National Park Service published its 1994 General Management Plan Amendment (GMPA) for the Presidio, the Trust did a plan update, which was completed in the spring of 2002. The updated plan sets a general framework for the future of the park, which will provide parameters for future actions. All planning efforts at the Presidio include a major outreach to the general public and incorporate thousands of public comments.

### **Organizational Structure**

The Presidio Trust was established as a wholly owned government corporation of the Federal government. Authority is vested in a

seven-member Board of Directors. The President of the United States appoints six members of the Board. The Secretary of the Interior or his designee also serves on the Board. The Trust's staff is directed by an Executive Director and is organized into six divisions; each managed by a Director, Chief Financial Officer, or the General Counsel who reports to the Executive Director.

In establishing the Presidio Trust as a wholly-owned government corporation, Congress created an organization that could operate in the marketplace, make real-time decisions and reinvest revenues into the park in order to generate sufficient cash flow to eventually operate the park without federal appropriations.

The Trust Act (Public Law 104-333) provided significant operational latitude in staffing, contracting, leasing and the retention of revenues. The Trust manages park operations and leasing functions through a combination of direct staffing and contracting.

### **Goals**

#### ***Preserving and Enhancing the Presidio as a National Park Site in an Urban Area***

The Trust was designed specifically to manage the Presidio, a unique national park site, in a manner that protects its scenic beauty, natural and historic resources and recreational attributes for future generations. The Trust, a federal executive agency, must also become financially self-sustaining by Fiscal Year 2013. These goals reinforce each other. By creating a park that is sustainable – environmentally, culturally and financially – the Trust will be better able to ensure the Presidio's long-term viability and protection as part of the national park system.

#### ***Achieving Financial Self-Sufficiency***

The Presidio Trust Act requires the Trust to reduce its reliance on federal appropriated dollars each year. Beginning in Fiscal Year 2013, the Trust will no longer be authorized to receive federal appropriations. In 1998, the Trust submitted a schedule of annually declining appropriations resulting ultimately in financial self-sufficiency.

Unlike many other federal agencies, the Trust is authorized to retain revenues that it receives and use them for costs associated with park operations, capital improvements and reserve for future capital needs.

In order to develop a sustained stream of revenue to support the park, the Trust is aggressively leasing the Presidio's historic and non-historic buildings. Essential capital improvements to these buildings are funded either directly by Trust funds and borrowing or indirectly through the use of third-party capital investment secured by long-term leases.

In Fiscal Year 2003, the Trust generated \$39.6 million in leasing revenues. This represents an increase of 29% over FY 2002 leasing revenues.

During Fiscal Year 2002, the Trust completed the deconstruction of the outdated 900,000 square foot Letterman hospital and research facility. With site preparation complete by the end of the fiscal year, use of the site was transferred in early FY2003 to Letterman Digital Arts and construction of the privately funded project has begun. Funded by Lucasfilm Ltd., the new facility will provide park visitors with a host of park improvements, including a new seven-acre park area, cafes and walking paths. By Fiscal Year 2013, when the Trust is expected to achieve financial self-sufficiency, the Letterman project will provide the Trust with approximately 12-14% of the annual revenue needed to sustain the Presidio.

In order to achieve financial self-sufficiency by Fiscal Year 2013, the Trust must invest heavily in building rehabilitation and infrastructure improvements during the early years when federal appropriations are available to support the park's operating costs. In Fiscal Year 2003, the Trust invested over \$15.8 million in capital projects, and plans an ambitious \$31.1 million capital program in Fiscal Year 2004. Congress authorized a total of \$50 million in Treasury borrowing for capital investment; however, this level of borrowing will fund only about 10% of the Presidio's ultimate capital

need. It is therefore essential that Congress continue to fully fund the Trust's annual appropriations requests in order to allow earned income to be used for needed capital investment. Additional Treasury borrowing or other sources of credit would also enhance the Trust's ability to make the investments necessary for achieving sustained streams of revenue.

Recognizing its potential shortage of capital and its need to generate adequate future cash flow to fund both park operations and capital improvements, the Trust undertook a significant tightening of its operating budget in Fiscal Years 2003 and 2002. The reductions to operating costs were a result of work force reductions and other expenditure reductions. The Trust is planning further reductions in its operating costs to take effect in Fiscal Year 2004. Approximately 85% of operating funds saved will be invested in capital projects necessary for revenue production in future years. In an effort to reflect the exigencies of the current marketplace, the Trust will invest primarily in residential rehabilitation and leasing projects.

## **FINANCIAL RESOURCES AND RESULTS OF OPERATIONS**

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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 2003 and 2002. Highlights of the financial information presented in the financial statements are shown below:

### **Net Cost Of Operations**

The gross operating costs of \$64.54 million and \$65.74 million, for Fiscal Years 2003 and 2002, respectively, are shown on the Statement of Net Cost. These costs were reduced by \$65.02 million and \$49.83 million of earned revenues to arrive at net cost of operations of \$(0.48) million and \$15.91 million for Fiscal Years 2003 and 2002, respectively.

### **Financial Position**

The Trust's total assets were \$221.09 million and \$208.73 million at the end of Fiscal Years 2003 and 2002, respectively. Of the Fiscal Year 2003 amount, \$121.59 million consisted of investments in U.S. Treasury securities through the Bureau of Public Debt. There was also \$138.12 million and \$148.83 million in liabilities at the end of Fiscal Years 2003 and 2002 respectively. Fiscal Year 2003 liabilities include \$49.98 million in debt to the U.S. Treasury and advances of \$70.11 million from the Army for environmental remediation. The Trust's net position was \$82.97 million and \$59.91 million at the end of Fiscal Years 2003 and 2002, respectively.

### **Budgetary Resources**

The Trust's budgetary resources were \$179.43 million and \$187.56 million, for Fiscal Years 2003 and 2002. For Fiscal Years 2003 and 2002 respectively, this consisted of \$21.33 million and \$23.13 million in appropriated funds, \$109.86 million and \$119.35 million in unobligated funds from the previous year, and \$48.38 million and \$45.08 million in collections. Obligations incurred against these resources were \$79.61 million and \$77.66 million. Unobligated balances at the end of Fiscal Years 2003 and 2002 were \$99.82 million and \$109.90 million, respectively. This unobligated balance is due primarily to the advance from the Army of remediation funds and unused Treasury borrowing in Fiscal Year 2002.

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

Financing sources other than earned revenues funded the Trust's net cost of operations. The Trust reported \$22.58 million and \$24.93 million of other financing sources on the Statement of Changes in Net Position for Fiscal Years 2003 and 2002 respectively. This consisted primarily of appropriations used.

