

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Measure E Oversight Committee
Sacramento City Unified School District
5735 "47th" Avenue
Sacramento, California 95824

We have performed the procedures enumerated in Attachment I, which were agreed to by Sacramento City Unified School District (the "District") and the Measure E Oversight Committee (the "Committee"), solely to assist the Committee in evaluating District management's assertions concerning disbursement of Measure E Bond funds for the fiscal year ended June 30, 2006 as detailed in Attachment II. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District and the Committee. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment I either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and conclusions reached as a result of these procedures are identified in Attachment I.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of Sacramento City Unified School District and the Measure E Oversight Committee and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Perry-Smith LLP

November 8, 2006

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
PROCEDURES PERFORMED AND CONCLUSIONS**

PROCEDURES PERFORMED

District management has prepared a report titled "Measure E Activity By Site" (the "Report"), included as Attachment II, as of and for the year ended June 30, 2006, which provides site-specific information regarding Capital Facilities expenditures made with Measure E funds. We applied the following procedures to the Report:

- Verified the mathematical accuracy of the Report.
- Traced and agreed totals from the Report to detailed expenditure schedules.
- Verified mathematical accuracy of detailed expenditure schedules.
- Selected a sample of 69 expenditures representing \$1,493,221 (49% of total expenditures) identified on the detailed expenditure schedules. The sample of expenditures is included as Attachment III. The sample selection was designed to include a representative number of expenditures from each location identified in the Report. Verified that the expenditures represent valid expenditures, are properly charged to the location indicated, are properly coded as to the nature of the expenditure (account classification), and represent school improvements, not District salaries or administrator expenses.

CONCLUSIONS

- The Report and detailed expenditure schedules were materially mathematically accurate.
- Of the 69 expenditures tested:
 - All 69 expenditures represented valid Measure E expenditures.
 - All 69 expenditures were properly charged to the location indicated.
 - All 69 expenditures were properly coded as to the nature of the expenditure (account classification).
 - All 69 expenditures were determined to represent school improvements, not District salaries or administrator expenses.

ACTIVITY BY SITE
Fiscal Year 2005-2006
 As of 06/30/06
 (Actuals)

Location / Site	G.O. Bond Building Funds	State Modernization Funds	COP Funds	Deferred Maintenance Funds	Total All Funds
Abraham Lincoln	43,809				43,809
Alice Birney	7				7
A.M. Winn	181,363				181,363
Bear Flag	8				8
Bowling Green	203,861				203,861
Bret Harte	75,242				75,242
Camellia	27,589				27,589
Caroline Wenzel	91,172				91,172
Cesar Chavez					0
C.B. Wire					0
C.P. Huntington					0
Crocker/Riverside	180,006				180,006
David Lubin	18,051				18,051
Earl Warren					0
Edward Kemble	15				15
Elder Creek					0
Ethel I. Baker					0
Ethel Phillips					0
Fr. K. B. Kenny					0
Freeport					0
Fruit Ridge					0
Golden Empire					0
H.W. Harkness					0
Hollywood Park					0
Hubert Bancroft	5				5
Isador Cohen					0
James Marshall	164,092				164,092
Jedediah Smith					0
John Bidwell					0
John Bigler					0
John Cabrillo					0
John D. Sloat	23				23
John Morse	38,402				38,402
John Muir (PS7)					0
Joseph Bonnheim					0
Knowledge Is Power (KIPP)					0
Language Academy					0
Lisbon					0
Maple					0
Marian Anderson					0
Mark Hopkins	7				7
Mark Twain					0
Matsuyama					0
Newcomer					0
Nicholas	90,424				90,424
Oak Ridge					0
Therapeutic Center (Oakridge)					0
O.W. Erlewine	7				7
Pacific					0

ACTIVITY BY SITE
Fiscal Year 2005-2006
As of 06/30/06
(Actuals)

Location / Site	G.O. Bond Building Funds	State Modernization Funds	COP Funds	Deferred Maintenance Funds	Total All Funds
Parkway					0
Peter Burnett					0
Phoebe Hearst					0
Pony Express	6				6
Sequoia	4				4
Susan B. Anthony	28,980				28,980
Sutterville					0
Tahoe					0
Theodore Judah					0
Thomas Jefferson	20,451				20,451
Washington					0
William Land					0
Woodbine					0
TOTAL - ELEMENTARY	1,163,525				1,163,525

Location / Site	G.O. Bond Building Funds	State Modernization Funds	COP Funds	Deferred Maintenance Funds	Total All Funds
Albert Einstein					0
Caleb Greenwood					0
California	6,521				6,521
C.M. Goethe	97,660				97,660
Fern Bacon Basic	210,426				210,426
Genevieve Didion	11,725				11,725
John H. Still	186,193				186,193
Kit Carson	1,744				1,744
Leonardo Da Vinci	48,189				48,189
Martin Luther King					0
Sam Brannan	1,267				1,267
Sutter					0
Will C. Wood	139,840				139,840
TOTAL - MIDDLE/K-8 SCHOOLS	703,564				703,564

ACTIVITY BY SITE**Fiscal Year 2005-2006****As of 06/30/06****(Actuals)**

Location / Site	G.O. Bond Building Funds	State Modernization Funds	COP Funds	Deferred Maintenance Funds	Total All Funds
C.K. McClatchy	16,610				16,610
Hiram W. Johnson					0
Hiram Johnson West Campus	3,544				3,544
John F. Kennedy	189,234				189,234
Luther Burbank	269,625				269,625
Rosemont	91,772				91,772
Sacramento	284,184				284,184
Bigler / Genesis					0
America's Choice					0
Florin Tech Center					0
Health Care Professions Academy Science & Engineering	123,112				123,112
The Met					0
American Legion	103,965				103,965
New Tech	76,397				76,397
Capitol City					0
TOTAL - HIGH SCHOOLS	1,158,443				1,158,443
Community Day School					0
District Operations / Admin	21,536				21,536

