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 2017-2018 Annual Report of the Measure H Citizens' Bond Oversight Committee covering the period of July 1, 2017 through June 30, 2018. 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 2017-2018 fiscal year the district expended over $18 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, Cupertino Middle School and Kennedy Middle 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 at http://cusdbond.org/audit-information/

Respectfully submitted,

Daniel Nguyen
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

The following members were active during the 2017-2018 Fiscal Year:

- **Karen Barrett**, *resigned 1/3/18 - At Large*
- **Liz Brockman**, *resigned 6/18/18 - Parent*
- **Mark Burns** - *Active in Business Organization*
- **David Fung** - *At Large*
- **Emily Lee Kelley** - *At Large*
- **Stewart Kelly** - *At Large*
- **Orrin Mahoney**, *term ended 6/18/18 - Active in Senior Organization*
- **Daniel Nguyen** - *At Large*

Committee meetings held during fiscal year 2017-2018

- **September 20, 2017**
- **January 10, 2018**
- **March 21, 2018**
- **June 18, 2018**

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

Measure H Bond Expenditures as of June 30, 2018

Bond Authorization:	$220,000,000
Interest Earned[1]:	$2,166,749
Total Bond Funds:	$222,166,749

Total Bond Expenditures *(includes cost of issuance)**:*	**$177,898,407**
Bond Funds Remaining:	**$44,268,342**

** 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, 2018

A&E, Oversight, DSA & Other:	$39,794,123
Construction & Contingency:	$128,281,633
District Facilities Leases:	$1,958,634
Furniture & Equipment:	$7,864,018

Measure H Expenditures by Location as of June 30, 2018

Elementary Schools	$83,162,864
Middle Schools	$77,590,363
District Wide	$17,145,180

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, 2018, 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 Budget by Location List as of June 30, 2018

Elementary School	Budget	Expenditures
Blue Hills Elementary School	$7,012,146	$1,474,642
De Vargas Elementary School	$5,256,837	$5,251,887
Dilworth Elementary School	$5,186,976	$5,188,615
Collins Elementary School	$441,464	$211,402
Eaton Elementary School	$1,426,816	$312,595
Eisenhower Elementary School	$3,997,694	$912,544
Faria Elementary School	$4,728,320	$1,060,316
Garden Gate Elementary School	$7,455,999	$7,456,024
John Muir Elementary School	$6,241,503	$6,187,236
Lincoln Elementary School	$6,318,789	$2,072,497
McAuliffe Elementary School	$6,040,488	$5,850,216
Meyerholz Elementary School	$7,331,278	$7,331,278
Montclaire Elementary School	$7,207,213	$5,579,629
Murdock Portal Elementary School	$1,039,621	$456,473
Nimitz Elementary School	$5,988,582	$976,315
Regnart Elementary School	$5,761,255	$5,716,555
Sedgwick Elementary School	$5,980,958	$5,977,666
Stevens Creek Elementary School	$9,164,157	$9,163,961
Stocklmeir Elementary School	$7,708,809	$2,826,764
West Valley Elementary School	$9,160,131	$9,156,247
Total*	**$113,449,036**	**$83,162,864**

Middle School	Budget	Expenditures
Cupertino Middle School	$35,903,331	$34,278,178
Hyde Middle School	$7,646,225	$7,646,255
Kennedy Middle School	$7,870,168	$7,267,089
Lawson Middle School	$21,867,747	$20,324,962
Miller Middle School	$8,115,286	$8,073,880
Total*	**$81,402,756**	**$77,590,363**

District Wide	Budget	Expenditures
District Wide - General	$15,650,489	$8,602,355
Program Costs	$5,508,899	$4,872,818
Technology	$4,278,535	$3,670,007
Contingency	$1,653,930	$0
Total*	**$27,091,854**	**$17,145,180**

** Rounding variances in dollar amounts may occur.*

Featured Projects

Cupertino Middle School: Modernization of Buildings 500, 600, 700 , 800 and 900

Completion Date: December 2018 | Project Budget: $6,272,669

Project information: The scope of work includes upgrades to restrooms, fire alarm services, and replacement of finishes (flooring, paint, tackable walls, and selected ceiling), refurbishing of casework, window treatments at classrooms and exterior painting of the building trim.

Montclaire Elementary: Modernization

Completion Date: September 2018 | Project Budget: $6,834,895

Project information: The scope of work included ADA upgrades to student and staff restrooms, minor upgrades to the admin office and classrooms. Buildings received a new fire alarm/intercom service, replacement of finishes (flooring, paint, tackable walls, and selected ceiling), refurbishing of casework, and window treatments at classrooms. Other work included improved accessibility for drinking fountains, plumbing fixtures and casework in classrooms, painting of the exterior trim, short throw projectors, and shade structure/fence work.

De Vargas Elementary: Modernization

Completion Date: September 2018 | Project Budget: $4,907,023

Project information: The scope of work included ADA upgrades to site accessibility, and student/staff restrooms. Buildings received a new fire alarm service/intercom service, replacement of flooring, paint, tackable walls, and select ceilings, and window treatments at classrooms. The project also included improved accessibility for plumbing fixtures in classrooms, replacement of doors and panic hardware at GLC, minor HVAC/duct repairs, exterior trim paint, repair of dry rot and replacing door and door frames as needed.

Kennedy Middle School: Campus Modernization

Completion Date: November 2017 | Project Budget: $7,182,052

Project information: This project included upgrades to restrooms, a new fire alarm service, replacement of finishes (flooring, paint, tackable walls and selected ceilings) refurbishing of casework, window treatments at classrooms and exterior painting of the building trim. Temporary classroom spaces were used to house students displaced due to the modernization. The site also received upgrades to the sewer system, additional exterior lighting, repair of ramps to portables and an enlarged bike cage area.