

# Financial Statements

## REPORT OF MANAGEMENT

The San Francisco Foundation management is responsible for the preparation of the previous condensed financial statements. The condensed financial statements have been excerpted from the Foundation's audited financial statements as of and for the years ended June 30, 2006, and 2005. The financial statements were audited by Hood & Strong LLP. Hood & Strong reported that the statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Their reports and copies of the complete audited financial statements are available upon request.

The Board of Trustees of The San Francisco Foundation consists entirely of independent appointees. In 2005, in conformance with the Nonprofit Integrity Act, the Foundation established a separate Audit Committee. This Audit Committee, a subcommittee of the Board, is responsible for appointment, compensation, and oversight of the audit work performed by Hood & Strong. In prior years, the Budget and Audit Committee oversaw the audit function.

The Foundation did not engage Hood & Strong to perform any management advisory services during the years presented. The Chief Executive Officer and the Chief Financial Officer confirm that the information contained in the condensed financial statements fairly presents, in all material respects, the financial position and results of activities of the Foundation for the years ended June 30, 2006, and 2005. Management maintains a framework of internal controls designed to help ensure the accuracy and integrity of the Foundation's financial data, compliance with donor restrictions and instructions, and proper safeguarding of assets. This framework includes policies, procedures, and organizational structures, all of which are overseen by the Board.

The internal control structure of the Foundation includes policies that reflect the Foundation's dedication to high standards of integrity and ethics. Written policy statements cover, among other subjects, the confidentiality of the Foundation's donors and the potential conflict of employees' and Board members' outside interests.



*Tatwina Lee*  
Chair, Board of Trustees



*Sandra R. Hernández, M.D.*  
Chief Executive Officer



*Monica Pressley*  
Chief Financial Officer