2026

Performance and Accountability Report

PRESIDIO TRUST®

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FY26 PERFORMANCE + ACCOUNTABILITY REPORT

Agency Head Letter

This month marks 30 years since the Presidio Trust Act was signed into law, establishing an innovative model for funding and managing this unique national park site. Three decades later, that model is working. Today, the Presidio hosts 9.5 million visits annually. Its open spaces are thriving. And our agency is running daily operations efficiently and effectively while also preparing to meet the Presidio's future needs.

This report highlights our Fiscal Year 2026 progress toward our triple-bottom-line strategic goals of People, Planet, and Performance. The financial and performance data presented are complete and reliable, and we identified no material weaknesses in our internal control structure.

We fund the park primarily by operating commercial leasing, residential leasing, and hospitality businesses. In Fiscal Year 2026, each delivered strong performance.

The Presidio remained an incredibly attractive place to live and locate a business. Residential occupancy averaged approximately 98%, while commercial occupancy averaged 96%. We signed leases to bring 39 new commercial tenants to the park. And utilizing U.S. Treasury loans, we terminated two master developer leases, thereby acquiring the right to directly lease the properties ourselves. These buildings will generate substantial revenue to maintain and improve the park for years to come.

We also completed the compliance process to build 196 units of new housing in the park. When complete in 2029, the Letterman residential development will add additional housing, restore the character of an important historic district, and contribute significantly to the park's long-term financial sustainability.

In Fiscal Year 2026, we continued upgrading aging infrastructure and utilities, with particular focus on modernizing the park's electrical grid to serve the needs of the Presidio now and in the future.

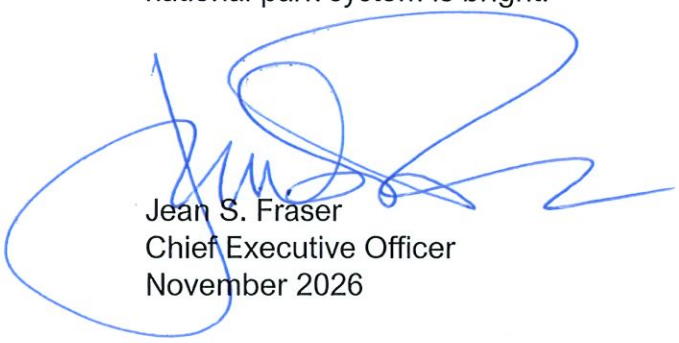
On July 4, we marked both the 250th anniversary of the Presidio's founding as well as the 250th anniversary of the United States, recording more than 200,000 visits in one day, our highest ever daily visitation.

We've made substantial progress in revitalizing the park's natural areas and bringing back species once thought to be lost from the Presidio. In Fiscal Year 2026, we continued renewing the aging forest planted by the U.S. Army more than 100 years ago and restoring dune habitat that supports rare butterflies and endangered wildflowers. Visitors affirmed through our surveys that the Presidio's natural beauty is a key inspiration for coming to the park.

While I am proud of what we've achieved, our success will ultimately be measured by our ability to care for the Presidio in perpetuity. To that end, we grew our net operating income from on-going operations, reserving $76.1 million in Fiscal Year 2026 to fund our operations and replace aging assets in Fiscal Year 2027 and beyond.

I am grateful to all those who keep the Presidio moving forward: our Board of Directors; our partners at the National Park Service and the non-profit Golden Gate National Parks Conservancy; residents and commercial tenants whose rents help fund the park; generous donors and dedicated volunteers; the millions of visitors who bring the Presidio to life; and especially our talented staff.

After a decade of service, I will retire from the Presidio Trust early in 2027. I leave with great confidence in the Presidio's future. Thirty years after the Presidio Trust Act created a model for sustaining this remarkable place, the Presidio is thriving and its future as a unique part of the national park system is bright.



Jean S. Fraser
Chief Executive Officer
November 2026

Management Discussion and Analysis

Overview and Strategic Content

The Presidio Trust ("the Trust") is a federal government corporation established by Congress in 1996 under the Presidio Trust Act (P.L. 104-333) (the "Trust Act") to manage, rehabilitate, and operate the lands and facilities of Area B of the Presidio of San Francisco, a National Historic Landmark District, in coordination with the National Park Service (NPS).

The Trust's charge is ambitious: rather than relying on annual appropriations, we are expected to finance the park's operations and capital replacements through earned income. The Trust Act gives us the flexibility to operate in the marketplace, make real-time decisions, and retain revenues to reinvest in the Presidio.

The Management Discussion and Analysis (MD&A) that follows is organized to highlight (1) mission and organizational structure, (2) major results and trends, (3) the Trust's financial resources, funding model and budgetary context, (4) risks and uncertainties, and (5) system controls and legal compliance.

Mission

The Trust's mission is to steward and share the beauty, history, and wonder of the Presidio for everyone to enjoy forever.

Organizational Structure

Presidio Trust Board of Directors

Under the Presidio Trust Act, six members of the Presidio Trust Board are appointed by the President of the United States. The seventh member is the U.S. Secretary of the Interior or his/her designee. Presidentially appointed Board members serve a set term, remaining in place after their terms expire until they are either reappointed or replaced by the President.

Lynne Benioff, Chair of the Board, is the current co-chair of TIME. She is a Distinguished Director of the Board of Overseers of the University of California San Francisco Foundation and serves on the board of directors of UCSF Benioff Children's Hospitals and the Benioff Ocean Science Laboratory. Ms. Benioff co-chaired the Presidio Tunnel Tops Campaign Committee, which raised nearly $100 million to create 14-acres of new parkland with a youth learning campus. In 2020, Ms. Benioff was honored by the AFP Golden Gate Chapter on National Philanthropy Day with an "Outstanding Fundraising Volunteer Award" for her work as the co-chair of the Presidio Tunnel Tops Campaign. She previously served as chair of the Presidio Trust board and chair of the Presidio Trust board Governance Committee. She also served as a director of Common Sense Media. In 2014, Ms. Benioff was honored by Mayor Ed Lee as one of San Francisco's "Women of the Year". In 2020, she and her husband, Marc, received a

George H.W. Bush Points of Light Award for their civic engagement. Ms. Benioff received a B.S. from the University of Washington. She was appointed to the Presidio Trust board in 2015 and reappointed in 2019 and 2026.

Trevor Traina, Vice Chair of the Board, is Chief Business Officer at Tools for Humanity (TFH) and previously served as the U.S. ambassador to Austria, credited with helping usher in an era of "new closeness" between the two countries. Before his tenure at the United States Department of State, he established himself as a successful tech entrepreneur and as a trustee of institutions such as the Fine Arts Museum of San Francisco, the Haas School of Business, and the Princeton University Art Museum. He has founded and co-founded five successful technology companies, which were sold to acquirers such as Microsoft, Mastercard, and Intuit. Ambassador Traina studied International Relations and Politics as a graduate student at Oxford and as an undergraduate student at Princeton. He holds an M.B.A. from U.C. Berkeley. He was appointed to the Presidio Trust board in May 2026.

Laura Arrillaga-Andreessen is a social entrepreneur, academic, author, and philanthropic leader. She is the founder of multiple Silicon Valley organizations, including the Institute on Generosity (Founder/Chairman), Arrillaga Philanthropies (Founder/Chairman), Andreessen Philanthropies (Co-Founder/President), Stanford Center on Philanthropy and Civil Society (Founder/former Chairman), Silicon Valley Social Ventures Fund (Founder/former Chairman Emeritus), and Guild Theatre (Co-Founder). She is Co-President of the Arrillaga Foundation. Since 2000, Ms. Arrillaga-Andreessen has created and taught courses on philanthropy and women in leadership at Stanford Graduate School of Business (GSB) and authored the New York Times bestselling book Giving 2.0: Transform Your Giving and Our World. She was a 2005 Henry Crown Fellow of the Aspen Institute, received the 2005 President's Volunteer Service Award from the Points of Light Foundation, was honored with the World Affairs Council's Global Philanthropy Forum 2011 Global Citizen Award, and was awarded the 2014 Commonwealth Club Distinguished Citizen Award. Ms. Arrillaga-Andreessen holds an MBA from the Stanford GSB, as well as an MA in Education and both a BA and MA in Art History, from Stanford University. She was appointed to the Presidio Trust board in 2026.

John Bickford is the Founder and Managing Partner of Local Capital Group, a real estate investment firm with a diversified portfolio spanning residential and mixed-use development, commercial properties, and hospitality. Previously, Mr. Bickford founded 819 Capital, an investment firm focused on venture capital, renewable energy, and real estate. Earlier in his career, he spent over a decade in corporate finance, including as an investment banker. John holds a B.A. in Economics from Denison University and serves as a Deputy in the San Francisco Sheriff's Mounted Unit. He was appointed to the Presidio Trust board in May 2026.

James Burnham is the General Counsel of xAI. Previously, he served as Managing Partner of King Street Legal, PLLC (which he founded) and as the General Counsel for the Department of Government Efficiency. Mr. Burnham was previously a litigation partner at Jones Day, a senior official in the Department of Justice's Civil Division and Office of the Attorney General, and a

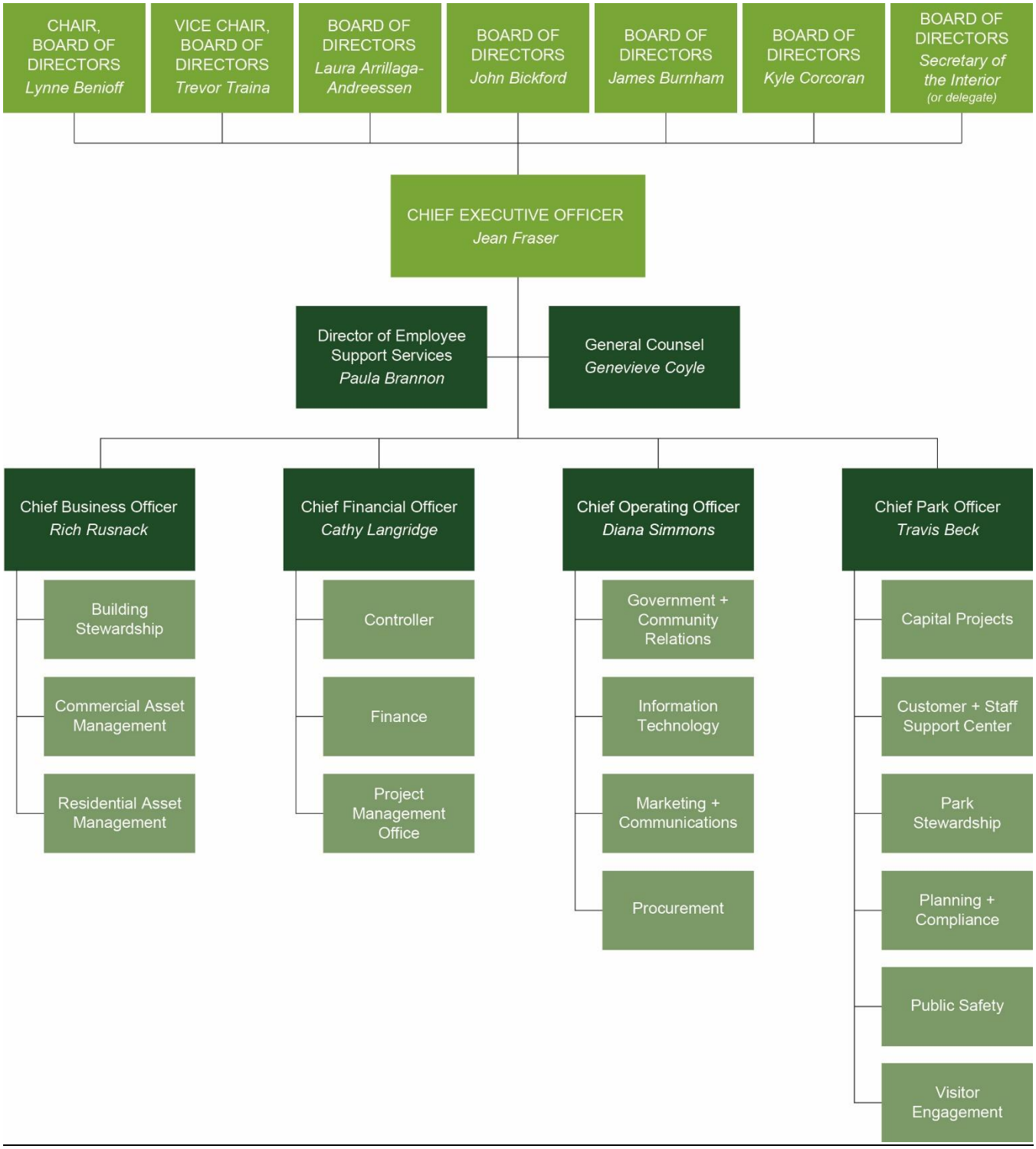
Senior Associate Counsel to the President. He also clerked for Justice Neil Gorsuch on the Supreme Court and Judge Alex Kozinski on the U.S. Court of Appeals for the Ninth Circuit. He graduated with high honors from the University of Chicago Law School and earned his bachelor's degree at the University of Texas at Austin. Mr. Burnham has spent extensive time in the Bay Area and has long been active in his community. He has served for several years on the Board of Visitors for Gunston Hall, the historic home of George Mason. He was appointed to the Presidio Trust board in May 2026.

Kyle Corcoran brings to the Presidio Trust board a combination of military service, financial leadership, and deep roots in the technology industry. He is the Chief Financial Officer of Redpanda Data, an agentic AI governance and data streaming company. Previously, he served as CFO of RIS Rx, a healthcare-focused enterprise software company. He was a Managing Director of Morgan Stanley, executing more than 100 transactions totaling over $200 billion in value, including the public listings of Meta, Palantir, Spotify, Uber, and Zoom. He was named to the Fortune 40 Under 40 list in 2020. Mr. Corcoran began his career as an infantry officer in the United States Marine Corps, serving combat tours in Afghanistan and Iraq, leading counterdrug training and operations across Southeast Asia, and attaining the rank of Major. He has continued his commitment to veterans as a Commissioner on the San Mateo County Veterans Commission since 2021. Mr. Corcoran is a Bay Area native and holds an A.B. in Computer Science from Princeton University and an M.B.A. from the Stanford Graduate School of Business. He was appointed to the Presidio Trust board in May 2026 and holds the veteran's seat.

Presidio Staff

A Chief Executive Officer (CEO) oversees the organization, which included the following divisions in Fiscal Year 2026: Park, Business, Finance, Executive, and Trust Operations. The Trust has 324 employees with a wide range of skills, including real estate management, park maintenance and operations, ecological restoration, historic preservation, finance, marketing and physical plant operations.

Organization Chart



Major Results and Trends

In Fiscal Year 2026, the Trust advanced our People, Planet, and Performance goals by focusing on the visitor experience, natural resource stewardship, and growing our economic engine to ensure a Forever Park. We provide a detailed performance report starting on page 19. Some highlights include:

People Goal: As a national park site, to be visited and loved by all

- Hosting 9.5 million visits from local, regional, and international guests.
- Having more than 8 out of 10 visitors surveyed say they would recommend the Presidio to their friends and family.
- Welcoming volunteers who provided more than 16,000 hours of service.
- Welcoming 120 community groups, many supported with free transportation on our shuttles.
- Hosting 230 school groups at the Presidio Outpost playground and Field Station.

Planet Goal: To be a model of environmental stewardship

- Reaching an ecological heath score of 75%, an increase of 2 percentage points from each of the two previous Environmental Health Reports. This report measures progress in five areas: native plant cover, threatened and endangered species, harmful invasive species, overall biodiversity, and water quality.
- Restoring dune habitat and native plants to support wildlife, increasing the diversity of the species in the park including further releases of the Silvery Blue butterfly, and replacing conventional irrigated lawns with native plants adapted to the Presidio's dry summers.
- Replanting over four acres of declining trees with young trees, continuing our tree risk assessment to evaluate and improve the condition and safety of our forest, and updating the Presidio's Wildland Fire Management Plan for implementation beginning in Fiscal Year 2027.

Performance Goal: To be a model of operational excellence in public service

- Adding 161 residential units at the Presidio Landmark and 37 commercial tenant leases at Building 38 to the Trust's directly managed portfolio following the termination of two long-term Master Developer lease agreements and the acquisition of the associated leasehold interests.
- Averaging 98% occupancy for residential units and 96% for commercial space.
- Completing the renovations of two historic buildings, using a mix of Trust funds and $20 million in loans from the Treasury: one became a school in fall 2026 and one is leased to a single tenant, a boutique co-working and flexible office provider.

- Receiving a Great Place to Work certification, an independent workplace recognition earned through confidential employee feedback. Eighty-seven percent (87%) of staff members indicated the Trust is a great place to work.

Overall, our Fiscal Year 2026 performance demonstrates continued progress toward sustaining a vibrant national park site operated without annual appropriations, consistent with the Trust's statutory mandate.

Financial Highlights

Significant Lease Termination Transactions. During Fiscal Year 2026, the Trust completed two significant real estate transactions involving the termination of long-term master developer leases for the Presidio Landmark, a residential property, and Building 38, a commercial property (collectively, *the lease termination transactions*). Under the master developer leases, private developers rehabilitated the properties and leased them to residential and commercial tenants.

Funded primarily through proceeds of Treasury loans received in Fiscal Year 2022 and Fiscal Year 2023, the transactions enabled the Trust to acquire the improvements made by the former tenants and terminate the master developers' long-term leases. As a result, the Trust assumed direct control of the properties and their rental operations, adding approximately 161 residential units and 37 commercial leases to its directly managed portfolio.

While the transactions increased the Trust's recurring rental revenue, they also resulted in a one-time operating expense of $63.0 million, and a one-time $54.9 million addition to property, plant, and equipment, as discussed in the following sections. These transactions were the primary driver of the Trust's shift from a net surplus in Fiscal Year 2025 to a net cost of operations in Fiscal Year 2026.

Net Cost of Operations. The Trust reported a net cost of operations of $43.1 million in Fiscal Year 2026, compared with a net surplus of $27.4 million in Fiscal Year 2025. In addition to the lease termination transactions described above, Fiscal Year 2026 results included a $15.7 million reduction in revenue resulting from an allowance for uncollectible future lease payments from a tenant in default at fiscal year-end, which partially offset the overall increase in rental revenue. Under *Statement of Federal Financial Accounting Standards (SFFAS) 54, Leases* (SFFAS 54), the allowance was required because the lease remained in effect at year-end, although it was subsequently terminated in the beginning of Fiscal Year 2027. The following table illustrates the impact of these significant non-recurring items on the Trust's reported results.

Impact of Significant Non-recurring Items on Fiscal Year 2026 Net Cost of Operations:

		September 30, 2026
Reported Net Cost of Operations	$	43,072,335
Less: One-time expenses due to lease termination transactions		(63,010,000)
Less: One-time allowance for receivable from defaulting tenant		(15,705,787)
Net surplus excluding significant one-time items	**$**	**(35,643,452)**

Excluding these significant non-recurring items, the Trust generated a net surplus of $35.6 million in Fiscal Year 2026, reflecting continued positive results from its ongoing operations.

Earned Revenues. Revenue totaled $235.7 million in Fiscal Year 2026, an increase of $5.4 million, or 2%, over the prior year. Excluding the $15.7 million non-recurring SFFAS 54 allowance discussed above, revenue increased by $21.1 million, or 9%, to $251.4 million.

Lease and lease-related revenue totaled $177.9 million, or 76% of reported revenue, an increase of $6.7 million over the prior year, or $22.4 million excluding the allowance. Other revenue increases included parking, permit fees, lodging, and golf, which collectively increased $3.9 million year-over-year.

These increases were partially offset by a $4.8 million decrease in investment interest revenue, reflecting lower Treasury overnight interest rates and reduced funds available for investment following cash expenditures on the lease termination transactions and other park projects.

Property, Plant & Equipment. Net property, plant, and equipment (PP&E) increased by $53.6 million, or 9%, in Fiscal Year 2026. Total additions of $108.2 million included $54.9 million in assets acquired through the lease termination transactions. Other significant investments included residential housing renovations and infrastructure improvements, rehabilitation of commercial buildings in the Main Post, tenant improvements to commercial properties, and utility infrastructure upgrades, including undergrounding of electrical power lines. These additions were partially offset by $49.9 million in depreciation expense and $4.7 million in asset dispositions and derecognitions, including $3.7 million in land derecognized under SFFAS 59.

Financial Reserves. The Trust's financial reserves grew to $153.6 million. Financial reserves are integral to the effective stewardship of the Trust's assets, and in Fiscal Year 2022 the Trust implemented a Board-approved policy for allocating funds to reserves to support the agency's mission. The Trust's financial reserves are available to fund the replacement of existing assets at or near the end of their expected useful life, and to sustain the Trust's financial operations in the event of significant unexpected increases in operating expenses or reductions in operating revenues.

Financial Resources, Funding Model & Budgetary Context

Preparation of the consolidated financial statements, accompanying notes, and this discussion and analysis is the responsibility of Trust management. The consolidated financial statements and accompanying notes have been audited by the independent public accounting firm KPMG, LLP. The Trust received an unmodified opinion.

Trust management is committed to sound financial management and is responsible for the integrity and objectivity of the information presented in the consolidated financial statements. The consolidated financial statements are prepared to report the financial position, financial condition, and results of operations, consistent with the requirements of 31 U.S.C. § 3515(b). The statements are prepared from records of a federal entity in accordance with federal generally accepted accounting principles (GAAP) and the formats prescribed by Office of Management and Budget (OMB). Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

Funding Model & Revenue Structure

The Consolidated Statement of Net Cost is intended to report on the net cost/surplus of the Trust's operations. Revenues and costs reported on this statement are stated on an accrual basis.

