MEMORANDUM

DT: September 7, 2005

TO: Prop A 2003 Citizen’s Bond Oversight Committee
Patricia Crawford, Nick Driver, Shirley Herndon, Georgia Lee, Nan McGuire,
Hydra Mendoza, Jim Quadra, Wade Randlett, Lisa Stevens

FM: Leonard Tom
Bond Program Manager


I have enclosed for your review and comment a copy of the financial report for the Prop A 2003 Bond Program, effective for July 31, 2005. The figures in this report are preliminary and unaudited. The figures do not represent expenses through the end of Fiscal Year 04/05, only payments made and reported in the District’s accounting system as of the date of the report. Invoices for products delivered or services rendered through June 30, 2005, are still being processed and will be reported at a later time.

Starting with this report I am changing the report format. Columns with the former heading “Enc” have been replaced with “Budget.” “Enc” reported the amount encumbered in the District’s accounting system through the processing of formal District purchase orders. “Budget” represents the amount planned to be committed, encumbered and/or expended for each fiscal year. The budgeted amount is a more accurate portrayal of the financial plan for the Bond Program. For FY 04/05 the total program budget was $52,400,000. In contrast, the amount encumbered in FY 04/05 was $10,453,213.

There is also a new line item within each project budget referred to as “undistributed.” “Undistributed” is that portion of a project budget that was not specifically assigned to a cost line item (e.g. 2nd Tier Architects or Haz Mat Remediation) within the District’s accounting system at a given point during the year. While the Bond Program office has allocated all project funds to cost line items, the District accounting system does not recognize those allocations until a specific event, such as a Board contract approval or the certification of a purchase order, has been completed. As the program is moving at a generally slower pace than originally (optimistically) set forth in the Summer of 2004, the undistributed portions reported in the accounting system will tend to be larger, rather than smaller. Projects that have been able to progress more quickly will have smaller amounts listed as undistributed. The undistributed amounts should change during the fiscal year as more contracts are approved, processed and certified.

The basic program budget has been increased from $335.941 million to $337.226 million. This is due to higher than projected State Prop 55 funding at Thurgood Marshall High School and Rosa Parks Elementary School. Thurgood qualified for $6,689,135 of State funds versus the $5,458,604 previously projected (a net increase of $1,230,531). The net increase in State funds will replace an equal amount of Prop A 2003 General Obligation bond funds for Thurgood, which in turn has been transferred to the Prop A 2003 programwide contingency fund. Rosa Parks qualified for $1,835,465 of State funds versus the $1,781,868 previously projected (a net increase of $53,597). Because the net increase is relatively small it will be retained as an increase to the Rosa Parks project budget. At the end of July, the programwide contingency stood at $2.633 million.
As of July 31, 2005, the Board of Education had approved $36.218 million of contracts for the Bond Program and the Program had actually expended $8.466 million. The amount paid during the month of July was about $1.743 million. A majority of the expense went to architectural design fees, surveying and permit approvals, site preparation and relocation, plus the District’s programwide staffing and Primary Executive Architect costs.

Planning and design work is currently underway at 32 of the 33 projects in the Bond Program. The remaining project (O’Connell) is in the process of being reassigned from the Department of Public Works to a private architectural firm. Construction at one school site (Bryant Elementary) began in June. Construction at a second site (Bret Harte Elementary) began in July.

Please call me at (415) 241-6151 with any questions that you may have about this report.

Enclosure(s)

cc: David Goldin, Joe Grazioli, Genevieve Hahn, Josie Cruz, Myong Leigh, Bruce Hart, Jeff Stahl, Toks Ajike, Erin Hirst, James Wong

H: Program Administration/financial report cover July 2005