OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Greg Wagner
Controller

ChiaYu Ma
Deputy Controller

MEMORANDUM

TO: Sarah Madland, General Manager
Recreation and Park Department

President and Commissioners
Recreation and Park Commission

Virginia Donohue, Executive Director
San Francisco Animal Care & Control

FROM: Mark de la Rosa, Director of Audits
Audits Division, City Services Auditor

DATE: June 9, 2026

SUBJECT: Support Organizations Must Better Comply With City Agreements to Improve Public Trust and Accountability

EXECUTIVE SUMMARY

Support or "friends of" organizations are nonprofit organizations that receive and maintain donations on behalf of one or more city departments. The City and County of San Francisco (City) has had several such support organizations, which until September 2020 were not required by the City to have a formal memorandum of understanding (MOU) defining the relationship. The Office of the Controller (Controller), City Services Auditor (CSA), Audits Division, audited two such organizations for compliance with city policy and the terms of their MOUs, and for adequate management by their corresponding city departments. The audited departments and their support organizations are:

- San Francisco Animal Care & Control (Animal Care and Control): Friends of San Francisco Animal Care & Control (Friends of SFACC)
- Recreation and Park Department (Rec and Park): San Francisco Parks Alliance (Parks Alliance)[1]

[1] We initiated the audit and completed fieldwork testing before Parks Alliance announced it would cease operations in early June 2025 and before the City Attorney and Controller announced a joint public integrity assessment of potential financial mismanagement. This joint assessment did not affect our audit scope, which focuses only on Parks Alliance's compliance with its Rec and Park MOU before June 2024. The public integrity assessment is ongoing, and a report on its findings will be released in fiscal year 2026-27.

The audit found that:

- Rec and Park did not ensure that Parks Alliance maintained sufficient documentation to support $848,670 (50%) of $1,700,038 of payments sampled.
- Animal Care and Control did not consistently follow its own procedures for documenting spending requests and approvals, although all tested payments were allowed by the MOU.
- Support organizations did not comply with some disclosure requirements in their MOUs, including posting financial reports and funding sources on their websites.
- Support organizations lacked written processes to ensure compliance with their MOU's conflict-of-interest requirements, although no conflicts were found.

BACKGROUND, OBJECTIVES & METHODOLOGY

Background

Support ("Friends of") Organizations

Support organizations, commonly referred to as "friends of" organizations, are nonprofit organizations that are not staffed or run by the City, but they receive and maintain donated funds on a city department's behalf.

Support Organizations and the City

In September 2020 CSA published an assessment of how gifts to city departments through support organizations lacked transparency and created a "pay-to-play" risk for the City. *Executive Directive 20-02*, issued by former Mayor London Breed in September 2020, requires city departments to formalize relationships with support organizations with a memorandum of understanding (MOU). These MOUs require support organizations to:

- Comply with city law on accepting and disclosing gifts (San Francisco Administrative Code, Section 67.29-6).
- Follow clearly defined roles and procedures for spending the donated money.
- Publicly report donors and how funds were spent.

These requirements aim to provide transparency and increase accountability for a support organization's fundraising and spending on a city department's behalf. The City Attorney and Controller review and approve each MOU before the departments and support organizations finalize them.

Exhibit 1 summarizes the City's support organizations and their stated purpose that were active or developing as of November 2025.

Exhibit 1: San Francisco's support organizations and the departments they support

Support Organization[a]	City Department	Status	Stated Purpose
San Francisco Aeronautical Society	Airport	**Active**	Preserve and share history of commercial aviation to enrich the public experience at the Airport
Friends of Animal Care & Control	Animal Care and Control	**Active**	Support department programs and services
Community Initiatives, fiscal sponsor of ArtCare	Arts Commission	**Active**	Support restoration of civic art collection and arts education initiatives; host annual awards events
Fiscal sponsor of MAGIC[b]	Public Defender	**Developing**	MAGIC is a collective whose mission is to transform the community and youth through collaboration
San Francisco Public Health Foundation	Public Health	**Active**	Support department's public activities, including educational programs, public health conferences, and publications
San Francisco General Hospital Foundation	Public Health	**Active**	Support initiatives, including (those in) research, education, and care
Friends of Laguna Honda	Public Health	**Developing**	Support programs (at Laguna Honda Hospital and Rehabilitation Center) that spark joy and connection to the community and engage residents' interests
Friends of the San Francisco Public Library	Public Library	**Active**	Support department programs and services
San Francisco Parks Alliance	Port Public Works Recreation and Park	**Defunct**	Support department projects and programs, including community events, recreation programs, and staff appreciation programs
Francisco Park Conservancy	Recreation and Park	**Active**	Support the design, construction, and maintenance of Francisco Park
Friends of Jackson Park	Recreation and Park	**Active**	Support the design and construction of Jackson Park
San Francisco Performing Arts Center Foundation	War Memorial	**Active**	Contribute to and assist in the operation, maintenance, and rehabilitation of War Memorial and Performing Arts Center buildings

Status Definitions:
Active: Support organization is actively raising funds for the department.
Developing: As of November 2025, the support organization is not actively raising funds but plans to finalize an MOU to begin doing so, although it may have a relationship with the City that predates the directive.
Defunct: Organization is no longer operating. See *Scope and Objectives* section for details.

Notes:
[a] This list is based on City Attorney and department confirmation of developing or active relationships with support organizations as of November 2025.
[b] In 2020, after the former Public Works Director was criminally charged, CSA surveyed every city department to determine which were using a nonprofit to hold charitable assets for the benefit of their department. We issued a report of our findings in September 2020. At that time, the Public Defender informed us that Collective Impact acted as a fiscal sponsor for Mo'MAGIC (now MAGIC) and that the department's involvement in the program was limited to the funding of the salaries of a few Mo'MAGIC employees. We later obtained an MOU between MAGIC and Collective Impact that governs donations to Collective Impact for the MAGIC programs. But as of November 2025, the Public Defender had never had an MOU with Collective Impact approved by the City Attorney and Controller, as required by Executive Directive 20-02.
Source: MOUs and statements from city departments; created in collaboration with City Attorney

This audit focuses on MOUs between:

1. San Francisco Animal Care & Control (Animal Care and Control) and Friends of San Francisco Animal Care & Control (Friends of SFACC)
2. Recreation and Park Department (Rec and Park) and San Francisco Parks Alliance (Parks Alliance)

Animal Care and Control

Animal Care and Control is an open-admission animal shelter that provides housing, care, and medical treatment to wild, exotic, and domestic stray, lost, abandoned, sick, injured, and surrendered animals. The department aims to adopt, rehome, or reunite domestic animals with their guardians and release wildlife to their native habitat.

Friends of SFACC

Friends of SFACC is a nonprofit, all-volunteer organization founded in 2000, which is dedicated to raising funds for Animal Care and Control and its adoption partners. Friends of SFACC funds programs, services, and supplies that the city budget does not cover, including a behavior and training program, quarterly clinics to provide microchips and rabies vaccines, and toys and treats for the animals (Annual Support). The most recent MOU between Animal Care and Control and Friends of SFACC was effective from December 1, 2021, through December 31, 2025.

Rec and Park

Rec and Park aims to provide enriching recreational activities, maintain beautiful parks, and preserve the environment for the wellbeing of the community. The department administers more than 230 parks, playgrounds, and open spaces, including two outside of the city limits. Its park system includes 25 recreation centers, 9 swimming pools, 5 golf courses, 142 tennis courts, 93 pickleball courts, and numerous ball diamonds, soccer fields, and other sports venues. Included in the department's responsibilities are Golden Gate Park, Coit Tower, the Marina Yacht Harbor, the San Francisco Zoo, and Lake Merced.