The Trust receives no annual appropriation from Congress. Instead, our operating and capital resources are largely derived from the following:

- Leasing (residential, commercial)
- Utility usage charges
- Hospitality operations (golf course, lodging)
- Special Events (permitting and use fees)
- Parking (there is no entrance fee for the Presidio)
- Sponsorships
- Grants and donations, almost exclusively for specific project support

In addition, the Trust received loans from the Treasury between 2020 and 2024 to invest in projects to create additional revenue streams. These loans require creditworthiness reviews prior to Treasury approval for use. The Trust also received a one-time Fiscal Year 2023 Inflation Reduction Act transfer of $200 million to support deferred maintenance and replacement of old Army-era utilities. Projects funded by this transfer were underway in Fiscal Years 2025 and 2026.

Trust operating costs, excluding the non-recurring costs associated with the lease termination transactions discussed above, totaled $215.8 million in Fiscal Year 2026, an increase of $12.9 million over the prior year. The primary drivers of the increase in operating costs included:

- A $4.4 million increase in labor and benefits,
- A $2.6 million increase in bad debt expense, due to increased allowances for tenant receivables deemed at risk of collectability,
- A $6.1 million increase in depreciation expense, reflecting growth in the Trust's depreciable asset base.

These increases were offset by a decrease in the expense related to work performed on a reimbursable contract project for the National Park Service (NPS).

Despite higher operating costs, the Trust continued to generate a surplus from ongoing operations, allowing it to invest in projects that support the park's long-term financial sustainability.

Budgetary Resources & Obligations

The Combined Statement of Budgetary Resources provides information on the budgetary resources available to the Trust for the year and the status of those resources at the end of the fiscal year. Further, the statement is prepared using a budgetary basis of accounting, which differs from an accrual basis of accounting as transactions are recognized at different points in time.

The Trust's Budgetary Resources were $572.8 million in Fiscal Year 2026 compared to $540.9 million in Fiscal Year 2025. Of this amount, the Trust obligated $321.7 million during the year, including $117.5 million for the lease termination transactions discussed above. The unobligated balance at the end of Fiscal Year 2026 was $251.0 million compared to $333.2 million in Fiscal Year 2025.

The unobligated balance reflects, in part, Treasury loan proceeds designated for future projects, subject to creditworthiness approval; Trust-funded reserves for asset replacement, technology and operational improvements, and a 3-month operating reserve; and other Trust-generated resources available for future obligations.

Balance Sheet Highlights

The Consolidated Balance Sheet is designed to show the Trust's financial position as of September 30, 2026.

- Total Assets were $1.87 billion, a 1% decrease over the prior year, comprised of:

- $737.3 million in lease receivables, an increase of $33.5 million, or 5%, from the prior year, representing the present value of future lease payments to be received over the terms of leases greater than 24 months in length, as required by SFFAS 54.
- $683.0 million in net PP&E, an increase of $53.6 million, or 9%, from the prior year, reflecting $54.9 million in Fiscal Year 2026 acquisitions associated with the lease termination transactions, and other investments in park assets and infrastructure, offset by depreciation and asset dispositions.
- $266.4 million in investments in U.S. Treasury securities, a decrease of $82.6 million, or 24%, from the prior year, primarily due to the use of Treasury loan proceeds received in Fiscal Years 2022 and 2023 to fund the lease termination transactions.
- $165.0 million in Fund Balance with Treasury, a decrease of $9.1 million, or 5%, from the prior year, primarily representing IRA funding obligated for ongoing projects, which is not eligible for investment in Treasury overnight securities.
- $8.8 million in Accounts Receivable, net of allowances for uncollectible amounts, a decrease of $7.2 million, or 45%, from the prior year, primarily due to the collection of outstanding grant receivables from the California Natural Resources Agency (CNRA) following completion of the Outpost Meadow project. The remaining balance primarily consists of tenant receivables and a donation receivable collectible over five years.

- Total Liabilities were $1.16 billion, a 2% increase over prior year, and include:
  - $697.9 million of unearned lease revenue, an increase of $35.1 million, or 5%, from the prior year, representing the value of future lease payments that, in accordance with *SFFAS 54*, will be recognized over time as tenants occupy and use the leased properties.
  - $240.2 million in debt related to outstanding U.S. Treasury loans, a decrease of $5.0 million, or 2%, from the prior year, due to principal repayments during Fiscal Year 2026.
  - $103.4 million in other unearned revenue, a decrease of $6.9 million, or 6%, from the prior year, primarily related to the Doyle Drive/Presidio Parkway project and Tunnel Tops project (Note 11). The decrease reflects the recognition of previously deferred revenue over time.
  - $67.5 million in environmental and disposal liabilities, an increase of $1.2 million, or 2%, from the prior year, primarily due to inflation-related increases in estimated remediation costs, partially offset by remediation work performed during the year.
  - $22.9 million in Accounts Payables, a decrease of $3.2 million, or 12%, from the prior year.

- The Trust closed Fiscal Year 2026 with a net position of $701.7 million, a decrease of $35.1 million from the prior year. The decrease was primarily driven by the Fiscal Year 2026 net cost of operations of $43.1 million, partially offset by $3.5 million in donations and $3.1 million in transfers from other federal agencies. The Trust also recognized a $3.7 million reduction to beginning net position resulting from the derecognition of land in accordance with SFFAS 59.

- The Trust continues to maintain a formal reserve policy (approved in Fiscal Year 2022) to absorb revenue downturns, fund asset replacements, and support technology and operational improvements. At the end of Fiscal Year 2026, the Trust's financial reserves were $153.6 million, comprised of a $36.3 million operating reserve, $113.4 million in reserves for replacement of our assets, and a $3.9 million reserve for technology and operational improvement projects.

Stewardship Assets

Stewardship assets are detailed in Note 6 to the consolidated financial statements as required by *SFFAS 29, Heritage Assets and Stewardship Land*. The Trust's reported values for property, plant, & equipment exclude stewardship assets, which are primarily park open space. These assets are considered "priceless," and therefore monetary amounts cannot be assigned.

Risks and Uncertainties

The Trust continues to maintain sound financial plans to ensure that Trust operations continue into the future and the park is preserved for the public.

The Trust's financial performance depends heavily on lease demand, occupancy rates, and rental market health. While the Presidio has shown resiliency during commercial and residential leasing market downturns due to our unique position in a national park, macroeconomic conditions pose revenue risk.

While Trust operating revenue is sufficient to cover current operating expenses, and we maintain some reserves for future unexpected events, Trust operating revenues alone are not yet sufficient to fund past deferred maintenance and additional capital projects. Maintenance of 100 percent of the assets is not feasible, so the Trust evaluates deferred maintenance on an annual cycle and identifies the most important items for replacement. Deferred maintenance and repairs data can be found in the required supplementary information (RSI) accompanying the consolidated financial statements.

Rising costs of construction, materials, labor, and supply chain disruptions can erode value or require scaling back of planned projects. The Trust must balance capital ambition with cost discipline. Mitigating strategies include conservative project contingency reserves, phased project execution, multi-year capital planning, and regular lease market surveillance.

The Trust is building an Enterprise Risk Management Program that is expected to reach full implementation in Fiscal Year 2027. This program supports a risk culture that is focused on improved decision-making with clarity on risk/reward trade-offs, reduced surprises, and increased organizational resilience. At this time, the Trust has developed risk appetite statements, risk assessment methodologies, identified key risks across the agency, and completed a risk register and risk profiles. Currently underway are identifying key risk indicators and the incorporation of risk reviews into the strategy and planning cycles.

Analysis of Systems, Controls, and Legal Compliance

Statement of Assurance on Internal Control over Operations, Reporting, and Compliance

Trust management is responsible for managing risks and maintaining effective internal control to meet the objectives of Sections 2 and 4 of the Federal Managers' Financial Integrity Act (FMFIA). The Trust conducted an assessment of risk and internal control in accordance with OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. Based on the results of the assessment, the Trust can provide reasonable assurance that internal control over operations, reporting, and compliance as of September 30, 2026, was operating effectively. No material weaknesses were found in the design or operation of the internal control.

The Trust continues to assess risk through internal audits, and we are taking steps to mitigate known risks.

Statement of Assurance on Internal Control over Financial Reporting

The Trust's internal control over financial reporting is a process affected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that transactions are: (1) properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. GAAP, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition; and (2) executed in accordance with provisions of applicable laws (including laws governing the use of budget authority); regulations; contracts; and grant agreements, noncompliance with which could have a material effect on the financial statements.

Trust management is responsible for designing, implementing, and maintaining effective internal control over financial reporting. The Trust conducted an assessment of the effectiveness of internal control over financial reporting according to the criteria established under FMFIA and OMB Circular No. A-123. Based on the results of the assessment, the Trust can provide reasonable assurance that internal control over financial reporting as of September 30, 2026, was operating effectively, and that no material weaknesses were found in the design or operation of internal control over financial reporting.

Statement of Assurance on Financial Management Systems

The Trust conducted reviews of our financial management systems consistent with Appendix D of OMB Circular No. A-123, *Management of Financial Management Systems - Risk and Compliance*, which contains guidance for determining compliance with the Federal Financial Management Improvement Act of 1996 (FFMIA). Based on the results of these reviews, the Trust can provide reasonable assurance that we have implemented and maintained financial management systems that comply substantially with federal financial management systems requirements, applicable federal accounting standards, and the U.S. Government Standard General Ledger at the transaction level consistent with the requirements of FFMIA.

The Trust hosts and maintains Oracle E-Business Suite R12 as our core accounting system. Cloud SaaS solutions include Yardi Voyager, Authorize.Net, US Bank Access Online, and the AP Express invoice approval and automation system implemented during Fiscal Year 2026 to replace the Trust's legacy on-premises invoice approval application. The Trust is improving the operations and mitigating risks of our on-premises hosted systems with the following planned actions: 1) ensuring data is encrypted in transit, 2) adding enhancements to authentication, and 3) planning a multi-year project to replace our accounting system with a cloud-based system.

Federal Information Security Modernization Act (FISMA) and Privacy Compliance

The Trust complies with the Federal Information Security Modernization Act (FISMA) through a comprehensive information security program that ensures the confidentiality, integrity, and availability of our systems. In alignment with Federal Information Processing Standards and National Institute of Standards and Technology guidelines, the Trust actively manages cybersecurity risks and continuously enhances our protections.

Following Executive Order 14028, "Improving the Nation's Cybersecurity," the Trust has advanced our efforts to implement a zero-trust architecture and adopt enhanced cybersecurity measures as outlined in the Trust's 5-Year IT Roadmap. The Trust reports FISMA Chief Information Officer (CIO) metrics annually, detailing progress on EO 14028 initiatives and meeting federal cybersecurity standards. Additionally, the Trust promptly implements DHS Cybersecurity and Infrastructure Security Agency (CISA) emergency directives and binding operational directives to address evolving threats. Ongoing operations include change enablement, managing identity and access, conducting regular vulnerability management operations, software patching, and performing disaster recovery (DR) tests to ensure operational resilience. The Trust is also fortifying our defenses by strengthening security awareness via phishing exercises.

In Fiscal Year 2026, the Trust continued assessing essential frameworks and resource requirements for a comprehensive privacy program. Key activities included consultations, risk assessments of existing data handling workflows, and recommendations for program design

aligned with federal privacy standards. In Fiscal Year 2027, the Trust will continue implementation of those recommendations.

Digital Accountability and Transparency Act

The Digital Accountability and Transparency Act of 2014 (DATA Act), codified at 31 U.S.C. 6101 note, requires U.S. Department of the Treasury account-level reporting. This includes reporting all Treasury Account Symbols that fund each award and contract transaction, budget authority, program activity, outlay, and budget object class, among other data elements. The DATA Act also requires the Federal Government to collectively standardize the financial data elements that are reportable under the act. In Fiscal Year 2026, the Trust provided monthly DATA Act submissions and certified those submissions each quarter.

Antideficiency Act

The Antideficiency Act, codified at 31 U.S.C. § 1341, prohibits incurring obligations or expending funds in advance of or in excess of an appropriation. The Presidio Trust Act section 104(g) provides that, notwithstanding the Antideficiency Act, all proceeds and other revenues received by the Trust are to be retained by the Trust and made available for authorized purposes, without further appropriation. The Trust deposits all proceeds and other revenues we receive in Treasury funds and spends those monies for authorized purposes under the Presidio Trust Act. The Trust regularly monitors spending against levels available in our Treasury accounts.

Jean S. Fraser
Chief Executive Officer
November 13, 2026

Fiscal Year 2026 Performance

The Presidio Trust is guided by a triple bottom line: People, Planet, and Performance. This narrative highlights Fiscal Year 2026 progress against each agency goal.

Performance Strategic Goal: The Presidio Trust will exemplify operational excellence in public service.

Generating Revenue to Sustain the Presidio

The Presidio's financial model is different from other national park sites. Rather than relying on ongoing annual federal taxpayer support, the 1996 Presidio Trust Act requires us to earn the revenue needed to operate, maintain, and improve the park. We have not received an annual Congressional appropriation since 2013.

When the Army closed its post and the Presidio joined the national park system, the Trust inherited more than 700 buildings in need of rehabilitation, along with aging infrastructure and declining landscapes. During our first 15 years, we invested gradually declining federal appropriations to rehabilitate and lease the park's buildings as homes, workplaces, and visitor destinations. This established an economic engine to cover our operating costs. Our challenge now is to grow that engine so we generate sufficient income not only to run the park today, but to repair and replace the Presidio's assets for decades to come.

In Fiscal Year 2026, the Trust delivered strong financial results, generating $235.7 million in revenue, or $251.4 million excluding a significant one-time revenue adjustment, representing an increase of $21.1 million over the prior year on an adjusted basis. This enabled us to cover our operating costs and add over $76 million to our reserves, which we will use in future years for capital improvements and replacement of assets. From reserves built in prior years, we obligated a total of $50.4 million to replace aging assets and an additional $130.8 million for capital and operational improvements.

Our revenue came from renting nearly 1,400 units which house more than 3,000 residents, and leasing approximately 2.2 million square feet of commercial space to more than 350 businesses employing an estimated 4,000 people. We also operated two hotels and a public 18-hole golf course, and generated revenue through utilities, parking, special event permits, and other sources.

Below, we summarize the Fiscal Year 2026 performance of our revenue-generating operations.

Commercial Leasing

In Fiscal Year 2026, the Presidio's commercial spaces continued to experience high occupancy and healthy rents due to the park's competitive advantage – a beautiful, clean, and safe national park site location. The Presidio is also considered an attractive place to locate a business because of its history as a place of purpose and national significance, and the quality

and character of its historic buildings. Additionally, the park's commercial tenants tell us they're gratified that their rent is much more than a business expense – it's an investment in something greater.

In Fiscal Year 2026, our commercial leasing program generated $68.7 million in revenue. We achieved an average annual commercial occupancy rate of over 96%, compared to a regional occupancy rate of about 80%.

We renewed leases with 66 tenants, for a total of 123,894 square feet and signed leases with 39 new organizations, representing a total of 109,755 square feet of space. These new leases reflect the diversity of our commercial portfolio.

For example, we signed a lease for a 13,460 square-foot industrial building at Crissy Field with Founders Inc. The new tenant, scheduled to begin operations in 2027, will use the facility to incubate companies working in artificial intelligence, robotics, hardware, aerospace, biotech, energy, and advanced manufacturing.

We also signed a lease with Fieldwork Brewing Company, a popular Bay Area craft brewery, for a 7,156 -square-foot restaurant that will open in Fiscal Year 2027. Fieldwork will become the Presidio's 15th eatery. Beyond generating revenue, restaurants enhance the visitor experience and strengthen the Presidio's appeal. Our research shows that food options are an important motivator inspiring people to visit the park (see the People Goal section).

Commercial Development

In Fiscal Year 2026, we grew our commercial portfolio and strengthened our economic engine by completing the renovation of two historic buildings on the Main Post.

In April 2026, we completed rehabilitation of 102 Montgomery Street. Originally constructed in 1896 as an infantry barracks, the building had been vacant since the early 2000s. Thanks to the authorization of a U.S. Treasury loan in Fiscal Year 2022, we were able to complete a full rehabilitation, preparing the property for modern use while preserving its historic character. In July 2026, we signed a lease for the building with CANOPY, a boutique co-working and flexible office provider. The lease will generate over $26 million in support for the Presidio over ten years.

Building 2, constructed during the U.S Civil War as a state-of-the-art Army hospital, served as a medical care facility into the 1960s, after which the Army converted it into a museum. After a thoughtful rehabilitation, it is now home to an expanded campus for the Adda Clevenger School, which welcomed its first class of students to the reimagined 14,150 square foot facility in August 2026. The lease will generate nearly $11.5 million to support park operations over 12 years.

Master Lease Terminations

When the Trust was first formed, we were capital constrained. To jump start our economic engine, we entered into long-term leases with private developers for select properties. Those tenants then rehabilitated and leased the buildings. While these transactions rehabilitated historic structures and provided some revenue to the Trust, the master developers earned most of the revenue.

In Fiscal Year 2026, we were able to terminate two of these leases by buying out the master developer, using a combination of Trust capital and U.S. Treasury loans.

In December 2025, we terminated the master lease for Building 38. Constructed in 1940 by the Works Progress Administration, Building 38 is approximately 60,000 square feet. Originally designed as enlisted men's barracks for the 4th Army, it was later used as office space for the 6th Army. In July 2001, the Trust executed a 60-year master lease, and the building underwent a tenant-funded rehabilitation to support office use. By terminating the master lease, we took over a highly stabilized commercial asset with a strong 96% occupancy rate, with growth potential in future years through rent escalations and tenant turnover.

Also in December 2025, we terminated the master lease for the Presidio Landmark, a 161-unit housing complex in the southern portion of the Presidio. This was an attractive opportunity for the Trust as Landmark was a fully improved, stabilized, and strong performing asset with a 96% occupancy rate. Annualized potential revenue of the property totaled over $9 million in Fiscal Year 2026 and is projected to increase in coming years. With this transaction, the Presidio Trust now directly manages all housing in the park, with the exception of the below-market rate Swords to Plowshares Veterans Academy.

Residential Leasing

Over generations, the U.S. Army built housing of various types and sizes in the Presidio to serve soldiers and their family members. Today, the public can rent homes in 25 distinct neighborhoods around the park. Approximately 3,000 people live in nearly 1,400 units.

Demand remained exceptionally high in Fiscal Year 2026. The average occupancy rate was 98%, which supported average rent growth of 10%. The park's housing portfolio also experienced a record low turnover rate of under 12%. In total, the residential leasing program earned more than $83 million in revenue.

Each year we make upgrades to protect the physical condition and long-term appeal of the park's housing units. In Fiscal Year 2026, we invested more than $20 million. In spring 2026, we completed a full infrastructure upgrade of the Storey neighborhood, located near the Golden Gate Bridge, where we replaced the water, sewer, and storm drainage system, improved the roadway and sidewalks, added patios, and restored landscapes.

We also completed a three-year project to repair and repaint the exteriors of all buildings in Baker Beach, the park's largest neighborhood with 398 units. We replaced roofs in the Ruckman neighborhood, began a major landscape upgrade in the Sanches neighborhood, and made needed repairs and improvements to the newly acquired Presidio Landmark property. We also renovated the interior of 156 units, investing $16.1 million.

Residential Development

We advanced plans to build 196 units of new market rate housing in the park's historic Letterman District. Housing at this site has been called for in the park's management plan since 2002. This will be the first new housing construction in the Presidio in more than 15 years.

The Letterman Residential Project will reinvigorate 4.6 acres of the 60-acre district once occupied by the Army's Letterman General Hospital. We plan to build six low-scale buildings compatible in design to the historic architecture found there. The project will provide a mix of studio, one-bedroom, and two-bedroom apartments and will meet the U.S. Green Building Council LEED for Homes Gold standard.

In spring 2026, we completed the Final Environmental Assessment for the project. We also completed 100% design development. In summer 2026, we cleared the site by removing an unoccupied and functionally obsolete building originally constructed by the Army in 1976 as a nurses' dorm for the former hospital. We also began to upgrade the utilities serving the Letterman District.

The Letterman Residential Project will add housing to the Presidio, restore the character of the historic district, make the area more inviting for the public, and generate revenue. Construction is planned to start in mid-2027, with units available for occupancy in 2029.

Presidio Golf Course & Lodging

Through our golf course and hotels, we welcome the public and generate income. In Fiscal Year 2026, these facilities achieved record performance, earning $28.0 million, with a net income of nearly $9.6 million.

We operate two historic boutique hotels, the Inn at the Presidio and Lodge at the Presidio. The average combined occupancy rate was 87%. The combined revenue from the hotels was nearly $14.0 million, with a net income of more than $6.0 million.

The hotels continue to be rated highly by guests. Inn at the Presidio was named a winner in the Historic Hotels category of the 2026 Sunset Travel Awards. And both the Inn and the Lodge earned the 2026 Tripadvisor Travelers' Choice Award, placing them in the top 10% of properties worldwide. Our surveys indicate that overall satisfaction rate among guests was 94%

Presidio Golf Course, first built by the U.S. Army beginning in 1895, was in high demand in Fiscal Year 2026. More than 79,900 rounds of golf were played at this top-rated public facility. Total revenue was more than $14.0 million, with a net income of $3.5 million. We continued to invest to ensure it remains a highly appealing golf destination through upgrades to the Pro Shop. We also continued our PGA HOPE program, which provides free golf instruction and access to veterans and active-duty military. Overall, the course earned a 73% satisfaction rate among guests. This was lower than normal due to course rehabilitation work.