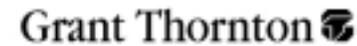
### **LIMITATIONS OF THE FINANCIAL STATEMENTS**

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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 with the realization that the Trust is a component of the U.S. government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without authorizing legislation.

The accuracy of the information contained in the principal financial statement and the quality of internal control rests with management.

# Report of Independent Auditors



**Accountants and Management Consultants**

## **Report of Independent Certified Public Accountants**

To the Board of Directors of  
The Presidio Trust

We have audited the accompanying balance sheet of the Presidio Trust (the Trust) as of September 30, 2003, and the related statements of net cost, changes in net position, budgetary resources and financing for the year 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 audit. The financial statements of the Presidio Trust as of and for the year ended September 30, 2002, were audited by other auditors. Those auditors' report, dated January 3, 2003, on those financial statements expressed a qualified opinion due to the Trust's valuation methodology for certain property, plant and equipment transferred to the Trust at its inception.

Except as discussed in the following paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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. 01-02, *Audit Requirements for Federal Financial Statements*. These standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 audit provides 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

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Standards (SFFAS) No. 6 – *Accounting for Property, Plant and Equipment (PPE)* – requires PPE to be recognized when title passes to the entity. Additionally, 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 2003 financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of September 30, 2003, and its net costs, its changes in net position, budgetary resources, and financing for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of expressing an opinion on the financial statements referred to in the first paragraph. The information presented in the Overview of the Trust 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 audit of the financial statements, and accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our reports as of and for the year ended September 30, 2003, dated December 23, 2003, on our consideration of the Trust's internal control over financial reporting and our tests of its compliance with applicable laws and regulations. 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 audit.



December 23, 2003  
San Francisco, California

# Financial Statements

## BALANCE SHEET

	SEPTEMBER 30	
	2003	2002
<b>ASSETS</b>		
Intragovernmental assets		
Fund balance with treasury [NOTE 2]	\$ 5,751,541	\$ 6,031,529
Investments [NOTE 4]	121,593,331	125,162,851
Accounts receivable, net [NOTE 5]	668,766	261,270
	<u>128,013,638</u>	<u>131,455,650</u>
Cash and other monetary assets [NOTE 3]	1,247	182,764
Accounts receivable, net [NOTE 5]	1,018,504	1,738,879
General property, plant, and equipment, net [NOTE 7]	85,380,573	74,073,562
Other assets		
Government improvement accounts [NOTE 8]	406,629	937,039
Deferred rent receivable [NOTE 8]	6,249,424	335,746
Prepayments [NOTE 8]	19,400	11,225
	<u>93,075,777</u>	<u>77,279,215</u>
<b>Total assets</b>	<u><u>221,089,415</u></u>	<u><u>208,734,865</u></u>
<b>LIABILITIES</b>		
Intragovernmental liabilities		
Accounts payable	6,051,875	4,370,541
Debt [NOTE 9]	49,978,000	49,978,000
Other liabilities		
Employer contributions payable [NOTE 11]	232,892	219,099
Other post employment benefits payable [NOTE 11]	1,612,696	568,194
Unfunded FECA liability [NOTE 11]	0	820,926
	<u>57,875,463</u>	<u>55,956,759</u>
Accounts payable	2,604,083	4,571,862
Other liabilities		
Environmental remediation advance [NOTE 10]	70,111,732	79,453,630
Capital lease liability [NOTE 12]	2,020,104	2,756,653
Security deposits [NOTE 11]	2,783,399	2,581,789
Payroll payable [NOTE 11]	533,563	1,499,066
Annual leave liability [NOTE 11]	1,456,508	1,333,367
Unfunded liabilities [NOTE 11]	136,750	42,676
Prepaid rents [NOTE 11]	593,928	629,488
	<u>80,240,067</u>	<u>92,868,532</u>
<b>Total liabilities</b>	<u><u>138,115,530</u></u>	<u><u>148,825,291</u></u>
<b>NET POSITION</b>		
Balances		
Unexpended appropriation	0	0
Cumulative results of operations	82,973,885	59,909,575
<b>Total net position</b>	<u>82,973,885</u>	<u>59,909,575</u>
<b>Total liabilities &amp; net position</b>	<u><u>\$ 221,089,415</u></u>	<u><u>\$ 208,734,865</u></u>

The accompanying notes are an integral part of these statements.

**STATEMENT OF NET COST**

	FOR THE YEARS ENDED SEPTEMBER 30	
	2003	2002
<b>PROGRAM COSTS</b>		
Intragovernmental gross costs	\$ 16,433,393	\$ 18,526,090
Less: intragovernmental earned revenues	14,748,895	13,342,285
Intragovernmental net costs	1,684,498	5,183,805
Gross cost with the public	48,106,574	47,212,925
Less: earned revenues	50,273,757	36,486,754
Net costs with the public	(2,167,183)	10,726,171
Net Cost of Operations	\$ (482,685)	\$ 15,909,976

**STATEMENT OF CHANGES  
IN NET POSITION**

	FOR THE YEARS ENDED SEPTEMBER 30			
	2003		2002	
	<i>Cumulative Results of Operations</i>	<i>Unexpended Appropriations</i>	<i>Cumulative Results of Operations</i>	<i>Unexpended Appropriations</i>
Beginning balances	\$ 59,909,573	\$ 0	\$ 50,887,765	\$ 27,668
<b>BUDGETARY FINANCING SOURCES</b>				
Appropriations received	0	21,327,000	0	23,125,000
Other adjustments (rescissions, etc.) (+/-)	0	(138,625)	0	0
Appropriations used	21,188,375	(21,188,375)	23,152,668	(23,152,668)
<b>OTHER FINANCING SOURCES</b>				
Transfers-in/out without reimbursement (+/-)	40,750	0	159,780	0
Imputed financing from costs absorbed by others	1,352,502	0	1,619,336	0
Total financing sources	22,581,627	0	24,931,784	(27,668)
Net cost of operations	(482,685)	0	15,909,976	0
Ending balances	\$ 82,973,885	0	\$ 59,909,573	0

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

**STATEMENT OF  
BUDGETARY RESOURCES**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2003**

<b>BUDGETARY RESOURCES</b>	
Budget authority – appropriations received	\$ 21,327,000
Unobligated balance – beginning of period [NOTE 15]	109,862,840
Spending authority from offsetting collections	
Earned	0
Collected	60,330,731
Change in unfilled customer orders – advance received	(11,954,630)
	48,376,101
Permanently not available	138,625
<b>Total budgetary resources</b>	<b>179,427,316</b>
<b>STATUS OF BUDGETARY RESOURCES</b>	
Obligations incurred	0
Reimbursable	79,611,012
Unobligated balances - available	0
Apportioned	99,816,304
<b>Total status of budgetary resources</b>	<b>179,427,316</b>
<b>RELATIONSHIP OF OBLIGATIONS TO OUTLAYS</b>	
Obligated balance, net, beginning of period	21,326,689
Obligated balance, net, end of period	
Accounts receivable	1,720,138
Undelivered orders	18,211,266
Accounts payable	11,035,109
<b>OUTLAYS</b>	
Disbursements	73,924,078
Collections	48,888,714
	25,035,364
Less: offsetting receipts	1,461,287
<b>Net outlays</b>	<b>\$ 23,574,077</b>

