MEMORANDUM

DT: January 12, 2006

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 November 30, 2005. The figures in this report are preliminary and unaudited. These figures do not represent final 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.

The basic program budget has been increased from $337.704 million to $337.817 million (a net increase of $0.113 million). That is due to an increase in accrued interest reported ($424,060) and a net decrease ($311,612) in the amount of projected State funds available to the program.

As projects that are eligible for State Prop 55 funding complete their design phases the programwide budget will be revised as final eligibility is determined and State approvals are received.

For this report State Proposition 55 grant eligibility was updated for Alvarado, Clarendon, Treasure Island elementary schools and Horace Mann Middle School. Significant increases in eligibility were determined for Alvarado, Clarendon and Horace Mann, while it was decided to not apply for a grant at Treasure Island (The Board of Education approved that school’s closure on Dec. 6, 2005).

<table>
<thead>
<tr>
<th>School</th>
<th>Eligibility (October)</th>
<th>Eligibility (November)</th>
<th>Net Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alvarado ES</td>
<td>$2,377,551</td>
<td>$2,637,791</td>
<td>+ $260,240</td>
</tr>
<tr>
<td>Clarendon ES</td>
<td>$1,568,304</td>
<td>$2,127,095</td>
<td>+ $558,791</td>
</tr>
<tr>
<td>Treasure Island ES</td>
<td>$1,723,329</td>
<td>$ -0-</td>
<td>- $1,723,329</td>
</tr>
<tr>
<td>Horace Mann MS</td>
<td>$3,837,367</td>
<td>$4,430,053</td>
<td>+ $592,686</td>
</tr>
</tbody>
</table>

NET DECREASE - $311,612

Following a review of the most recent construction cost estimates for Alvarado it was determined that all of the net increase in Prop 55 funding would be required to meet project funding needs and the project budget was increased accordingly. Following a review of the most recent construction cost estimates for Clarendon it was determined that only $258,791 of the net increase in Prop 55 funding was needed to meet project funding needs. The surplus $300,000 of Prop A funding was transferred to the programwide contingency fund from the project budget.
November financial report
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Following a review of the most recent construction cost estimates for Horace Mann it was determined that the current project budget was sufficient and the entire amount of the net increase in Prop 55 funding was not needed. The surplus $592,686 of Prop A funding was transferred to the programwide contingency fund from the project budget.

With those changes and the increase in accrued interest, the programwide contingency stood at $4.143 million at the end of November.

Project-to-date figures for budget and expense can be found in the latter three columns on the right side of each report page. “Bud-to-Date” is a combination of the Budget columns for the two fiscal years minus the unexpended balance of FY 04/05. “Exp-to-Date” combines the Exp columns for the two fiscal years. “Total Project Budget Bal” subtracts “Exp-to-Date” from “Bud-to-Date.”

Please be aware that there are currently negative numbers in the “Total Project Budget Bal” column for 15 of the projects. These are schools that have State Prop 55 funding. The State funds have not been received for those projects and therefore, not entered into the accounting system. Prop A funds are temporarily “carrying” the State funded portion of the budget until those funds are received and formally acknowledged. In November the entire grant received for Bryant Elementary School ($999,414) was used to reimburse Prop A 2003 funds for eligible expenses.

As of Nov. 30, 2005, the Board of Education had approved $57,825 million of contracts for the Bond Program and the Program had actually expended $16.004 million. The amount paid during November was about $1.663 million. A majority of the expense went to design fees, construction and construction management, plus the District’s programwide staffing and Primary Executive Architect costs.

Planning and design work is currently complete at 10 and ongoing at 23 of the 33 projects in the Bond Program. Construction at Bryant Elementary began in June and is currently about 90% complete. Construction at Bret Harte Elementary began in July and is proceeding on schedule. Construction at Thurgood Marshall High School and Rosa Parks Elementary School started in September and is proceeding on schedule. Construction at Dr. Charles Drew Elementary began in November. Contract award is pending at Commodore Sloat. Construction bids are currently being solicited for Clarendon, Alvarado and Sherman elementary schools.

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

Enclosure

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

H: Program Administration/financial report cover Nov 2005