

Letter from the Chair

To: The Board of Education and Citizens of the Cupertino Union School District

On June 5, 2012, voters residing within the Cupertino Union School District demonstrated their commitment to education by generously approving a \$220 million general obligation bond measure (Measure H) under the rules established by Proposition 39. Voters approved the bond with a 66.16% affirmative vote.

I am pleased to present to you the 2012-2013 Annual Report of the Measure H Citizens' Bond Oversight Committee covering the period of July 1, 2012 through June 30, 2013. This Annual Report is submitted to the Cupertino Union School District's Board of Education and local district residents by the Cupertino Union School District's Measure H Citizens' Bond Oversight Committee in fulfillment of its role as specified by law.

The primary duties of the committee are to:

- Review bond expenditures to ensure that proceeds have been expended for the purposes set forth in the Measure H ballot language
- Inform the public concerning the district's expenditures of bond proceeds
- Present to the district's governing board an annual report of the committee's proceedings and activities of the previous year
- Provide a statement indicating whether the district is in compliance with bond requirements

Included in this annual report are highlights and status updates of projects that will improve the learning experience of its students and prolong the life of the district's facilities

In October 2012, the District issued \$50,000,000 of the \$220 million authorization in Measure H General Obligation Bonds, Series A. These Bonds were issued to finance the repair, upgrading, acquisition, construction and equipping of District facilities.

In addition to reviewing Measure H progress and expenditures on a quarterly basis, the committee relied on the annual performance and financial audits conducted by Vavrinek, Trine, Day & Co., LLP (VTD), which disclosed no instances of non-compliance with the terms of Proposition 39 or Measure H. The committee is pleased to report that, to the best of its knowledge, the Cupertino Union School District is in full compliance with the responsibilities described in Article XIII A, Section 1(b)(3) of the California State Constitution. A full disclosure of the performance and financial audits is attached.

Respectfully submitted,
Mark Burns,
Citizens' Bond Oversight Committee Chair

About Measure H

On June 5, 2012, voters residing within the Cupertino Union School District passed Measure H. Measure H is a \$220 million bond measure that authorizes funding for needed repairs, upgrades, and new construction projects to the District's schools. Proposition 39 required a 55% supermajority for approval; Measure H was passed by 66.16%.

This School Repair Measure Will:

- Fix leaky roofs
- Upgrade earthquake and fire safety systems
- Remove potentially hazardous materials from old school structures
- Keep schools clean and well-maintained
- Update science labs, computers and educational technology, so our students are prepared for the 21st-century
- Accommodate student growth by providing additional classrooms

Specifically, the scope of the facilities repairs and upgrades fall in seven major categories:

- Growth Accommodation
- Code, Health, and Safety
- Classrooms
- Envelope (Integrity of Building Exteriors – Paint, Doors, Locks, etc.)
- Site Work (Infrastructure and Play Surfaces)
- Support Facilities (Non-Classroom Buildings)
- District Wide Improvements (Technology Infrastructure, Equipment, etc.)

Citizens' Bond Oversight Committee Members

Liz Brockman

Parent representative

Mark Burns

Business Organization representative

Benaifer Dastoor

At Large representative

David Fung

Parent and PTA representative

Orrin Mahoney

At Large representative

Daniel Nguyen

At Large representative

Lavanya Noor

At Large representative

Randy Shingai

Taxpayer Organization representative

Rajeev Singh

Senior Organization representative

Committee meeting & proceedings held during fiscal year 2012-2013

May 6, 2013

- Review of Bylaws
- Selection of Chairperson and Vice Chairperson
- Selection of Term Limits of Committee Members
- Review of Bond Program Overview/Progress Report

Measure H Bond Expenditures as of June 30, 2013

Bond Authorization:	\$220,000,000
Interest Earned ¹ :	\$177,629
Total Bond Funds:	\$220,177,629

Total Bond Expenditures (Includes Cost of Issuance)**:	\$11,404,135
Bond Funds Remaining:	\$208,773,494

** Rounding variances in dollar amounts may occur.

¹ Interest Earned from Series A Bond Issuance in the amount of \$50,000,000

Measure H Expenditures by Category as of June 30, 2013

A&E, Oversight, DSA & Other:	\$4,765,479
Construction & Contingency:	\$4,270,018
District Facilities Leases:	\$73,889
Furniture & Equipment:	\$2,294,748

Measure H Expenditures by Location as of June 30, 2013

Elementary Schools	\$2,740,425
Middle Schools	\$3,266,432
District Wide	\$5,397,278

Annual Performance and Financial Audits

California Proposition 39 requires annual performance and financial audits on use of general obligation bond proceeds. The performance and financial audits for the fiscal year ending June 30, 2013, were performed by an independent certified public accounting firm in accordance with generally accepted auditing standards and governmental auditing standards issued by the comptroller general of the United States. The result of the audits is that the district expended the general obligation bond proceeds in accordance with the requirements of Proposition 39.