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

STATEMENT OF FINANCING

FOR THE YEAR ENDED  
SEPTEMBER 30, 2003

RESOURCES USED TO FINANCE ACTIVITIES

Budgetary resources obligated	
Obligations incurred	\$ 79,611,012
Less: spending authority from offsetting collections and recoveries	(48,376,100)
Obligations net of offsetting collections and recoveries	31,234,912
Less: offsetting receipts	(1,461,287)
Net obligations	29,773,625
Other resources	
Transfers in/out without reimbursement	40,750
Imputed financing from costs absorbed by others	1,352,502
Net other resources used to finance activities	1,393,252
Total resources used to finance activities	31,166,877

RESOURCES USED TO FINANCE ITEMS NOT PART OF THE NET COST OF OPERATIONS

Change in budgetary resources obligated for goods, services, and benefits not yet provided	(17,835,518)
Resources that fund expenses recognized in prior periods	(1,557,475)
Other	(3,271,385)
Resources that finance the acquisition of assets	(15,774,971)
Other resources or adjustments to net obligated resources that do not affect the net cost of operations	(5,564,178)
Total resources used to fund items not part of the net cost of operations	(44,003,527)
Total resources used to finance the net cost of operations	(12,836,650)

COMPONENTS OF THE NET COSTS OF OPERATIONS THAT WILL NOT REQUIRE OR GENERATE RESOURCES IN THE CURRENT PERIOD

Components requiring or generating resources in future periods	
Increase in annual leave liability	123,142
Increase in exchange revenue receivable from the public	(58,256)
Other	5,658,722
Total components of net cost of operations that will require or generate resources in future periods	5,723,608
Components not requiring or generating resources	
Depreciation and amortization	4,433,210
Other	2,197,147
Total components not requiring or generating resources	6,630,357
<b>NET COST OF OPERATIONS</b>	<b>\$ (482,685)</b>

The accompanying notes are an integral part of these statements.

# Notes to Financial Statements

September 30, 2003 and 2002

## 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 Interior (DOI) and six individuals from the private sector appointed by the President of the United States.

The Trust currently finances operations through appropriations, which will decrease over the next nine years, borrowings from the U.S. Treasury for the renovation of properties, reimbursable agreements with other government agencies, and rental leases for both residential and non-residential property. If it fails to achieve self-sufficiency by Fiscal Year 2013, the net assets will be transferred to the General Services Administration for disposition.

### 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 (US GAAP), and the form and content specified by the Office of Management and Budget (OMB) in OMB Bulletin 01-09. US 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.

### 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 (SGL). Use of sub-accounts allows transactions to be recorded at a more detailed level and provides 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 purchase order is issued. Budgetary accounting facilitates compliance with legal constraints and controls over the use of federal funds.

### Balance Sheet

The balance sheet presents 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 in the following:

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

**LIABILITIES** represent amounts owed by the Trust as the result of transactions that have occurred. Liabilities funded by available budgetary resources include: (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.

Liabilities not covered by budgetary resources are liabilities where funding has not yet been made available through Congressional appropriations or current earnings. The Trust recognizes such liabilities for employee annual leave earned but not yet taken.

**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 the Trust 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 shows the net cost of operations less financing sources other than exchange revenues, and the net position at the end of each period. Major components are described below:

*Financing Sources* arise primarily from exercise of the Government's power to demand payments from the public (e.g., taxes, duties, fines, and penalties). These non-exchange revenues include appropriations, transfers of assets from other Government entities, donations, and imputed financing.

*Appropriations* for financial statement purposes are recognized as a financing source as expenses are incurred.

### **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* represent the funds 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.

*Obligations Incurred* consist of expended authority, recoveries of prior year obligations and the change in undelivered orders.

### **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 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 Report on Budget Execution (SF-133) and the Statement of Budgetary Resources.

Based on appropriation language, they are considered "funded" liabilities for purposes of the Balance Sheets, Statements of Net Cost and Statements of Changes in Net Position.

### Use of Estimates in Preparing Financial Statements

Preparation of financial statements in accordance with US GAAP 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 until future years are included in deferred rent receivable. Deferred rent receivable is included in other assets (Note 8).

### Intra-Governmental Relationships and Transactions

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

#### *Department of Interior (DOI)*

An interagency agreement exists between the Trust and the DOI for the DOI to provide payroll services. Additional interagency agreements between the Trust and the National Park Service cover the provision of fire and police services to the Trust.

#### *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.

## 2. FUND BALANCE WITH TREASURY

Fund Balance with Treasury by fund type as of September 30, 2003 and September 30, 2002 consists of the following:

### *Fund Balance with Treasury by Fund Type*

	<i>FY 2003</i>	<i>FY 2002</i>
Revolving funds	\$ 5,751,541	\$ 6,031,529

Status of Fund Balance with Treasury on September 30, 2003 and September 30, 2002 consists of the following:

### *Status of Fund Balance with Treasury*

	<i>FY 2003</i>	<i>FY 2002</i>
Available	\$ 5,751,541	\$ 6,031,529
Unavailable	0	0

## 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 maintained four bank accounts at West America Bank for the purpose of depositing rental revenues and security deposits, and paying all related expenses of the property management company. Three of these bank accounts were closed in September 2003 and one in October 2003. The residential property management company started making deposits of rental revenues directly into the Trust's Treasury General Account in October 2002. The combined balance in these accounts as of September 30, 2003 and 2002 was \$1,247 and \$182,764, respectively.

#### 4. INVESTMENTS

The Trust is required by P.L. 104-333 to invest excess cash only in non-marketable Treasury securities issued by the Bureau of Public Debt (BPD).

Investments as of September 30, 2003:

##### INTRAGOVERNMENTAL SECURITIES

	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Par Value</i>
Non-marketable/market-based	10/01/03	0.95%	\$ 88,347,000
Non-marketable/market-based	09/30/29	5.52%	2,978,000
Non-marketable/market-based	09/30/29	6.12%	30,266,000
			121,591,000
Interest receivable			2,331
			\$ 121,593,331

The investment with a September 30, 2029 maturity date is an investment 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. The Trust was owed \$2,331 of interest on the investments as of September 30, 2003. This amount was paid in full to the Trust by the BPD on October 1, 2003.