Parks Alliance

Parks Alliance's mission was to champion, transform, and activate parks and public spaces throughout the City. It partnered with Rec and Park on selected programs and projects so that the private sector could provide support and expertise for these initiatives. The MOU between the parties began on May 24, 2021, through May 23, 2024. These partnerships took several forms including:

1. **General Support:** Parks Alliance raised funds through donors who wanted to place plaques on Rec and Park benches. The funds raised (Annual Support) were used to support Rec and Park general operations, including park bench maintenance, volunteer programs, youth development programs, and programs that support the community.

2. **Partnership on specific initiatives:** For important initiatives such as capital projects, fundraising projects, programs, and events, Parks Alliance raised funds for Rec and Park to expand the scope of the initiative beyond what would have been possible with public funding alone. These were referred to as "special project support" initiatives and are shown in Exhibit 2.

3. **Fiscally-sponsored groups:** Parks Alliance was the fiscal sponsor for community groups that wanted to undertake projects in city parks. These fiscal sponsorship partnerships are also shown in Exhibit 2.

Exhibit 2: Parks Alliance's special project and fiscal sponsorship partnerships

Agreement (for or with)	Reported Purpose and Use	Partnership Type	Agreement Amount
India Basin	India Basin Park Project, first stage of activation	Special Project Support	$3,760,000
India Basin	India Basin Park Project, second stage of activation	Special Project Support	$2,000,000
Let'sPlaySF	Playground renovations at Buchanan, Herz, Richmond, and Stern Grove	Special Project Support	$15,000,000
Junior Guide	Golden Gate Park 150 Community Shuttle Program - Junior Guide Program	Special Project Support	$97,000
Muriel Leff Park	Muriel Leff Park improvements	Special Project Support	~$65,000
Friends of the Japanese Tea Garden	Japanese Tea Garden (Golden Gate Park) improvements	Fiscal Sponsorship	~$400,000
Friends of the Daliah Dell	Dahlia Dell (Golden Gate Park) improvements	Fiscal Sponsorship	~$250,000
Friends of Alta Plaza	Two new picnic tables at Alta Plaza Park	Fiscal Sponsorship	Not stated
Friends of Sue Bierman Park	Repair fire damage at Sue Bierman Park	Fiscal Sponsorship	Not stated
Friends of Presidio Heights Playground	Presidio Heights Playground improvements	Fiscal Sponsorship	Not stated

Source: CSA analysis of information provided by Rec and Park (December 29, 2023)

Scope and Objectives

This audit assessed whether the selected support organizations, Friends of SFACC and Parks Alliance, have complied with their MOUs with Animal Care and Control and Rec and Park respectively, and whether city departments are adequately managing the MOUs. Specifically, we assessed the internal controls and procedures over collecting, recording, reporting, and monitoring of funds governed by the MOUs.

Exhibit 3 outlines the funds of Friends of SFACC and Parks Alliance that were included in the audit scope:

Exhibit 3: Support organization funds the audit considered

Organization	Fund and Audit Scope	Purpose	Fund Budget
Friends of SFACC	**Annual Support** January 1, 2022 – July 31, 2024	General support for Animal Care and Control operations	Calendar Year 2022: ~$222,000 Calendar Year 2023: ~$255,000 Calendar Year 2024: ~$266,000
Parks Alliance	**Annual Support*** January 1, 2022 – June 30, 2024	General support for Rec and Park operations	~$90,000 Annually (fiscal year basis)
	India Basin (Special Project Support) January 1, 2022 – June 30, 2024	India Basin Park Project, first stage of activation	$3,760,000: grant covering the entire grant period
	Friends of the Japanese Tea Garden (Fiscal Sponsorship) January 1, 2022 – June 30, 2024	Japanese Tea Garden (Golden Gate Park) improvements	~$400,000: grant covering the entire grant period

* Parks Alliance did not clearly define Annual Support fund codes in its financial system, so it may have submitted an incomplete set of Annual Support financial records for expenditure testing.
Source: CSA sample selection

During the audit, Parks Alliance was the subject of an ongoing legal investigation by the City related to the organization's financial management. This investigation did not affect our audit scope, which focuses only on its compliance with the Rec and Park MOU. Audit standards require us not to disclose any information that might impede that investigation or any subsequent legal actions. Any information we may have become aware of that might relate to the investigation was provided to the appropriate investigative bodies.

On June 3, 2025, Parks Alliance announced it would immediately cease operations and wind down the organization. We were able to conduct and complete all fieldwork testing before Parks Alliance ceased operations. We will issue a separate report related to Parks Alliance in the coming months.

Methodology

To achieve the audit objectives, we:

- **Tested expenditures to determine if they were allowed by the MOU and correctly approved.** We tested a purposeful sample of payment transactions from the selected funds to assess compliance with approval requirements and eligibility criteria based on MOU guidance. The sample was not random but focused on high-value and high-risk transactions. Thus, the results of this test cannot be assumed to represent all fund expenses.

  - **Rec and Park**: 89 (9%) of 1,031 transactions sampled from the three funds listed below. This sample represents $1,700,038 (41%) of the total of $4,106,161 in transactions.
    - Annual Support: 24 (12%) of 201 transactions, or $87,146 (43%) of $204,975
    - India Basin: 54 (7%) of 784 transactions, or $1,441,500 (39%) of $3,723,008
    - Japanese Tea Garden: 11 (24%) of 46 transactions, or $171,392 (96%) of $178,178

  - **Animal Care and Control**: 29 (9%) of 316 transactions, or $176,760 (31%) of $573,511

- **Verified if the support organization had an MOU with the City** by reviewing attachments in the City's financial system and in consultation with the City Attorney.

- **Assessed compliance with MOU disclosure, conflict of interest, and approval process requirements** by interviewing key personnel of city departments and their support organizations and reviewing support organizations' websites and policies and procedures.

STATEMENT OF AUDITING STANDARDS

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for the findings and conclusions based on our audit objectives. The Audits Division is independent per the GAGAS requirements for internal auditors.

RESULTS

Finding 1 – Parks Alliance did not maintain sufficient documentation to support payments, most notably for $838,507 paid from the India Basin Park Project fund.

For the audited Parks Alliance funds, which are shown in Exhibit 3, Parks Alliance did not maintain sufficient documentation to support its payments, most notably from the India Basin Park Project fund. Specifically, we found that some invoices the Parks Alliance paid:

- Lack detail to clearly demonstrate that goods and services are allowed by the MOU.
- Lack sufficient detail to support the dollar amounts and/or actual goods and services received.
- Were missing required documentation of approvals.
- Were missing entirely.

Exhibit 4 summarizes these payments.

Exhibit 4: Parks Alliance did not maintain sufficient documentation to support some payments, including 58% of the sampled amount paid from the India Basin Park Project fund

Parks Alliance Fund	Value of Sample Payments	Payments With Insufficient Documentation		
		Number	Value	Percentage of Sample Value
India Basin	$1,441,500	**29**	**$838,507**	**58%**
Annual Support	$87,146	**4**	**$4,116**	**5%**
Japanese Tea Garden	$171,392	**2**	**$6,047**	**4%**
Total	**$1,700,038**	**35**	**$848,670**	**50%**

Source: CSA expenditure testing

Failing to maintain proper documentation for payments may expose the organization to financial waste and potential fraud. Without clear records, it is difficult to confirm whether the goods or services were received or if the payment was allowed by the MOU. A lack of documentation may also reduce the organization's ability to detect unnecessary or fraudulent expenses, including erroneously or intentionally inflated invoices. These issues make it harder for the organization to ensure funds are being used appropriately and consistent with MOU requirements.