Paid Parking

For nearly two decades, the Presidio Trust has operated a paid parking program. In addition to managing demand for parking so that parking is relatively easy to find for visitors and business customers, the revenue supports park operations. Parking revenue from visitors and commercial tenants increased 15% over Fiscal Year 2025 to a total of $5.3M.

Utilities

Utilities revenue consists primarily of charges to residential and commercial tenants for electricity, water, and wastewater. These charges help recover the costs of purchasing, distributing, operating, and maintaining the utility systems that serve the Presidio but do not cover the full cost of operating the utilities. In Fiscal Year 2026, Utilities revenue totaled $11.7 million.

We continued to focus on improving billing accuracy, monitoring utility consumption, and adjusting rates to recover rising service costs. These efforts support long-term financial sustainability while maintaining reliable utility services for Presidio residents and businesses.

Permitted Special Uses

Through our special uses permitting program, we invite individuals and organizations to reserve space in the park for picnicking, overnight camping, festivals, sporting events, outdoor weddings, corporate events, and other gatherings. This supports our People goal by welcoming the public as well as our Performance goal by generating income to support park operations. In Fiscal Year 2026, we attracted more than 150,000 people through hundreds of permitted activities, generating more than $1.4 million in revenue.

Corporate Sponsorship

In Fiscal Year 2025 we launched a corporate sponsorship program with the goal of earning revenue to support park operations and programs. In September 2026, we formally announced that Sutter Health, a not-for-profit California healthcare provider, had become the Founding Partner and Official Healthcare Partner of the Presidio Trust. Sutter is the first nonprofit healthcare organization to hold an official partnership designation with a U.S. national park site.

The partnership will bring free health and wellness experiences for the public to enjoy in the Presidio, while generating funds to support the park. In fall 2026, the program kicked off with weekly outdoor yoga.

Maintaining and Upgrading the Presidio's Assets

The Presidio has the buildings, landscapes, and infrastructure of a small town, including 5.7 million square feet of building space, 56 miles of electrical lines, 34 miles of roads, and 32 miles of sanitary sewer lines. While the Trust has jurisdiction over the interior 80% of the park, we are responsible for operating and maintaining utilities throughout the entire Presidio (Area B), including the coastal portion managed by the National Park Service (Area A).

A physical plant the size, age, and complexity of the Presidio requires ongoing maintenance, repair, and replacement. Each year, we invest significantly in maintaining the park's assets and replacing them as they wear out. We also continue to address the backlog of deferred maintenance inherited from the Army. This is essential to providing value for the Presidio's rent-paying residents and commercial tenants, who depend on a safe and well-functioning environment. It also supports the visitor experience as our research shows that a clean and welcoming park is a leading factor motivating people to visit the Presidio (see People Goal section).

Preventive Maintenance: In Fiscal Year 2026, we carried out preventive maintenance, a cornerstone of responsible stewardship, through a planned, data-driven asset management program. By routinely inspecting and servicing our assets, we prevent problems, reduce emergency repairs, and ensure consistent service to visitors and customers. This approach enhances safety and reliability and supports long-term sustainability and operational efficiency.

Presidio Asset and Replacement Tracking System (PARTS): In Fiscal Year 2026, we continued to develop the integrated set of tools and processes for managing the condition, maintenance, and long-term replacement of the Presidio's buildings and other physical assets. The program combines asset data, condition assessments, software applications, analytical tools, and business processes to support informed facility management and capital planning. During the year, we assessed building and system conditions, updated and verified building asset information, and incorporated additional data into the system. We also began developing tools and processes to qualify the existing and recently reassessed data to ensure quality planning for maintenance and capital priorities as well as risk profiles to anticipate future repair and replacement requirements. Together, these improvements provide a more reliable and consistent foundation for understanding the condition of the Presidio's asset portfolio. This will help us make better-informed decisions about where and when to invest in maintenance, rehabilitation, and asset replacement.

Infrastructure Upgrades: We are intently focused on replacing the park's outdated 4kV Army-era power system with a modern, reliable 12kV system. In Fiscal Year 2026, we began early

procurement of long-lead equipment and completed the initial design documents for the entire system. We expect to complete grid replacement in 2030.

Finally, we completed localized storm drainage improvements to reduce erosion and flooding in the Fort Scott ballfield area. The Trust leases the field for use by local schools and sports clubs. Erosion and flooding require that we close the field, which results in less playing time for children and revenue loss to the Trust.

Improving How We Work

In Fiscal Year 2026, we improved the Presidio Trust's internal systems and tools to work more efficiently and effectively.

Modernizing Our Procurement Process: In Fiscal Year 2026, we implemented procurement software and streamlined and modernized procurement policies and processes. These improvements are expected to reduce administrative burden and processing time, improve visibility into procurement activity and contract obligations, strengthen internal controls and policy compliance, and create more reliable and useful data. Future improvement plans include procurement analytics, strategic sourcing, and better supplier management, helping us use our resources efficiently in support of our mission.

Improving How We Process Payments: In Fiscal Year 2026, we modernized and streamlined the way we enter, approve, and pay invoices, supporting faster and more reliable vendor payments. In May 2026, we launched a new invoice automation platform that replaced several manual steps with automated workflows and centralized invoice processing and tracking.

The new system has improved visibility into invoice status, streamlined routing to reviewers and approvers, and provided more timely information about purchase order balances and pending invoices. Together, these improvements have reduced manual processing and administrative effort while shortening processing times and reducing the risk of late vendor payments and associated interest penalties.

Improving our Information Technology Systems: In Fiscal Year 2026, we completed a Five-Year Technology Strategy and Roadmap, detailing our future technology investments based on agency priorities. We also strengthened cybersecurity by consolidating the tools we use, taking advantage of shared federal cybersecurity services, and continuing to improve how we control access to Trust systems and information in line with federal requirements.

We established a new Data Governance Program to improve the quality, management, and protection of Trust data and records. We also clarified responsibility for managing our major business and financial systems, strengthening oversight and internal controls.

We evaluated whether moving more of our data center operations to the cloud would improve cost, reliability, and operations. The analysis helped us avoid unnecessary ongoing expenses

while confirming our approach of using cloud technology for new systems and future investments where appropriate.

We also standardized the mobile devices used by the Trust to make them easier to manage and more secure and updated our device access policies. Finally, we established the Trust's approach to artificial intelligence, including guidelines for responsible use and oversight as we begin adopting the technology.

Throughout the year, we sustained daily service delivery to approximately 350 users while supporting the enterprise platforms critical to the Trust operations.

Managing Risk: In Fiscal Year 2026, we made significant progress establishing a program to identify and manage major risks and guide decision making to enable ongoing operations and achieve strategic goals. We identified key risks across the agency, assigned staff responsible for managing them, and began developing measures to track potential issues and how well we are addressing them.

In Fiscal Year 2027, we will complete the program by adopting a formal policy, strengthening ongoing monitoring and reporting, and integrating risk management into strategic planning, major projects, and other agency decisions.

Improving Public Safety: In Fiscal Year 2026, we continued to modernize the Presidio's public safety and emergency management capabilities, improving how we communicate during emergencies, coordinate incident response, and prepare the park for natural and human-caused hazards.

A major milestone was the implementation and expansion of the Presidio's Emergency Communications System, providing the Trust with a centralized capability to quickly send emergency and operational notifications to employees, residents, and commercial tenants. The system strengthens our ability to communicate protective actions, incident updates, utility disruptions, severe weather information, and other time-sensitive information across the park. We also maintain the ability to issue public emergency alerts through the federal Integrated Public Alert and Warning System.

Additionally, we completed a Tsunami Inundation Zone Signage Project to improve public awareness along portions of the Presidio's coastline. Signs clearly identify when visitors, residents, and tenants are entering or leaving a tsunami inundation zone. The project was coordinated with broader tsunami preparedness and signage improvements being undertaken by state and local partners.

We strengthened our emergency coordination and situational awareness capabilities by continuing to develop the Presidio's Department Operations Center, emergency and continuity plans, incident position checklists, communications procedures, and coordination protocols with partner agencies. These improvements prepare the Trust to manage large events, severe

weather, utility outages, public safety incidents, and other emergencies while maintaining essential park operations.

We also expanded use of uncrewed aircraft systems and remote sensing technology to support public safety, emergency response, infrastructure inspections, and situational awareness. Enhancements to the program provide incident managers and field personnel faster access to aerial information while reducing the need to place staff in potentially hazardous environments.

Together, these investments improved our ability to identify emerging hazards, communicate quickly with the Presidio community, coordinate with first responders, and maintain continuity of operations during emergencies.

Planet Strategic Goal: The Presidio Trust will be a model of environmental stewardship.

Improving the Presidio's Open Spaces

When the Presidio transitioned from an Army post to a national park site in the mid-1990s, the landscape was in decline. Over nearly three decades, we, together with our partners and volunteers, have undertaken extensive efforts to restore natural areas and improve the health and vitality of the park's environment. Our goal is to increase the variety of plants, animals, and other life.

This work has been guided by the *Presidio Trust Management Plan* and the *Vegetation Management Plan*, which establish how we restore and improve the park's natural areas, the historic forest, and designed landscapes.

Today, despite its location in a dense urban area, the Presidio is one of the most biologically diverse national park sites in the United States. Every three years, we produce a Presidio Environmental Health Report to measure progress in five areas: native plant cover, threatened and endangered species, harmful invasive species, overall biodiversity, and water quality.

Last year, we completed our report covering 2023–2025. The Presidio's overall ecological health score increased to 75%, up from 73% in each of the previous two reports. All five areas showed positive trends, indicating that our long-term investments in restoration are improving the health of the park's environment.

This work benefits people as well as nature. Our visitor research shows that the Presidio's scenic beauty and opportunities to experience nature are among the top reasons people choose to visit the park (see the People goal section).

This section highlights our Fiscal Year 2026 work to restore, care for, and improve the Presidio's open spaces.

Restoring Natural Areas

Dune Restoration at Baker Beach and the Presidio Hills: In Fiscal Year 2026, we completed the third phase of dune habitat restoration near the World War II West Coast Memorial. After removing dead and dying Monterey pines in previous years, we've now established a thriving community of native plant species featuring rare and endangered dune plants. Thousands of endangered San Francisco lessingia, San Francisco spine flower, and Dune gilia now bloom there. These newly restored areas connect previously restored and remnant areas to act as a corridor for wildlife, especially native bees and butterflies, to move safely through the park. In Fiscal Year 2027, we will continue to boost biodiversity in these areas by controlling invasive species populations and planting more native species.

Native Plant Restoration near the Quarry Neighborhood: In Fiscal Year 2025, we began restoring oak woodland habitat by removing three acres of dying trees. In early Fiscal Year

2026, we planted 1,991 native plants to increase the diversity of species growing there. We will plant an additional 3,000 plants at this site in Fiscal Year 2027. In controlling invasive plant species and planting native species, we are supporting increased wildlife use of this area. To measure our progress, we track the number of birds coming to these sites as they are indicators of a natural area's health.

Native Plant Restoration Near the Historic Nike Missile Site: During World War II, the Presidio housed a Nike missile site, which was decommissioned in 1969. Today, the area is largely open space. In Fiscal Year 2026, we removed an acre of declining Monterey pines and cypresses. In Fiscal Year 2027, we will replant the area as coastal scrub habitat. This will connect the former Nike site to two other recently restored scrubland areas.

Creating a Sustainable Forest

The U.S. Army first planted the Presidio forest in the 1880s to create a buffer against wind and visually distinguish the Presidio from the surrounding city. Today, the 306-acre forest is a beloved feature of the landscape and a contributing feature of the Presidio's status as a National Historic Landmark District. Five species make up 95 percent of the forest: Monterey cypress, Monterey pine, blue gum eucalyptus, blackwood acacia, and coast redwood.

Planted largely as dense, even-aged stands, much of the forest is now experiencing the combined effects of age, pests, disease, and changing environmental conditions. By the time the Presidio joined the national park system in 1994, significant portions were already in decline.

Following extensive study and public and agency input, the Presidio Trust launched its reforestation program in 2003, guided by the 2001 *Presidio Vegetation Management Plan (VMP)*, developed jointly with the National Park Service. Our goal is to retain the character of the historic forest while transitioning aging stands into a more diverse and resilient forest. Native understory plantings further increase habitat and biodiversity. To date, we have renewed more than 65 acres, planting 9,000 trees.

In Fiscal Year 2026, we began or continued reforestation at four sites. Along Washington Boulevard near Deems Road, we transitioned one acre of invasive vegetation and declining Monterey cypress and pine to a more diverse coast redwood stand. Near the World War II West Coast Memorial, we renewed approximately one-half acre of declining forest along heavily used roads and trails. Near Infantry Terrace, we began renewal of an aging historic stand experiencing tree failures. And near Rob Hill Campground, we selectively thinned eucalyptus to improve stand structure and habitat while reducing wildfire risk.

In Fiscal Year 2026, we continued proactive tree risk mitigation throughout the Presidio, addressing identified hazards through targeted pruning, removal, and other treatments while retaining mature trees wherever possible. We also updated the Presidio's Wildland Fire

Management Plan to prepare for implementation beginning in Fiscal Year 2027. This work integrates management of vegetation and fuels and long-term forest resilience.

The Presidio's approach to long-term forest management is now a model for the future of urban forestry. In October 2025, our Forester presented at the International Society of Arboriculture Annual Conference in New Zealand, sharing more than 20 years of tree risk management data and demonstrating how repeated assessment, mitigation, and monitoring have produced measurable improvements in forest safety and condition. As urban forests around the world face the combined pressures of aging trees, climate change, wildfire, pests, and disease, the Presidio is demonstrating how an historic forest can be renewed while preserving its character and building greater resilience for the future.

Revitalizing Designed Landscapes

We are reimagining the traditional landscapes established by the Army around Presidio buildings, preserving their historic character and beauty while making them more environmentally sustainable and biodiverse. This approach, known as ecological horticulture, uses plants and landscaping practices that support both people and nature.

As landscapes around Presidio homes and workplaces need renewal, we are replacing conventional irrigated lawns with grasses and flowering native plants adapted to the Presidio's dry summers. These landscapes require less water while also providing habitat and food for pollinators, insects, and other wildlife.

In Fiscal Year 2025, we began work at Building 103, one of the historic Montgomery Street Barracks. We replaced an underutilized lawn with a variety of native plants and conducted monitoring to determine which combinations worked best. Early results indicated that the native landscapes we initially planted are now attracting eight times as many native bees as nearby turf areas. Further, water use for irrigation decreased 80% compared to traditional lawn. Given these results, in Fiscal Year 2026 we replaced grass behind several additional Montgomery Street Barracks buildings with a similarly beautiful and sustainable landscape.

In collaboration with the National Park Service, we began the reintroduction of two native plant species: columbine (A*quilegia formosa*) and meadow rue *(Thalictrum fendleri)*. These plants will reduce our reliance on ornamental species in shaded areas. Both species were cultivated in the Presidio Nursery, operated in partnership with the non-profit Golden Gate National Parks Conservancy.

We're gratified that this innovative ecological horticulture approach is producing triple-bottom-line results against our goals of People, Planet, and Performance by enriching the visitor experience, increasing biodiversity, and delivering measurable cost savings.

Returning Native Species to the Presidio

One of our long-term restoration goals is to return native species that have disappeared from the Presidio.

Bringing Back Butterflies: In recent years, that work has included introducing the Silvery Blue butterfly (*Glaucopsyche lygdamus*), a native species that serves as an ecological stand-in for the Xerces Blue butterfly, which disappeared from the Presidio and became extinct in the 1940s. The Xerces Blue has since become an international symbol of species conservation.

In Fiscal Year 2025, we released Silvery Blue butterflies into two restored dune habitats in the Presidio. Subsequent monitoring found that the butterflies were successfully reproducing. Building on that success, in Fiscal Year 2026 we worked with the California Academy of Sciences and Creekside Science to release dozens more Silvery Blue butterflies to establish a steady butterfly population in the Presidio.

Managing Native Coyotes: Coyotes play an important role in maintaining a healthy ecosystem in the Presidio by helping control rodent and raccoon populations. To reduce conflicts with dogs, we actively manage coyotes in the park. Our approach combines wildlife monitoring, seasonal restrictions on dog walking along certain trails, and public education about how people can coexist with coyotes.

In Fiscal Year 2026, we increased our outreach to residents, tenants, visitors, and dog walkers, with particular emphasis on keeping pets leashed and properly securing trash so coyotes are not attracted to human food. Our wildlife ecologists hosted monthly educational events and a community meeting, and we launched a new volunteer program focused on engaging and educating the park's dog walkers. We also provided regular updates during coyote pupping season through our website, videos, and educational materials. As this year's pupping season comes to a close, we are encouraged that relatively few coyote conflicts have been reported.

Reducing the Impact of Park Operations

We work to minimize the environmental impact of our own operations while reducing costs. This section details our efforts in Fiscal Year 2026.

Reducing Waste to Landfill

For many years, the Trust has operated a multi-faceted program to keep waste out of the landfill. The is good for the environment and supports our Performance goal by reducing our disposal costs.

Our in-house compost program continued to transform green waste collected during park maintenance work into a nutrient reach soil amendment. This supports our reforestation program by stabilizing and adding moisture to the Presidio's sandy soil (see Creating a Sustainable Forest, above). In Fiscal Year 2026, we converted approximately 1,000 tons of

green yard waste into more than 600 tons of compost. By composting on site, we avoided off-hauling green debris and importing compost, eliminating approximately 100 truck trips.

We improved our waste sorting system and encouraged Trust staff, residents, and tenants to participate in park wide recycling and composting programs.

The Trust's building rehabilitation teams also increased their recycling of carpets, metal, styrofoam, cardboard, and construction debris, helping us increase our building waste diversion rate from 63% to 68%. We also educated the park's commercial tenants on how they could better sort materials, increasing their waste diversion from 74% to 76%. These efforts collectively decreased what we send to landfill and increased the park wide waste diversion rate from 73% to 75%.

In addition to the environmental benefits, the Trust received more than $1 million in diversion credits from our waste management contractor in 2026.

People Strategic Goal: As a national park, the Presidio will be visited and loved by all

The Presidio sits at the heart of a large urban national park, the Golden Gate National Recreation Area. Our People goal is for the Presidio to be visited and loved by all.

When the Presidio joined the national park system in the mid-1990s, the former military post did not yet have the spaces, services, and amenities needed to welcome the public. Over nearly three decades, together with our partners we have transformed the Presidio into a national park destination, creating trails and bikeways, a visitor center, picnic areas, restrooms, places to eat, and other visitor amenities. These improvements were shaped by listening, testing, and learning.

Today, millions of people come to the Presidio each year, attracted by its extraordinary history, nature, and recreation, as well as dining and cultural experiences. Our goal is not simply to attract a high number of visitors, but to ensure that people have a positive experience when they come.

This section highlights our Fiscal Year 2026 work to strengthen the visitor experience and help more people discover and experience the Presidio.

Using Data to Understand Our Visitors

Visitor research is critical to understanding if we are delivering on our People goal. It helps us determine how many people are visiting, who our visitors are, and what encourages or prevents them from coming to the Presidio.

We track total visitation, visitor satisfaction, awareness of park offerings, motivations for visiting, where visitors come from, and how frequently they visit. We also look at whether their experience makes them likely to return and recommend the Presidio to others. Below are highlights from our Fiscal Year 2026 research.

How Many People Are Visiting?

As an urban national park site with a large gateway community, the Presidio is accessible to millions of people who live in or visit the Bay Area. In 2025, the most recent calendar year for which data are available, the Presidio recorded 9.5 million visits, maintaining the high level of visitation achieved the previous year.

For perspective, the Presidio receives nearly twice as many annual visits as many of the nation's best-known destination national parks, including Yosemite, Yellowstone, and the Grand Canyon. About two-thirds of visitors come from the Bay Area region. This connects to our Performance goal, as local and regional visitors are more likely to return to eat, shop, and volunteer, which supports the park. The Presidio also serves people from across the country and around the world. In 2025, approximately 1.2 million visits came from people living outside California, and 600,000 came from international visitors.

Are Visitors Enjoying Their Experience?

Our goal is that Presidio visitors have an experience they value and want to share with others.

To gauge their satisfaction, we survey Bay Area residents who have visited the Presidio in the past year and ask how likely they are to recommend the park to family and friends. This measure helps us understand visitor sentiment and identify opportunities to strengthen the experience. In calendar year 2026, the Presidio earned an average Likelihood to Recommend score of 8.4 out of 10, a very strong result.

We also gather feedback from visitors through focus groups, post-visit surveys, and other methods. In Fiscal Year 2026, post-visit surveys showed that visitors gave their recent Presidio experience an average rating of 4.9 out of 5.

What Motivates Visitors to Come?

Our research also examines what influences people to choose the Presidio among the many parks, destinations, and activities available to them.

In Fiscal Year 2026, visitors identified cleanliness and safety among the leading factors driving their decision to visit, along with scenic beauty and views, access to nature and recreation, and practical amenities such as restrooms, parking, and places to eat.

These findings underscore that a great visitor experience depends on both inherent qualities that make the Presidio special such as natural beauty, as well as factors the agency can directly influence, including cleanliness, safety, and amenities.