Investments as of September 30, 2002:

##### INTERGOVERNMENTAL SECURITIES

	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Par Value</i>
Non-marketable/market-based	10/01/02	1.90%	\$ 91,914,000
Non-marketable/market-based	09/30/29	6.12%	30,266,000
Non-marketable/market-based	09/30/29	5.52%	2,978,000
			125,158,000
Interest receivable			4,851
			\$ 125,162,851

The Trust was owed \$4,851 of interest on the investments as of September 30, 2002. This amount was paid in full to the Trust by the BPD on October 1, 2002.

## 5. ACCOUNTS RECEIVABLE, NET

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Accounts receivable as of September 30, 2003, is comprised of the following:

	<i>Government</i>	<i>Non-Government</i>	<i>Total</i>
Gross accounts receivable	\$ 668,766	\$ 1,146,729	\$ 1,815,495
Less allowance for losses	0	(128,225)	(128,225)
Net accounts receivable at September 30, 2003	\$ 668,766	\$ 1,018,504	\$ 1,687,270

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Receivables consist of amounts due from rental properties, utilities, venue rentals, reimbursable contracts, and service district charges. The Trust's allowance for loss policy 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 reserve for these accounts. For the remaining receivables over 90 days old, the Trust reserves 75% of the balance.

Accounts receivable at September 30, 2002 is comprised of the following:

	<i>Government</i>	<i>Non-Government</i>	<i>Total</i>
Gross accounts receivable	\$ 261,270	\$ 1,996,644	\$ 2,257,914
Less allowance for losses	0	(257,765)	(257,765)
Net accounts receivable at September 30, 2002	\$ 261,270	\$ 1,738,879	\$ 2,000,149

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

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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, 2003, 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, 2003, the Trust had not exercised this authority.

## 7. GENERAL PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment (PPE) 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 and with a useful life of two or more years. These assets are depreciated over their useful lives in accordance with Trust guidelines.

Specific Trust capitalization and depreciation guidelines are as follows:

<i>Classification</i>	<i>Estimated Useful Life</i>	<i>Straight Line Depreciation</i>	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Balance at 9/30/03</i>	<i>Net Balance at 9/30/02</i>
Land and land rights	N/A	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Improvements to land	N/A	0	0	0	0	0
Construction-in-progress	N/A	0	10,452,296	0	10,452,296	1,991,576
Buildings, improvements and related renovations and rehabilitations prior to takeover by the Trust	40 years ①					
• Over 40 years old		0	0	0	0	0
• Under 40 years old		714,095	28,563,792	15,950,032	12,613,760	13,327,855
Buildings, improvements and related renovations and rehabilitations since takeover by the Trust	40 years ①					
		1,254,576	52,275,841	2,587,598	49,688,243	47,181,756
Assets under capital lease	②	452,670	4,091,648	962,508	3,129,140	3,526,696
Other property, plant and equipment (including furnishings and equipment)	②					
		2,011,869	18,798,918	9,301,785	9,497,134	8,045,679
<b>TOTAL</b>		\$ 4,433,210	\$ 114,182,495	\$ 28,801,923	\$ 85,380,573	\$ 74,073,562

① Buildings, improvements and related renovations and rehabilitations useful life of 40 years or less for improvements and renovations depending on remaining building life.

② Assets under capital lease are amortized based on the Trust's depreciation policy. Other property, plant and equipment's estimated useful life is also based on the Trust's capitalization and depreciation policy.

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
- extend the useful life of the building for at least 20 years

Furnishings and equipment purchased for a unit cost in excess of \$25,000 are also capitalized. Construction-in-progress may include not only direct costs, but also an assigned indirect cost component, including architectural fees and legal expenses.

Land is considered to be general PPE and, in accordance with SFFAS #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.

On September 30, 1999, most of the Trust's PPE was transferred to the Trust from the NPS. 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 building over 40 years old, and the cost of related renovations or rehabilitations prior to the Trust's formation, is considered fully depreciated and is reflected at a book value of \$0.
- Any structure less than 40 years old (built in 1959 or later) is carried 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. The Letterman Hospital facility, which was constructed within the last 40 years,

was reflected at a net book value of \$0 at the date of the Trust's formation due to the inherent limitations in the use of a replacement cost analysis for a hospital facility. The Letterman Hospital facility was deconstructed in Fiscal Year 2002 and the site was prepared for new construction, which began in Fiscal Year 2003. The direct costs that the Trust has incurred for the Letterman site are included in construction in progress.

- Other PPE transferred to the Trust from the NPS is capitalized at historical cost less depreciation that would have been taken over its useful life, based on the Trust's depreciation guidelines.
- Land and infrastructure improvements are reflected at a net book value of \$0.

The Trust determines depreciation and amortization using straight-line methodology. 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 of acquisition.

## 8. OTHER ASSETS

	<i>2003</i>	<i>2002</i>
Intragovernmental	\$ 0	\$ 0
Government improvement account	406,629	937,039
Deferred rent receivable	6,249,424	335,746
Prepayments – commuter checks	19,400	11,225
<b>TOTAL OTHER ASSETS</b>	<b>\$ 6,675,453</b>	<b>\$ 1,284,010</b>

The Government Improvement Account 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. In Fiscal Year 2003, the Trust had one government improvement account. In Fiscal Year 2002, the Trust held two government improvement accounts.

Deferred rent receivable was \$6,249,424 and \$335,746 in 2003 and 2002.

## 9. DEBT

	2003	2002
<b>DEBT TO THE TREASURY</b>		
<b>Note C</b> (dated 09/29/00)	\$ 20,000,000	\$ 20,000,000
<b>Note C</b> (dated 9/28/00)	20,000,000	20,000,000
<b>Note C</b> (dated 9/29/01)	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 are intended to finance building and infrastructure rehabilitation by the Trust. Borrowing is contingent on the Secretary of the Treasury determining that the projects to be funded from the proceeds are 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 must execute a promissory note for any requested amount to evidence the obligation of the Trust to repay the Treasury the sum advanced, together with any late charges that might be incurred.

In Fiscal Year 2003, 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 of the request was intended 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 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 is intended 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 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.

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

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

Principal amount is \$9,978,000. The amount of the request is intended 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 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 was recorded in a governmental interest receipt account and used to pay the interest owed to the Treasury.

The Trust incurred \$2,999,087 and \$2,999,682 in interest expense in 2003 and 2002, respectively, all of which was included in program costs.