The documentation issues the audit identified are summarized below.

Invoices paid by Parks Alliance lack detail to show that goods and/or services were allowed by the MOU.

For 8 transactions totaling $401,615, or 28% of the $1,441,500 we sampled for the India Basin Park Project fund, Parks Alliance did not have detailed invoices clearly demonstrating that the goods and services are allowed by the MOU. For the India Basin Park Project, funds must be used solely for the park project and limited to specific allowable categories, such as hosting community engagement events that benefit the local community and advancing fundraising efforts for the project. Exhibit 5 summarizes these transactions.

Exhibit 5: Over a quarter (28%) of the sampled amount paid from India Basin Park Project fund was for invoices without enough detail to show the expenditures complied with the MOU

Parks Alliance Fund	Value of Sample Payments	Payments for Invoices With Insufficient Detail		
		Number	Value	Percent
India Basin	$1,441,500	**8**	**$401,615**	**28%**
Japanese Tea Garden	$171,392	0	$0	0%
Annual Support	$87,146	0	$0	0%
Total	**$1,700,038**	**8**	**$401,615**	**24%**

Source: CSA expenditure testing

Exhibits 6 and 7 are examples of two India Basin Park Project vendors' invoices that lack detail to clearly show that the services being billed for are allowed by the MOU.

Exhibit 6: Jacqueline Flin Consulting's $88,242 invoice lacks detail to show that "Sales" services were for work allowed by the India Basin Park Project MOU

Jacqueline Flin Consulting

US

[redacted]

INVOICE

BILL TO
Drew Becher
SF Parks Alliance
1074 Folsom St
San Francisco, CA 94103 US

INVOICE 1007
DATE 06/30/2021
TERMS Net 30
DUE DATE 07/30/2021

SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
Sales	September 2020 - June 2021	1,146	77.00	88,242.00

Please see attached tracking documentation.

BALANCE DUE $88,242.00

Source: Parks Alliance

Exhibit 7: Community Counseling Service Co LLC's $70,000 invoice lacks detail to show that "professional services" were for work allowed by the India Basin Park Project MOU

Community Counselling Service Co LLC
527 Madison Avenue
5th Floor
New York, NY 10022
United States

CCS FUNDRAISING

Invoice: INV233708
Date: 2/1/2022

TO:
Mr. Drew Becher
Chief Executive Officer
San Francisco Parks Alliance
1663 Mission Street
Suite 320
San Francisco, CA 94103

Service Period: December 2021 & January 2022
Due: 2/15/2022

		Amount
Professional Services	December 2021	$35,000.00
	January 2022	$35,000.00
	Current Amount Due	$70,000.00
	Balance Forward	$0.00
	Total Outstanding Balance	$70,000.00

Source: Parks Alliance

For the eight transactions summarized in Exhibit 5, we requested Parks Alliance provide supporting documents showing that the invoices were for work allowed by the India Basin Park Project MOU, such as a vendor agreement or a preapproval document detailing India Basin Park Project work. However, Parks Alliance could not provide such support.

Some invoices paid by Parks Alliance lack detail needed to verify the accuracy of the amounts billed and whether goods and services were received.

For 29 transactions totaling $809,483, Parks Alliance paid based on invoices lacking detail sufficient to verify that the amounts billed were correct, including whether goods or services billed for were received and exactly what they were. Exhibit 8 summarizes these transactions by fund.

Exhibit 8: Parks Alliance paid some invoices without enough detail to verify that amounts billed were correct and whether goods and services were received

Parks Alliance Fund	Value of Sample Payments	Payments for Invoices Lacking Detail to Enable Verification		
		Number	Value	Percent
India Basin	$1,441,500	**23**	**$799,544**	**55%**
Japanese Tea Garden	$171,392	**2**	**$6,047**	**4%**
Annual Support	$87,146	**3**	**$3,892**	**4%**
Total	**$1,700,038**	**28**	**$809,483**	**48%**

Source: CSA expenditure testing

A best practice is for the billing party to prepare (and the paying party to pay) invoices that include or are accompanied by an itemized list of all goods and/or services received. For goods, this should include a list of materials with unit costs and quantities. For services, this should include personnel timesheets or, at a minimum, a breakdown of labor charges (hours worked multiplied by hourly rates for each employee or type of employee). Additionally, the billing party should maintain supporting documentation that demonstrates how costs ultimately benefit the contract's objectives. For labor services, this can include invoices that clearly link labor costs to specific deliverables in the contract.

When an invoice is for reimbursement charges, it should be accompanied by proof that the organization requesting reimbursement paid the expense. Such proof can include a credit card statement, canceled check, or receipt. Payments made without these details make it difficult to confirm what goods or services were received and whether the invoiced amount is mathematically correct. Some examples of invoices lacking such details are highlighted below:

- **Jacqueline Flin Consulting (India Basin Park Project Fund):** Three invoices submitted by Jacqueline Flin Consulting, totaling $275,123, lack sufficient detail to enable Parks Alliance (or us) to verify the accuracy of the amounts billed or even to identify exactly what services were provided. These invoices are not accompanied by supporting documents, such as consultant timesheets, and do not indicate how the work relates to any deliverable. Exhibit 9 shows one such invoice.

Exhibit 9: Jacqueline Flin Consulting's $111,881 invoice for July 2021 through June 2022 shows number of hours and an hourly rate but does not show what "Sales" services were provided

Jacqueline Flin Consulting
US
[redacted]