Our research also indicates that when people know the Presidio is a national park site, they are more interested in visiting. And when people understand that the Presidio Trust earns the revenue to operate the park, three out of four say they're more motivated to spend money here.

Providing a Welcoming Park Experience

Our research helps us improve how we maintain the park and what services, amenities, and activities we provide the public. In Fiscal Year 2026, we focused on several areas: 1) making it easier to get to and around the park, 2) maintaining visitor areas, and 3) providing quality amenities and experiences.

1-Making It Easier to Get to and Around the Presidio

Because transportation has been identified as a barrier to visiting, in Fiscal Year 2026 we improved ways to get to and around the park by transit, walking, biking, and driving a car.

Presidio GO Shuttle: In Fiscal Year 2026, we improved the vehicle fleet for our free park shuttle system, known as Presidio GO. Presidio GO operates two routes: one providing express service between the Presidio and downtown San Francisco, with connections to regional transit, and another route serving key destinations within the park. This transit service is not only a convenient way for visitors to access the park; it also supports our leasing by serving thousands of people who live and work in the Presidio.

In Fiscal Year 2026, we replaced four aging vehicles with new buses. The new shuttles feature a low-floor, step-free design that has made boarding easier for people of all abilities. The buses include passenger counters and more visitor-friendly signage. They also require less maintenance compared with the outdated vehicles they replaced.

The buses were funded through a combination of Presidio Trust funds and support from the State of California and the Federal Lands Transportation Program, for which we are very grateful.

The Presidio GO Shuttle continued to see strong ridership in Fiscal Year 2026, providing more than 290,000 rides.

Bike Share: Through a partnership with Lyft, we've established a network of rental kiosks for electric and traditional bikes. Eight bikeshare stations are now available in the Presidio.

Bike share has become an increasingly important aspect of the park's transportation program. Monthly bike share trips steadily increased throughout Fiscal Year 2026, reaching an all-time high of 19,690 rides in July. In total, more than 160,000 bike share trips were taken to or from the Presidio in Fiscal Year 2026, a remarkable 43% year-over-year increase, and a 114% increase over Fiscal Year 2024 bike share trips.

Improving Comfort and Safety: In Fiscal Year 2026 we made improvements to the park's sidewalks, closing gaps in critical areas, addressing hazards, and upgrading curb ramps. In addition, we completed design of two projects that will make it safer and more comfortable to navigate the park, funded by a grant from the Federal Highway Administration. The Main Post Paving and Access project will repave multiple roadways and parking lots. It will also build new sidewalks and street crossings for those walking, using a wheelchair, or pushing a stroller. Construction will begin in early Fiscal Year 2027.

We also completed design of a project that will close a key gap in the trail network along the park's west coast. Construction for that project will begin in early Fiscal Year 2027.

2-Maintaining the Park

Maintaining a clean, safe, and well-functioning park is fundamental to the visitor experience and the long-term stewardship of the Presidio. Our teams provide year-round care for the Presidio's public spaces, landscapes, trails, roads, utilities, and other essential infrastructure,

with a focus on reliable operations, public safety, resource protection, and high-quality visitor experiences.

Day-to-day work includes trash and litter removal, public restroom care, landscape and turf maintenance, trail and roadway upkeep, tree care, irrigation, signage, and maintenance of visitor-serving amenities. Behind the scenes, staff also operate and maintain critical infrastructure, including drinking water, wastewater, stormwater and high voltage electrical systems. Natural resource and forestry teams care for the Presidio's forests, natural areas, and designed landscapes (see Planet goal section).

We continually look for opportunities to improve how we deliver these services, including better coordination across teams, preventive maintenance, effective use of technology and equipment, and strategic use of in-house and contracted services. In Fiscal Year 2026, a cross-division team led an operational improvement study of Presidio Tunnel Tops, identifying improvements to serve this heavily visited site more efficiently while maintaining high standards for cleanliness, safety, landscape care, and visitor experience.

3-Providing a Variety of Quality Amenities and Experiences

Our research consistently shows that visitors appreciate the Presidio's broad range of offerings and activities. In Fiscal Year 2026, we provided a wide array of ways for people to experience the park, from outdoor recreation and nature exploration to food, history, cultural programming, and community gatherings. Highlights included:

Presidio Tunnel Tops: In July 2026, we marked the fourth anniversary of the park's 14-acre gateway known as Presidio Tunnel Tops, which was funded primarily with private donations raised through the non-profit Golden Gate National Parks Conservancy. Located just steps from the park's Visitor Center and Transit Center, it features restaurants and food trucks, picnic and gathering areas, trails, gardens, a large campfire circle and scenic overlooks with 360-degree views of the Golden Gate Bridge.

Presidio Tunnel Tops continued to earn national and international recognition. In 2026, it received the prestigious Urban Land Institute (ULI) Americas Award for Excellence. Their jury, composed of development, finance, planning, and design experts, stated "the development beautifully weaves together trails, transit access, education spaces, and gathering areas, replacing a former pedestrian barrier with a new civic destination."

Nature, Learning, and Play: The Outpost, a two-acre nature playground, and the Field Station, an all-ages art and science "discovery lab," provided hands-on opportunities for families to explore the park's nature and history, including a host of self-guided resources to encourage further park adventures. In Fiscal Year 2026, these facilities combined received more than 500,000 visits from the public, including 230 school groups and summer camps coming through the Presidio's "DIY Field Trip" program. Since we began that program in June 2023, we've served nearly 650 groups and more than 20,000 youth participants.

Community Group Visits: To expand visitation to the Presidio, we aided community organizations with group trip planning. In Fiscal Year 2026, we helped coordinate more than 120 community group visits to the Presidio, which brought over 3,800 community members. Groups used the park for hikes, wellness retreats, holiday celebrations, picnics, cultural observances, and resource fairs.

Food Service: The Presidio Trust operates the popular Presidio Pop Up program, which provides food trucks near the park's main visitor destinations. In Fiscal Year 2026, 30 small businesses participated in the program, generating food & beverage sales of more than $3.4 million.

In August 2026, we also welcomed a new tenant-operated restaurant to Presidio Tunnel Tops. The Mess Hall at the Presidio is a large food hall offering diverse menu options, a café and bar, and takeout options. It is the park's 14th eatery.

National Park Camping: The Presidio is home to one of just two campgrounds in San Francisco, and it is the only one with group campsites. Rob Hill Campground is open from April to October. In Fiscal Year 2026, approximately 11,500 people camped in the park, including 2,200 youth campers joining through our Redtail Week camping program. For many youth, camping in the Presidio is their first camping experience.

Honoring History: The Presidio's historic places and experiences provide another important dimension of the visitor experience. The park's oldest building, the Presidio Officers' Club, houses a public exhibition on the Presidio's varied history and its current role as a national park site. Open to the public Fridays through Sundays, in Fiscal Year 2026 it hosted 11,500 visits. The Presidio Visitor Center also includes exhibits on the park's history and offers tours led by National Park Service rangers. It hosted over 130,000 visits in Fiscal Year 2026.

Additionally, we were proud that the Presidio was the first site to host the *I Am An American* temporary special exhibition presented by the National Veterans Network with the National Museum of the United States Army and the Army Historical Foundation. The exhibition told the story of Japanese Americans serving in World War II and was presented at the park's Military Intelligence Service Historic Learning Center. The exhibition will now tour ten additional cities across the nation. We leveraged this special exhibition to bring visitors to our own special exhibition, *EXCLUSION*, which ended its seven-year run at the Presidio Officers' Club in September 2026 after hosting 185,000 total visits. Portions of that exhibition will now join our permanent collection.

In October 2025, the Presidio welcomed visitors for Fleet Week**,** which honors the contributions of the men and women of the United States Armed Forces. The Presidio provided the ideal spot for tens of thousands of visitors to enjoy the air show and parade of ships, set against the backdrop of the Golden Gate Bridge.

In May 2026, we supported the Veterans Administration in hosting the Presidio's annual Memorial Day event held at San Francisco National Cemetery, where 30,000 veterans and their family members are laid to rest. We also supported various commemoration activities at the Presidio's World War II West Coast Memorial and the Korean War Memorial.

Public Events: Each year, the Presidio Trust offers free public events in partnership with community or media organizations. These gatherings are designed in part to entice new visitors to the park. Post-event surveys show that 20 percent of community event attendees were visiting the park for the first time. Below are some of the 26 public events and festivals we hosted in Fiscal Year 2026:

- In May 2026, we co-hosted the third annual *Intertribal Dance Gathering* with the Native American Health Center. It featured indigenous healing dances, an artists' marketplace, traditional craft demonstrations, and community health screenings.
- In June 2026, the Presidio co-hosted a *World Cup Watch Party* with media partners Telemundo 48 and NBC Bay Area. Soccer fans gathered, cheered, and celebrated as they watched two matches, Qatar vs. Switzerland and Brazil vs. Morocco, while enjoying food from Presidio Pop Up on the Main Parade Lawn.
- In August 2026, *Fiesta en el Parque*, co-hosted with support from media partners Telemundo 48 and NBC Bay Area, highlighted Latin culture with music, and interactive dance lessons.
- In September 2026, we co-hosted the *World Arts West's Dance Festival* featuring global performances, workshops, and ceremonies with local artists representing cultures from around the world.
- In September 2026, *Access to Adventure Day* highlighted inclusive and therapeutic recreation, after-school care, and summer programs available to support families of children with disabilities. It was co-hosted with Support for Families with Children with Disabilities and the San Francisco Recreation and Parks Department.
- In September 2026, the Korean Center, Inc. brought the *8th Annual Chuseok Festival* to the Presidio to celebrate the autumn harvest with live music, Korean cultural traditions, dances, arts and crafts, and food.

This was also an important year for the Presidio as we marked both the 250th anniversary of the Presidio's founding as well as the 250th anniversary of the United States. The City and County of San Francisco hosted a fireworks show on the Golden Gate Bridge on July 4th and the Presidio served as a primary viewing destination, resulting in over 200,000 people visiting the Presidio -- our highest daily visitation ever.

Volunteers: At the nexus of caring for the park and engaging visitors lies our volunteer program. Volunteers have long helped make the Presidio a beautiful and welcoming place

while fostering a deeper sense of stewardship. In Fiscal Year 2026, volunteers provided more than 16,000 hours of service in the Presidio, equating to a contribution of over $644,000.

Environmental stewardship volunteers revitalized the park's natural areas, worked on reforestation projects, participated in planting days, and maintained colorful native and non-native planting beds. Volunteers also were involved in wildlife monitoring projects and in developing a native specimen library that is available to local school classrooms.

In addition, trained volunteer Park Ambassadors welcomed and educated more than 20,000 visitors at popular visitor destinations including Presidio Tunnel Tops and Mountain Lake.

Chief Financial Officer Performance and Accountability Report Letter

Fiscal Year 2026 was an important year for the Presidio Trust as we continued strengthening our financial foundation and investing in the long-term sustainability of the park. Our financial results reflect both the strength of our ongoing operations and significant investments that will position the Trust to generate additional revenue and care for the Presidio's assets for years to come.

The Trust’s unique financial model requires us to generate sufficient revenue not only to support current operations, but also to maintain, rehabilitate, and eventually replace the buildings, infrastructure, and other assets entrusted to our care. This requires balancing today's operating needs with investments that will sustain the park for future generations.

Financial Performance and Long-Term Sustainability

In Fiscal Year 2026, the Trust generated $235.7 million in reported revenue, an increase over the prior year. Our residential and commercial leasing businesses continued to perform well, supported by strong occupancy and demand.

One of the year's most significant financial developments was the termination of two long-term master developer leases for the Presidio Landmark and Building 38. These transactions brought 161 residential units and 37 commercial tenant leases under the Trust's direct management, allowing us to capture additional recurring rental income to support park operations and future investments.

The accounting treatment of these transactions resulted in substantial one-time expenses and was the primary reason the Trust reported a net cost of operations of $43.1 million, compared with a net surplus in Fiscal Year 2025. An additional non-recurring adjustment related to a tenant lease also affected reported revenue. Excluding these significant non-recurring items, the Trust generated a net surplus of $35.6 million, demonstrating the continued strength of our underlying operations.

These transactions illustrate an important aspect of our financial strategy: making deliberate investments today that improve our ability to sustain the Presidio over the long term.

Investing in the Presidio's Future

The Trust continues to invest substantially in its buildings, infrastructure, and other park assets, including replacing aging trees and restoring natural habitats, historic building rehabilitation, and critical utility upgrades.

Maintaining these assets remains one of our greatest long-term financial challenges. Many of the Presidio’s assets date to its years as a military installation, and the cost of replacing aging assets currently exceeds the resources we can generate from annual operations alone. The

$200 million in Inflation Reduction Act funding is helping us address some of the most critical needs, particularly the modernization of the park's aging utility systems.

We also continue strengthening our approach to long-term financial and asset planning. Our financial reserves provide dedicated resources for future asset replacement, operating contingencies, and technology and operational improvements. This includes improving the information and tools used to assess asset conditions, anticipate replacement needs, and prioritize investments, strengthening our ability to allocate resources effectively.

Strengthening Financial Management and Accountability

Responsible financial stewardship requires reliable systems, effective controls, sound risk management, and a commitment to continuously improving how we operate. During Fiscal Year 2026, we modernized procurement and financial processes, and advanced our Enterprise Risk Management program, establishing a more consistent framework for identifying, evaluating, and managing risks across the agency.

The Trust received an unmodified opinion on its Fiscal Year 2026 financial statements from our independent auditors, KPMG LLP. Management's assessment of internal controls also identified no material weaknesses, reflecting our continued commitment to transparency, accountability, and sound financial management.

Looking Ahead

Our financial priorities remain clear: sustaining strong operating performance, growing the revenue needed to support the park, investing wisely in our aging assets, and strengthening the systems and practices that support effective stewardship.

The Trust's financial model has demonstrated its ability to sustain daily operations while transforming a former military installation into a thriving national park site. Our next challenge is ensuring that this model can support the full cost of caring for the Presidio over the long term. The decisions we make today about investment, asset replacement, financial risks, will be critical to meeting that responsibility.

I want to recognize the dedication of our colleagues across the Trust whose work supports responsible resource management and helps ensure the Presidio remains a place for everyone to enjoy, today and for generations to come.

Sincerely,

Catherine Langridge
Chief Financial Officer
November 13, 2026

KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report

The Board of Directors
The Presidio Trust:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The Presidio Trust (the Trust), which comprise the consolidated balance sheets as of September 30, 2026 and 2025, and the related consolidated statements of net cost, and changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Trust as of September 30, 2026 and 2025, and its net cost, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), 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. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in fiscal year 2026, the Trust adopted the remaining provisions of FASAB's SFFAS 59, *Accounting and Reporting of Government Land*. This included derecognizing capitalized land and permanent land rights from the balance sheet, and transitioning land and land rights information from Required Supplementary Information (RSI) to a financial statement note. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and OMB Bulletin No. 24-02 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* and OMB Bulletin No. 24-02, we:

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

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

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis and Required Supplementary Information sections be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audits of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the *Performance and Accountability Report*. The other information comprises the Table of Contents, Agency Head Letter, Fiscal Year 2026 Performance,

Chief Financial Officer Letter, and Other Information sections but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements as of and for the year ended September 30, 2026, we considered the Trust's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust's consolidated financial statements as of and for the year ended September 30, 2026 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 24-02.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Report on Internal Control Over Financial Reporting and the Report on Compliance and Other Matters sections is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust's internal control or compliance. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, DC
November 13, 2026

PRESIDIO TRUST
CONSOLIDATED BALANCE SHEETS
As of September 30, 2026 and 2025

	2026	2025
Assets:		
Intragovernmental Assets:		
Fund Balance with Treasury [Note 2]	$ 165,002,205	$ 174,182,346
Investments, Net [Note 3]	266,374,154	348,954,912
Accounts Receivable, Net [Note 4]	735,482	2,814,084
Total Intragovernmental Assets	432,111,841	525,951,342
Other than Intragovernmental Assets:		
Cash and Other Monetary Assets	178,144	755,158
Accounts Receivable, Net [Note 4]	8,022,013	13,096,017
Property, Plant, and Equipment, Net [Note 5]	683,030,984	629,446,652
Advances and Prepayments	4,615,024	4,472,551
Other Assets:		
Lease Receivable [Note 7]	737,250,203	703,767,506
Total Other than Intragovernmental Assets	1,433,096,368	1,351,537,884
Total Assets	**$ 1,865,208,209**	**$ 1,877,489,226**
Land and Heritage Assets [Notes 5 and 6]		
Liabilities:		
Intragovernmental Liabilities:		
Accounts Payable	$ 846,289	$ 861,902
Debt [Note 8]	240,248,823	245,241,673
Advances from Others and Deferred Revenue	1,466,722	1,459,267
Other Liabilities:		
Other Employment Benefits Payable [Note 12]	306,834	555,844
Total Intragovernmental Liabilities	242,868,668	248,118,686
Other than Intragovernmental Liabilities:		
Accounts Payable	22,087,079	25,291,707
Federal Employee Salary, Leave and Benefits Payable:		
Payroll Payable	1,835,385	1,525,910
Unfunded Annual Leave Liability [Note 9]	3,063,268	2,957,899
Post-Employment Benefits Payable [Note 9]	3,374,395	4,060,003
Environmental and Disposal Liabilities:		
Environmental Remediation Liability [Notes 9 and 10]	5,276,083	5,496,216
Non-Friable Asbestos Cleanup Liability [Notes 9 and 10]	62,196,857	60,732,228
Advances from Others and Deferred Revenue:		
Security Deposits	15,120,824	13,260,890
Rent Credit Liability [Note 9]	2,671,774	3,022,430
Prepaid Rents & Services	3,682,420	3,179,022
Unearned Revenue [Note 11]	103,367,861	110,237,561
Other Liabilities:		
Unearned Lessor Revenue [Notes 7 and 12]	697,930,744	662,785,159
Contingent Liabilities [Notes 9, 12 and 13]	7,266	-
Total Other than Intragovernmental Liabilities	920,613,956	892,549,025
Total Liabilities	**$ 1,163,482,624**	**$ 1,140,667,711**
Commitments and Contingencies [Note 13]		
Net Position:		
Unexpended Appropriations:		
Funds from Other than Dedicated Collections	$ 150,462,464	$ 156,339,499
Total Unexpended Appropriations (Consolidated)	150,462,464	156,339,499
Cumulative Results of Operations:		
Funds from Dedicated Collections [Note 14]	507,548,106	540,902,663
Funds from Other than Dedicated Collections	43,715,015	39,579,353
Total Cumulative Results of Operations (Consolidated)	551,263,121	580,482,016
Total Net Position	**$ 701,725,585**	**$ 736,821,515**
Total Liabilities and Net Position	**$ 1,865,208,209**	**$ 1,877,489,226**

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

PRESIDIO TRUST
CONSOLIDATED STATEMENTS OF NET COST
For the Fiscal Years Ended September 30, 2026 and 2025

	2026	2025
Program Costs:		
Operating Costs	$ 278,776,490	$ 202,895,904
Less: Earned Revenues	235,704,155	230,301,054
Net Program Cost (Surplus)	43,072,335	(27,405,150)
Net Cost (Surplus) of Operations	**$ 43,072,335**	**$ (27,405,150)**

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

PRESIDIO TRUST
CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION
For the Fiscal Years Ended September 30, 2026 and 2025

	2026			2025		
	Funds from Dedicated Collections (Consolidated) [Note 14]	Funds from Other than Dedicated Collections (Consolidated)	Consolidated Total	Funds from Dedicated Collections (Consolidated) [Note 14]	Funds from Other than Dedicated Collections (Consolidated)	Consolidated Total
Unexpended Appropriations:						
Beginning Balance	$ -	$ 156,339,499	$ 156,339,499	$ -	$ 184,065,088	$ 184,065,088
Appropriations Used	-	(5,877,035)	(5,877,035)	-	(27,725,589)	(27,725,589)
Net Change in Unexpended Appropriations	-	(5,877,035)	(5,877,035)	-	(27,725,589)	(27,725,589)
Total Unexpended Appropriations	**$ -**	**$ 150,462,464**	**$ 150,462,464**	**$ -**	**$ 156,339,499**	**$ 156,339,499**
Cumulative Results of Operations:						
Beginning Balance	$ 540,902,663	$ 39,579,353	$ 580,482,016	$ 484,244,144	$ 13,975,425	$ 498,219,569
Adjustments:						
Changes in Accounting Principles	(3,701,000)	-	(3,701,000)	-	-	-
Beginning Balance, As Adjusted	537,201,663	39,579,353	576,781,016	484,244,144	13,975,425	498,219,569
Non-Federal Non-Exchange Revenue:						
Donations and Forfeitures of Cash and Cash Equivalents [Note 19]	3,459,512	-	3,459,512	11,906,494	-	11,906,494
Total Non-Federal Non-Exchange Revenue	3,459,512	-	3,459,512	11,906,494	-	11,906,494
Financing Sources:						
Appropriations Used	-	5,877,035	5,877,035	-	27,725,589	27,725,589
Expenditure Financing Sources Transferred In/Out	3,117,796	-	3,117,796	10,261,352	-	10,261,352
Non-Expenditure Financing Sources Transferred In/Out	(198,768)	198,768	-	(1,128,803)	1,128,803	-
Imputed Financing Sources	5,298,865	-	5,298,865	6,092,665	-	6,092,665
Other	-	(198,768)	(198,768)	-	(1,128,803)	(1,128,803)
Total Financing Sources	8,217,893	5,877,035	14,094,928	15,225,214	27,725,589	42,950,803
Net Cost (Surplus) of Operations	41,330,962	1,741,373	43,072,335	(29,526,811)	2,121,661	(27,405,150)
Net Change in Cumulative Results of Operations	(29,653,557)	4,135,662	(25,517,895)	56,658,519	25,603,928	82,262,447
Total Cumulative Results of Operations	**$ 507,548,106**	**$ 43,715,015**	**$ 551,263,121**	**$ 540,902,663**	**$ 39,579,353**	**$ 580,482,016**
Net Position, Ending Balance	**$ 507,548,106**	**$ 194,177,479**	**$ 701,725,585**	**$ 540,902,663**	**$ 195,918,852**	**$ 736,821,515**

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

PRESIDIO TRUST
COMBINED STATEMENTS OF BUDGETARY RESOURCES
For the Fiscal Years Ended September 30, 2026 and 2025

	2026	2025
Budgetary Resources:		
Unobligated Balance from Prior Year Budget Authority, Net [Note 15]	$ 341,844,960	$ 337,750,045
Spending Authority from Offsetting Collections	230,908,261	203,178,792
Total Budgetary Resources	**$ 572,753,221**	**$ 540,928,837**
Status of Budgetary Resources:		
New Obligations	$ 321,717,061	$ 207,710,654
Unobligated Balance, End of Year:		
Apportioned, Unexpired Accounts	251,036,160	333,218,183
Unobligated Balance, End of Year (Total)	251,036,160	333,218,183
Total Budgetary Resources	**$ 572,753,221**	**$ 540,928,837**
Outlays, Net		
Outlays, Net (Total)	86,569,281	15,976,412
Agency Outlays, Net	**$ 86,569,281**	**$ 15,976,412**

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

NOTE 1 – THE PRESIDIO TRUST AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Presidio Trust (the "Trust"), an executive agency, is a wholly owned U.S. Government corporation established by Congress in 1996 through enactment of the Presidio Trust Act (P.L. 104-333) (the "Trust Act"). The Trust is a component unit of the United States Government.

