



## A Message from the Citizens' Bond Oversight Committee

Dear Citizens of San Francisco:

In 2001, the San Francisco Community College District (City College of San Francisco/CCSF) received voter authorization to issue \$195 million in General Obligation (G.O.) bonds for a variety of capital projects – renovate existing facilities, construct new ones, install a computer network system, perform other upgrades and ensure that the campus complies with applicable codes and regulations. In 2005, it received another authorization for additional \$246.3 million in G.O. bonds for similar projects for total bond issue authorization of \$441.3 million, excluding interest earnings. Total expenditures as of June 30, 2010 and 2009 were \$550 million and \$453 million respectively.

The improvements and additions were needed as some of the facilities were over 90 years old, and others were built with a shorter life expectancy, such as outdated bungalows and portable classroom structures. The magnitude of the CCSF building and improvement program enabled by these bond measures revenues has transformed City College's campuses and facilities. CCSF serves about 90,000 students annually, of which almost 75% represent minorities and underserved populations.

Article XIII A requires that a community college board conducts an annual independent performance audit to ensure that bond funds have been expended only on specific projects approved by the voters. Further, Article XIII A prohibits the use of bond funds for teacher and administrator salaries and other school operating expenses.

The San Francisco Community College District Citizens' Bond Oversight Committee (CBOC) hereby submits the 2010 and 2009 Annual Reports in fulfillment of its role and responsibilities, as specified under the provisions of Proposition 39 that have been incorporated into Article XIII A of the State of California Constitution. The Committee met several times during 2009 through 2012 inclusive to review and discuss the status of various projects under its oversight jurisdiction. In addition to the performance audit reports, the Committee received and reviewed the annual financial audit reports for the fiscal periods ended June 30, 2010 and 2009 respectively. The Committee hereby reports that, to the best of its knowledge, the San Francisco Community College District is in full compliance with Article XIII A. However, through these Annual Reports, the Committee takes this opportunity to highlight some of its concerns and observations about the auditors' findings and recommendations in the performance audit reports for the years which ended June 30, 2010 and June 30, 2009 respectively.

The Committee extends its appreciation to former Chancellor Dr. Don Q. Griffin and the District Board of Trustees for providing the funds for the performance audits of the City College of San Francisco's capital outlay program funded with bonds approved by San Francisco voters in 2001 and 2005. The performance audits will continue to be a valuable evaluation tool and an action guide for City College administration, Board of Trustees and citizens of San Francisco. The Committee urges full and robust use of these reports. Please refer to the CBOC web page at [www.ccsf.edu/Board/Bond](http://www.ccsf.edu/Board/Bond) for copies of audit reports, minutes of meetings and other reports. CBOC members appreciate the opportunity to be of service to ensure that the voter-approved bond funds are being expended in accordance with Proposition 39 and Article XIII A.

Respectfully Submitted,

Hyacinth C. Ahuruonye, CPA  
President  
Citizens' Bond Oversight Committee (CBOC)



## **Auditors' Annual Reports**

California voters passed Proposition 39 in November 2000 to allow community college districts to issue bonded indebtedness with a 55% majority vote – instead of 2/3 voter approval - to pay for the construction, rehabilitation or replacement of educational facilities, including furnishings and equipment of such facilities. Among the requirements of Prop 39 bond financing are the appointment of a Citizens' Bond Oversight Committee (CBOC), annual financial reports on the proceeds and uses of the bond funds, and a performance audit covering the overall capital outlay program established by a College District.

Starting with fiscal year June 30, 2007 or earlier, a performance audit was conducted to review the CCSF capital outlay program funded by two bond measures approved by San Francisco voters in 2001 (\$195 million) and 2005 (\$246 million) for a total of \$441 million initial bond funds. Out of total overall expenditures of approximately \$550 million spent and/or appropriated as of June 30, 2010 for voter-approved bond projects, \$453 million were spent as of June 30, 2009. Multiple years' performance audit reports, including the 2010 and 2009 periods, can be obtained and/or viewed from the web page of the Bond Oversight Committee at [www.ccsf.edu/bondprojects](http://www.ccsf.edu/bondprojects). This website also has links to financial audits, meeting minutes, and other Bond Oversight Committee materials including its annual reports.