INVOICE

BILL TO
Drew Becher
SF Parks Alliance
1074 Folsom St
San Francisco, CA 94103 US

INVOICE 1008
DATE 07/12/2022
TERMS Net 30
DUE DATE 08/11/2022

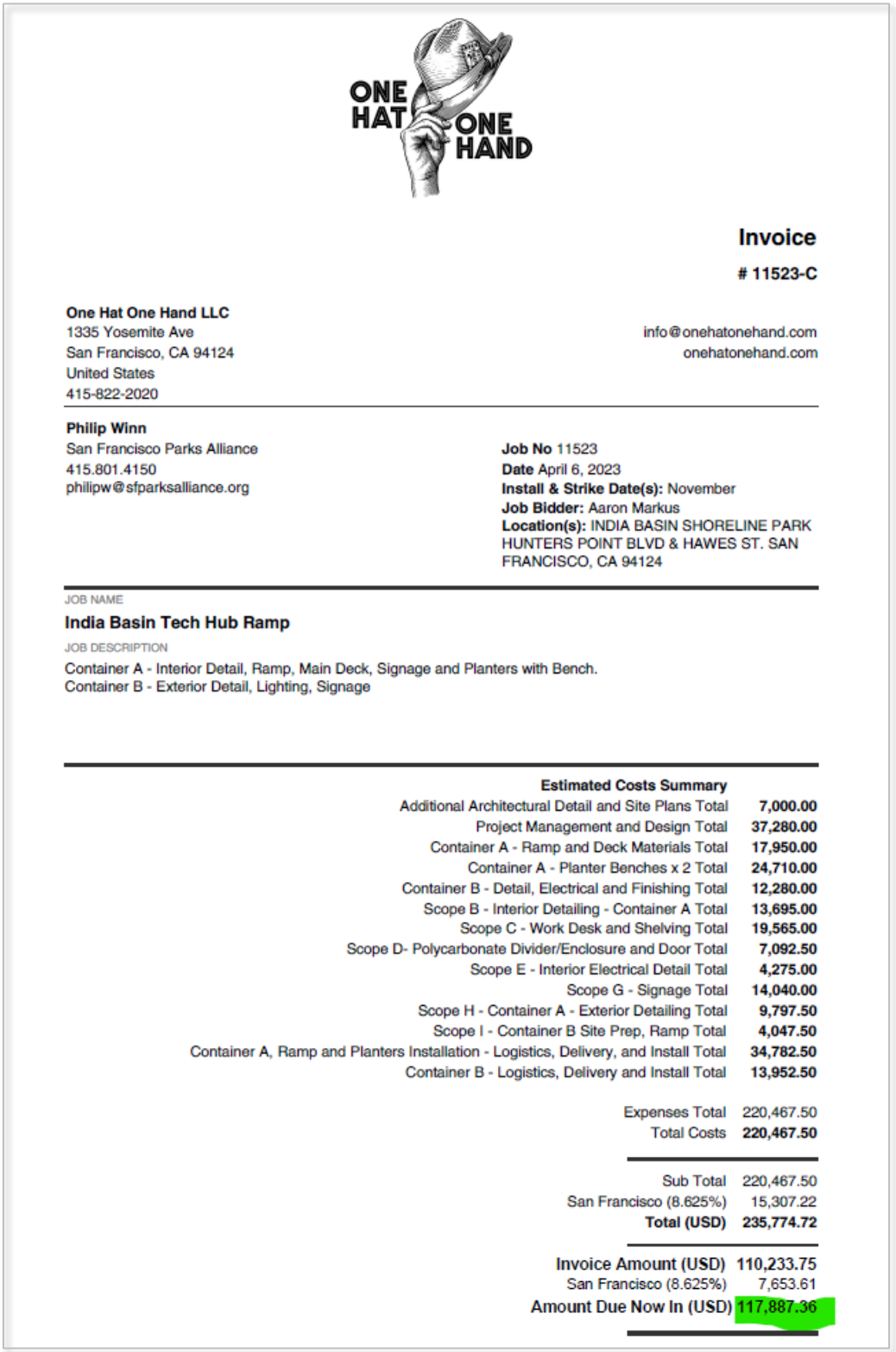
SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
Sales	July 2021	119	77.00	9,163.00
Sales	August 2021	113	77.00	8,701.00
Sales	September 2021	113	77.00	8,701.00
Sales	October 2021	116	77.00	8,932.00
Sales	November 2021	114	77.00	8,778.00
Sales	December 2021	115	77.00	8,855.00
Sales	January 2022	118	77.00	9,086.00
Sales	February 2022	135	77.00	10,395.00
Sales	March 2022	160	77.00	12,320.00
Sales	April 2022	110	77.00	8,470.00
Sales	May 2023	124	77.00	9,548.00
Sales	June 2022	116	77.00	8,932.00

BALANCE DUE **$111,881.00**

Source: Parks Alliance

- **One Hat One Hand (India Basin Park Project Fund):** Four invoices submitted by One Hat One Hand, totaling $239,857, lack sufficient detail to enable Parks Alliance (or us) to verify the accuracy of the amounts billed. Although these invoices generally provide more detail than those from Jacqueline Flin Consulting, they still are not accompanied by details such as labor timesheets or invoices for materials procured or subcontractor services used. Such information is needed to verify that services billed for were received and that the invoiced amounts are accurate. Exhibit 10 shows one such invoice, which has an additional—and very significant—problem: it is based on estimated, not actual, costs.

Exhibit 10: One Hat One Hand's $117,887 invoice of April 6, 2023, describes work for an India Basin Tech Hub Ramp but is based on estimated costs



ONE HAT ONE HAND

Invoice

 # 11523-C

One Hat One Hand LLC
1335 Yosemite Ave
San Francisco, CA 94124
United States
415-822-2020

info@onehatonehand.com
onehatonehand.com

Philip Winn
San Francisco Parks Alliance
415.801.4150
philipw@sfparksalliance.org

Job No 11523
Date April 6, 2023
Install & Strike Date(s): November
Job Bidder: Aaron Markus
Location(s): INDIA BASIN SHORELINE PARK HUNTERS POINT BLVD & HAWES ST. SAN FRANCISCO, CA 94124

JOB NAME
India Basin Tech Hub Ramp

JOB DESCRIPTION
Container A - Interior Detail, Ramp, Main Deck, Signage and Planters with Bench.
Container B - Exterior Detail, Lighting, Signage

Estimated Costs Summary	
Additional Architectural Detail and Site Plans Total	**7,000.00**
Project Management and Design Total	**37,280.00**
Container A - Ramp and Deck Materials Total	**17,950.00**
Container A - Planter Benches x 2 Total	**24,710.00**
Container B - Detail, Electrical and Finishing Total	**12,280.00**
Scope B - Interior Detailing - Container A Total	**13,695.00**
Scope C - Work Desk and Shelving Total	**19,565.00**
Scope D- Polycarbonate Divider/Enclosure and Door Total	**7,092.50**
Scope E - Interior Electrical Detail Total	**4,275.00**
Scope G - Signage Total	**14,040.00**
Scope H - Container A - Exterior Detailing Total	**9,797.50**
Scope I - Container B Site Prep, Ramp Total	**4,047.50**
Container A, Ramp and Planters Installation - Logistics, Delivery, and Install Total	**34,782.50**
Container B - Logistics, Delivery and Install Total	**13,952.50**
Expenses Total	220,467.50
Total Costs	**220,467.50**
Sub Total	220,467.50
San Francisco (8.625%)	15,307.22
Total (USD)	**235,774.72**
Invoice Amount (USD)	**110,233.75**
San Francisco (8.625%)	7,653.61
Amount Due Now In (USD)	**117,887.36**

Source: Parks Alliance

Parks Alliance made 6 payments without an invoice, as shown in Exhibit 11.

Exhibit 11: Parks Alliance has no invoices for 6 payments from the India Basin Park Project fund

Parks Alliance Fund	Value of Sample Payments	Payments Without Invoices		
		Number	Value	Percent
India Basin	$1,441,500	**6**	**$28,259**	**2%**
Japanese Tea Garden	$171,392	0	$0	0%
Annual Support	$87,146	0	$0	0%
Total	**$1,700,038**	**6**	**$28,259**	**2%**

Source: CSA expenditure testing

- **A. Philip Randolph Institute San Francisco (India Basin Park Project Fund):** One payment made without an invoice was $13,144 for an expense submitted by the A. Philip Randolph Institute San Francisco for a December 2023 toy drive. The list of toys included for this expense is identical to, and may be duplicated from, the list the institute submitted for the prior year's toy drive, as shown in Exhibit 12.