## **10. OTHER LIABILITIES – ADVANCES FOR ENVIRONMENTAL CLEANUP COSTS**

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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 agency for the environmental cleanup in both Area A and Area B. The Army agreed to provide \$100 million to the Trust in equal installments of \$25 million over a four-year period commencing during Fiscal Year 1999 in exchange for the Trust's assumption of such responsibilities.<sup>1</sup> The Trust received \$25 million in Fiscal Year 1999 and \$25 million in Fiscal Year 2000 from the Army under the Presidio MOA. The third payment of \$25 million was received by December 31, 2000. In Fiscal Year 2001, the Trust agreed to accept \$24 million as the final payment in exchange for receiving the fourth payment one year early, which was received in March 2001. These funds are recorded as Advances for Environmental Cleanup Costs 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 agency 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.

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 assumed the Army's responsibility as the lead cleanup

1. The Trust agreed to accept the amount of \$100 Million based upon a feasibility study and estimated cost of environmental liability prepared by its environmental consultant, including an as yet undetermined amount related specifically to the property transferred to the Trust.

agency, and performs all cleanup work at enumerated sites using the Army's funds, and is the point of contact for all regulatory agencies and for the public. The Army retained responsibility to fund and to perform all environmental cleanup work of unknown contamination as well as sole responsibility for the cleanup 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 from the Army 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 policies of environmental insurance: 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. The RSL policy has a liability limit of \$100 million. The Army and DOI are each named as an additional insured on the policy. The REEL policy provides the Trust with insurance associated with the discovery of unknown contamination. The REEL policy has a limit of \$10 million per claim and \$50 million in the aggregate. DOI is a named insured under the REEL policy.

The Trust was required to set aside a total of \$25 million (\$6.25 million per year through Fiscal Year 2002) until all environmental remediation of Area A is completed.

## 11. OTHER LIABILITIES

	2003		
	<i>Non-Current</i>	<i>Current</i>	<i>2002 Total</i>
<b>INTRAGOVERNMENTAL</b>			
Employer contributions payable	\$ 0	\$ 232,892	\$ 219,099
Other post employment benefits	835,503	777,193	568,194
Unfunded FECA Liability	0	0	820,926
<b>TOTAL INTRAGOVERNMENTAL</b>	835,503	1,010,085	1,608,219
Annual leave liability	1,456,508	0	1,333,367
Security deposits	2,633,223	150,176	2,581,789
Prepaid rents	0	593,928	629,489
Payroll payable	0	533,563	1,499,066
Capital lease liability [NOTE 12]	1,002,738	1,017,366	2,756,653
Unfunded liabilities	0	136,750	42,676
Advance for environmental cleanup [NOTE 10]	56,395,807	13,715,925	79,453,630
<b>TOTAL OTHER LIABILITIES</b>	<b>\$ 62,323,779</b>	<b>\$ 17,157,793</b>	<b>\$ 89,904,889</b>

### Other Post Employment Benefits/Unfunded FECA Liability

Other post employment benefits (FY 2003) include funded worker's compensation (FECA) payable to the Department of Labor. Unfunded FECA liability in FY 2002 was not covered by budgetary resources.

### Annual Leave Liability

Annual leave is accrued as it is earned by employees and 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.

### 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, Woodmont Real Estate Services 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.

## 12. LEASES

### Trust as Lessee

#### Capital Leases

Future minimum payments under the Trust's capital leases are as follows:

<i>Fiscal Year</i>	
2004	\$ 1,017,366
2005	1,005,092
2006	269,286
2007	0
2008	0
Total minimum lease payments	2,291,744
Less: amounts representing interest	271,640
Present value of minimum lease payments	\$ 2,020,104

#### Operating Leases

Future payments under the Trust's operating leases are as follows:

<i>Fiscal Year</i>	
2004	\$ 639,123
2005	658,296
2006	678,045
2007	698,387
2008	719,338
<b>TOTAL FUTURE LEASE PAYMENTS</b>	<b>\$ 3,393,189</b>

The operating leases consist primarily of leases related to personal property, and include both vehicles and other equipment.

Government vehicles are leased from GSA, frequently exceeding

one year, although a definite lease period may not be specified. The estimated future operating lease payments for personal property in 2004 is based on a three percent increase over the actual 2003 personal property expense amount for 2003. For subsequent years up to 2008 the amounts are inflated each year at three percent over the previous year.

### Trust as Lessor

#### Description of Lease Arrangements

The Trust's properties are being leased under operating leases that expire over the next 50 years. The Trust expects that these leases will be renewed or replaced by other leases in the normal course of business. In addition, three leases are operated under contingent rental agreements wherein the monthly rental revenue is a percent of the lessees' monthly revenue; the Trust recognizes this revenue when payment is received.

Additionally, the Trust has one other lessee that operates under contingent rental agreement wherein the monthly rent is a percent of the lessee's monthly revenue; however, the lessee remits their monthly rental payment to a separate government improvement account at a commercial bank. The rental payments are accumulated and can be used for improvements to the leased building. The Trust does not have signatory authority over the bank accounts and receives no rental payments related to these leases. All improvements funded from these accounts must be mutually approved by both the lessee and the Trust. The Trust recognizes the payments made to the government improvement account as rental revenues. The balance of the commercial accounts total \$406,629 and \$937,039 in 2003 and 2002, respectively and is included in other assets. The lease terms expire in 2003 to 2006.

The Trust also provides housing free of charge or at reduced rental

rate 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>	
2004	\$ 18,199,223
2005	15,932,060
2006	17,644,042
2007	16,168,454
2008	9,547,109
Thereafter	418,696,664
<b>TOTAL</b>	<b>\$ 496,187,552</b>

### 13. AVAILABLE BORROWING AUTHORITY, END OF PERIOD

The amount of available borrowing authority available at September 30, 2003 and September 30, 2002 is as follows:

	<i>Borrowing Authority Available</i>	
	<i>FY 2003</i>	<i>FY 2002</i>
Amount available	\$ 0	\$ 15,000,000

### 14. TERMS OF BORROWING AUTHORITY USED

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.

### 15. ADJUSTMENT TO BEGINNING BALANCE OF BUDGETARY RESOURCES

Adjustments to the Beginning Balance of Budgetary Resources are as follows:

<i>Adjustment to Budgetary Resources</i>	
Balance of budgetary resources Oct 1, 2003	\$ 109,895,936
Adjustment	(33,096)
<b>Restated beginning balance</b>	<b>\$ 109,862,840</b>

During the reconciliation process for submission of the year end SF-133 it was discovered that there was an out of balance condition in budgetary resources. Budgetary resources were reduced by \$33,096 to correct this condition.

### 16. 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

The statement of financing includes a section depicting the change in certain unfunded liabilities. 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. Additionally, not all liability accounts that are unfunded are included in the Statement of Financing.