The performance audit for the period ended June 30, 2010 identified two findings dealing, primarily, with untimely transaction recording and reconciliations. The second finding dealt with the lack of consistent attendance of meetings by some CBOC members. There were no audit findings for the period ended June 30, 2009. The performance audits for prior periods produced several findings and recommendations covering various aspects of the CCSF facilities bond program including but not limited to the following: competitive bidding, control over change orders, account accruals and year-end closings, bid splitting, unallowable costs, approval of expenditures, transmittal documents for contracts, close-outs for completed projects etc. The Committee is happy to report that Management has successfully addressed most or all of the audit findings and concerns which were expressed in previous audits by adopting and implementing policies and procedures to avoid future recurrence of noncompliance.

## **Combined Reports for June 30, 2010 and June 30, 2009**

Citizens' Bond Oversight Committee (CBOC) is required to issue an annual report on the use of Bond Measure resources. As a result of several delays in issuing single period Annual Report, the Committee elected to issue a Combined Report that includes June 2010 and 2009 Bond Measure financial activities. While the report is combined for administrative convenience and to prevent further delays, each year's results of operations have been reported separately to aid readers and users in understanding each specific year's activities. Questions should be directed to CCSF staff.

The Citizens' Bond Oversight Committee observed untimely retention of auditors and delinquent audit reports resulting in late submittal of audited financial data for the preparation of the mandated Annual Report of the Committee. The June 30, 2010 financial statements were issued by the auditors on May 11, 2011 while the June 30, 2009 statements were published on March 17, 2010. Accordingly, the

Committee recommends timely procurement of audit services so that citizens of San Francisco could be provided with a timely Annual Report as mandated by the Bond Measure. For financial data to be meaningfully useful and relevant, it must be timely and responsive to the needs of the citizenry. The Committee applauds management for its efforts and urges continuing improvement to engender goodwill, trust and confidence.

The performance audit reports for the 2010, 2009 and prior fiscal years can be obtained from [www.ccsf.edu/bondprojects](http://www.ccsf.edu/bondprojects), where the current and previous financial audits of the 2001 and 2005 bond issuances are also available for review. To further assist the reader in understanding and evaluating the project status, the CBOC has summarized the capital projects into broad categories namely **fully completed**, **under construction** and projects **on-hold**:

**I: COMPLETED PROJECTS**

**Summary of 2001 and 2005 Bond Projects**

**Schedule of Completed Projects and related accumulated costs as of:**

	<u>Original Budget or as Amended</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>
1 New Mission Campus	\$93,607,231	\$93,535,891	\$93,413,685
2 Community Health & Wellness Center (including Student Health Services & Child Development Center)	97,457,330	97,429,424	97,413,525
3 Balboa Reservoir – Infrastructure	3,272,277	3,203,317	3,197,415
4 Acquisition and Improvements for Parcel Adjacent to Ocean Campus	5,410,716	5,434,207	5,434,207
5 Acquisition of Evans Campus and Seismic Retrofitting	10,961,278	10,315,970	10,132,050
6 John Adams Retrofit & Remodel	47,507,517	47,562,528	46,065,992
Subtotal	<u>\$258,216,349</u>	<u>\$257,481,337</u>	<u>\$255,656,874</u>

**NEW MISSION CAMPUS**

The completed new Mission Campus opened in Fall 2007 and is located in the heart of the Mission District. Many of the features of the 1935 and 1938 "art nouveau" era have been preserved. Project elements include Child Development Center, Parent Center, Career Placement and Development Center, bookstore, cafe, graphic communications labs, science and language labs, computer labs, multimedia classrooms, administrative offices, faculty workroom, lounge and offices, conference room, theater, and library. The final project cost was \$93.5 million, up from an original budget of \$67.1

million. Bond funds were reallocated by the Trustees from other projects to make up for the increased costs. The final costs include an additional budget amount of \$5.2 million to renovate an adjacent building and integrate it into the Mission campus after the San Francisco Unified School District decided it no longer needed the building.