Exhibit 12: A. Philip Randolph Institute San Francisco's 2023 toy drive list (left) is identical to its 2022 list (right)

2023 Toy Drive List

Space Solar Robot 6 in 1	9+	$18.99	1	$18.99
Mechanical Master 2 in 1: 361 Pieces	5+	$22.99	1	$22.99
Mechanical Master 2 in 1: 353 Pieces	6+	$34.17	1	$34.17
Kange Genius Lab	5+	$22.39	1	$22.39
Baby Toys				
LeapFrog Leaptop Touch (1/1)	2+	$17.99	1	$17.99
LeapFrog Leaptop Touch (2/2)	2+	$24.99	1	$24.99
LeapFrog 100 Things Book	1.5+	$17.89	3	$53.67
Baby Einstein Magic Touch Piano	0.5+	$20.98	2	$41.96
Baby Einstein Discovery Bar	0.25+	$16.34	1	$16.34
Vtech Bulldozer	1+	$19.40	2	$38.80
Vtech Seaturtle	1+	$21.99	2	$43.98
Vtech Drum Set	2+	$15.89	1	$15.89
Vtech Little Apps Tablet	2+	$19.99	2	$39.98
Cocomelon Learning Phone	1.5+	$10.99	2	$21.98
Cocomelon Learning Laptop	1.5+	$19.99	1	$19.99
Fisher-Price Laugh & Learn Gamer	0.5+	$10.99	2	$21.98
Fisher-Price Laugh & Learn Tablet	1+	$15.29	3	$45.87
Fisher-Price Laugh & Learn UNO	0.5+	$16.89	2	$33.78
B Toys Food Set	2+	$19.99	1	$19.99
Sassy Stacks of Circles Ring Stacker	0.25+	$8.99	1	$8.99
Infantino Go Learning Toucan	0.5+	$10.24	1	$10.24
Bright Star Press & Glow Spinner	0.5+	$13.36	1	$13.36
LEGO				
LEGO Dots Neon Tiger	6+	$12.39	1	$12.39
LEGO Gadget Book	8+	$18.69	2	$37.38
LEGO Black Panther Lab	4+	$7.99	2	$15.98
LEGO Creator 3in1 Street Racer	7+	$15.99	3	$47.97
LEGO City Ice Cream Truck (60253)	5+	$15.99	2	$31.98
LEGO Classic Creative Bricks	4+	$13.29	1	$13.29
LEGO Duplo Truck	4+	$15.99	1	$15.99
Other				
Walkie Talkies	5+	$18.27	2	$36.54
Hornet Mini Helecopter	8+	$16.99	3	$50.97
Make Glitter Charm Kit	8+	$21.99	3	$65.97
Junior Racer Truck	3+	$24.99	5	$124.95
PJ Masks Racer	3+	$24.99	2	$49.98
Pop a Shot Double Basketball Hoops	8+	$49.99	1	$49.99
Hover Soccerball	3+	$23.99	3	$71.97
Paw Patrol Metal Rescue Vehicle	3+	$16.19	2	$32.38
Funko Pop Coke Can	3+	$14.99	1	$14.99
Hapinest DYI Journal	8+	$24.99	10	$249.90
KaiRuiYing Journal with Lock	8+	$12.79	6	$76.74
Merging Paint Dreambox	5+	$14.99	1	$14.99
			Total	*$13,144.02*

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Toy Description	Age Group	Price	Quantity	Total
Theo Klein Tool Truck (89 Pieces)	3+	$22.99	2	$45.98
Theo Klein Bosch DIY Case	3+	$15.99	1	$15.99
Space Solar Robot 6 in 1	9+	$18.99	1	$18.99
Mechanical Master 2 in 1: 361 Pieces	5+	$22.99	1	$22.99
Mechanical Master 2 in 1: 353 Pieces	6+	$34.17	1	$34.17
Kange Genius Lab	5+	$22.39	1	$22.39
Baby Toys				
LeapFrog Leaptop Touch (1/1)	2+	$17.99	1	$17.99
LeapFrog Leaptop Touch (2/2)	2+	$24.99	1	$24.99
LeapFrog 100 Things Book	1.5+	$17.89	3	$53.67
Baby Einstein Magic Touch Piano	0.5+	$20.98	2	$41.96
Baby Einstein Discovery Bar	0.25+	$16.34	1	$16.34
Vtech Bulldozer	1+	$19.40	2	$38.80
Vtech Seaturtle	1+	$21.99	2	$43.98
Vtech Drum Set	2+	$15.89	1	$15.89
Vtech Little Apps Tablet	2+	$19.99	2	$39.98
Cocomelon Learning Phone	1.5+	$10.99	2	$21.98
Cocomelon Learning Laptop	1.5+	$19.99	1	$19.99
Fisher-Price Laugh & Learn Gamer	0.5+	$10.99	2	$21.98
Fisher-Price Laugh & Learn Tablet	1+	$15.29	3	$45.87
Fisher-Price Laugh & Learn UNO	0.5+	$16.89	2	$33.78
B Toys Food Set	2+	$19.99	1	$19.99
Sassy Stacks of Circles Ring Stacker	0.25+	$8.99	1	$8.99
Infantino Go Learning Toucan	0.5+	$10.24	1	$10.24
Bright Star Press & Glow Spinner	0.5+	$13.36	1	$13.36
LEGO				
LEGO Dots Neon Tiger	6+	$12.39	1	$12.39
LEGO Gadget Book	8+	$18.69	2	$37.38
LEGO Black Panther Lab	4+	$7.99	2	$15.98
LEGO Creator 3in1 Street Racer	7+	$15.99	3	$47.97
LEGO City Ice Cream Truck (60253)	5+	$15.99	2	$31.98
LEGO Classic Creative Bricks	4+	$13.29	1	$13.29
LEGO Duplo Truck	4+	$15.99	1	$15.99
Other				
Walkie Talkies	5+	$18.27	2	$36.54
Hornet Mini Helecopter	8+	$16.99	3	$50.97
Make Glitter Charm Kit	8+	$21.99	3	$65.97
Junior Racer Truck	3+	$24.99	5	$124.95
PJ Masks Racer	3+	$24.99	2	$49.98
Pop a Shot Double Basketball Hoops	8+	$49.99	1	$49.99
Hover Soccerball	3+	$23.99	3	$71.97
Paw Patrol Metal Rescue Vehicle	3+	$16.19	2	$32.38
Funko Pop Coke Can	3+	$14.99	1	$14.99
Hapinest DYI Journal	8+	$24.99	10	$249.90
KaiRuiYing Journal with Lock	8+	$12.79	6	$76.74
Merging Paint Dreambox	5+	$14.99	1	$14.99
			Total	*$13,144.02*

Note: Only the last page of each list is shown. The 2023 list did not have a page header like the 2022 list.
Source: Parks Alliance

We requested Parks Alliance provide a copy of the missing invoice for this December 2023 toy drive expense. However, Parks Alliance could not provide it. Because this expense lacks an invoice and contains an identical toy list, we conclude it may be duplicate and thus potentially ineligible expense paid by Parks Alliance.

Some payments lack documented Parks Alliance approvals.

For seven transactions totaling $156,100, Parks Alliance did not have the documented signature approvals that are supposed to be part of its payment review process. Without such approvals, there is no evidence Parks Alliance properly reviewed these invoices to determine whether the MOU allows them. We reviewed these invoices and could not verify whether a $111,881 transaction was allowable under the India Basin Park Project MOU. Exhibit 13 summarizes these transactions.

Exhibit 13: Parks Alliance has no documented signature approval for several payments, and one payment could not be verified as allowable under the MOU

Parks Alliance Fund	Value of Sample Payments	Payment Without Documented Parks Alliance Approval			Payment Auditor Could Not Verify as Allowed by MOU		
		Number	Value	Portion of Sample Value	Number	Value	Percentage of Sample Value
India Basin	$1,441,500	**5**	**$153,876**	**11%**	**1**	**$111,881**	**8%**
Annual Support	$87,146	**2**	**$2,224**	**3%**	0	$0	0%
Japanese Tea Garden	$171,392	0	$0	0%	0	$0	0%
Total	**$1,700,038**	**7**	**$156,100**	**9%**	**1**	**$111,881**	**7%**

Source: CSA expenditure testing

The Parks Alliance MOU requires certain documentation requirements.