## 17. INTRAGOVERNMENTAL ASSETS AND LIABILITIES

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### ASSETS

<i>Agency</i>	<i>Investments</i>	<i>Accounts Receivable</i>	<i>Fund Balance with Treasury</i>
Department of the Treasury	\$ 121,593,331	\$ 0	\$ 5,751,541
National Park Service	0	618,901	0
Other federal agencies	0	49,865	0
<b>TOTAL</b>	<b>121,593,331</b>	<b>668,766</b>	<b>5,751,541</b>

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### LIABILITIES

<i>Agency</i>	<i>Accounts Payable</i>	<i>Debt</i>
Department of the Treasury	0	49,978,000
Department of the Interior	5,988,861	0
Other	63,014	0
<b>TOTAL</b>	<b>\$ 6,051,875</b>	<b>\$ 49,978,000</b>

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## 18. DEFERRED MAINTENANCE

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The Trust determined that NPS and the Army had 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 \$1 million of deferred maintenance to buildings at the Presidio. There is no deferred maintenance for any other major class of asset.

## 19. COMMITMENTS AND CONTINGENCIES

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From time to time, the Trust is involved in legal matters, including employment-related claims. During Fiscal Year 2002, 12 former employees of the Trust filed individual claims with the Trust alleging EEO violations. Ten of these claims arose as a result of the Trust eliminating their positions in an April 2002 downsizing. In addition, one individual has filed a class EEO complaint on behalf of former African American employees. The demands in these cases include reinstatement of employment, back pay and compensatory damages ranging from \$300,000 to \$33,000,000. The claims are being administered through the Trust's EEO office. Management believes it is too early to provide an accurate assessment as to the likelihood of an unfavorable outcome.

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

# Report of Independent Auditors on Internal Control



**Accountants and Management Consultants**

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

To the Board of Directors of  
The Presidio Trust

We have audited the financial statements of the Presidio Trust (the Trust) as of September 30, 2003 and for the year then ended, and have issued our report thereon dated December 23, 2003, 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; 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. 01-02, *Audit Requirements for Federal Financial Statements*.

In planning and performing our audit, we considered the Trust's internal control over financial reporting by obtaining an understanding of the Trust's internal control, determined whether internal control 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. 01-02. 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 audit was not to provide assurance on internal control. Consequently, we do not provide an opinion on internal control.

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

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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 relatively low levels the risk that misstatements 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 control, misstatements, losses, or non-compliance 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 this internal control had been placed in operation, assessed control risk, and performed tests of controls as required by OMB Bulletin No. 01-02 and not to provide assurance on internal controls or related controls, if any. Accordingly, we do not provide an opinion on such controls.

A separate letter, dated December 23, 2003, 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 audit.

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

*Grant Thornton LLP*

December 23, 2003  
San Francisco, California

# Report of Independent Auditors on Compliance with Laws and Regulations



**Accountants and Management Consultants**

## **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 financial statements of the Presidio Trust (the Trust) as of September 30, 2003 and for the year then ended, and have issued our report thereon dated December 23, 2003, 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, 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. 01-02, *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. 01-02, 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.

The results of our tests disclosed no instances of noncompliance with the laws and regulations discussed in the preceding paragraph that are required to be reported under *Government Auditing Standards* or OMB Bulletin 01-02.

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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 management of the Trust, its Board of Directors, OMB and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

*Grant Thornton LLP*

December 23, 2003  
San Francisco, California

# Board of Directors



## **Toby Rosenblatt, Chair**

Toby Rosenblatt, the Presidio Trust's first board chair, is president of Founders Investments, Ltd., a private investment firm. He is also director of several other business and investment companies. From 1991 to 2000, Mr. Rosenblatt served as chairman of the board of trustees of the Golden Gate National Parks Conservancy, a non-profit member-supported organization which provides financial and volunteer support to the Golden Gate National Recreation Area.

From 1977 to 1988, Mr. Rosenblatt was president of the San Francisco City Planning Commission. He has also served on the boards of several civic organizations devoted to healthcare, the arts, education, and philanthropy. Mr. Rosenblatt holds a Bachelor of Arts degree from Yale University and an M.B.A. from Stanford University.



## **Lydia Beebe**

Lydia Beebe is currently corporate secretary of Chevron Texaco Corporation. In this capacity she counsels the board and senior management, and manages stockholder relations and legal compliance.

Ms. Beebe is a member of the State Bar of California and the American Bar Association. From 1991 to 1999, she served on the California Fair Employment and Housing Commission. She is a member of the San Francisco Municipal Fiscal Advisory Committee, and serves on the boards of the Professional Business Women of California, the Seneca Network, Golden Gate University, and the American Society of Corporate Secretaries. Ms. Beebe earned a Bachelor of Arts degree in journalism in 1974, and a doctor of law degree in 1977 from the University of Kansas. She obtained an M.B.A. from Golden Gate University in 1980.



## **Donald G. Fisher**

Donald Fisher is chairman of Gap Inc., a global retail corporation which he founded in 1969. Mr. Fisher is a member of the California State Board of Education, and is a governor of the Boys & Girls Clubs of America. He serves as a member of the advisory committee of the University of California Haas School of Business, and on the board of the California Business Roundtable. He is on the executive committee of the Boys & Girls Clubs of San Francisco, the Bay Area Council, the National Retail Federation, and the San Francisco Museum of Modern Art. Mr. Fisher is also on the board of Gap, Inc., and the Charles Schwab Corporation.

Mr. Fisher holds a Bachelor of Sciences degree from U.C. Berkeley.



## **David H. Grubb**

David Grubb, the U.S. Department of the Interior's designee to the Trust board, is chairman of Swinerton Inc., a prominent San Francisco general contracting firm. He served as chair of the project committee for the Crissy Field restoration effort in 2000, served on the board of trustees for the Golden Gate National Parks Conservancy, and also chaired the construction committee of the San Francisco Zoo Board of Directors. He serves on the board of San Francisco General Hospital's Trauma Foundation.

Grubb graduated from Princeton University in 1958, and received a master's degree in construction management from Stanford University in 1962. His appointment was effective January 1, 2004.



## **Mary G. Murphy**

Mary Murphy is vice-chair of the Presidio Trust Board of Directors. She is a partner at the law firm of Farella, Braun + Martel, and devotes her practice primarily to acquisition, financing, land use, and leasing. From 1993 to 1996, Ms. Murphy was vice-president of the San Francisco Board of Appeals.

Ms. Murphy is a member of the board of directors of the International Foundation for St. Catherine's College, Oxford, and a member-elect of the board of directors of the Foundation for San Francisco's Architectural Heritage.

Ms. Murphy earned a Bachelor of Arts degree from Yale University in 1981. She received an Honours Bachelor of Arts degree from Oxford University in 1983, where she was a Rhodes Scholar. She received her J.D. from Harvard University in 1986.