Measure H Project List as of June 30, 2013

Elementary School	Budget	Expenditures
Blue Hills Elementary School	\$3,383,426	\$31,050
De Vargas Elementary School	\$2,953,873	\$106,709
Dilworth Elementary School	\$2,856,109	\$171,799
Collins Elementary School	\$245,025	\$0
Eaton Elementary School	\$1,205,141	\$10,756
Eisenhower Elementary School	\$3,453,878	\$27,521
Faria Elementary School	\$3,654,319	\$35,781
Garden Gate Elementary School	\$5,522,824	\$236,493
John Muir Elementary School	\$4,155,868	\$168,065
Lincoln Elementary School	\$5,149,831	\$541,637
McAuliffe Elementary School	\$3,220,859	\$211,917
Meyerholz Elementary School	\$8,309,891	\$210,910
Montclair Elementary School	\$3,787,876	\$10,754
Murdock Portal Elementary School	\$809,652	\$44,270
Nimitz Elementary School	\$5,115,100	\$25,243
Regnart Elementary School	\$5,820,358	\$384,334
Sedgwick Elementary School	\$5,926,292	\$134,388
Stevens Creek Elementary School	\$6,786,313	\$305,362
Stockmeir Elementary School	\$5,719,310	\$5,629
West Valley Elementary School	\$6,835,504	\$77,806
Total**	\$84,911,449	\$2,740,425

Middle School	Budget	Expenditures
Cupertino Middle School	\$36,925,132	\$1,659,547
Hyde Middle School	\$5,467,736	\$650
Kennedy Middle School	\$4,923,052	\$0
Lawson Middle School	\$21,410,290	\$1,606,235
Miller Middle School	\$4,282,902	\$0
Total**	\$73,009,112	\$3,266,432

District Wide	Budget	Expenditures
District Wide - General	\$29,229,552	\$360,459
Program Costs	\$4,900,000	\$1,627,005
Technology ¹	\$10,389,546	\$3,409,815
Contingency	\$17,560,341	\$0
Total**	\$62,079,439	\$5,397,278

** Rounding variances in dollar amounts may occur.

¹Technology expenditures as part of the District Wide Technology Refresh includes upgrades at all campuses

Featured Projects

Lawson Middle School

Completion Date: August 2014 | **Budget:** \$21,410,290

The scope of work includes the construction of a new two story classroom building to house new general education classrooms and science classrooms. Additionally, the work includes the construction of a new music classroom building to allow for the expansion of the music program. The work includes the renovation of three rooms to support the growth on campus. Lastly, with the demolition of the existing district office building, a new track and field facility can be built to allow for additional outdoor physical education.

Cupertino Middle School

Completion Date: August 2014 | **Budget:** \$36,925,132

The project includes the construction of a new Multi-Use Gymnasium and Performing Arts Building that will include locker rooms, fitness and weights rooms, teachers offices and support spaces, a new two story twenty classroom building that will enclose a new quadrangle for student activities, lunch and gathering, renovations to wings 100, 200, 300 and 500 and modernization of the rest of the campus.

Site Utilities Project

Completion Date: August 2013 | **Budget:** \$1,388,850

Replacement of sanitary sewer lines at Stevens Creek and De Vargas Elementary Schools; replacement of sanitary sewer line section at Faria; replacement of all domestic water lines at Eisenhower and Garden Gate Elementary Schools; adding of additional storm drain to eliminate ponding at Dilworth, Faria, McAuliffe, Regnart, Stevens Creek and De Vargas Elementary Schools. Installation of new backflow preventors at Blue Hills, Dilworth, Eisenhower, Garden Gate, McAuliffe and Stocklmeir Elementary Schools.

Lighting Upgrades Project

Completion Date: August 2013 | **Budget:** \$528,966

The exterior lighting project took place at DeVargas, Dilworth, Lincoln, Meyerholtz, McAuliffe and Regnart elementary schools. The scope of work included the addition of new parking lot light fixtures/poles, repair/servicing of existing pole mounted light fixtures and the replacement of outdated wall mounted light fixtures with new (energy efficient) light fixtures. Not all of the light fixtures at the various sites are being replaced. In some cases the new light fixtures are replacing non-functioning or outdated fixtures – while in others, new fixtures are being added to provide better light levels in areas where they did not previously exist or replace an existing fixture with one that would provide better light coverage/light levels than the previous fixture.

Exterior Painting: Blue Hills and McAuliffe Elementary School

Completion Date: August 2013 | **Budget:** \$357,641

To extend the life of the wood siding, all surfaces were cleaned and stained. Damaged wood pieces were repaired.

Data Infrastructure

Completion Date: August 2013 | **Budget:** \$2,003,907

At Dilworth, Garden Gate, McAuliffe, Meyerholz, Regnart and Stevens Creek elementary schools, the data and communication infrastructure was upgraded from point of entry on campus to individual classroom outlets to accommodate the District's new standard for data demand (i.e. classroom wireless, volume of users, etc.).