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 2016-2017 Annual Report of the Measure H Citizens' Bond Oversight Committee covering the period of July 1, 2016 through June 30, 2017. 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 2016-2017 fiscal year the district expended over $25 million on Measure H projects throughout the district. The bulk of these expenditures are related to major modernization and expansion efforts at De Vargas Elementary School, Dilworth Elementary School, Montclaire Elementary School, Stevens Creek Elementary School, Stocklmeir Elementary School, Cupertino Middle School, Kennedy Middle School and the Property Acquisition/Improvement at Sedgewick Elementary School.

The Citizens' Bond Oversight Committee met quarterly to review Measure H activities. At these meetings district and program management staff provided the committee with written and oral reports and presentations. Based on its review, the Committee has concluded that the District is in compliance with the requirements of Article XIIIA, Section 1(b)(3) of the California Constitution. A full disclosure of the performance and financial audits can be viewed here.

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

David Fung
Parent and PTA representative

Emily Lee Kelley
At Large representative

Stewart Kelly
At Large representative

Orrin Mahoney
Senior Organization representative

Daniel Nguyen
At Large representative

Karen Barrett
At Large representative (resigned 1/3/18)

Committee meetings held during fiscal year 2016-2017

- **September 21, 2016**
- **December 7, 2016**
- **March 8, 2017**
- **March 14, 2017**
- **June 14, 2017**

Please visit cusdbond.org/meeting-schedule-agendas-minutes/ for meeting proceedings.

Measure H Bond Expenditures as of June 30, 2017

Bond Authorization:	$220,000,000
Interest Earned[1]:	$1,647,249
Total Bond Funds:	$221,647,249

Total Bond Expenditures *(includes cost of issuance)**:*	**$159,394,123**
Bond Funds Remaining:	**$62,253,126**

** Rounding variances in dollar amounts may occur.*
[1] *Includes interest earned from Series A, B and C*

Measure H Expenditures by Category as of June 30, 2017

A&E, Oversight, DSA & Other:	$35,608,645
Construction & Contingency:	$114,477,149
District Facilities Leases:	$1,580,603
Furniture & Equipment:	$7,727,725

Measure H Expenditures by Location as of June 30, 2017

Elementary Schools	$72,971,720
Middle Schools	$70,620,497
District Wide	$15,801,906

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, 2016, 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, 2017

Elementary School	Budget	Expenditures
Blue Hills Elementary School	$7,096,349	$1,470,967
De Vargas Elementary School	$5,210,755	$3,163,165
Dilworth Elementary School	$5,222,164	$3,284,425
Collins Elementary School	$441,345	$198,547
Eaton Elementary School	$1,425,641	$290,665
Eisenhower Elementary School	$3,997,335	$588,764
Faria Elementary School	$4,728,201	$781,730
Garden Gate Elementary School	$7,687,121	$7,436,800
John Muir Elementary School	$6,457,980	$6,140,146
Lincoln Elementary School	$6,318,365	$1,809,384
McAuliffe Elementary School	$5,898,914	$5,632,516
Meyerholz Elementary School	$7,359,796	$7,331,278
Montclaire Elementary School	$5,464,193	$1,694,376
Murdock Portal Elementary School	$1,039,502	$451,325
Nimitz Elementary School	$5,738,342	$452,936
Regnart Elementary School	$5,785,703	$5,704,805
Sedgwick Elementary School	$5,883,266	$5,802,366
Stevens Creek Elementary School	$9,766,851	$9,113,804
Stocklmeir Elementary School	$7,708,210	$2,478,625
West Valley Elementary School	$9,153,202	$9,145,094
Total*	$112,383,236	$72,971,720

Middle School	Budget	Expenditures
Cupertino Middle School	$35,899,060	$30,905,699
Hyde Middle School	$7,676,066	$7,591,530
Kennedy Middle School	$7,835,810	$4,119,375
Lawson Middle School	$21,860,546	$20,272,608
Miller Middle School	$8,077,224	$7,731,285
Total*	$81,348,707	$70,620,497

District Wide	Budget	Expenditures
District Wide - General	$15,514,098	$7,974,752
Program Costs	$5,400,000	$4,272,622
Technology	$4,416,844	$3,554,533
Contingency	$2,315,424	$0
Total*	$27,646,367	$15,801,906

** Rounding variances in dollar amounts may occur.*

Featured Projects

Stocklmeir: Modernization - Phase 1

Est. Completion Date: September 2018 | Project Budget: $1,908,937
The scope of work includes upgrades to student and staff restrooms, earthquake retrofits, a new fire alarm service, replacement of finishes (flooring, paint, tackable walls, and select ceilings), refurbishing of casework, and window treatments at classrooms. Upgrades also include improved accessibility for plumbing fixtures and casework in classrooms, replacement of finishes at warming kitchen, and exterior trim paint.

Dilworth Elementary: Modernization

Completion Date: September 2017 | Project Budget: $4,530,456
The scope of work includes ADA upgrades to student restrooms at Building A, and upgrades to student and staff restrooms at Buildings B, C and D. Buildings will receive a new fire alarm service, replacement of finishes (flooring, paint, tackable walls, and select ceilings), refurbishing of casework, window treatments at classrooms, improved accessibility for plumbing fixtures and casework in classrooms, HVAC/duct repair, exterior trim paint, and replaced doors and door frames as needed.

Kennedy Middle School: Campus Modernization

Completion Date: October 2017 | **Project Budget:** $7,182,052
This project includes the installation of temporary portable classrooms to house students while the permanent facilities are undergoing modernization. The modernization phase includes all permanent classrooms, offices, and support spaces.