## **William Wilson, III**

William Wilson has led Bay Area-based real estate investment firms for more than 25 years. These firms include William Wilson and Associates, Wilson/Cornerstone Properties, and Wilson/Equity Office. He is currently managing partner of Wilson Meany Sullivan, Inc., which developed the San Francisco Ferry Building. Previously, he founded the Borel Companies, Webcor Builders Inc., and Rusty Scupper Restaurants.

Mr. Wilson serves on several boards, including the Stanford Institute for Economic Policy Research, and Equity Office Properties. He is also a trustee of the California Academy of Sciences and the Lawrenceville School in New Jersey. Mr. Wilson earned a Bachelor of Sciences in engineering from Stanford University in 1958.



## **Joseph Yew, Jr.**

Joseph Yew has served as treasury manager for the City of Oakland since 1999. In this capacity, he is responsible for municipal debt issuance, cash management, and investment and administration of the City's public funds totaling \$600 million.

Mr. Yew previously served as assistant treasurer with the California State Treasurer's Office, and as executive director of the California Debt Limit Allocation Committee from 1995 to 1999. He also worked as an investment banker at Stone & Youngberg from 1992 to 1994. Mr. Yew serves on the board of the Chinatown YMCA and is a treasurer and board member of the Community Youth Center. He earned a Bachelor of Arts in economics from U.C. Irvine in 1988, and a Master of Industrial Administration (MBA) from Carnegie Mellon University in 1992.

*The Presidio Trust salutes and thanks departing board members Jennifer Hernandez, I. Michael Heyman, Amy Meyer, and William Reilly. Their tireless efforts throughout their years of service to the board have helped advance the mission of the Presidio Trust to preserve and protect this beautiful and historic parkland for all future generations.*

