MEMORANDUM

DT: February 6, 2006

TO: Prop A 2003 Citizen’s Bond Oversight Committee
    Patricia Crawford, Nick Driver, Nan McGuire, Jim Quadra

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 December 31, 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 $337.817 million to $337.912 million (a net increase of $0.095 million). That is due to a decrease in State Prop 55 funding eligibility ($26,468) and an increase in accrued interest reported for October 2005 ($121,981) 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 month’s report State Proposition 55 grant eligibility at Sherman Elementary was reduced by $26,468 as final criteria were determined for the grant application.

The Board of Education decided to close Treasure Island Elementary School on Dec. 6, 2005. With that action the budget for that project has been adjusted downward as no construction will take place. The original budget for Treasure Island was $6,623,220. In November we decided not to pursue $1,723,329 in State Proposition 55 funds. Of the $4,899,891 of Prop A 2003 funds originally budgeted, $380,000 will be retained in the Treasure Island project budget to pay for design and related costs already incurred. The remaining $4,519,891 will be transferred to the programwide contingency (projects).

Bids were received for the projects at Sherman and Alvarado Elementary Schools during December. In both cases the low bids, while coming reasonably within our architects’ last cost estimates, exceeded funds available in our project budgets. To keep the projects’ moving forward $376,468 was transferred into the Sherman budget and $850,000 was transferred into the Alvarado budget from the programwide contingency fund (projects).

With those changes and the increase in accrued interest, the programwide contingency stood at $7.558 million at the end of December.

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” combines the Budget columns for the two fiscal years and subtracts the unexpended balance of FY 04/05. “Exp-to-Date” combines the Exp columns for two 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 14 of the projects. These are schools that have State Prop 55 funding. The State funds have not yet been entered into the District’s accounting system. Prop A funds are temporarily “carrying” the State funded portion of the budget until those funds are received and formally acknowledged by the Board of Education.

As of Dec. 31, 2005, the Board of Education had approved $68.141 million of contracts for the Bond Program and the Program had actually expended $19.084 million. The amount paid during December was about $2.081 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 13 and ongoing at 19 of the 32 projects in the Bond Program. Construction at Bryant Elementary began in June and is currently about 97% 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. Construction at Commodore Sloat and Clarendon began in December. Construction bids were successfully solicited for Alvarado and Sherman elementary schools in December (see comments above). Three projects will be advertised for bids in January 2006 (Horace Mann, SF Community and Gloria Davis).

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, Shawn Ropp, Bruce Hart, Jeff Stahl, Toks Ajike, Erin Hirst, James Wong, Maureen Shelton

H: Program Administration/financial report cover Dec 2005