The mission of the Trust is to steward and share the beauty, history, and wonder of the Presidio for everyone to enjoy forever.

The United States acquired the Presidio by virtue of the Treaty of Guadalupe Hidalgo between the United States and Mexico that ended the Mexican-American War of 1846-1848. 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 the interior non-coastal areas of the Presidio.

The Trust is guided by the Trust Act to operate in accordance with the purposes set forth in the Golden Gate National Recreation Area Act and the general objectives of the General Management Plan Amendment, as well as to be governed by the Government Corporation Control Act, among other legal requirements. The Trust primarily finances operations through real estate rental income, hospitality income, utility revenue, and other reimbursable agreements.

Organization and Structure

The Trust is governed by a seven-member board of directors. Six members are appointed by the President of the United States. The seventh is the U.S. Secretary of the Interior or his/her designee. The head of agency for the Trust is the Chief Executive Officer who reports to the board and oversees a staff with expertise including operations and maintenance, landscape design, planning, resource management, real estate and hospitality business operations and development, environmental science, historic preservation, communications, law, and finance. The Trust operates under a self-sustaining funding model, relying primarily on earned revenue to finance its operations without annual congressional appropriations.

Basis of Accounting and Presentation

These consolidated financial statements have been prepared to report on the financial position, net cost, changes in net position, and budgetary resources of the Trust as required by the Trust Act.

These consolidated financial statements were prepared from the Trust's accounting records in accordance with accounting principles generally accepted in the United States of America (GAAP), and the *Office of Management and Budget (OMB) Circular No. A-136, Financial Reporting Requirements revised May 29, 2026*. GAAP for Federal entities are the standards

designated by the Federal Accounting Standards Advisory Board (FASAB), the official standards setting body for the U.S. Government. Federal accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

In Fiscal Year 2026, the Trust had two distinct funds.

The Trust's ongoing fund is considered Dedicated Collections. Dedicated Collections are specifically identified revenues, provided to the U.S. Government by non-federal sources, often supplemented by other financing sources, which remain available over time. These specifically identified revenues and other financing sources are required by statute to be used for designated activities, benefits, or purposes, and must be accounted for separately from the government's general revenues. In addition to the revenue the Trust has collected from its operations, the Trust has received loans through borrowing authority authorized by Congress in prior years.

The second distinct fund was created to account for the transfer of Fiscal Year 2022 Inflation Reduction Act (IRA) appropriations from the U.S Department of the Interior's (DOI) National Park Service, transferred to the Trust in Fiscal Year 2023. These funds are required by statute to remain available for obligation through September 30, 2026, to carry out priority deferred maintenance projects. This fund is considered Other than Dedicated Collections.

The Consolidated Balance Sheets, Consolidated Statements of Net Cost, and Consolidated Statements of Changes in Net Position are presented on an accrual basis. The Combined Statements of Budgetary Resources are on a budgetary basis. Under the accrual basis of accounting, expenses are recognized when resources are consumed, and revenues are recognized when earned, without regard to the payment or receipt of cash. Budgetary accounting recognizes the obligation of funds according to legal requirements, which in many cases is prior to the occurrence of an accrual-based transaction. The recognition of budgetary accounting transactions is required for compliance with legal constraints and controls over the use of Federal funds.

Fund Balance with Treasury

Fund Balance with Treasury (FBwT) reports the Trust's funds on deposit with the U.S. Department of the Treasury (Treasury) and represents a commitment by Treasury to provide resources for the Trust. All banking activities are conducted in accordance with the directives issued by Treasury – Bureau of the Fiscal Service (BFS).

Treasury processes collections and disbursements on behalf of the Trust, and the Trust's accounting records are reconciled monthly with those of Treasury. Over the course of Fiscal Year 2026, the Trust's fund balance with Treasury included Dedicated Collections, funds related to the loans (Note 8), and funds related to the IRA funding.

The Trust's fund balance as of September 30, 2026, primarily consists of the appropriated IRA funds transferred from the U.S. Department of the Interior (DOI), as these funds are not eligible for investment in Treasury overnight securities.

Investments, Net

As required by Public Law 104-333, Trust investments in non-marketable, market-based U.S. Treasury securities are traded through and held in book entry form at BFS. Non-marketable, market-based securities are Treasury securities that are not traded on any securities exchange but mirror the prices of marketable securities with similar terms.

Accounts Receivable, Net

Accounts Receivable consists of amounts owed to the Trust by individuals, organizations, and other federal agencies. Receivables generally arise from rent receipts, service district charges, utility charges, reimbursable contracts, and other miscellaneous services.

An allowance for loss on accounts receivable is used to record the estimated amount of uncollectable accounts receivable. At the end of each fiscal year, the Trust, with the help of its business partners, performs a comprehensive collectability assessment for all accounts receivable. The Trust recognizes a bad debt expense and establishes an allowance for receivables that are estimated to be partially or entirely uncollectable.

Material receivables are assessed at the individual level, regardless of delinquency. Immaterial receivables that are more than 90 days past due are assessed individually or in the aggregate, depending on their nature. For example, immaterial accounts receivable that have been transferred from one of the Trust's business line portfolios back to the Trust in preparation for referral to Treasury for servicing are assessed individually, whereas immaterial utilities accounts receivable that are more than 90 days past due are assessed in the aggregate.

Intragovernmental receivables are assessed on an individual basis for collectability. Intragovernmental receivables tend to be highly collectable, despite occasionally remaining outstanding for longer periods.

As a federal agency, the Trust has the full force of the United States government to facilitate collecting past due amounts, via an interagency agreement with the Debt Management Services (DMS) branch of Treasury. If a receivable is deemed uncollectable after the Trust has exhausted appropriate internal collection actions, the Trust issues formal notice of its intent to refer the debt to DMS, and if still unresolved 120 days thereafter, the Trust submits the debt to DMS for servicing. The Trust records an allowance for the entire balance of all accounts receivable referred to DMS but does not write off such debts until they have been with DMS for two years, or DMS notifies the Trust that the debt is uncollectable.

The Trust also assesses the collectability of lease receivables recognized under *SFFAS 54, Leases* (SFFAS 54). When collection of lease payments is not probable, the Trust records an allowance for the estimated uncollectible amount, with a corresponding reduction in lease

revenue. The allowance is reassessed based on changes in circumstances affecting collectability.

Property, Plant, and Equipment (PP&E), Net

PP&E consists of buildings, improvements to buildings, structures and facilities, land improvements, equipment, vehicles, and construction in progress.

The Trust capitalizes fixed assets that are valued in excess of $25,000 and that have a useful life of two or more years. All assets are assigned a useful life between three to ninety years dependent upon the asset category. The Trust depreciates each asset using straight-line depreciation over the assigned useful life of the property. For financial statement purposes, a pro-rated share of depreciation expense for the asset is recorded in the year of acquisition or project completion depending on the month the asset is placed into service.

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

- The asset must be acquired (purchased, constructed, donated or otherwise received) for use in operations and not for investment or sale;
- The asset must have a useful life of at least two years; and
- The asset must meet the threshold of $25,000 for buildings, building improvements, leasehold improvements, land improvements or personal property.

Effective October 1, 2025, pursuant to *Statement of Federal Financial Accounting Standards (SFFAS) 59, Accounting and Reporting of Government Land* (SFFAS 59), Government land and permanent land rights are no longer recognized as assets on the Balance Sheets. Beginning in Fiscal Year 2026, costs incurred to acquire Government land and permanent land rights are recognized on the Statement of Net Cost in the period incurred rather than capitalized as PP&E.

Construction in Progress

Construction in Progress (CIP) is used for the accumulation of the cost of construction or major renovation of fixed assets during the construction period. The assets are transferred out of CIP and into the appropriate asset category when the project is substantially complete.

Stewardship, Multi-Use Heritage & Heritage Assets

Stewardship Assets consist of the public domain land of the Presidio. Heritage assets exist throughout the Presidio and consist of such items as historic buildings, monuments, and historic sites.

Stewardship, multi-use heritage, and heritage assets have been entrusted to the Trust to maintain in perpetuity for the benefit of current and future generations, and as such are

considered priceless and irreplaceable. With the exception of multi-use heritage assets, these assets are excluded from the PP&E balance on the consolidated Balance Sheets as no value is assigned. See Required Supplementary Information for deferred maintenance and repairs related to stewardship and heritage assets.

Advances and Prepayments

Payments in advance of the receipt of goods and services are recorded as prepaid charges at the time of prepayment, and they are recognized as expenses when the related goods and services are received.

Other Assets

Under SFFAS 54, the Trust recognizes a lease receivable asset and a corresponding unearned lease revenue liability for leases with terms greater than 24 months, with exceptions for intragovernmental leases and contracts or agreements that transfer ownership (of which the Trust has none).

The Trust has elected to apply the transitional accommodation provided under *SFFAS 62, Transitional Amendment to SFFAS 54* related to the implementation of the provisions outlined in SFFAS 54 in the area of “embedded leases”, which are contracts or agreements that contain lease component(s) and non-lease component(s), such as service components, and serve a primary purpose attributable to the non-lease component(s). The Trust has elected to apply the accommodation through September 30, 2026, ensuring consistent application of accounting standards as the Trust aligns its reporting with the provisions outlined in SFFAS 54.

Liabilities

Liabilities represent the monies or other resources that are likely to be paid by the Trust as the result of a transaction or an event that has already occurred. No liability can be paid by the Trust absent spending authority (authority to spend revenues as granted by the Trust Act) or an appropriation granted by the Congress and OMB. Future liabilities for which the current year spending authority will not be used are disclosed as liabilities not covered by budgetary resources or unfunded liabilities.

In addition, if other resources or advances that would allow for future spending authority to be designated for the liability are not available, the liability will be disclosed as not covered by budgetary resources or unfunded. The liquidation of liabilities not covered by budgetary or other resources is dependent on funding. The Trust estimates accounts payable based on a current assessment of services and goods received for which we have not yet paid.

Environmental Remediation Liability

The U.S. Department of the Army (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 the DOI retained authority, and Area B, which was transferred to the Trust in July 1998.

The Army provided $99 million to the Trust for the environmental cleanup of known contaminated sites in exchange for the Trust's assumption of such responsibilities. All the Army funds have been spent and any remaining liability for known sites is unfunded.

The Trust has a Pollution Legal Liability policy (PLL) that provides coverage for pre-existing pollution conditions discovered during the policy period, coverage for conditions that reopen at closed enumerated sites, and coverage for new pollution conditions caused by the Trust. The policy includes coverage of business interruption expenses. The self-insured retention under this policy is $100,000 with a waiting period of three days for business interruption.

Non-Friable Asbestos Cleanup Liability

FASAB Technical Bulletin 2006-1, Recognition and Measurement of Asbestos Cleanup Costs requires that federal entities recognize a liability for remediating friable and non-friable asbestos that are probable and reasonably estimable. Cost estimates are calculated in current year dollars as prescribed by the accounting standards.

Almost all the asbestos in the Presidio accounted for in this liability is non-friable, meaning the material that contains the asbestos fibers is bonded by cement, vinyl, resin, or other similar material and cannot be crumbled, pulverized, or reduced to powder by hand pressure. As such, the Trust anticipates the removal of this asbestos will occur over time as facilities are renovated.

Advances from Others and Deferred Revenue

Advances from others and deferred revenue on the Trust's Consolidated Balance Sheets arise largely from normal leasing transactions and monies received for projects throughout the park. Liabilities such as security deposits and rent credits are directly related to leases with both commercial and residential tenants. Such monies generally would be refundable to the tenants and are therefore shown as a liability. Unearned revenues are largely related to monies and assets received for projects, which are recognized over the life of the related completed assets or held for projects not yet completed.

Other Liabilities

In accordance with SFFAS 54, unearned lease revenue liability reflects the requirement for federal lessors to recognize unearned revenue at the commencement of the lease term for

leases other than short-term, intra-governmental or contracts that transfer ownership. Unearned lease revenue is initially measured as the present value of payments expected to be received during the lease term and is recognized over the term of the lease.

Contingent Liabilities are liabilities where the existence or the amount of the liability cannot be determined with certainty pending the outcome of future events. The Trust recognizes contingent liabilities when the liability is probable and reasonably estimable. The Trust discloses contingent liabilities in the notes to the consolidated financial statements when the conditions for liability recognition are not met and when the outcome of future events is more than remote.

Revenues and Financing Sources

Unlike most federal agencies, the Trust operates under a self-sustaining funding model, relying primarily on earned revenues generated from its operations rather than annual congressional appropriations. Under the provisions of the Trust Act, these revenues are retained and used to fund ongoing operations and capital investments in the Presidio; those funds are considered spending authority. The Trust provides services to the public and other government entities which are priced at market value. In the earlier years of the Trust, Congress provided an appropriation from the general receipts of Treasury.

Prior to the Inflation Reduction Act Funding received by the Trust in Fiscal Year 2023, the Trust last received appropriated funds in Fiscal Year 2012. The spending authority presented in the Combined Statements of Budgetary Resources correlates to the revenue the Trust earns. Also included is the net change in unfilled customer orders which are agreements and grants under which the Trust receives current funding or a commitment for future funding for park projects.

Exchange and Non-Exchange Revenue

All receipts and revenues of the Trust are classified as either exchange or non-exchange revenue. Exchange revenues are from Trust operations; these are transactions in which both the Trust and the other party receive value, such as rent, service district charges, payments for utilities, permit fees, lodging payments, and reimbursement for services performed for other federal agencies and the public. These are presented in the Trust's Consolidated Statements of Net Cost as earned revenues.

The Trust generates most of its exchange revenue from leasing commercial and residential properties, generally at market rates. Commercial tenants are selected through a competitive process, while residential rental rates are established based on prevailing market conditions. The Trust also generates revenue from a golf course and two hotels, which are operated by third-party management firms, among other activities.

The Trust retains all receipts and revenues to fund Trust operations. The Trust deposits all funds received in the Treasury General Account. These funds are designated for Trust use through Treasury's accounting process. The Trust sets prices for goods and services at market value or at or above the Trust's cost.

Non-exchange revenues are transactions where the Trust does not provide a good or service in exchange for the revenue or asset. These are primarily donations from non-federal partners.

Non-exchange revenues do not fund the cost of operations and are reported on the Consolidated Statements of Changes in Net Position. Cash donations are discussed in Note 19 – Contributed Capital.

Unexpended Appropriations

Unexpended Appropriations in the Trust's consolidated financial statements are related to a one-time transfer of Fiscal Year 2022 Inflation Reduction Act appropriations from DOI's National Park System, transferred to the Trust in Fiscal Year 2023. These funds are made available to the Trust through September 30, 2026, to carry out priority deferred maintenance projects. Prior to Fiscal Year 2023, the Trust last received appropriated funds in Fiscal Year 2012.

Imputed Financing Sources

SFFAS 55, Amending Inter-entity Cost Provisions (SFFAS 55) provides guidance for the accounting treatment of imputed costs. The Trust recognizes imputed costs for certain federal employee retirement, health insurance, and life insurance benefits administered by the Office of Personnel Management (OPM). These costs represent the portion of employee benefits funded by OPM rather than the Trust. The Trust recognizes these costs as operating expenses in the Consolidated Statements of Net Cost and records corresponding imputed financing sources in the Consolidated Statements of Changes in Net Position, resulting in no net impact on the Trust's net position.

Other Non-Budgetary Financing Sources

Other Non-Budgetary Financing Sources are grants received by the Trust from the U.S. Federal Highway Administration and other federal partners for projects related to Trust-owned assets, which are recorded as "expenditure transfers-in of financing sources" on the Statements of Changes in Net Position.

Personnel Compensation and Benefits

Annual and Sick Leave Program

Annual leave is accrued as it is earned by employees and expensed when employees use it or when they cash out their annual leave (allowed twice a year). An unfunded liability is recognized for accrued annual leave since employees have the right to be paid for any used annual leave when they leave Trust employment. The liability amount is based upon the current pay rates of the employees.

Sick leave is accrued as it is earned by employees and expensed when employees use it. However, no liability is recognized because employees have no right to be paid for unused sick leave.

Federal Employees Workers' Compensation Act (FECA) Program

FECA provides income and medical cost protection to covered federal civilian employees injured on the job, to employees who have incurred work-related occupational diseases, and to beneficiaries of employees whose deaths are attributable to work-related injuries or occupational diseases. The FECA program is administered by the Department of Labor which pays valid claims and subsequently is reimbursed by the Trust for these claims.

Federal Employees Group Life Insurance (FEGLI) Program

Most Trust employees are entitled to participate in the FEGLI program. Participating employees can obtain basic life term insurance. Additional coverage is optional and must be paid fully by the employee.

The basic life coverage may be continued into retirement if certain requirements are met. OPM administers this program and is responsible for the reporting of liabilities. For each fiscal year, OPM calculates the U.S. Government's service costs for the post-retirement portion of the basic life coverage.

The Trust's contributions are fully allocated by OPM to the pre-retirement portion of coverage, so the Trust recognizes the entire cost of the post-retirement portion of basic life coverage as an imputed cost and an imputed financing source as required by SFFAS 55.

Retirement Plans

The Trust participates in the Federal Employees Retirement System (FERS), which provides retirement benefits to eligible federal employees. Employees covered by FERS also participate in Social Security. The Trust makes employer contributions to FERS at rates established by the OPM, based on employees' applicable retirement coverage categories.

A primary feature of FERS is that it offers a savings plan to which the Trust contributes one percent of employees' pay. In addition, the Trust matches any employee contribution up to five percent of pay, dollar-for-dollar on the first three percent and fifty cents per dollar thereafter.

The Trust also contributes the employer's share of Social Security.

The Trust does not report FERS assets, accumulated plan benefits, or unfunded liabilities applicable to its employees; OPM reports those amounts. The Trust reports the difference between its contributions for federal employee retirement benefits and the estimated actuarial costs as computed by the OPM as a program expense and an imputed financing source.

Federal Government Transactions

The Trust's consolidated financial statements do not include the costs of certain government-wide services provided by other federal agencies, such as public debt and cash management services provided by Treasury and benefit administration services provided by OPM. However, the Trust recognizes certain federal civilian benefit program costs paid by OPM on its behalf as imputed costs, as described above.

Income Taxes

As an agency of the U.S. government, the Trust is exempt from all income taxes imposed by any governing body, whether it is a Federal, State, commonwealth, local, or foreign government.

Estimates

Preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the value of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period.

Significant estimates in the consolidated financial statements include the Trust's environmental liabilities, non-friable asbestos remediation liabilities, allowances for doubtful accounts, unbilled accounts payable, the historical cost of assets acquired from the National Park Service, the fair market value of assets acquired in conjunction with the Doyle Drive project, the useful lives of PP&E, and the duration of lease terms based on factors related to option exercise likelihood. Actual results may differ from those estimates.

Change in Accounting Principle – Government Land

Effective October 1, 2025, the Trust implemented the remaining provisions of SFFAS 59, which changes the accounting and reporting requirements for government land by eliminating the recognition of general PP&E (G-PP&E) land and permanent land rights as an asset on the Balance Sheet, clarifying the definition of stewardship land, and requiring reporting of estimated acres of G-PP&E land and stewardship land using three predominant use sub-categories in the notes to the financial statements.

The implementation of SFFAS 59 represents a change in accounting principle. In accordance with *SFFAS 21*, Reporting Corrections of Errors and Changes in Accounting Principles, the Trust recognized the cumulative effect of the change as an adjustment to beginning net position as of October 1, 2025. As a result, the Trust derecognized $3,701,000 of previously recognized G-PP&E land and recorded a corresponding $3,701,000 decrease to beginning cumulative results of operations. This change was applied prospectively in accordance with SFFAS 59 and as such, prior-period financial statements have not been restated and are presented as previously reported.