Its MOU requires Parks Alliance to keep documentation to show that the expenses it pays for are allowed by the MOU and that the invoiced work can be verified as complete. Invoices that Parks Alliance pays should contain details clearly demonstrating that the goods and services being billed for are allowed by the MOU. They should also contain enough detail to enable verification of the accuracy of the billed amounts, what the goods and services are, and that the goods and services billed for were received. Parks Alliance's approvals should be documented as evidence that the organization reviewed the invoices before paying them.

We requested Parks Alliance provide a written procedure detailing how it approves spending requests, so we could verify whether the procedure clearly specifies how to keep documentation that meets the requirements outlined in the MOU. However, Parks Alliance was unable to provide one. Consequently, Parks Alliance could not ensure, most notably for the India Basin Park Project, that funds were used appropriately and consistent with MOU requirements.

Recommendations

The Recreation and Park Department should:

1. Ensure support organizations have adequate controls to safeguard funds donated for city uses. This includes working with support organizations to create written procedures for approving payments of such funds. These procedures should clarify what documentation the support organization must collect and review to verify that a) expenses are allowed by the MOU and b) the work can be verified as complete. Only invoices with adequate documentation should be approved.

2. Ensure support organizations document their expense approvals and retain this documentation in compliance with the record retention policy stated in their MOUs.

Finding 2 – Animal Care and Control did not consistently follow its procedures for spending Annual Support funds.

Animal Care and Control did not consistently follow its procedures for spending Annual Support funds. These procedures require the department to:

- Obtain and document a manager's approval for all Annual Support spending requests in the required approval document.
- Complete and submit spending request forms to Friends of SFACC for approval and payment.

By not consistently following these procedures, Animal Care and Control might spend money without proper oversight, which may lead to purchases that are unnecessary, unbudgeted, and/or misaligned with the organization's goals. Inconsistent use of forms and missing details may lead to disorganized or incomplete financial records, making it difficult to track expenses and prepare accurate reports. Over time this can negatively affect operational efficiency and overall financial management.

Animal Care and Control did not consistently document its approvals.

For 16 transactions totaling $34,974, Animal Care and Control did not consistently document its approvals for spending Annual Support funds in the required approval documents. Without such approvals, there is no evidence the department properly reviewed invoices to determine whether they were allowed by the MOU. On a positive note, we reviewed the invoices for these transactions and found that all were allowed by the MOU. Exhibit 14 summarizes these transactions.

Exhibit 14: Animal Care and Control did not consistently document its approval for spending Annual Support funds in the required approval documents, but all payments were allowed by the MOU

Fund	Value of Sample Payments	Payments Without Documented Animal Care and Control Approvals			Payments Auditor Could Not Verify as Allowed by MOU		
		Number	Value	Percent	Number	Value	Percent
Annual Support	$176,760	**16**	**$34,974**	**20%**	0	$0	0%

Source: CSA expenditure testing

Animal Care and Control reports that manager approval of these transactions may have been documented (or at least verbally granted) in processes outside of the required approval documents, such as written directly on the invoice, stated in an email, or discussed in a meeting.

Animal Care and Control did not consistently complete or submit required Annual Support spending request forms to Friends of SFACC.

For 13 transactions totaling $10,890, Animal Care and Control did not complete or submit the required Annual Support spending request forms to Friends of SFACC. Exhibit 15 summarizes these transactions.

Exhibit 15: Animal Care and Control did not consistently complete or submit the required spending request forms to Friends of SFACC

Animal Care and Control Fund	Value of Sample Payments	Payments Missing Required Spending Request Forms		
		Number	Value	Percent
Annual Support	$176,760	**13**	**$10,890**	**6%**

Source: CSA expenditure testing

Animal Care and Control states that certain purchases within the approved budget do not require a spending request form. As such it did not consistently complete and submit these forms. This practice however does not align with their MOU requiring the use of such forms for spending requests.

Recommendation

3. Animal Care and Control should modify its existing written procedures to ensure an effective and consistent process exists for a) documenting that a departmental manager approved each spending request and b) submitting spending request forms (when required) with the information needed to track and verify expenses.

Finding 3 – Support organizations did not comply with some disclosure requirements in their MOUs.

Both Parks Alliance and Friends of SFACC did not comply with some disclosure requirements in their MOUs. Timely disclosure of this information builds trust, both with the City and public, that the support organization can successfully raise and manage funds in support of the department. Exhibit 16 summarizes these disclosure requirements, their purposes, and whether the support organization complied.

Exhibit 16: Parks Alliance and Friends of SFACC did not comply with some disclosure requirements stated in their MOUs

Information MOU Requires to Be Publicly Disclosed	Purpose	Parks Alliance Compliance (Fiscal Year)			Friends of SFACC Compliance (Calendar Year)		
		2022	2023	2024	2022	2023	2024
Financial Report	Disclose financial reports, allowing public to assess organization's financial operations and overall health	Yes	No[a]	N/A	No[b]	No[b]	N/A
Form 990 *(annual federal nonprofit tax filing)*		No[b]	No[b]	N/A	Yes	Yes	N/A
Annual Support Donations	Disclose donor name, amount, and donor's financial interest with City, allowing public to see conflicts that could indicate possible corruption	Yes	No[b]	Yes	Yes	Yes	Yes
Organizational and Annual Support Fund Details in Financial Reports	Disclose organization's total sources and uses of funds, its Board of Directors, as well as Annual Support fund details, including total fund sources and uses and a list of all fund payees in financial reports, allowing public to see how these funds donated for city use were raised and spent	No	No	N/A	Partial[c]	Partial[c]	N/A
Annual Support Quarterly Reconciliation Report	Disclose any discrepancies between Rec and Park and Parks Alliance's financial recording of Annual Support funds, allowing oversight bodies to assess whether use of funds is responsibly managed by both parties	Yes	Yes	No[d]	N/A	N/A	N/A

Notes:
[a] As of October 2024 Parks Alliance had not completed its 2023 audited financial report, which does not comply with City's Nonprofit Fiscal and Compliance Monitoring Program requirement.
[b] After we notified the organizations that these disclosures were missing, they uploaded them to their websites.
[c] Friends of SFACC partially complied with this requirement by disclosing its organization's total sources and uses of funds and its Board of Directors, but it did not disclose sources and uses dedicated to Annual Support fund and a list of Annual Support payees in its financial reports.
[d] As of December 2024 Parks Alliance had not provided fiscal year 2023-24 reconciliation report information to Rec and Park for at least two quarters, so the department could not fulfill this disclosure requirement on time.

Source: CSA analysis

The MOUs require support organizations to make these disclosures within a specified period. For the noncompliance noted in Exhibit 16, support organizations reported the following reasons:

- Parks Alliance stated that changes to its website led to donation reports and Form 990s being inaccessible, so the information was not disclosed on its website.
- Friends of SFACC stated it was not aware unaudited financial reports needed to be posted on its website.
- As of October 2024 Parks Alliance had not yet completed its fiscal year 2023 audited financial report, so it could not be disclosed.
- Both Parks Alliance and Friends of SFACC stated that it is difficult to meet the requirement to disclose Annual Support fund details in their financial reports. Parks Alliance reported that it was challenging to work with its external auditor to include these details in the audited financial reports. Friends of SFACC stated that disclosing details such as fund vendors was time-consuming.