## **OCEAN CAMPUS**

### **Community Wellness Center (include Child Development and Student Health Centers)**



The Community Wellness Center opened in Fall 2008. The new building provides a spacious new home for team athletics, a dance program, physical education, and martial arts. The community and CCSF students also enjoy the use of a weight room, fitness center and swimming pool.

The Community Wellness Center project budget of \$45 million included the Child Developmental Center and the Student Health Services Building. Together, the total project completion cost through June 30, 2010 was approximately \$97.4 million. Bond funds were reallocated from other 2001 projects to cover the increased costs and overages caused by structural changes, cost escalations and weather delays.



### **Child Development Center**

The completed Child Development Center on the Ocean Campus provides pre-school and toddler programs responsive to the diversity of families and their children's needs with classes provided through the Family Studies Department. The interior spaces are in close proximity to the secured designated outdoor play areas. Separate observation rooms allow Family Studies students and teachers to observe activities without disturbing the children.



### **Student Health Services Center**

The new Student Health Services Center was completed in June 2006. This new 22,000 sq. ft. modern health care facility provides students with general medical services, psychological counseling, eye examinations, HIV counseling and testing; and alternative health care services such as nutrition counseling and weight management. Over 20,000 students a year use the facility. The second floor of the Student Health Services Center includes ten full-size classrooms that replaced ten aging portable classrooms. A new bridge connects the new second floor classrooms directly to an adjacent two-story classroom building.



### **EVANS CAMPUS**

The newest campus of CCSF campuses opened in 1994. The college purchased the Evans Campus and later renovated and remodeled the facility so that it is the focus of an expanded mix of vocational and technical programs. The Evans Campus expanded the Construction and Trades Center. The original budget of \$9.3 million was for the acquisition and seismic retrofitting of the building. The final cost for this project which was completed in 2010 was \$10.3 million.

### **JOHN ADAMS CAMPUS**

The John Adams Campus is the largest site outside of the Ocean Campus, with over 60 classrooms. Built in 1911, it served as the old Lowell High School for many decades. The campus projects consisted of major seismic retrofit, interior renovation and remodeling as well as a re-configured library, new restrooms, and new windows. This phase of the project was completed in February 2010. The original budget for this project was \$36 million, including \$26 million of state funds. The final cost was approximately \$47.6 million.

## **II: PROJECTS UNDER CONSTRUCTION**

### **Multi Use Building – Joint CCSF/SFSU Use Facility**

Scheduled to be completed in the fall of 2010, this building across from the main campus includes classrooms, laboratory and student observation classrooms, as well as office space for faculty and staff. The building was originally conceived to be used jointly by CCSF and San Francisco State University for collaborative training and integrated degree programs, although this formal relationship has not, and may not be, formalized with SFSU. Total cost as of June 30, 2010 and 2009 were \$72,872,139 and \$58,283,278. This project is expected to be completed by August 2010 for \$76 million, well above its original budget of \$70 due to inflation of projects costs and increased design costs.



### **Computer Network & Energy Conservation Project**

The second phase of Technology Infrastructure project has expanded intercampus communication systems in support of computer networking and internet access, and has added energy conservation improvements. Total project cost as of June 30, 2010 was approximately \$21.6 million and \$21.3 million as of June 30, 2009 respectively. The project is expected to be completed within its originally approved budget of \$26 million.

### **Remodeling and ADA Renovations**

Work at all District facilities includes projects to renovate and modernize the District's aging facilities and to improve disability access, meet seismic standards, and improve child care facilities. Total costs as of June 30, 2010 were approximately \$41.3 million and \$38.9 million as of June 30, 2009 respectively. The original budget was \$51 million. Approximately \$20 million of 2005 bond funds were reallocated from this project to other 2005 bond projects.



### **Chinatown/North Beach Campus**

The existing Chinatown/North Beach Campus occupies 10 different locations. Two new buildings have been designed, one on the corner of Kearny and Washington streets, and the other is located on Washington Street adjacent to the Columbo Building at Columbus Avenue. Estimated completion date is spring 2012. The new campus will include dedicated classroom space, a library/learning resource center, expanded offices, student support areas (i.e., admissions, counseling, financial aid, student activities and bookstore), faculty work areas, and conference rooms.