Additional information regarding government land is provided in Note 5, PP&E, Net.

NOTE 2 – FUND BALANCE WITH TREASURY

The status of the FBwT may be classified as unobligated or obligated. Unobligated funds, depending on budget authority, are generally available for new obligations in current operations. The obligated not yet disbursed balance represents amounts designated for payment of goods and services ordered but not yet received; or goods and services received, but for which payment has not yet been made.

Obligated and unobligated balances reported for the status of FBwT do not agree with obligated and unobligated balances reported in the Statements of Budgetary Resources because the budgetary balances are also supported by amounts other than FBwT, such as budgetary receivables, contract authority, and investments in U.S. Treasury securities.

The Trust's FBwT was $165,002,205 and $174,182,346 as of September 30, 2026, and September 30, 2025, respectively. The status of the Fund Balance with Treasury for the period presented is as follows:

	September 30, 2026	September 30, 2025
Status of Fund Balance with Treasury:		
Unobligated Balance	$ 189,644,666	$ 267,122,560
Obligated Balance not yet Disbursed	208,487,693	222,770,698
Budgetary Resources from Invested Balances	(233,130,154)	(315,710,912)
Total Fund Balance with Treasury	**$ 165,002,205**	**$ 174,182,346**

NOTE 3 – INVESTMENTS, NET

Investments as of September 30, 2026 – Intragovernmental Securities

Classification	CUSIP #	Maturity Date	Interest Rate	Cost / Par Value	Market Value
Non-marketable / Market Based	9128-34D06	9/30/2029	6.122%	$ 30,266,000	$ 30,266,000
Non-marketable / Market Based	9128-34D07	9/30/2029	5.515%	2,978,000	2,978,000
Non-marketable / Market Based	One-Day	10/1/2026	3.950%	233,130,154	233,130,154
Total Intragovernmental Securities				266,374,154	266,374,154
Interest Receivable				-	-
Total Investments, Net				**$ 266,374,154**	**$ 266,374,154**

Investments as of September 30, 2025 – Intragovernmental Securities

Classification	CUSIP #	Maturity Date	Interest Rate	Cost / Par Value	Market Value
Non-marketable / Market Based	9128-34D06	9/30/2029	6.122%	$ 30,266,000	$ 30,266,000
Non-marketable / Market Based	9128-34D07	9/30/2029	5.515%	2,978,000	2,978,000
Non-marketable / Market Based	One-Day	10/1/2025	4.130%	315,710,912	315,710,912
Total Intragovernmental Securities				348,954,912	348,954,912
Interest Receivable				-	-
Total Investments, Net				**$ 348,954,912**	**$ 348,954,912**

The Trust holds Treasury bonds with fixed annual interest payments of $1,852,885. The Trust's investments in Treasury securities have no premium or discount, as they are acquired at face (par) value.

During Fiscal Year 2026 and Fiscal Year 2025 the Trust earned interest in the amount of $11,746,719 and $16,506,023, respectively, on funds invested with Treasury. As of September 30, 2026, and September 30, 2025, no interest remained due and payable to the Trust.

All of the Trust's investments are investments of funds from dedicated collections. The two investments listed above with a September 30, 2029, maturity date are investments of the loans the Trust received from Treasury in 2000 and 2001 (see Note 8). The Trust invested the funds from the loans with the agreement that the Trust's borrowing costs, and the Trust's investment returns will be equal (and thus net to zero) until the Trust needs the funds.

Treasury does not segregate the Trust's funds from other funds held by Treasury. Instead, Treasury issues U.S. Treasury securities to the Trust as evidence of the receipt of funds on behalf of the Trust. These U.S. Treasury securities are an asset to the Trust and a liability to Treasury. Because the Trust and Treasury are both parts of the U.S. Government, these assets and liabilities offset each other from the standpoint of the U.S. Government as a whole. For this reason, they do not represent an asset or a liability in the U.S. Government-wide financial statements.

NOTE 4 – ACCOUNTS RECEIVABLE, NET

Accounts Receivable as of September 30, 2026

	Intragovernmental	Other than Intragovernmental	Total
Gross Accounts Receivable	$ 735,482	$ 12,272,490	$ 13,007,972
Accrued Interest Receivable	-	57,701	57,701
Less: Allowance for Loss on Accounts Receivable	-	(4,308,178)	(4,308,178)
Total Accounts Receivable, Net	**$ 735,482**	**$ 8,022,013**	**$ 8,757,495**

Accounts Receivable as of September 30, 2025

	Intragovernmental	Other than Intragovernmental	Total
Gross Accounts Receivable	$ 2,814,084	$ 14,492,209	$ 17,306,293
Accrued Interest Receivable	-	49,023	49,023
Less: Allowance for Loss on Accounts Receivable	-	(1,445,215)	(1,445,215)
Total Accounts Receivable, Net	**$ 2,814,084**	**$ 13,096,017**	**$ 15,910,101**

NOTE 5 – PROPERTY, PLANT AND EQUIPMENT, NET

Property, Plant and Equipment (PP&E) as of September 30, 2026, consists of the following:

	Cost	Accumulated Depreciation	Net Balance
Improvements to Land	$ 179,279,233	$ 106,243,860	$ 73,035,373
Construction-in-Progress	30,603,250	-	30,603,250
Buildings, Improvements, Renovations & Rehabilitations	710,448,796	254,674,258	455,774,538
Other PP&E, including furnishings, equipment, and software	263,243,769	139,625,946	123,617,823
Total PP&E	**$ 1,183,575,048**	**$ 500,544,064**	**$ 683,030,984**

Property, Plant and Equipment (PP&E) as of September 30, 2025, consists of the following:

	Cost	Accumulated Depreciation	Net Balance
Land and Land Rights	$ 3,701,000	$ -	$ 3,701,000
Improvements to Land	179,777,423	98,575,889	81,201,534
Construction-in-Progress	53,740,760	-	53,740,760
Buildings, Improvements, Renovations & Rehabilitations	597,854,541	231,196,484	366,658,057
Other PP&E, including furnishings, equipment, and software	252,159,609	128,014,308	124,145,301
Total PP&E	**$ 1,087,233,333**	**$ 457,786,681**	**$ 629,446,652**

The adoption of SFFAS 59 did not change the accounting and reporting requirements for land improvements. In accordance with *SFFAS 6, Accounting for Property, Plant & Equipment* (SFFAS 6), land improvements that meet the capitalization criteria for PP&E continue to be capitalized and depreciated over their estimated useful lives. Land improvements that do not meet the capitalization criteria are expensed as incurred. These requirements are clarified in *Technical Bulletin 2025-1, Technical Clarifications: SFFAS 59, Accounting and Reporting of Government Land.*

Prior to Fiscal Year 2026, Land and Land Rights consisted of the costs of roadbeds and were expected to last indefinitely with proper maintenance of the road surface.

Beginning in Fiscal Year 2026, the cost of acquiring Government land and permanent land rights is not capitalized on the Balance Sheet but is instead recognized on the Statement of Net Cost in the period in which the cost is incurred.

Buildings, improvements and related renovations and rehabilitations are assigned useful lives of 40 years or less. Tenant improvements are amortized over the life of the tenant's lease.

Other PP&E and land improvements are depreciated over their estimated useful lives ranging from three to 90 years. Land improvements are depreciated over their estimated useful lives of 39 years or less. There are no restrictions on the use or convertibility of PP&E. Information concerning deferred maintenance and repairs is presented as Required Supplementary Information.

As a real estate lessor, the Trust's leased assets primarily consist of buildings, including office spaces and residential homes. These buildings are leased to tenants under various terms and conditions as outlined in individual lease agreements. See Note 7 for more information on the Trust's leasing arrangements.

The carrying amount of assets on lease, and the amount of related accumulated depreciation, for leases other than short-term and intragovernmental:

Assets on Leases Other than Short-Term and Intragovernmental as of September 30, 2026

	Cost	Accumulated Depreciation	Net Balance
Buildings, Improvements, Renovations & Rehabilitations	$ 507,568,632	$ 186,449,466	$ 321,119,166
Total Carrying Amount of Assets on Lease	**$ 507,568,632**	**$ 186,449,466**	**$ 321,119,166**

Assets on Leases Other than Short-Term and Intragovernmental as of September 30, 2025

	Cost	Accumulated Depreciation	Net Balance
Buildings, Improvements, Renovations & Rehabilitations	$ 368,097,124	$ 154,264,185	$ 213,832,939
Total Carrying Amount of Assets on Lease	**$ 368,097,124**	**$ 154,264,185**	**$ 213,832,939**

NOTE 6 – STEWARDSHIP PROPERTY, PLANT & EQUIPMENT

Heritage and Multi-Use Heritage Assets

The Trust's mission is to steward and share the beauty, history, and wonder of the Presidio for everyone to enjoy forever.

The Presidio is a site with deep historical value. As such the Trust has historic buildings which are either characterized as heritage or multi-use heritage assets. The Trust's stewardship policies are outlined in several key documents including the Presidio Trust Management Plan and the Vegetation Management Plan.

A building can only be added to the heritage category if it is deemed that the building will not ever be occupied, or if its historic designation changes. Historic designations can change based on periodic re-evaluations of the Presidio's period of significance. The period of

significance for classifying a building as a heritage asset is not static and may evolve over time, as historical perspectives shift and additional aspects of cultural or architectural importance become recognized. Multi-use heritage assets, while historical in nature, are historic buildings that are leased to tenants. During Fiscal Year 2026, there were no changes to the number of heritage and multi-use heritage buildings.

Additions/Withdrawals of Heritage, Multi-Use Heritage & Stewardship Assets in Fiscal Year 2026:

	Balance, Beginning of Fiscal Year	Additions	Withdrawals	Balance, End of Fiscal Year
Number of Buildings:				
Heritage	12	0	0	12
Multi-Use Heritage	410	0	0	410
Total Buildings	**422**	**0**	**0**	**422**

Additions/Withdrawals of Heritage, Multi-Use Heritage & Stewardship Assets in Fiscal Year 2025:

	Balance, Beginning of Fiscal Year	Additions	Withdrawals	Balance, End of Fiscal Year
Number of Buildings:				
Heritage	12	0	0	12
Multi-Use Heritage	411	0	(1)	410
Total Buildings	**423**	**0**	**(1)**	**422**

Stewardship Land and Natural Resources

In 1962, the entire Presidio was designated a national historic landmark, and in 1972, the site was included within the legislative boundary of the new Golden Gate National Recreation Area. The Presidio's stewardship lands include relic natural areas never developed by the U.S. Army, natural areas that have been restored by the Trust, and areas managed for public use and enjoyment.

The Presidio also has remarkable natural and cultural resources. Stewardship assets are the Presidio's natural resources consisting of historic forest, of natural areas that have been restored by the Trust, and the Trust's collection of artwork. The Presidio is home to North America's largest collection of works by the artist Andy Goldsworthy, as four of his art installations are in the park.

As part of the Trust's stewardship responsibilities, forest management activities include selective harvesting and reforestation to maintain the long-term health and sustainability of the historic forest.

Geographic Information System (GIS) was used to map Presidio Area B and assign Stewardship Land acreage into three sub-categories based on predominant use. The three

sub-categories are commercial use, conservation and preservation, and operational. The Trust had no stewardship land held for disposal or exchange in September 2026.

Estimated Acreage by Predominant Use:

	Commercial Use Land	Conservation/ Preservation Land	Operational Use Land	Total Estimated Acreage
Stewardship Land:				
End of Prior Year/Start of Current Year	439.20	553.70	50.80	1,043.70
End of Current Year	433.90	562.90	147.10	1,143.90
TOTAL	**433.90**	**562.90**	**147.10**	**1,143.90**

The increase in stewardship land acreage in Fiscal Year 2026 reflects the inclusion of roadbeds previously reported as General PP&E Land, which were reclassified as stewardship land and derecognized upon implementation of SFFAS 59 (see Note 5).

Information concerning deferred maintenance and repairs is discussed in unaudited required supplementary information.

NOTE 7 – LEASES

As a federal lessor, the Trust manages the leasing of residences and commercial spaces within the Presidio. Leasing arrangements include a variety of housing options, from single-family homes to apartments, as well as commercial spaces for businesses, nonprofits, and government agencies. Lease terms vary and are structured to preserve the park's historic character while meeting tenant needs. See Notes 1, 5, and 11 for more information on the Trust's leased assets and the impact of SFFAS 54 on the Trust's financial statements.

Lease Term

The duration of lease terms varies depending on the property and the tenant's needs. Lease agreements range from short-term arrangements (up to two years) to long-term commitments (up to 70 years). Extension and renewal options may be negotiated based on tenant requirements and market conditions and are subject to periodic review.

Variable Lease Payments

Variable lease payments are those that are not fixed and depend on factors such as usage, performance metrics, or changes in market conditions. In most leases, tenants incur additional costs based on actual usage, such as utility consumption or maintenance services beyond the scope of the base lease agreement. Leases may include renewal options that allow for rent adjustments based on changes in the fair market rental value of the property. Some leases include provisions for rent escalations tied to inflation, using metrics such as the Consumer Price Index (CPI) or other agreed-upon benchmarks. And for certain tenants, variable

payments are tied to the performance of the tenant's operations, such as a percentage of revenue generated from the leased property.

Under SFFAS 54, federal lessor entities must recognize a lease receivable and a corresponding unearned lease revenue at the commencement of a lease for all leases other than short-term leases, intragovernmental leases, and contracts that transfer ownership.

Variable lease payments are not included in the initial measurement of the lease receivable under the provisions of SFFAS 54, as they depend on future events or conditions that cannot be reliably estimated at the inception of the lease. These payments are recognized in the period in which the triggering event or condition occurs and are accounted for separately from fixed lease payments.

Other than Short-Term and Intragovernmental Leases

Revenues recognized in Fiscal Year 2026 and Fiscal Year 2025 from leases other than short-term and intragovernmental, primarily from the Trust’s commercial real estate portfolio, are as follows:

	September 30, 2026	September 30, 2025
Amortization of Unearned Lessor Revenue	$ 47,478,932	$ 41,144,239
Amortization of Discount on Receivable (Interest)	33,637,964	33,341,452
Reduction in Lease Revenue for Uncollectable Amounts	(15,705,787)	-
Revenue from Variable Lease Payments	19,708,504	16,775,770
Total Revenue	**$ 85,119,613**	**$ 91,261,461**

Revenue from leases other than short-term and intragovernmental leases includes a $15.7 million reduction for an allowance against a lessor lease receivable associated with a tenant in default at fiscal year-end. In accordance with SFFAS 54, the allowance was recognized as a reduction of lease revenue because the lease remained in effect as of September 30, 2026. The lease was subsequently terminated in Fiscal Year 2027.

Future lease payments included in the lease receivable for leases other than short-term are as follows:

Fiscal Year(s)	Principal	Interest	Total
2027	$ 33,381,779	$ 34,187,399	$ 67,569,178
2028	33,193,494	32,806,591	66,000,085
2029	30,933,640	31,452,676	62,386,316
2030	26,204,978	30,253,965	56,458,943
2031	22,792,783	29,186,699	51,979,482
2032-2036	93,552,217	132,369,711	225,921,928
2037-2041	80,808,946	112,111,199	192,920,145
2042-2046	57,054,332	95,714,698	152,769,030
2047-2051	25,655,290	85,860,113	111,515,403
2052-2056	19,002,982	81,193,213	100,196,195
2057-2061	26,434,237	75,911,206	102,345,443
2062-2066	30,639,561	68,927,672	99,567,233
2067-2071	27,274,603	62,261,077	89,535,680
2072-2076	35,128,368	54,876,897	90,005,265
2077-2081	46,695,150	45,110,220	91,805,370
2082-2086	61,439,291	32,201,156	93,640,447
2087-2091	80,225,821	15,287,435	95,513,256
2092-2096	22,538,518	609,214	23,147,732
Total	**752,955,990**	**1,020,321,141**	**1,773,277,131**
Allowance	(15,705,787)	(4,922,167)	(20,627,954)
Lease Receivable, Net	**$ 737,250,203**	**$ 1,015,398,974**	**$ 1,752,649,177**

The allowance for uncollectable lease payments shown above includes estimated uncollectable principal and future interest payments. Only the net principal receivable is reflected in the Balance Sheet, as future interest has not yet been earned or recognized.

Short-Term and Intragovernmental Leases

Revenue from short-term and intragovernmental leases, which is recognized based on the payment provisions of the contracts in the period to which the payments relate, was $92,750,630 and $79,487,234 in Fiscal Years 2026 and 2025, respectively. The majority of this revenue is from the Trust's residential real estate portfolio. Residential leases are typically twenty-four months in length or less.

In accordance with SFFAS 54, the Trust also recognizes unearned lessor revenue associated with its long-term leases. This balance represents lease revenue that will be recognized over the remaining lease terms as tenants occupy and use the leased properties. As of September 30, 2026, and 2025, unearned lessor revenue totaled $697.9 million and $662.8 million, respectively, and is reported in Other Liabilities on the Consolidated Balance Sheets.

Significant Lease Transactions

In December 2025, the Trust completed two significant lease transactions involving the termination of long-term master developer leases for the Presidio Landmark, a residential property, and Building 38, a commercial property. These transactions resulted in the acquisition of leasehold improvements and recognition of a one-time lease termination expense. The transactions were financed using proceeds from existing U.S. Treasury loans (see Note 8).

NOTE 8 – DEBT

The Trust owes the following debt to Treasury as of September 30, 2026, and September 30, 2025:

	Maturity Date	September 30, 2026	September 30, 2025
Note C (Dated 09/28/00)	9/30/2029	$ 5,416,822	$ 7,032,535
Note C (Dated 09/29/00)	9/30/2029	5,416,822	7,032,535
Note C (Dated 09/29/01)	9/30/2029	2,746,145	3,559,913
MOU (Amended 09/30/26)	9/30/2054	226,669,034	227,616,690
Total Debt		**$ 240,248,823**	**$ 245,241,673**

	Beginning Balance FY 2025	Repayment FY 2025	Ending Balance FY 2025 / Beginning Balance FY 2026	Repayment FY 2026	Ending Balance FY 2026
Debt Owed to Treasury Other than FFB (*)	$ 250,000,000	$ (4,758,327)	$ 245,241,673	$ (4,992,850)	$ 240,248,823
Total Debt	**$ 250,000,000**	**$ (4,758,327)**	**$ 245,241,673**	**$ (4,992,850)**	**$ 240,248,823**

** Federal Financing Bank*

The Trust Act granted the Trust the authority to borrow funds from Treasury. The aggregate amount of outstanding obligations at any one time is limited to $250 million and congressional action is required to make borrowing authority available to the Trust. No borrowing authority was granted to the Trust in Fiscal Year 2026 or Fiscal Year 2025.

In 1999, the Trust and the Secretary of Treasury established a written borrowing agreement to advance funds for capital improvement projects. The Trust executed a promissory note with Treasury for these borrowings, including provisions for penalties on late payments. The Trust was granted $49,978,000 in borrowing authority. Since then, the Trust has made all required payments on the promissory note when due.

Congress provided the Trust additional borrowing authority in the amounts of $10,000,000, $20,000,000, $40,000,000, $90,000,000, and $90,000,000 in Fiscal Years 2020, 2021, 2022, 2023, and 2024 respectively. Under the Trust's borrowing arrangement with Treasury, loan proceeds are advanced to the Trust in the fiscal year in which the borrowing authority is made available, and the interest begins accruing upon the advance. Although the proceeds are advanced to the Trust, the Trust may not use the funds for a specific project until the project has satisfied the review and approval requirements established under the Memorandum of Understanding (MOU) with Treasury.

Due to the $250 million statutory limit on outstanding obligations and the outstanding balance on the 1999 borrowings, the amount of the Fiscal Year 2024 loan proceeds advanced to the Trust was limited to $68,548,987, notwithstanding the $90 million of borrowing authority provided for that fiscal year. The MOU with Treasury governing the use of these loan proceeds was amended on September 30, 2026, by adding the fourth amendment extending the MOU to September 2027.

In Fiscal Year 2024, Treasury approved the final report approval supporting the Trust's use of the first $20 million of the Fiscal Year 2022 loan proceeds. Construction associated with these proceeds was completed in Fiscal Year 2026 and included the rehabilitation of three commercial buildings (Buildings 102, 2, and 40).

In December 2025, the Trust completed lease termination transactions involving Building 38 and the Presidio Landmark, funded in part by Treasury loan proceeds. Following Treasury's approval of the applicable final report, the Trust was authorized to use the second $20 million tranche of the Fiscal Year 2022 loan and $89 million of the Fiscal Year 2023 loan proceeds to fund these transactions.

Treasury also approved the interim report supporting the proposed use of the remaining $1 million of Fiscal Year 2023 loan proceeds and $68.5 million of Fiscal Year 2024 loan proceeds for a residential building investment. Planning and design work related to these investments is underway. Under the MOU, an independent financial advisor must provide an updated final report for Treasury review and approval before the Trust may use additional loan proceeds for construction. Per the Memorandum of Understanding (MOU), the final report must be provided no more than one year after the date of the interim report submission. However, the Trust requested and received a waiver to submit the final report in December 2026.

The Trust has issued the following promissory notes to Treasury:

Note C (dated 9/28/00)

The current principal amount was $ 5,416,822 as of September 30, 2026. The note carries an interest rate of 6.122% and requires principal payments starting in 2015 and ending on September 30, 2029.