Recommendations

4. Animal Care and Control and Rec and Park should work with their support organization and the City Attorney's Office to consider removing from subsequent MOUs the requirement to disclose Annual Support fund details in the support organization's financial reports.

5. Rec and Park should ensure support organizations have all required disclosures completed and posted within the specified timeframe outlined in the MOU.

Finding 4 – Support organizations lack procedures to ensure they comply with their MOUs' conflict-of-interest requirements, though no conflicts of interest were found.

Neither Parks Alliance nor Friends of SFACC has documented procedures to ensure it complies with the conflict-of-interest requirements in its MOU with the City. These requirements help protect the integrity of decision-making at the support organization by setting rules that prevent personal interests or outside influence from affecting outcomes. Following these requirements promotes public trust that funds intended for city use are being properly used. The MOUs require support organizations to ensure:

- No board member is an employee or officer of the city department they support.
- No employee or officer of the city department they support or their immediate family receives income from the support organization.

Exhibit 17 summarizes these conflict-of-interest requirements, indicates whether the support organization has documented procedures to ensure compliance, and notes any apparent violations identified.

Exhibit 17: Parks Alliance and Friends of SFACC lack documented procedures to ensure they comply with MOU conflict-of-interest requirements, though no violations were identified

MOU Conflict-of-Interest Requirement	Purpose	Parks Alliance		Friends of SFACC	
		Procedures in Place?	Violations Identified	Procedures in Place?	Violations Identified
No board member is an employee or officer of the city department the organization supports.	To ensure independent decision-making at the support organization, free from department influence	No[a]	0	No[b]	0
No employee or officer of the supported **city department** or their immediate family **receives income from the support organization**.	To prevent payments to vendors with a personal relationship to the city department	No[a]	0	No[b]	0

Notes:
[a] Parks Alliance provided two conflict-of-interest procedures, one for board members and one for employees. We found that neither outlines a process to comply with the MOU's conflict-of-interest requirement.
[b] Friends of SFACC reported that it has not implemented written conflict-of-interest procedures.

Source: CSA analysis

Positive Progress

We did not find any violation of an MOU conflict-of-interest requirement at either organization, as follows:

1. During fiscal years 2022 and 2023, no board members were found to be employees or officers of the city departments the organizations support.
2. For the four funds shown in Exhibit 3, no city department employee was found to have received income from the support organization that supports that department.

Recommendation

6. Animal Care and Control and Rec and Park should ensure support organizations develop and implement written procedures to ensure compliance with the conflicts-of-interest requirements in the applicable MOU.

Observation

Executive Directive 20-02 requires city departments to have MOUs with support organizations but does not specify where these agreements should be available. We recommend they be stored electronically in the City's financial system to facilitate oversight.

The MOU between Animal Care and Control and Friends of SFACC had not been uploaded to the City's financial system as of October 2025. This makes it harder for the City to monitor these relationships, enforce MOU terms, and maintain consistent accountability across departments.

Positive Progress

Upon being notified that six executed MOUs were not in the City's financial system, city departments uploaded five of them.

In January 2026 the Controller's Office revised the City's accounting policies and procedures to require departments to formalize all relationships with support organizations through an MOU (per the Mayor's directive) and to put each MOU in the City's financial system.

Recommendation

7. Animal Care and Control should upload its memorandum of understanding with Friends of SFACC into the City's financial system.

cc: Animal Care and Control
Justine Alberto

Rec and Park
Antonio Guerra
Lisa Bransten
Michelle Delmage

Friends of SFACC
Leah Wilberding
Kristina Kaiser
Danny Lin-Goldsmith

Controller
Greg Wagner
ChiaYu Ma
Amanda Sobrepeña
Kat Scoggin
Elaine Wong
Kevin Jeng
Jeancarlos Santos Palacios

Board of Supervisors
Budget Analyst
Citizens Audit Review Board
City Attorney
Civil Grand Jury
Mayor
Public Library

Attachment 1 –Department Responses

Recreation and Park Department

Docusign Envelope ID: 89AB11C9-74F8-4CCB-BB11-BCDE54B8A33E

Daniel Lurie, Mayor

Kat Anderson, Commission President
Sarah Madland, Interim General Manager

April 7, 2026

Mark de la Rosa
Director of Audits
City Hall, Room 476
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Department Response to Audit: Support Organizations Must Better Comply With City Agreements to Improve Public Trust and Accountability

Dear Mr. de la Rosa,

The Recreation and Park Department appreciates the opportunity to provide a formal response to the five recommendations given to our Department in the Controller's draft audit report. Your recommendations focus on **private** donations made to **private** organizations that support City projects or programs. We remain committed to ensuring that those are managed with the highest level of accountability and would note that these private partners are ultimately governed by their commitments to donors, their by-laws and state and federal regulations pertaining to non-profits.

Our staff work daily to ensure public-private partnerships operate with the highest level of accountability, transparency and integrity. Our dozens of grant agreements have controls that protect the City and we welcome guidance on ways to make improvements to these agreements. We work with an array of partners that provide support for park projects providing everything from large multi-year grants to small project-based funds, goods or services. While we agree with the bulk of the recommendations, we'd note that they would apply most importantly on large multi-year projects and may not be applicable for small one-time projects.

Thank you again for the hard work on the audit and for providing the Department an opportunity to respond. As noted in our individual responses, we see the value in the recommendations and do not have full ability to ensure compliance with them from a third party. We would welcome the opportunity to work with the Controller's office to develop measures that would provide ways for all city agencies to escalate failures to comply with grant agreement terms and provisions. We look forward to continuing to work together to protect and improve San Francisco.

Sincerely,

Signed by:
Sarah Madland
55846F53D3B468...
Sarah Madland
Interim General Manager
San Francisco Recreation and Parks Department

Cc: Antonio Guerra, Director of Administration and Finance
Lisa Bransten, Director of Partnerships

Animal Care and Control

SF ANIMAL CARE & CONTROL

VIRGINIA DONOHUE
EXECUTIVE DIRECTOR

April 9, 2026

Mark de la Rosa
Director of Audits
City Hall, Room 476
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Mr. de la Rosa,

In response to your email dated March 12, 2026, titled *Draft Memorandum for Your Response: Support Organizations Must Better Comply With City Agreements to Improve Public Trust and Accountability (ACC)*, please find San Francisco Animal Care and Control's (SF ACC) completed response enclosed.

If you have any questions or required further information, please contact SF ACC's Principal Administrative Analyst, Justine Alberto, at justine.alberto@sfgov.org or at (628) 652-8810.

Sincerely,

Amy Corso
Deputy Director

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San Francisco, CA 94103
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FAX (415) 864-2863
acc@sfgov.org
www.sfanimalcare.org

Printed on 100% post-consumer recycled paper

Recommendations and Responses

For each recommendation, the responsible agency should indicate in the column labeled *Agency Response* whether it concurs, does not concur, or partially concurs and provide a brief explanation. If it concurs with the recommendation, it should indicate the expected implementation date and implementation plan. If the responsible agency does not concur or partially concurs, it should provide an explanation and an alternate plan of action to address the identified issue.

