MEMORANDUM

DT: May 12, 2006

TO: Prop A 2003 Citizen’s Bond Oversight Committee
    Patricia Crawford, Nan McGuire, Christine Leishman, Craig Issod, Tom Moore, Jim Quadra, Jim Dierke

FM: Leonard Tom
    Bond Program Manager


I have enclosed for your review a copy of the financial report for the Prop A 2003 Bond Program, effective for March 31, 2006. The figures for Fiscal Year 05/06 in this report are preliminary and unaudited. This report now includes audited final expenses through the end of Fiscal Year 04/05.

The basic program budget has been increased from $339.226 million to $340.972 million (a net increase of $1.746 million) since last month. That is due to a net increase in eligibility for State Prop 55 school modernization funding ($319,767) and additional accrued interest reported through March 2006 ($1,426,466) 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. Adjustments for three projects are being acknowledged in this report.

The State approved a final modernization grant for Alvarado Elementary School that is $121,290 higher than previously determined. As the current financial status of that project is stable, the increased grant amount has been exchanged on a dollar for dollar basis from Prop A 2003 Bond funds and then added to the programwide contingency fund. We have determined that West Portal Elementary School is eligible for a modernization grant that is $335,081 higher than previously determined. As the current financial status of that project is stable, the increased grant amount has been exchanged on a dollar for dollar basis from Prop A 2003 Bond funds and then added to the programwide contingency fund. We have determined that ER Taylor Elementary School is eligible for a modernization grant that is $193,667 less than previously estimated. To maintain the financial status of that project, the decreased grant amount will be made up for by deducting $193,667 from the programwide contingency fund and transferring that to the ER Taylor project budget.

Bids were received for three projects at Gloria Davis Middle School, ER Taylor and West Portal Elementary Schools in March. All of the winning bids were within budgeted amounts.

With the changes listed above and the increase in accrued interest, the programwide contingency fund stood at $10.517 million at the end of March.

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 Prop A portion of the “Total Project Budget Bal” column for 16 of the projects. These are schools that have State Prop 55 funding. The State funds are not credited against Prop A funds until a reimbursement of expenditures has occurred. Prop A funds are therefore, temporarily “carrying” the State funded portion of the budget until those funds are received, formally acknowledged by the Board of Education and used to reimburse prior expenditures.

As of March 31, 2006, the Board of Education had approved $92,490 million of contracts for the Bond Program and the Program had actually expended $29,107 million. The amount paid during March was about $3.787 million. A majority of the expense went to design fees, construction, inspection and construction management, plus the District’s programwide staffing and Primary Executive Architect costs.

Planning and design work was complete at 18 and ongoing at 14 of the 32 projects in the Bond Program. In March, construction was ongoing at eleven sites. Construction at Bryant Elementary began in June 2005 and is currently complete. Construction at Bret Harte Elementary (54% complete), Thurgood Marshall High School (27% complete), Rosa Parks Elementary (45% complete), Dr. Charles Drew Elementary (38% complete), Commodore Sloat (24% complete) and Clarendon (14% complete) is proceeding on schedule. Construction started at Alvarado (11% complete) and Sherman (15% complete) elementary schools in January. Construction started at Horace Mann (3% complete) and SF Community in March. Two projects were advertised for bids in March 2006 (Leonard Flynn and Hillcrest increment 1).

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

Enclosures

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, Lori Shelton

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