Principal repayments of $1,615,713 and $1,529,162 were made by September 30, 2026, and September 30, 2025, respectively.

Note C (dated 9/29/00)

The current principal amount was $5,416,822 as of September 30, 2026. The note carries an interest rate of 6.122% and requires principal payments starting in 2015 and ending on September 30, 2029.

Principal repayments of $1,615,713 and $1,529,162 were made by September 30, 2026, and September 30, 2025, respectively.

Note C (dated 9/29/01)

The current principal amount was $2,746,145 as of September 30, 2026. The note carries an interest rate of 5.515% and requires principal payments starting in 2015 and ending on September 30, 2029.

Principal repayments of $813,768 and $767,706 were made by September 30, 2026, and by September 30, 2025, respectively. Additional yearly principal payments for the three notes combined are scheduled as follows: $4,276,918 in Fiscal Year 2027, $4,521,924 in Fiscal Year 2028, and $4,780,947 in Fiscal Year 2029.

MOU (fourth amendment dated 09/30/2026)

The current principal amount was $226,669,034 as of September 30, 2026. The loan is being used for the rehabilitation of various Trust commercial buildings, for the lease termination transactions as further discussed in Note 7 and preliminarily for a residential building investment that is being reviewed for credit-worthiness. The note carries an interest rate of 1.146% for the $10,000,000 advance issued in Fiscal Year 2020, an interest rate of 1.914% for the $20,000,000 advance issued in Fiscal Year 2021, an interest rate of 3.762% for the $40,000,000 advance issued in Fiscal Year 2022, an interest rate of 4.601% for the $90,000,000 advance issued in Fiscal Year 2023, and an interest rate of 4.063% for the $68,548,987 advance issued in Fiscal Year 2024. Interest is paid semi-annually in March and September for the term of the loan.

Principal repayments began in Fiscal Year 2025 for the $30 million loan and were $947,656 and $932,297 as of September 30, 2026, and September 30, 2025, respectively.

Principal repayments will begin in Fiscal Year 2027 for the $40 million Fiscal Year 2022 loan, in Fiscal Year 2028 for the $90 million Fiscal Year 2023 loan, and in Fiscal Year 2029 for the $68.5 million Fiscal Year 2024 loan.

Interest Expense Related to Borrowing

The Trust incurred interest expense of $9,966,473 and $10,211,401 during Fiscal Year 2026 and Fiscal Year 2025, respectively, which was included in program costs reported on the Statements of Net Cost.

NOTE 9 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities not covered by budgetary resources require future spending authority (authority to spend revenues as granted by the Trust Act) or congressional action, whereas liabilities covered by budgetary resources are covered by spending authority already earned by the Trust.

As of September 30, 2026, and September 30, 2025, liabilities not covered by budgetary resources consist of the following:

	September 30, 2026	September 30, 2025
Unfunded Annual Leave Liability	$ 3,063,268	$ 2,957,899
Post-Employment Benefits Payable	3,374,395	4,060,003
Environmental and Disposal Liabilities [Note 10]	67,472,940	66,228,444
Rent Credit Liability	2,671,774	3,022,430
Contingent Liabilities [Notes 12 and 13]	7,266	-
Liabilities Not Covered by Budgetary Resources	76,589,643	76,268,776
Liabilities Covered by Budgetary Resources	288,933,317	294,557,207
Liabilities Not Requiring Budgetary Resources	797,959,664	769,841,728
Total Liabilities	**$ 1,163,482,624**	**$ 1,140,667,711**

Liabilities not requiring budgetary resources are liabilities that have not required budgetary resources in the past and that will not require the use of existing or future budgetary resources. Unearned revenues for various park projects, where funds would not be returned should the project not be completed, are Trust liabilities not requiring budgetary resources. Unearned Lessor Revenue, as required by SFFAS 54, is also included in Trust liabilities not requiring budgetary resources. The Trust has no intragovernmental liabilities that are not covered by budgetary resources.

NOTE 10 – ENVIRONMENTAL AND DISPOSAL LIABILITIES

Environmental Remediation

As discussed in Note 1, Significant Accounting Policies, the Trust assumed responsibility for the environmental cleanup of known or enumerated sites at the Presidio. All enumerated sites have been remediated to the applicable standards protective of human health and the environment in accordance with future reuse plans for the Presidio. All enumerated sites were either closed by applicable regulatory bodies with no further action required or are governed by land use controls with regulatory oversight as appropriate. Costs for enumerated sites were funded through a combination of an advance from the Army, Trust funding, and reimbursement from insurance policies.

The Army retains sole responsibility to fund and/or to perform all environmental remediation of unknown contaminated sites as well as for the cleanup of radioactive materials, chemical and biological warfare agents, and any unexploded ordnance discovered in the Presidio. The liability remaining on the Trust's Consolidated Balance Sheets is related to land use controls and associated operations and maintenance required by state regulatory agencies for closed enumerated sites.

Operations and maintenance are estimated to extend from the point of discovery and identification for the greater of the period required by the regulatory land use controls or a minimum of thirty years.

The liability for environmental remediation operations and maintenance is ongoing and therefore unfunded, with balances of $5,276,083 and $5,496,216 as of September 30, 2026,

and September 30, 2025, respectively. This represents the total estimated cost at completion less the expected Army and insurance reimbursements based on claims the Trust has filed. The actual cost on completion may vary from the estimated cost. The Trust uses a periodic reassessment method of cost estimation where project expenses, needs, and conditions are regularly reviewed and updated at set intervals. Annually, management updates the total estimated cost at completion and will periodically enlist third-party expertise to assist management in formulating detailed projections based on a thorough review of the remediation program. By continually reassessing, this method helps manage costs effectively, respond to changes proactively, and align with evolving regulatory or operational standards.

The change in environmental remediation liability over the last two fiscal years was as follows:

	September 30, 2026	September 30, 2025
Fiscal Year Beginning Balance	$ 5,496,216	$ 5,068,499
Less: Remediation Work Completed	(267,290)	(433,221)
Change in Estimate to Complete	47,157	860,938
Ending Balance	**$ 5,276,083**	**$ 5,496,216**

Non-Friable Asbestos Cleanup

The Trust's consolidated financial statements reflect an asbestos cleanup cost estimate of $62,196,857 and $60,732,228 as of September 30, 2026, and September 30, 2025, respectively.

The liability is adjusted annually to reflect the cleanup of asbestos during the year and updated abatement costs. The Trust incurred clean-up costs associated with non-friable asbestos of $980,436 and $1,721,579 in Fiscal Year 2026 and Fiscal Year 2025, respectively.

NOTE 11 – UNEARNED REVENUE

The Trust recognizes unearned revenue for certain payments received before the associated revenue is earned. Significant balances relate to the Doyle Drive (Presidio Parkway) and Presidio Tunnel Tops projects, as described below.

Doyle Drive (Presidio Parkway)

Under a 2009 Right of Entry Agreement with the State of California, as subsequently amended, the Trust granted temporary construction easements and permanent right-of-way rights associated with the Presidio Parkway project. The Trust received compensation related to the use of its property during construction, including office space, and the demolition of certain buildings. These amounts were recorded as unearned revenue and are recognized as revenue over time in accordance with *SFFAS 7, Accounting for Revenue and Other Financing Sources* (SFFAS 7).

Separately, the Trust received $54.3 million from the State under a 2018 agreement to complete restoration and reconstruction of park assets affected by the project. This funding was recorded as unearned revenue and is recognized as revenue over the useful lives of the assets restored or constructed.

Presidio Tunnel Tops

The Presidio Tunnel Tops project opened in July 2022 and includes a three-acre Youth Campus that supports youth and community programs. The Golden Gate National Parks Conservancy (Parks Conservancy) raised the majority of the funding for the project and occupies certain Trust facilities within the Youth Campus in support of these programs.

A portion of the Parks Conservancy's funding was attributed to the use of these facilities and recorded as unearned revenue. This amount is recognized as revenue over an estimated 30-year occupancy period, based on the long-standing partnership between the Trust and Conservancy and the anticipated continued use of the facilities.

Other Unearned Revenue

Other unearned revenue primarily consists of advance payments for events and other activities, unearned sponsorship revenue, and other amounts received for which revenue has not yet been earned.

Unearned Revenue as of September 30, 2026, and September 30, 2025, was as follows:

	Beginning Balance FY 2025	Net Change FY 2025	Ending Balance FY 2025 / Beginning Balance FY 2026	Net Change FY 2026	Ending Balance FY 2026
Doyle Drive - Right of Entry	$ 56,148,155	$ (939,718)	$ 55,208,437	$ (939,718)	$ 54,268,719
Doyle Drive - Park Reconstruction	39,334,584	(5,432,501)	33,902,083	(5,432,500)	28,469,583
Presidio Tunnel Tops - Occupancy	18,595,111	(649,062)	17,946,049	(655,431)	17,290,618
Other	3,359,556	(178,564)	3,180,992	157,949	3,338,941
Total	**$ 117,437,406**	**$ (7,199,845)**	**$ 110,237,561**	**$ (6,869,700)**	**$ 103,367,861**

NOTE 12 – OTHER LIABILITIES

Other Liabilities as of September 30, 2026, and September 30, 2025, were as follows:

	September 30, 2026	September 30, 2025
Intragovernmental Other Liabilities:		
Other Employment Benefits Payable	$ 306,834	$ 555,844
Total Intragovernmental Other Liabilities	306,834	555,844
Other than Intragovernmental Other Liabilities:		
Unearned Lessor Revenue	697,930,744	662,785,159
Contingent Liabilities [Notes 9 and 13]	7,266	-
Total Other than Intragovernmental Other Liabilities	697,938,010	662,785,159
Total Other Liabilities	**$ 698,244,844**	**$ 663,341,003**

Other Employment Benefits Payable represents intragovernmental current liabilities expected to be paid within one year. Contingent liabilities are current liabilities not covered by budgetary resources. Unearned Lessor Revenue, as further discussed in Note 7, represents future lease revenue to be recognized over the remaining lease terms and does not require budgetary resources.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Legal Contingencies

From time to time, the Trust is involved in legal matters, including contract, tort and employment-related claims. As of September 30, 2026, and September 30, 2025, the Trust accrued contingent liabilities of $7,266 and $0, respectively. No amounts have been accrued in the financial records for claims where the amount of potential loss cannot be estimated, or the likelihood of an unfavorable outcome is less than probable. Matters for which the likelihood of an unfavorable outcome is less than probable but more than remote involve a wide variety of allegations and claims. These matters arise in the course of carrying out Trust programs and operations, including interactions with park visitors and tenants. For these matters, the ultimate outcomes cannot be predicted at this time but are not expected to materially affect the Trust's financial position or results of operations.

NOTE 14 – FUNDS FROM DEDICATED COLLECTIONS

Funds earned by the Trust are considered funds from dedicated collections. The Trust is financed by specifically identified revenues and is required by statute to use the revenues it earns to operate and maintain all the lands, buildings, and infrastructure under the Trust’s jurisdiction. Funds from other than dedicated collections primarily relate to the Inflation

Reduction Act appropriation transfer. The following tables present data relating to the Trust's Dedicated Collections, funds from its ongoing operations, for the Fiscal Year 2026 and Fiscal Year 2025:

PRESIDIO TRUST
BALANCE SHEETS
FUNDS FROM DEDICATED COLLECTIONS
As of September 30, 2026 and 2025

	2026	2025
Assets:		
Intragovernmental Assets:		
Fund Balance with Treasury	$ 13,301,581	$ 13,924,746
Investments, Net	266,374,154	348,954,912
Accounts Receivable, Net	735,482	2,814,084
Total Intragovernmental Assets	280,411,217	365,693,742
Other than Intragovernmental Assets:		
Cash and Other Monetary Assets	178,144	755,158
Accounts Receivable, Net	8,022,013	13,096,017
Property, Plant, and Equipment, Net	639,315,969	589,867,298
Advances and Prepayments	4,615,024	4,472,551
Other Assets:		
Lease Receivable	737,250,203	703,767,506
Total Other than Intragovernmental Assets	1,389,381,353	1,311,958,530
Total Assets	**$ 1,669,792,570**	**$ 1,677,652,272**
Liabilities:		
Intragovernmental Liabilities:		
Accounts Payable	$ 846,289	$ 861,902
Debt	240,248,823	245,241,673
Advances from Others and Deferred Revenue	1,466,722	1,459,267
Other Liabilities:		
Other Employment Benefits Payable	306,834	555,844
Total Intragovernmental Liabilities	242,868,668	248,118,686
Other than Intragovernmental Liabilities:		
Accounts Payable	20,848,919	21,373,605
Federal Employee Salary, Leave and Benefits Payable:		
Payroll Payable	1,835,385	1,525,910
Unfunded Annual Leave Liability	3,063,268	2,957,899
Post-Employment Benefits Payable	3,374,395	4,060,003
Environmental and Disposal Liabilities:		
Environmental Remediation Liability	5,276,083	5,496,216
Non-Friable Asbestos Cleanup Liability	62,196,857	60,732,228
Advances from Others and Deferred Revenue:		
Security Deposits	15,120,824	13,260,890
Rent Credit Liability	2,671,774	3,022,430
Prepaid Rents & Services	3,682,420	3,179,022
Unearned Revenue	103,367,861	110,237,561
Other Liabilities:		
Unearned Lessor Revenue	697,930,744	662,785,159
Contingent Liabilities	7,266	-
Total Other than Intragovernmental Liabilities	919,375,796	888,630,923
Total Liabilities	**$ 1,162,244,464**	**$ 1,136,749,609**
Net Position:		
Cumulative Results of Operations	507,548,106	540,902,663
Total Net Position	**$ 507,548,106**	**$ 540,902,663**
Total Liabilities and Net Position	**$ 1,669,792,570**	**$ 1,677,652,272**

PRESIDIO TRUST
STATEMENTS OF NET COST
FUNDS FROM DEDICATED COLLECTIONS
For the Fiscal Years Ended September 30, 2026 and 2025

	2026	2025
Program Costs:		
Operating Costs	$ 277,035,117	$ 200,774,244
Less: Earned Revenues	235,704,155	230,301,055
Net Program Cost (Surplus)	41,330,962	(29,526,811)
Net Cost (Surplus) of Operations	**$ 41,330,962**	**$ (29,526,811)**

The change from a net surplus in Fiscal Year 2025 to a net cost of operations in Fiscal Year 2026 was primarily attributable to $63.0 million in non-recurring expenses associated with the lease termination transactions involving the Presidio Landmark and Building 38, as well as a $15.7 million reduction in revenue resulting from an allowance for a lessor lease receivable under SFFAS 54.

NOTE 15 – RECONCILIATION OF UNOBLIGATED BALANCE FROM PRIOR YEAR BUDGET AUTHORITY, NET

Adjustments to the Unobligated Balance brought forward from prior year are the result of downward adjustments of prior year undelivered orders. These de-obligations in current year are a recovery of budget authority, increasing the Trust's Unobligated Balance from Prior Year Budget Authority, Net.

Adjustments to Unobligated Balance, Brought Forward from Fiscal Year 2026 and Fiscal Year 2025 were as follows:

	Fiscal Year 2026	Fiscal Year 2025
Unobligated Balance: Brought Forward, October 1	$ 333,218,183	$ 325,218,050
Downward Adjustments of Prior Year Undelivered Obligations	8,626,777	12,531,995
Unobligated Balance from Prior Year Budget Authority, Net	**$ 341,844,960**	**$ 337,750,045**

NOTE 16 – UNDELIVERED ORDERS AT THE END OF THE PERIOD

Undelivered orders represent the remaining value of contracts or purchase orders signed by the Trust for goods or services where some portion of the goods or services have not yet been received by the Trust.

The balance of undelivered orders as of September 30, 2026, was as follows:

	Intragovernmental	Other than Intragovernmental	Total
Undelivered Orders Obligations Unpaid	$ 1,272,126	$ 182,143,495	$ 183,415,621
Undelivered Orders Obligations Paid	-	4,615,024	4,615,024
Total Undelivered Orders - Obligations	**$ 1,272,126**	**$ 186,758,519**	**$ 188,030,645**

The balance of undelivered orders as of September 30, 2025, was as follows:

	Intragovernmental	Other than Intragovernmental	Total
Undelivered Orders Obligations Unpaid	$ 3,901,068	$ 190,635,567	$ 194,536,635
Undelivered Orders Obligations Paid	-	4,472,551	4,472,551
Total Undelivered Orders - Obligations	**$ 3,901,068**	**$ 195,108,118**	**$ 199,009,186**

NOTE 17 – PERMANENT INDEFINITE APPROPRIATIONS

An indefinite appropriation is one that does not have a specific amount but is determined from sources specified in the appropriations act. The Trust Act created an indefinite appropriation for the Trust by authorizing the Trust to retain the revenues it earns to fund Trust operations, maintenance, and capital improvements in Area B of the Presidio.

NOTE 18 – EXPLANATION OF DIFFERENCES BETWEEN THE STATEMENT OF BUDGETARY RESOURCES AND THE BUDGET OF THE U.S. GOVERNMENT

A comparison was performed between the amounts reported in the Fiscal Year 2025 Combined Statement of Budgetary Resources and the actual Fiscal Year 2025 amounts reported in the Fiscal Year 2027 Budget of the U.S. government for Total Budgetary Resources; New Obligations; and Outlays, Net (Total). There were no differences identified. The President's Budget that will report actual amounts for Fiscal Year 2026 has not yet been published and will be made available on OMB's President's Budget webpage in Fiscal Year 2028.

NOTE 19 – CONTRIBUTED CAPITAL

The Trust Act authorized the Trust to accept donations. The Trust received grants related to land improvements and historical renovations of $3,459,512 and $11,906,494 in Fiscal Year 2026 and Fiscal Year 2025, respectively. In Fiscal Year 2026, contributed capital primarily consisted of unconditional grants from the William Fries II Foundation and grants from the California Natural Resources Agency for the Outpost Meadow project. In Fiscal Year 2025,

grants from the California Natural Resources Agency for the Outpost Meadow project were the primary source of contributed capital.

NOTE 20 – RECONCILIATION OF NET COST TO NET OUTLAYS

Budgetary and financial accounting information differ. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting is intended to provide a picture of the government's financial operations and financial position, so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities.

The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and financial accounting. The analysis below illustrates this reconciliation by listing the key differences between net cost and net outlays.

Fiscal Year 2026

In Fiscal Years 2026 and 2025, the Trust recorded additions to property, plant and equipment of $108,206,519 and $86,369,453, respectively. Significant additions in Fiscal Year 2026 included assets acquired through the Landmark and Building 38 lease termination transactions, rehabilitation of commercial Buildings 2 and 102 in the Main Post, renovations of residential housing, tenant improvements to commercial properties, and utility infrastructure upgrades. Significant additions in Fiscal Year 2025 included the Outpost Meadow expansion of the Presidio Tunnel Tops project, park paving projects, and renovations of residential housing. Depreciation of property, plant, and equipment totaled $49,895,902 in Fiscal Year 2026 compared to $43,753,361 in Fiscal Year 2025.

Accounts receivable decreased by $7,152,606, primarily due to decreases in amounts receivable from the Federal Highway Administration for grant-funded transportation projects and from the California Natural Resources Agency for the grant-funded Outpost Meadow expansion at Presidio Tunnel Tops, as well as an increase in the allowance for doubtful accounts. The increase in the allowance primarily reflects the assessment of commercial tenant balances as unlikely to be collected. Accounts Payable decreased by $3,220,241 primarily due to the timing of payment of invoices. Advances from Others and Deferred Revenue decreased by $4,849,569, primarily attributable to the recognition of revenue associated with the Doyle Drive (Presidio Parkway) project, as further discussed in Note 11. Other Assets and Other Liabilities increased by $33,482,697 and $34,903,841, respectively, primarily due to the Trust’s addition of lessor leases under SFFAS 54, discussed in Note 7.

In Fiscal Year 2026, the Trust recognized imputed financing sources of $5,298,865, which offsets imputed costs recognized in Net Cost for certain federal benefits administered by OPM, as described in Note 1. The Trust also recognized $6,577,308 in other financing sources, consisting of transfers in from other federal agencies, as well as grants and donations from the public.

The reconciliation of net cost to net outlays for Fiscal Year 2026 and Fiscal Year 2025 is as follows:

PRESIDIO TRUST
BUDGET AND ACCRUAL RECONCILIATION
For the Fiscal Years Ended September 30, 2026 and 2025

	2026	2025
Net Cost (Surplus) of Operations	**$ 43,072,335**	**$ (27,405,150)**
Components of Net Cost that are not part of Net Outlays:		
Depreciation of Property, Plant, and Equipment	(49,895,902)	(43,753,361)
Loss on Disposition/Revaluation of Property, Plant, and Equipment	(1,025,285)	(2,597,979)
Increase / (Decrease) In Assets:		
Cash and Other Monetary Assets	(577,014)	(498,643)
Accounts Receivable, Net	(7,152,606)	691,737
Advances and Prepayments	142,473	(218,254)
Other Assets	33,482,697	37,209,506
(Increase) / Decrease In Liabilities:		
Accounts Payable	3,220,241	2,487,884
Federal Employee Salary, Leave and Benefits Payable	(414,844)	1,819,493
Post-Employment Benefits Payable	685,608	741,770
Environmental and Disposal Liabilities	(1,244,496)	(475,954)
Advances from Others and Deferred Revenue	4,849,569	7,944,614
Other Liabilities	(34,903,841)	(18,078,193)
Other Financing Sources:		
Federal Employee Retirement Benefit Costs Paid by OPM and Imputed to the Agency	(5,298,865)	(6,092,665)
Total Components of Net Cost that are not part of Net Outlays (-)	**$ (58,132,265)**	**$ (20,820,045)**
Components of Net Outlays that are not part of Net Cost:		
Acquisition of Capital Assets	108,206,519	86,369,453
Other - Financing Sources with Budgetary Advances, Donations, and Other	(6,577,308)	(22,167,846)
Total Components of Net Outlays that are not part of Net Cost	**$ 101,629,211**	**$ 64,201,607**
Net Outlays	**$ 86,569,281**	**$ 15,976,412**

NOTE 21 – PUBLIC-PRIVATE PARTNERSHIPS [P3]

The Trust uses several types of public-private partnerships (P3) to leverage private sector expertise and resources in achieving the Trust's goals of being a model of operational

excellence, a model of environmental stewardship, and having the Presidio be visited and loved by all.

