

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 confidence in the District by 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 2013-2014 Annual Report of the Measure H Citizens' Bond Oversight Committee covering the period of July 1, 2013 through June 30, 2014. 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 Measure H
- 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 prolong the life of the district's facilities and improve the learning experience of its students.

In April 2014, the District issued \$99,995,000 of the \$220 million authorization in Measure H General Obligation Bonds, Series B. These Bonds were issued to finance the repair, upgrading, acquisition, construction and equipping of District facilities.

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,
David Fung,
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

Emily Lee Kelley

At Large representative

Orrin Mahoney

Senior Organization representative

Daniel Nguyen

At Large representative

Lavanya Noor

At Large representative

Randy Shingai

Taxpayer Organization representative

Committee meeting & proceedings held during fiscal year 2013-2014

August 14, 2013

- Review of Measure H Progress Report
- Review of Financial Reports
- Review of Measure H Bond website
- Review of Audit Reports

December 4, 2013

- Review of Measure H Progress Report
- Review of Financial Reports
- Review of Audit Reports
- Review of Annual Report

February 5, 2014

- Review of Measure H Progress Report
- Review of Financial Reports
- Review of Annual Report

May 28, 2014

- Review of Measure H Progress Report
- Review of Financial Reports

Measure H Bond Expenditures as of June 30, 2014

Bond Authorization:	\$220,000,000
Interest Earned ¹ :	\$383,783
Total Bond Funds:	\$220,383,783

Total Bond Expenditures (Includes Cost of Issuance)*:	\$53,742,044
Bond Funds Remaining:	\$166,641,739

* Rounding variances in dollar amounts may occur.

¹ Includes interest earned from Series A and B

Measure H Expenditures by Category as of June 30, 2014

A&E, Oversight, DSA & Other:	\$13,448,368
Construction & Contingency:	\$36,647,255
District Facilities Leases:	\$467,073
Furniture & Equipment:	\$3,179,349

Measure H Expenditures by Location as of June 30, 2014

Elementary Schools	\$15,810,793
Middle Schools	\$33,346,097
District Wide	\$4,585,154

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, 2014, 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	\$3,523,360	\$378,479
De Vargas Elementary School	\$3,100,849	\$307,853
Dilworth Elementary School	\$3,074,461	\$656,257
Collins Elementary School	\$397,880	\$148,147
Eaton Elementary School	\$1,393,090	\$200,242
Eisenhower Elementary School	\$3,607,352	\$479,211
Faria Elementary School	\$4,035,034	\$259,634
Garden Gate Elementary School	\$6,061,522	\$1,099,843
John Muir Elementary School	\$5,998,469	\$393,896
Lincoln Elementary School	\$5,927,851	\$770,218
McAuliffe Elementary School	\$3,327,877	\$753,756
Meyerholz Elementary School	\$9,503,908	\$2,322,297
Montclair Elementary School	\$4,204,983	\$324,681
Murdock Portal Elementary School	\$983,634	\$369,970
Nimitz Elementary School	\$5,345,920	\$265,399
Regnart Elementary School	\$6,230,721	\$2,360,380
Sedgwick Elementary School	\$6,339,683	\$2,246,023
Stevens Creek Elementary School	\$6,879,773	\$570,792
Stockmeir Elementary School	\$5,941,147	\$247,204
West Valley Elementary School	\$9,186,350	\$1,656,511
Total*	\$95,063,864	\$15,810,793

Middle School	Budget	Expenditures
Cupertino Middle School	\$34,729,679	\$17,531,213
Hyde Middle School	\$6,979,409	\$562,003
Kennedy Middle School	\$6,720,544	\$188,012
Lawson Middle School	\$21,952,374	\$14,850,897
Miller Middle School	\$6,634,987	\$213,973
Total*	\$77,016,993	\$33,346,097

District Wide	Budget	Expenditures
District Wide - General	\$27,660,123	\$1,166,072
Program Costs	\$5,400,000	\$2,433,052
Technology	\$5,085,670	\$986,029
Contingency	\$10,053,130	\$0
Total*	\$48,198,923	\$4,585,154

* Rounding variances in dollar amounts may occur.

Featured Projects

Cupertino Middle School

Completion Date: August 2014 | Project 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.

Lawson Middle School

Completion Date: August 2014 | Project 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.

West Valley Modernization

Est. Completion Date: August 2015 | Project Budget: \$7,713,813

This project includes performing seismic upgrades on both classroom wings to meet current seismic code, completing ADA upgrades in all campus restrooms, ADA access into classrooms and ADA access to sinks in classrooms, workrooms, the administrative building and curb drop-off locations, as well as installation of two new fire hydrants. This project also includes new finishes for carpet, paint and window coverings.

Meyerholz Modernization

Est. Completion Date: April 2015 | Project Budget: \$8,777,959

This project includes the following: Modernization of buildings C, D and E; Minor upgrades to the student and staff restrooms at buildings A, B and E; Major ADA upgrades to student (Kindergarten) and staff restrooms at buildings B, C and D; Earthquake retrofitting for buildings B, C and D. Buildings will receive a new fire alarm service, replacement of finishes (flooring, paint, tackable walls, and selected ceiling), refurbishing of casework and window treatments at classrooms. This project will also improve accessibility for plumbing fixtures and casework in classrooms, replacement of select HVAC units, new roofing & exterior trim paint, and the expansion of office space.

Sedgwick Modernization

Completion Date: August 2014 | Project Budget: \$6,149,640

This project included minor upgrades to student and staff restrooms. Buildings received new fire alarm services, replacement of finishes (flooring, paint, tackable walls, and select ceilings), refurbishing of casework, and window treatments at classrooms. Accessibility was improved for plumbing fixtures and casework in classrooms. Doors and hardware at the multi-purpose room were replaced, and Building B received new roofing and exterior paint.

Regnart Modernization

Completion Date: November 2014 | Project Budget: \$5,634,185

This project included major ADA upgrades to student (Kindergarten) and staff restrooms at building B, minor upgrades to student and staff restrooms at Buildings A, B, D and F. Buildings received a fire alarm service, replacement of finishes (flooring, paint, tackable walls, and select ceilings), refurbishing of casework, and window treatments at classrooms. Accessibility was improved for plumbing fixtures and casework in classrooms in addition to accessibility to exterior classroom doors. Select doors and hardware at the multi-purpose room were replaced, exterior building trim was painted, new roofs installed, and select HVAC unit were replaced.