The estimated land acquisition and construction cost is \$139 million, up from an original cost estimate of \$90.3 million. The increase was partly caused by the change in site location and increased cost of land and design work, along with a lengthy approval process. Total costs as of June 30, 2010 were approximately \$127 million and \$40.8 million as of June 30, 2009 respectively.

### **III: PROJECTS ON HOLD**

The Advanced Bio/Stem Cell Technology Center, New Student Development Center and Performing Arts Education Center are currently on hold. The first two projects will not be built until new sources of funding are identified and secured. Funds approved by the state for the Performing Arts Education Center are not yet available.

#### **Advanced Bio/Stem Cell Technology Center**

The Advanced Bio/Stem Cell Technology Center would provide additional opportunities for training students in career fields related to the expanding bio-technology, stem cell and life-sciences industry in the Bay Area. The original budget was \$68 million, which includes \$30 million of expected state funds. The estimated cost to complete the project is \$81 million as of June 30, 2010, with only \$1.2 million actual costs incurred, so far.





**Performing Arts Education Center**

The Performing Arts Education Center will feature a 650-seat auditorium, a black box theatre, a 150-seat recital hall and associated classrooms, student rehearsal/practice rooms, faculty office and meeting space. Construction will start when the state can provide its \$38.2 million share of the total funding. The current cost estimate for this project is \$125 million, down from the original budget of \$133 million due to lower construction costs in a recessionary economy. While the state proposed funding this project in 2011 and 2012, the budget has not been approved.

**Student Development Center**

A new Student Development Center would consolidate student services - admissions, registration, financial aid, matriculation, counseling, advising and career planning - in a one-stop service center for all students. The original budget was \$58 million.

**Audit Reports**

<http://www.ccsf.edu/NEW/en/employee-services/district-business-office/budget.html>

**TOTAL PROJECTS SUMMARY PROFILE**

<u>PROJECT STATUS</u>		<u>Original Budget or as Amended</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>
<b>I</b>	<b><u>FULLY COMPLETED PROJECTS</u></b>			
1	New Mission Campus	\$93,607,231	\$93,535,891	\$93,413,685
2	Community Health & Wellness Center (including Student Health Services & Child Development Center)	97,457,330	97,429,424	97,413,525
3	Balboa Reservoir – Infrastructure	3,272,277	3,203,317	3,197,415
4	Acquisition and Improvements for Parcel Adjacent to Ocean Campus	5,410,716	5,434,207	5,434,207
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6	John Adams Retrofit & Remodel	47,507,517	47,562,528	46,065,992
	Subtotal	<u>\$258,216,349</u>	<u>\$257,481,337</u>	<u>\$255,656,874</u>



**II PROJECTS UNDER CONSTRUCTION**

1	Multi Use Building – Joint CCSF/SFSU Use Facility	\$76,029,531	\$72,872,139	\$58,283,278
2	Computer Network & Energy Conservation Project	25,883,145	21,644,160	21,266,059
3	Remodeling and ADA Renovations	41,899,845	41,271,712	38,858,916
4	Chinatown/North Beach Campus	130,665,000	126,972,150	40,766,994
	Subtotal	<u>\$274,477,521</u>	<u>\$262,760,161</u>	<u>\$159,175,247</u>

**III PROJECTS ON HOLD**

1	Community Performing, Cultural and Media Arts	\$74,831,469	\$27,923,735	\$36,296,677
2	New Student Development Center	230,000	237,021	242,994
3	Stem Cell Center	1,210,000	1,177,121	1,203,208
	Subtotal	<u>\$76,271,469</u>	<u>\$29,337,877</u>	<u>\$37,742,879</u>
	<b>Grand Total Project Costs Budget &amp; Actual</b>	<u><b>\$608,965,339</b></u>	<u><b>\$549,579,375</b></u>	<u><b>\$452,575,000</b></u>