Recommendation	Responsible Agency	Agency Response	CSA Use Only Status Determination*
1. Ensure support organizations have adequate controls to safeguard funds donated for city uses. This includes working with support organizations to create written procedures for approving payments of such funds. These procedures should clarify what documentation the support organization must collect and review to verify that a) expenses are allowable under the MOU and b) the work can be verified as complete. Only invoices with sufficient documentation should be approved.	Recreation and Park Department	☐ Concur ☐ Do Not Concur ☒ Partially Concur Rec and Park agrees that transparency in spending is extremely important. We will strengthen our agreements with support organizations to require they have procedures in place to properly document their use of funds donated for City projects or programs. It is important to note that these organizations are independent 501(c)(3) nonprofits, or are fiscally sponsored by a 501(c)(3), that partner with the Department on projects where their mission aligns with that of the Department. These organizations have their own staff and governing boards and are bound by state and federal laws regarding the expenditure of contributed funds. Our agreements can require specific internal procedures. Enforcement and verification, specifically verification regarding the completion of work for every private vendor a partner hires, is the responsibility of the support organization. Auditors, Boards and staff of an organization are responsible for these measures. We can and will set the standards for what are acceptable procedures and backup documentation, but we cannot legally manage their internal accounts payable workflows.	☒ Open ☐ Closed ☐ Contested

* Status Determination based on audit team's review of the agency's response and proposed corrective action.

Recommendation	Responsible Agency	Agency Response	CSA Use Only Status Determination*
2. Ensure support organizations document their expense approvals and retain documentation in compliance with the City's record retention policy.	Recreation and Park Department	☐ Concur ☐ Do Not Concur ☒ Partially Concur We will provide additional guidance in our MOUs with future support organizations to explicitly state that they must adhere to the record retention policy stated in the MOUs. Direct enforcement of a third party's internal document retention is difficult. Rec and Park does not have the legal right to perform reviews of a nonprofit's internal records.	☒ Open ☐ Closed ☐ Contested
3. Modify its existing written procedures to ensure an effective and consistent process exists for a) documenting that a departmental manager approved each spending request and b) submitting spending request forms (when required) with the information needed to track and verify expenses.	Animal Care and Control	☒ Concur ☐ Do Not Concur ☐ Partially Concur SF ACC updated the Purchasing Procedures for Friends Funds, replacing the 2016 version which was reviewed during this audit, with a 2026 version. The current procedures require a Purchase Request and Signature Card for most transactions to document manager approval; however, exceptions are now noted for routine purchases that are pre-approved during the annual budget cycle.	☐ Open ☒ Closed ☐ Contested
4. Work with their support organization and the City Attorney's Office to consider removing the requirement to disclose Annual Support fund details in the support organization's financial reports from subsequent MOUs.	Animal Care and Control	☒ Concur ☐ Do Not Concur ☐ Partially Concur SF ACC is currently working with the City Attorney's Office and the Friends of San Francisco Animal Care and Control to draft a new MOU. The original language followed a template provided by the Controller's Office which, at the time, did not permit deviations. As we develop a new agreement, we will review all reporting requirements and ensure the updated language aligns with best practices and current accountability standards.	☒ Open ☐ Closed ☐ Contested

* Status Determination based on audit team's review of the agency's response and proposed corrective action.

Recommendation	Responsible Agency	Agency Response	CSA Use Only Status Determination*
	Recreation and Park Department	☒ Concur ☐ Do Not Concur ☐ Partially Concur We agree that it has proven technically difficult for support organizations to disclose Annual Support fund details in their financial reports. We will work with the City Attorney's Office and Controller's Office to draft a more practical disclosure requirement.	☒ Open ☐ Closed ☐ Contested
5. Ensure support organizations have all required disclosures completed and posted within the specified timeframe outlined in the MOU.	Recreation and Park Department	☐ Concur ☐ Do Not Concur ☒ Partially Concur Rec and Park will implement a schedule of semi-annual reminders to support organizations regarding their website disclosure deadlines. However, the Department cannot be responsible for the "technical compliance" of a third-party website. As noted in the audit, the Parks Alliance cited website changes as a reason for missing data. Rec and Park cannot control a nonprofit's IT infrastructure, we can only report non-compliance to the Controller when we become aware of it.	☒ Open ☐ Closed ☐ Contested
6. Ensure support organizations develop and implement written procedures to ensure compliance with the conflicts-of-interest requirements outlined in the MOU.	Animal Care and Control	☒ Concur ☐ Do Not Concur ☐ Partially Concur SF ACC developed a Conflict of Interest Disclosure Form to ensure compliance with the MOU requirements. SF ACC will work with the City Attorney's Office for final review and approval, then provide Friends of SF ACC the form to be utilized as a standard part of their onboarding procedures.	☒ Open ☐ Closed ☐ Contested

* Status Determination based on audit team's review of the agency's response and proposed corrective action.

Recommendation	Responsible Agency	Agency Response	CSA Use Only Status Determination*
	Recreation and Park Department	☐ Concur ☐ Do Not Concur ☒ Partially Concur We will make the implementation of a formal Conflict of Interest Policy a mandatory prerequisite for any new or renewed MOU, as appropriate. We will provide support organizations with a "Model Conflict of Interest Policy" to ensure they meet the specific City requirements. Again, direct enforcement of a third party's policy is difficult. Rec and Park does not have the legal right to review a nonprofit's internal records. We can require the development of such a policy but cannot manage its day-to-day implementation.	☒ Open ☐ Closed ☐ Contested
7. Upload its memorandum of understanding with Friends of SFACC into the City's financial system.	Animal Care and Control	☒ Concur ☐ Do Not Concur ☐ Partially Concur SF ACC will work with accounting to upload the MOU into the City's financial system.	☒ Open ☐ Closed ☐ Contested

* Status Determination based on audit team's review of the agency's response and proposed corrective action.

Attachment 2: Support Organization Response

Friends of SF Animal Care & Control

May 2026

Thank you for the thoroughness of this audit and the opportunity to respond. Friends of San Francisco Animal Care & Control values this review as an essential step in strengthening our partnership with the City and appreciates the effort involved in this process.

As context, this is the first formal audit of our relationship under an MOU framework that was relatively new, established in December 2021, and has been ongoing for several years. We have proudly supported ACC since 2000, and we take our accountability obligations seriously.

We accept the findings regarding approval documentation and disclosure posting and acknowledge that our processes did not consistently meet the MOU's requirements. We note, however, that the audit confirmed all tested payments were allowable under the MOU — reflecting that funds were used appropriately even where our administrative documentation fell short. We have already taken corrective steps, including posting previously missing financial reports and Form 990s to our website.

Regarding the requirement to disclose Annual Support fund details within our audited financial reports, we respectfully flag this as an area where the MOU's specific requirements proved difficult to implement in practice. We support the recommendation to revisit this requirement in the next MOU cycle to find a more workable disclosure mechanism that still meets the City's transparency goals.

On conflict-of-interest procedures, we note that the MOU requires compliance with conflict-of-interest rules — which we met, with no violations identified — but does not explicitly require written procedures to ensure that compliance. We view the auditors' recommendation as reasonable best practice and will implement written procedures, but want to note that this goes beyond what the MOU currently requires.

We look forward to working with SFACC and the City Attorney's Office to negotiate an updated MOU that reflects lessons learned from this first audit cycle, strengthens accountability where needed, and establishes requirements that are both meaningful and achievable for a volunteer-run organization. We are committed to a collaborative process that benefits all parties involved.

Kristina C. Kaiser
Board Chair, Friends of San Francisco Animal Care and Control

Friends of SFACC is a registered 501(c)(3) organization | EIN# 94-3371620

Parks Alliance

On June 3, 2025, Parks Alliance announced it would immediately cease operations and wind down the organization. As a result, CSA did not share the audit report with the organization and did not obtain a formal response.