Building Rehabilitations (“Master Developer” Commercial Real Estate Leases)

Due to the limitations on Treasury borrowing authority, and the prohibition on getting loans from private sources, the Trust has never had the capital available to rehabilitate all of the potential income-producing Presidio buildings. Accordingly, the Trust leased some buildings in the Presidio to private developers using what are called “Master Developer” leases. Master Developer leases are long-term leases to private developers who put their own capital (or privately sourced loans) into rehabilitating the historic buildings in exchange for historic tax credits, a reduced rent and/or long-term (often multi-decade) leases. Typically, the Master Developer then sub-leases all or a portion of the building at a significant profit.

The positive aspects of Master Developer leases are that historic buildings are rehabilitated, and the Trust earns some income. The downside is that most of the profit from the rehabilitation is kept by the Master Developer.

The required rehabilitation work is set forth in detail in each Master Developer lease, and the Trust works closely with the tenant on the project. In some cases, a portion of the rehabilitation project is done by the Trust. In all cases, the rehabilitation plan is approved by the Trust, and the construction work is reviewed and approved by the Trust. These tenants have generally been accepted through a competitive request for proposal (RFP) process; in addition, before accepting a tenant for a Master Developer project, the Trust examines the creditworthiness of the tenant and the project to ensure that the tenant has the financial resources necessary to complete the project and be a financially stable tenant through the term of the lease. If a tenant were to abandon an incomplete rehabilitation project, the Trust could be at risk of incurring substantial costs to finish that project and find a replacement tenant. The Trust believes that its property management credit assessment procedures are effective, and therefore the risk of such losses is remote.

The expected lives of these public-private partnerships include all leased periods for a Master Developer tenant in that leased location and assume that all options to extend the current lease term will be exercised.

In December 2025, the Trust terminated two Master Developer leases associated with the Presidio Landmark and Building 38 properties. Additional information about these transactions is provided in Note 7. The related termination payments and other amounts recognized in the financial statements are included in the tables below.

Other Significant Leases

In some cases, the Trust requires capital improvements from tenants in a form other than the Master Developer model. The Trust may require tenants to carry a capital reserve for improvements to Trust assets over the life of the lease.

Tenants in this category have been accepted through a competitive RFP process; in addition, before accepting a tenant, the Trust uses prudent credit practices to ensure that the tenant has the financial resources necessary to complete required projects and be a financially stable tenant through the term of the lease. If a tenant were to abandon an incomplete rehabilitation project, the Trust could be at risk of incurring substantial costs to finalize capital projects and find a replacement tenant. The Trust believes that its property management credit assessment procedures are effective, and therefore the risk of such losses is remote. The expected lives of these public-private partnerships include all leased periods for a tenant in that leased location and assume that all options to extend the current lease term will be exercised.

Other Contracts

The Trust performs so many functions that we cannot be experts in all of them. Instead, we use private and non-profit partners to perform many functions such as lodging management, golf management, residential property management, commercial property management, shuttle operations, the collection of parking fees, design and construction services, plant nursery and basic landscape maintenance. Some of these public-private partnership arrangements include a working capital subsidy. The Trust's partners bring specialized expertise to meet the Trust's strategic goal of being a model of operational excellence. The expected lives of these partnerships are the terms of the contracts, including renewal options.

The Trust uses an RFP process for the selection of private sector partners and establishes operational review and approval controls over all functions. In addition, for the hospitality management, property management and parking fee collection functions, the Trust has included financial control measures to limit its risk of loss. If one of these partners were to abandon its contractual obligations, the Trust would be required to intervene and would probably incur significant costs to continue operations and transition to a contractor possessing the required level of specialized expertise.

Funding by all partners to the Trust's P3s over the expected life of the arrangement is estimated as follows:

Classification	Building Rehabilitation	Other Contracts	Total
Historic Tax Credits	not available	N/A	
Federal Funding:			
Tenant Improvement Allowance / Rent Credit	$ 21,602,972	$ -	$ 21,602,972
Funds Invested For Rehabilitation Project	50,078,788	-	50,078,788
Parking Passes & Other	1,000,000	1,336,039	2,336,039
Subtotal - Federal Funding	72,681,759	1,336,039	74,017,798
Partner Funding:			
Funds Invested For Building Rehabilitation	295,136,139	-	295,136,139
Subtotal - Partner Funding	295,136,139	-	295,136,139
Total Funding to P3	**$ 367,817,898**	**$ 1,336,039**	**$ 369,153,937**

Revenues and cash received by the Trust from its public-private arrangements during Fiscal Year 2026 were as follows:

P3 Type	Rents & Rent-Related Payments	Security Deposits	Reimbursement from Partner for Rehab Work	Other Rehab-Related	Payments from Managed Functions (Golf, Food, Hospitality)	Totals
Building Rehab	$ 35,836,508	$ 16,600	$ -	$ -	$ -	$ 35,853,108
Other Contracts	-	-	-	-	33,068,780	33,068,780
Total FY26 Payments Received	**$ 35,836,508**	**$ 16,600**	**$ -**	**$ -**	**$ 33,068,780**	**$ 68,921,888**

Revenues and cash received by the Trust from its public-private arrangements during Fiscal Year 2025 were as follows:

P3 Type	Rents & Rent-Related Payments	Security Deposits	Reimbursement from Partner for Rehab Work	Other Rehab-Related	Payments from Managed Functions (Golf, Food, Hospitality)	Totals
Building Rehab	$ 36,393,426	$ -	$ -	$ 93,000	$ -	$ 36,486,426
Other Contracts	-	-	-	-	30,281,157	30,281,157
Total FY25 Payments Received	**$ 36,393,426**	**$ -**	**$ -**	**$ 93,000**	**$ 30,281,157**	**$ 66,767,583**

Revenues and cash items expected to be received by the Trust from its public-private arrangements over the lives of those arrangements are as follows:

P3 Type	Rents & Rent-Related Payments	Security Deposits	Reimbursement from Partner for Rehab Work	Other Rehab-Related	Payments from Managed Functions (Golf, Food, Hospitality)	Totals
Building Rehab	$ 2,437,242,171	$ 2,748,025	$ 8,550,892	$ 3,546,133	$ -	$ 2,452,087,220
Other Contracts	-	-	-	-	270,247,245	270,247,245
Total Life of P3 Payments Received	**$ 2,437,242,171**	**$ 2,748,025**	**$ 8,550,892**	**$ 3,546,133**	**$ 270,247,245**	**$ 2,722,334,465**

Payments by the Trust to its P3 partners during Fiscal Year 2026 were as follows:

P3 Type	Tenant Improvement Allowances Paid	Security Deposits Returned	Other Rehab-Related	Other	Management Fees	Working Capital Funding & Operating Expense Reimbursement	Totals
Building Rehab	$ -	$ -	$ 72,917	$ 117,500,000	$ -	$ -	$ 117,572,917
Other Contracts	-	-	-	-	9,768,710	20,967,415	30,736,125
Total FY26 Payments Paid	**$ -**	**$ -**	**$ 72,917**	**$ 117,500,000**	**$ 9,768,710**	**$ 20,967,415**	**$ 148,309,042**

Payments by the Trust to its P3 partners during Fiscal Year 2025 were as follows:

P3 Type	Tenant Improvement Allowances Paid	Security Deposits Returned	Other Rehab-Related	Other	Management Fees	Working Capital Funding & Operating Expense Reimbursement	Totals
Building Rehab	$ -	$ -	$ 61,000	$ -	$ -	$ -	$ 61,000
Other Contracts	-	-	-	-	9,677,227	18,128,684	27,805,911
Total FY25 Payments Paid	**$ -**	**$ -**	**$ 61,000**	**$ -**	**$ 9,677,227**	**$ 18,128,684**	**$ 27,866,911**

Payments expected to be paid by the Trust to its P3 partners over the lives of those P3 arrangements are as follows:

P3 Type	Tenant Improvement Allowances Paid	Security Deposits Returned	Other Rehab-Related	Other	Management Fees	Working Capital Funding & Operating Expense Reimbursement	Totals
Building Rehab	$ 6,109,499	$ 1,792,485	$ 4,158,140	$ 117,500,000	$ -	$ -	$ 129,560,124
Other Contracts	-	-	-	-	145,824,957	191,992,686	337,817,643
Total Life of P3 Payments Paid	**$ 6,109,499**	**$ 1,792,485**	**$ 4,158,140**	**$ 117,500,000**	**$ 145,824,957**	**$ 191,992,686**	**$ 467,377,767**

Other amounts recognized in the consolidated financial statements as of September 30, 2026, were as follows:

P3 Type	Accounts Receivable	Unearned Revenue (Unapplied Receipts)	Accounts Payable	Advances to Program	Prepaid Rent	Lessor Lease Receivable	Unearned Lessor Revenue	Security Deposits
Building Rehab	$ 879,231	$ -	$ -	$ -	$ 211,601	$ 426,417,865	$ 397,333,056	$ 1,489,595
Other Contracts	-	1,969,159	1,437,913	2,199,822	-	-	-	-
Total Other Amounts Recognized	**$ 879,231**	**$ 1,969,159**	**$ 1,437,913**	**$ 2,199,822**	**$ 211,601**	**$ 426,417,865**	**$ 397,333,056**	**$ 1,489,595**

Other amounts recognized in Fiscal Year 2026 related to terminated P3 arrangements were as follows:

Description	FY26
Leasehold improvements acquired	$ 54,852,759
Lease termination expense	63,009,958
Loss on lease terminations (SFFAS 54)	2,564,527

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Deferred Maintenance & Repairs

The Trust owns and manages real property assets such as buildings, roads, utility systems and landscapes. Deferred Maintenance and Repairs (DM&R) is the estimated cost to bring PP&E to an acceptable condition. It is measured and reported for capitalized, non-capitalized, and fully depreciated general PP&E.

Since Fiscal Year 2022, the Trust has set aside money from its annual net income to fund the ongoing replacement of the Trust's physical assets in a Replacement Reserve, in accordance with its Financial Reserves Policy. The Trust uses this reserve to fund the replacement of assets that are beyond, at or near the end of their useful life. This practice is particularly important for organizations with significant physical assets.

In addition, as part of a multi-year project, the Trust is focused on developing a clear, sustainable asset inventory update process. This includes a comprehensive inventory of its assets, an assessment of asset conditions, and a reasonable asset replacement value to report the deferred maintenance.

Beginning in Fiscal Year 2023, the Trust engaged a consultant to ensure best practice use of the VFA capital planning software that will measure DM&R based on the condition of Trust assets on an on-going basis. By the end of Fiscal Year 2023, the Trust developed the necessary system configurations and key processes. In Fiscal Year 2024, the Trust captured condition assessments for a small subset of "pilot" assets and tested the asset update process. In Fiscal Year 2025, the Trust finalized the accuracy of the pilot configuration, hired an Asset Maintenance and Replacement Program Manager, and began the full rollout of condition assessments for the building asset portfolio. In Fiscal Year 2026, the Trust completed building condition assessments for the building portfolio and most of the data quality review for buildings and their associated deferred maintenance data. The Trust plans to complete the remaining data review of its building assets in early Fiscal Year 2027 and is developing and documenting the necessary procedures, reporting, governance structure, and training for affected Trust employees.

In Fiscal Year 2026, the Trust also began to incorporate into VFA its non-building assets, including Transportation (e.g. roads, streetlamps), Utilities (e.g. electrical & water distribution, storm water & sanitation systems), and Park Assets (e.g. designed landscapes, forests), and initiated the planned data review and assessment process, which is expected to be completed in Fiscal Year 2027. Full rollout, including incorporation of the data into the Trust's annual planning and budget process for all assets, is expected to be completed in Fiscal Year 2028.

Since the Trust has not yet fully implemented the VFA software, the Trust estimated DM&R using the same process as last year. For building assets, the Trust used the VFA software estimates, excluding buildings with incomplete data, buildings leased to master tenants, unrehabilitated buildings, and buildings used for storage. With the Trust's termination of certain

master leases in Fiscal Year 2026, nine buildings were moved from the excluded building list into the Fiscal Year 2026 analysis, adding $16.4 million to estimated deferred maintenance. In addition, two buildings were moved from the excluded building list into the Fiscal Year 2026 DM&R analysis due to their rehabilitation. Because these two buildings were fully rehabilitated, their inclusion did not increase the estimated deferred maintenance.

For utilities and stewardship land, financial estimates were used. Furnishings, equipment and software are excluded from the DM&R estimate.

The following is the Trust's Deferred Maintenance & Repairs as of September 30, 2026, and September 30, 2025:

	September 30, 2026	September 30, 2025
General Property Plant & Equipment	$ 275,928,561	$ 284,020,109
Heritage Assets	110,380,162	85,260,685
Stewardship Land	164,065,366	155,256,196
Total	**$ 550,374,089**	**$ 524,536,990**

Note that due to the location, age, and variety of the assets entrusted to the Trust, as well as the nature of DM&R itself, precise cost estimates for DM&R cannot be determined prior to developing the final design and specifications for the repairs. Until that time, estimates are conceptual in nature.

The Trust considers the overall condition of an asset using a Condition Index. This is defined as:

Condition Index = (Current Replacement Value (CRV) - DM&R) / CRV

For example, a Condition Index of .80 for an asset means that 80% of the assets in that category are within their assessed useful life.

At the end of Fiscal Year 2026, the Trust's Condition Index for all its physical assets was 67%, an improvement over the 65% Condition Index at the end of Fiscal Year 2025. This means that 67% of the Trust's assets were within their assessed useful life in Fiscal Year 2026, compared with 65% in Fiscal Year 2025.

In Fiscal Year 2026, the Condition Index breaks down as follows: 85% of buildings (excluding the building assets not currently captured in the VFA software), 65% of stewardship land and forest, and 40% of utilities are within their expected useful life. In Fiscal Year 2025, 81% of buildings, 67% of stewardship land and forest, and 41% of utilities were within their expected useful life.

These results are consistent with the Trust's Fiscal Year 2026 deferred maintenance strategy.

For buildings: The Trust invested loan funds in the rehabilitation of vacant historic buildings to preserve the buildings and to increase the amount of leasable commercial space. The Trust

also invested in acquiring the remainder of two significant master leases. Both actions will increase the Trust's revenue in the future.

For the Trust's utilities: The Trust kept its utilities functional while planning for the replacement in Fiscal Years 2027,2028, and 2029 of the high voltage electrical system that was built during the Army era. Using funds from the $200 million Inflation Reduction Act appropriation we received, the Trust will reduce the DM&R for utilities significantly in the next few years.

For the Trust's lands: The Trust does not have sufficient funds to keep up with the annual repair and replacement needs of its landscapes. This funding deficit compels the Trust to increase its revenue through all possible means. Until the Trust can build a bigger financial engine, deferred maintenance for the Presidio's lands likely will continue to increase.

Once the Trust has scrubbed the data and has procedures to ensure timely updates to the VFA system, we will present DM&R as beginning and ending balances by categories of PP&E, in accordance with *SFFAS 42, Deferred Maintenance and Repairs*: *Amending Statements of Federal Financial Accounting Standards 6, 14, 29, and 32*. Categories of PP&E include general PP&E, Heritage Assets, and Stewardship Land per SFFAS 6.

PRESIDIO TRUST
COMBINING STATEMENTS OF BUDGETARY RESOURCES (UNAUDITED)
For the Fiscal Years Ended September 30, 2026 and 2025

	2026			2025		
	Funds from Dedicated Collections	Funds from Other than Dedicated Collections	Combined	Funds from Dedicated Collections	Funds from Other than Dedicated Collections	Combined
Budgetary Resources:						
Unobligated Balance from Prior Year Budget Authority, Net	$ 341,736,401	$ 108,559	$ 341,844,960	$ 337,290,794	$ 459,251	$ 337,750,045
Spending Authority from Offsetting Collections	230,908,261	-	230,908,261	203,178,792	-	203,178,792
Total Budgetary Resources	**$ 572,644,662**	**$ 108,559**	**$ 572,753,221**	**$ 540,469,586**	**$ 459,251**	**$ 540,928,837**
Status of Budgetary Resources:						
New Obligations	$ 321,717,061	$ -	$ 321,717,061	$ 207,263,865	$ 446,789	$ 207,710,654
Unobligated Balance, End of Year:						
Apportioned, Unexpired Accounts	250,927,601	108,559	251,036,160	333,205,721	12,462	333,218,183
Unobligated Balance, End of Year (Total)	250,927,601	108,559	251,036,160	333,205,721	12,462	333,218,183
Total Budgetary Resources	**$ 572,644,662**	**$ 108,559**	**$ 572,753,221**	**$ 540,469,586**	**$ 459,251**	**$ 540,928,837**
Outlays, Net						
Outlays, Net (Total)	78,012,304	8,556,977	86,569,281	(12,240,673)	28,217,085	15,976,412
Agency Outlays, Net	**$ 78,012,304**	**$ 8,556,977**	**$ 86,569,281**	**$ (12,240,673)**	**$ 28,217,085**	**$ 15,976,412**

Other Information (Unaudited):

Inspector General Summary

The Trust is not required to have an Office of Inspector General (OIG). As a result, this section of the Performance and Accountability Report (PAR) does not contain an OIG narrative.

Improper Payments

The Presidio Trust maintains internal controls designed to prevent and detect improper payments and assess its activities for susceptibility to significant improper payments in accordance with the Payment Integrity Information Act of 2019 (PIIA) and applicable OMB guidance. The Trust has not identified programs or activities susceptible to significant improper payments and therefore is not required to report an annual improper payment estimate.

The Trust has a centralized payment certification process within its Accounting Department and uses the Department of Treasury's Do Not Pay (DNP) services as part of its payment integrity controls. During supplier setup, Accounting conducts a DNP eligibility search before a supplier is entered into the Trust's financial management system, screening against applicable data sources including death and federal exclusion records. In addition, the Trust submits payment files weekly to Treasury's Payment Automation Manager (PAM) for payment verification, where payment requests are screened for potential eligibility and payment issues before disbursement. These controls supplement the Trust's other pre-certification controls, including verification of funds availability, payment and payee information, taxpayer identification information, and applicable Treasury account information.

During Fiscal Year 2026, the Trust screened 280 new suppliers through the DNP Web Portal and 10,260 payments requests through Treasury's payment verification process. No improper payments were identified or prevented through these reviews.

Civil Monetary Penalty Adjustment for Inflation

The Trust does not administer any civil monetary penalties subject to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. Therefore, no adjustments for inflation are required or reported.

Summary of Financial Statement Audit and Management Assurances

Audit Opinion	Unmodified
Restatement	No

Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Ending Balance**
None	0	0	0	0	0

Effectiveness of Internal Control over Financial Reporting						
Statement of Assurance		Unqualified				
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
None	0	0	0	0	0	0
Effectiveness of Internal Control over Operations						
Statement of Assurance		See Below				
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
None	0	0	0	0	0	0
Conformance with Financial Management System Requirements						
Statement of Assurance		See Below				
Non-Conformances	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
None	N/A	N/A	N/A	N/A	N/A	N/A

Conformance with Federal Financial Management Improvement Act		
Statement of Assurance	**Agency**	**Auditor**
Overall Substantial Compliance	**Yes**	**N/A**
System Requirements	Yes	N/A
Accounting Standards	Yes	N/A
USSGL - Transaction Level	Yes	N/A

Management certifies to the effectiveness of internal control over operations and conformance with management system requirements.

Grants Oversight and New Efficiency (GONE) Act

The Trust does not issue grants, however, the Trust issues cooperative agreements. These agreements are not subject to the GONE Act as they are not for the principal purpose of support or stimulation.

Glossary

BFS – Bureau of the Fiscal Service
Caltrans – California State Department of Transportation
CIP – Construction in Progress
CSRS – Civil Service Retirement System
DMS – Debt Management Services
DOI – Department of the Interior
FASAB – Federal Accounting Standards Advisory Board
FBwT – Fund Balance with Treasury
FECA – Federal Employee Compensation Act (Worker's Compensation)

FEGLI – Federal Employees Group Life Insurance
FERS – Federal Employees Retirement System
FMFIA – Federal Managers' Financial Integrity Act
GAAP – Generally Accepted Accounting Principles
GONE Act – Grants Oversight and New Efficiency Act
JD – Juris Doctor
MOU – Memorandum of Understanding
NPS – National Park Service
NPR – National Public Radio
OIG – Office of Inspector General
OMB – Office of Management and Budget
OPM – Office of Personnel Management
PIIA – Payment Integrity Information Act
PP&E – Property, Plant, and Equipment
SFFAS – Statement of Federal Financial Accounting Standards
SFCTA – San Francisco County Transportation Authority
USSGL – United States Standard General Ledger
VMP – Vegetation Management Plan