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 2015-2016 Annual Report of the Measure H Citizens' Bond Oversight Committee covering the period of July 1, 2015 through June 30, 2016. 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 2015-2016 fiscal year the district expended over $31 million on Measure H projects throughout the district. The bulk of these expenditures are related to major modernization and expansion efforts at Hyde Middle School, Miller Middle School, Garden Gate Elementary School, John Muir Elementary School, McAuliffe Elementary School, Stevens Creek Elementary School and District-Wide Technology.

In March 2016, the district issued $55 million of the $220 million authorization in Measure H General Obligation Bonds, Series C. 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 XIIIA, Section 1(b)(3) of the California State Constitution. A full disclosure of the performance and financial audits can be viewed at the following URL: http://cusdbond.org/audit-information/

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

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

Randy Shingai
Taxpayer Organization representative
(Resigned September 15, 2016)

Committee meeting & proceedings held during fiscal year 2015-2016

September 23, 2015

- Review of Measure H Progress Report
- Review of Financial Reports
- Review of Other CBOC Business

December 16, 2015

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

March 30, 2016

- Review of Measure H Progress Report
- Review of Financial Reports
- Review of Measure H Bond Program Implementation Plan Update

June 22, 2016

- Review of Measure H Progress Report
- Review of Financial Reports
- Selection of Chairperson & Vice Chairperson

Measure H Bond Expenditures as of June 30, 2016

Bond Authorization:	$220,000,000
Interest Earned[1]:	$1,070,540
Total Bond Funds:	$221,070,540

Total Bond Expenditures *(includes cost of issuance)**:*	**$134,118,727**
Bond Funds Remaining:	**$86,796,481**

** 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, 2016

A&E, Oversight, DSA & Other:	$30,443,670
Construction & Contingency:	$94,927,539
District Facilities Leases:	$1,210,206
Furniture & Equipment:	$7,537,311

Measure H Expenditures by Location as of June 30, 2016

Elementary Schools	$58,071,531
Middle Schools	$64,971,230
District Wide	$11,075,966

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, 2016

Elementary School	Budget	Expenditures
Blue Hills Elementary School	$7,096,349	$962,347
De Vargas Elementary School	$4,648,474	$933,546
Dilworth Elementary School	$4,700,537	$1,158,554
Collins Elementary School	$441,345	$198,427
Eaton Elementary School	$1,425,395	$272,970
Eisenhower Elementary School	$3,997,335	$551,185
Faria Elementary School	$4,630,939	$682,379
Garden Gate Elementary School	$7,376,336	$7,119,746
John Muir Elementary School	$6,451,762	$5,881,042
Lincoln Elementary School	$6,119,182	$1,606,849
McAuliffe Elementary School	$5,898,914	$5,388,507
Meyerholz Elementary School	$7,384,611	$7,330,919
Montclaire Elementary School	$5,591,015	$1,099,913
Murdock Portal Elementary School	$1,039,502	$451,206
Nimitz Elementary School	$5,738,342	$451,898
Regnart Elementary School	$5,756,759	$5,701,238
Sedgwick Elementary School	$5,803,266	$5,652,934
Stevens Creek Elementary School	$9,669,397	$2,770,277
Stocklmeir Elementary School	$7,708,210	$726,441
West Valley Elementary School	$9,173,137	$9,131,153
Total*	**$110,650,808**	**$58,071,531**

Middle School	Budget	Expenditures
Cupertino Middle School	$35,557,364	$28,876,236
Hyde Middle School	$7,664,948	$7,307,909
Kennedy Middle School	$7,846,582	$1,339,722
Lawson Middle School	$21,724,106	$20,103,733
Miller Middle School	$7,873,506	$7,343,630
Total*	**$80,666,506**	**$64,971,230**

District Wide	Budget	Expenditures
District Wide - General	$16,970,506	$4,053,519
Program Costs	$5,400,000	$3,584,667
Technology	$4,432,612	$3,437,780
Contingency	$2,794,776	$0
Total*	**$29,597,894**	**$11,075,966**

** Rounding variances in dollar amounts may occur.*

Featured Projects

Stevens Creek Elementary: Modernization

Est. Completion Date: February 2017 | Project Budget: $8,585,649

The scope of work at Stevens Creek includes upgrades to flooring, painting, trim, casework, damaged ceiling tile replacement as well as new HVAC units to Buildings D & E. The project also included asphalt & concrete repair, restroom upgrades of new finishes (epoxy floors, ceramic wall tile, new partitions & plumbing fixtures), exterior painting, & light fixture upgrades, fire alarm upgrades and the expansion to the administration reception area.

Kennedy Middle School: Campus Modernization

Est. Completion Date: August 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.

Miller Middle School: Campus Modernization

Completion Date: July 2015 | Project Budget: $6,427,766

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: $6,208,285

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.