# 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 2014-2015 Annual Report of the Measure H Citizens' Bond Oversight Committee covering the period of July 1, 2014 through June 30, 2015. 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.

During the 2014-2015 fiscal year the District expended almost $50 million on Measure H projects through out the District. The bulk of these expenditures are related to major modernization and expansion efforts at Cupertino Middle School, Hyde Middle School, Lawson Middle School, Miller Middle School, Garden Gate Elementary School, McAuliffe Elementary School, Muir Elementary School, Meyerholz Elementary School, Regnart Elementary School, Sedgewick Elementary School and West Valley Elementary School.

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 XIIIA, 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*

**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 2014-2015

**September 3, 2014**

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

**December 11, 2014**

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

**February 25, 2015**

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

**June 17, 2015**

- Tour of Miller Middle School
- Review of Measure H Progress Report
- Review of Financial Reports

# Measure H Bond Expenditures as of June 30, 2015

| | |
|---|---|
| Bond Authorization: | $220,000,000 |
| Interest Earned[1]: | $720,937 |
| Total Bond Funds: | $220,720,936 |

| | |
|---|---|
| **Total Bond Expenditures** *(includes cost of issuance)**:* | **$102,720,522** |
| **Bond Funds Remaining:** | **$117,918,147** |

** 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, 2015

| | |
|---|---|
| A&E, Oversight, DSA & Other: | $22,117,737 |
| Construction & Contingency: | $75,026,022 |
| District Facilities Leases: | $833,282 |
| Furniture & Equipment: | $4,743,483 |

# Measure H Expenditures by Location as of June 30, 2015

| | |
|---|---|
| Elementary Schools | $39,733,530 |
| Middle Schools | $55,287,999 |
| District Wide | $7,698,993 |

# 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, 2015, 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 | $5,613,143 | $501,407 |
| De Vargas Elementary School | $3,260,849 | $375,131 |
| Dilworth Elementary School | $3,318,461 | $723,059 |
| Collins Elementary School | $397,880 | $149,868 |
| Eaton Elementary School | $1,393,090 | $200,242 |
| Eisenhower Elementary School | $3,607,352 | $496,822 |
| Faria Elementary School | $4,385,034 | $491,959 |
| Garden Gate Elementary School | $6,861,522 | $2,640,495 |
| John Muir Elementary School | $5,931,788 | $2,506,254 |
| Lincoln Elementary School | $5,832,743 | $1,402,401 |
| McAuliffe Elementary School | $4,377,877 | $1,861,777 |
| Meyerholz Elementary School | $8,443,908 | $7,050,539 |
| Montclaire Elementary School | $4,458,983 | $724,191 |
| Murdock Portal Elementary School | $1,005,406 | $414,074 |
| Nimitz Elementary School | $5,345,920 | $274,349 |
| Regnart Elementary School | $5,918,110 | $5,648,248 |
| Sedgwick Elementary School | $5,889,683 | $5,604,356 |
| Stevens Creek Elementary School | $7,527,773 | $587,167 |
| Stocklmeir Elementary School | $5,941,147 | $296,655 |
| West Valley Elementary School | $9,889,529 | $7,784,537 |
| **Total*** | **$99,400,198** | **$39,733,530** |

| Middle School | Budget | Expenditures |
|---|---|---|
| Cupertino Middle School | $35,268,382 | $27,117,678 |
| Hyde Middle School | $7,569,334 | $3,604,327 |
| Kennedy Middle School | $7,626,470 | $441,426 |
| Lawson Middle School | $22,052,202 | $19,541,054 |
| Miller Middle School | $7,144,027 | $4,583,515 |
| **Total*** | $79,660,416 | $55,287,999 |

| District Wide | Budget | Expenditures |
|---|---|---|
| District Wide - General | $26,668,734 | $2,684,214 |
| Program Costs | $5,400,000 | $2,871,743 |
| Technology | $5,729,169 | $2,143,037 |
| Contingency | $3,780,153 | $0 |
| **Total*** | $41,578,056 | $7,698,993 |

** Rounding variances in dollar amounts may occur.*

# Featured Projects

## Miller Middle School: Campus Modernization

**Completion Date: July 2015 | Project Budget: $6,071,129**

The project included the following: Buildings received upgrades to restrooms, a new fire alarm service, replacement of finishes (flooring, paint, tackable walls and selected ceiling), refurbishing of casework, window treatments at classrooms and exterior painting of the building trim. The campus also received additional exterior lighting, a ball wall, and additional lunch tables.

## Hyde Middle School: Campus Modernization

**Completion Date: July 2015 | Project Budget: $6,008,285**

This project included the following: Buildings received upgrades to restrooms, a new fire alarm service, replacement of finishes (flooring, paint, tackable walls, and selected ceiling), refurbishing of casework, window treatments at classrooms, replacement of the clay tile roof and exterior painting of the building trim. The campus also received replacement of concrete walks at the Quad, upgrades to the storm drain and domestic water system, additional exterior lighting and an enlarged bike cage area.

## John Muir Elementary: Modernization

**Completion Date: August 2015 | Project Budget: $4,503,809**

This project included the following: Major ADA upgrades to student and staff restrooms at Buildings A, B, C and D. Minor upgrades to student and staff restrooms at Buildings C, E and F. Earthquake retrofits for Building A. Buildings received a new fire alarm service, replacement of finishes (flooring, paint, tackable walls, and selected ceiling), refurbishing of casework, window treatments at classrooms. Improved accessibility for plumbing fixtures and casework in classrooms. Replaced finishes at warming kitchen. Replaced door and door frames as needed, painted exterior trim and repair dry rot. Expanded the administration area.

## Garden Gate Elementary: Modernization

**Completion Date: November 2015 | Project Budget: $5,870,591**

This project included the following: Major ADA upgrades to student restrooms at Buildings 1 and 3. Minor upgrades to student and staff restrooms at Buildings 1, 2, 3, 5 and MP. Buildings received a new fire alarm service, replacement of finishes (flooring, paint, tackable walls, and selected ceiling), refurbishing of casework, window treatments at classrooms. Improved accessibility for plumbing fixtures and casework in classrooms. Replacement of doors and hardware at the multi-purpose room. Replaced finishes at warming kitchen. Painted exterior trim and new roofing.