# Organizations at The Presidio

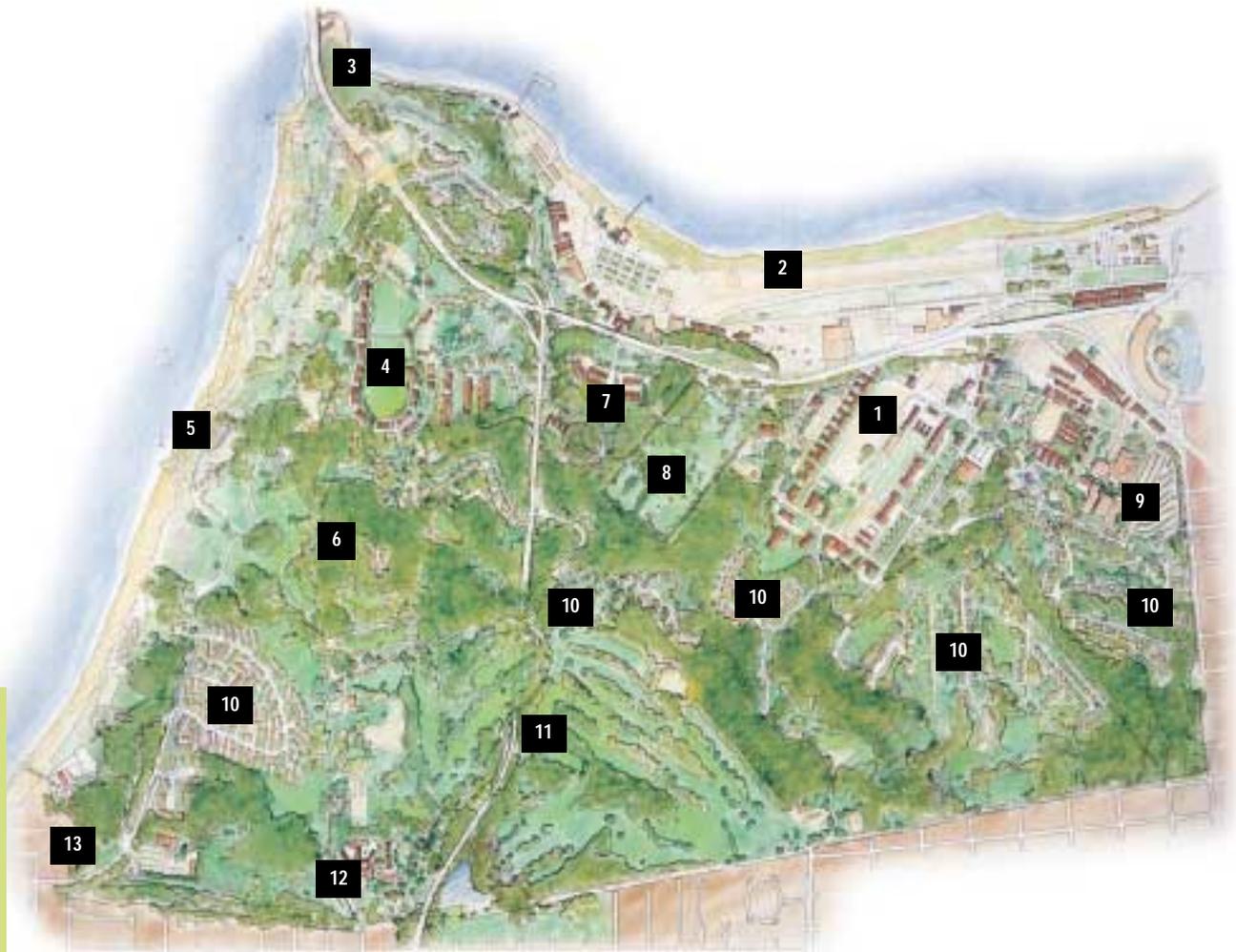
3 Phases Energy Services	Center for Environmental Justice Innovation	Eucalyptus Associates, Inc.	Husdawg	Mila Brand Studio, LLC	Presidio World College
Access Abilities	Center for Leadership Renewal	Exploratorium	Ian Toll	Milo Benningfield Financial Advisors	Public Interest Lawyers' Group (International Bill of Rights)
Ace Parking	Center for Real Estate Enterprise Management	Family Childcare Association of San Francisco	Infiniteinfo, Inc.	Miller Video and Film, Inc.	Regeneration Project
Acre Café	Center for Resource Solutions (CRS)	Farallones Marine Sanctuary Association	Institute for Study and Development of Legal Systems	Modern Cleaners	Resourceful Women
Adopt-A-Watershed	Cherner, David	Fauna & Flora International Soundwood	Interfaith Center	Moore Foundation	Richard Beggs
Affordable Self Storage, Inc. (Presidio Wine Bunkers)	Children's Partnership	Fiber Futures	International Forum on Globalization	MV Transportation	Rights Workshop, The
Alexa Internet	Cole, Jeffrey	First Home, Inc.	Internet Archive	National Conference for Community and Justice (NCCJ) No. CA Region	Roberts Enterprise Development Fund
Aloha Networks, Inc.	Columbia Foundation, The	First Republic Bank	J. M. Huber Corporation	National Park Service	Rough House Editorial
Angel Island Immigration Station Foundation	Commonweal	Fleishhacker Foundation	Jenifer Altman Foundation	National Park Service Archives and Records	Routson Films
ARCS Foundation	Community Clinics Initiative	Fog Horn Creative	Jeppesen VisionQuest, Inc.	National Oceanic and Atmospheric Administration	Rudolf Steiner Foundation
Arion Press (aka Lyra Corporation)	Concord Group	Fort Mason Foundation	Jewish Community Center (JCC)	Natural World Museum of Environmental Art	San Francisco Conservation Corps
Arnold Palmer Golf Mgmt. Co. (Presidio Golf Course)	Constellation Fund	Fort Point National Historic Site (GGNRA)	John Kao (aka: Ealing Studios)	New Field Foundation	San Francisco Film Centre
Aspen Group	Consultative Group on Biological Diversity	Fort Point & Presidio Historical Association	Jonas Koester dba Westbase Productions	Niantic Corporation	San Francisco Film Society
Banjo Strategic Entertainment	Crissy Field Center	Forward Progress Consulting	Just Think Foundation	Northern California Independent Booksellers Association	San Francisco Gymnastics
Bay Area Ridge Trail Council	Culman, John	Friends of the Urban Forest	Kate Gude Special Events	Orphanage, The	San Francisco Maritime National Historical Park (SAFR)
Bay Kids	Cultural Conservancy	Friends of the Urban Forest (storage)	King Oscar, Inc.	Pachamama Alliance	San Francisco Medical Science
Bay School of San Francisco	Dada	Full Circle Fund	Kirk Boyd – International Bill of Rights Project	Pacific Foundation Services	San Francisco Psychotherapy Research Group
Bellingham Investment Management	Dept. of Veterans Affairs Medical Center (S.F. National Cemetery)	GGNRA Disaster Planning Committee	Komen Breast Cancer Foundation	Pacific Union Co.	San Francisco Recreation and Park Dept. – Julius Kahn Playground
Biodynamic Farming & Gardening Association	Desiree Café	Garden Conservancy, The	L.S.B. Leakey Foundation	Playsongs, Inc.	San Francisco Unified School District (Child Care Center)
Blacksmith Management LLC	Destination Conservation	Glickman, Rubin	Law School Consortium Project	Pohaku Fund	San Francisco University High School (Paul Goode Field)
Body of Work / Hopola, Inc.	DeVries, Mary	Golden Gate Bridge District	Leadership Public Schools, Inc.	Pottruck Family Foundation	Shaler Adams Foundation/Caritas Fund
Callendar, Peter	Dewey Square Group/DSG Strategies, Inc.	Golden Gate Club – GGNPC	Ledoux Esquire Inc.	Presidio Bowling Center	Silver Giving Foundation
Carlyn Hunter	Discovery Mining, Inc.	Grabhorn Institute	Letterman Digital Arts Ltd.	Presidio Café	Social Venture Network
Cassidy, Patrick	Douglas Wright Consulting	Groundspring	Lexnet	Presidio Community YMCA of San Francisco	Sports Basement, Inc.
Cell Site #1- AT&T/Cellular One: Golden Gate Bridge Location	EcoTalk	Grove Consultants International, The	LoBue & Majdalany Management Group	Presidio Fire Department	St. Francis Yacht Club Program
Cell Site #2 – AT&T: Doyle Drive Location	Emergency Park Dispatch Energy Foundation	Guardsmen, The	Lone Mountain Children's Center	Presidio Internet Center, LLC	State of the World Forum
Cell Site #3 – Sprint: Doyle Drive Location	Environmental Justice Solutions	Guild for Psychological Studies	Long Now Foundation	Presidio Native Plant Nursery	Stillwater Sound
Cell Site #4 – Nextel: MacArthur Tunnel Location	Environmental Media Services	Haight Ashbury Free Clinics, Inc.	Lost Ladle, The	Presidio Park Stewards Program	Swords to Plowshares Veterans Academy
Cell Site #5 – Verizon – GG Bridge	Envision Schools	Hamilton Zanze & Company	M&H Type	Presidio Performing Arts Foundation	Thieriot Foundation
Center for Citizen Initiatives	Equal Access	Harry M. Snyder	M. Kathryn Runyan	Presidio Recycling Center	
	Equity Community Builders, LLC	Houden, Patricia	Mad Dogs and English Men	Presidio Sport and Medicine	
	Erler & Kalinowski	Hub Strategy and Communications, Inc.	Maley, Catherine	Presidio Visitors' Center	
			Mark Kitchell		
			McMahan Group, The		

# Points of Interest

*Thoreau Center for Sustainability*  
*Thoreau Center Partners*  
*Threshold Foundation*  
*Tides Center*  
*Tides Foundation*  
*Towers, Matthew*  
*Town School for Boys (Morton Street Ball Field)*  
*Tweak Films*  
*United Religions Initiative*  
*United States Park Police*  
*United States Postal Service*  
*Verity Wealth Advisors, LLC*  
*W&JP Fund*  
*W. Clement and Jessie V. Stone Foundation*  
*WDF Foundation*  
*Warming Hut, The*  
*Wellbeloved, Tremain*  
*Wells & Hopkins Civil Rights Center*  
*Wilderness Society, The*  
*Winton duPont Films*  
*Woodmont Real Estate Services*  
*World Link Media*  
*World Parks*  
*XCEL Academy Charter School*  
*Your Health / Olympic Rehabilitation, Inc.*  
*Youth Horizons*

## LEGEND

- 1 The Main Post
- 2 Crissy Field
- 3 Fort Point and the Golden Gate Bridge
- 4 Fort Scott
- 5 Coastal Bluffs
- 6 Presidio Forest
- 7 Cavalry Stables
- 8 San Francisco National Military Cemetery
- 9 Letterman Complex
- 10 Housing Areas
- 11 Presidio Golf Course
- 12 Public Health Service Hospital Complex
- 13 Lobos Creek Valley



## DESIGN:

L STUDIO, SAUSALITO

PRINCIPAL PHOTOGRAPHY:

CHRISTOPHER ROSSI, FLOWPHOTO.COM

ADDITIONAL PHOTOGRAPHY:

LORENZ + AVELAR, WILL ELDER, ALAN HOPKINS,

DARREN McNALLY, JEFF PARK, THE PRESIDIO TRUST



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