GRAND TOTALS	G.O. Bond Building Funds				Total All Funds
TOTAL - ALL SCHOOLS	3,047,068				3,047,068

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

SELECTED SAMPLE OF EXPENDITURES

Fiscal Year 2005-2006

	Date	Warrant #	Vendor	Project Site	Amount
1	11/08/05	97-175948	PCM3 Construction	A. M. Winn Elementary School	\$ 4,117
2	03/24/06	97-182646	PCM3 Construction	A. M. Winn Elementary School	6,025
3	03/31/06	97-183083	PCM3 Construction	A. M. Winn Elementary School	88,802
4	04/18/06	97-183680	PCM3 Construction	A. M. Winn Elementary School	19,340
5	04/18/06	97-183680	PCM3 Construction	Abraham Lincoln Elementary School	23,189
6	08/09/05	97-170960	Mobile Modular Cor	Arthur A. Benjamin Health Professions High School	10,495
7	10/14/05	97-174470	Mobile Modular Cor	Arthur A. Benjamin Health Professions High School	10,495
8	12/06/05	97-177162	Mobile Modular Cor	Arthur A. Benjamin Health Professions High School	12,962
9	09/02/05	97-172270	ATI Architects and	Bowling Green	98,014
10	08/16/05	97-171305	PCM3 Construction	Bowling Green	4,560
11	06/06/06	97-186683	PCM3 Construction	Bowling Green	27,363
12	05/05/06	97-184724	Oshima & Yee Archi	Bret Harte	59,244
13	10/11/05	97-174187	PCM3 Construction	Bret Harte	2,690
14	12/09/05	97-177423	PCM3 Construction	Bret Harte	2,911
15	06/23/06	97-187953	HMR Architects	C.K. McClatchy High	16,610
16	06/27/06	97-188157	HMR Architects	California Middle	6,521
17	09/09/05	97-172484	PCM3 Construction	Caroline Wenzel	4,128
18	03/24/06	97-182646	PCM3 Construction	Caroline Wenzel	6,530
19	02/07/06	97-179929	HMR Architects	Charles M. Goethe Middle	47,306
20	09/09/05	97-172484	PCM3 Construction	Charles M. Goethe Middle	6,267
21	11/08/05	97-175948	PCM3 Construction	Charles M. Goethe Middle	6,778
22	12/09/05	97-177423	PCM3 Construction	Charles M. Goethe Middle	6,769
23	03/24/06	97-182646	PCM3 Construction	Charles M. Goethe Middle	9,696
24	04/21/06	97-184026	Schreder & Brandt	Crocker/Riverside	180,006
25	10/11/05	97-174187	PCM3 Construction	David Lubin	3,159
26	12/09/05	97-177423	PCM3 Construction	David Lubin	3,419
27	02/07/06	97-179929	HMR Architects	Fern Bacon Basic Middle	56,221
28	11/08/05	97-175948	PCM3 Construction	Fern Bacon Basic Middle	8,142
29	12/09/05	97-177423	PCM3 Construction	Fern Bacon Basic Middle	8,131
30	03/24/06	97-182646	PCM3 Construction	Fern Bacon Basic Middle	8,020
31	03/28/06	97-182847	PCM3 Construction	Fern Bacon Basic Middle	5,145
32	03/24/06	97-182646	PCM3 Construction	Genevieve F. Didion	5,605
33	09/09/05	97-172484	PCM3 Construction	James W. Marshall	11,294
34	11/08/05	97-175948	PCM3 Construction	James W. Marshall	12,213
35	03/24/06	97-182646	PCM3 Construction	James W. Marshall	12,030
36	05/05/06	97-184725	PCM3 Construction	James W. Marshall	52,075
37	03/14/06	97-181916	RDS Architects	John F. Kennedy High	30,179
38	12/09/05	97-177423	PCM3 Construction	John F. Kennedy High	19,265
39	09/09/05	97-172475	HMR Architects	John H. Still Center	89,920
40	10/11/05	97-174187	PCM3 Construction	John H. Still Center	3,509
41	12/09/05	97-177423	PCM3 Construction	John H. Still Center	3,927
42	08/30/05	97-172058	RDS Architects	John Morse / Waldorf	10,735
43	03/24/06	97-182646	PCM3 Construction	John Morse / Waldorf	2,233
44	04/25/06	97-184266	HMC Group Inc	Leonardo da Vinci	8,080
45	10/11/05	97-174187	PCM3 Construction	Leonardo da Vinci	3,224
46	12/09/05	97-177423	PCM3 Construction	Leonardo da Vinci	3,488
47	03/24/06	97-182646	PCM3 Construction	Leonardo da Vinci	5,110
48	12/09/05	97-177423	PCM3 Construction	Luther Burbank High	19,680
49	08/30/05	97-172058	RDS Architects	Nicholas	27,719
50	09/09/05	97-172484	PCM3 Construction	Nicholas	4,685
51	11/08/05	97-175948	PCM3 Construction	Nicholas	5,150
52	03/24/06	97-182646	PCM3 Construction	Nicholas	5,172
53	03/28/06	97-182847	PCM3 Construction	Nicholas	3,246
54	07/04/05	97-169299	Cornice Developmen	Rosemont	12,500
55	10/21/05	97-174904	Cornice Developmen	Rosemont	12,500
56	02/24/06	97-180924	HMR Architects	Sacramento	136,000
57	06/16/06	97-187443	HMR Architects	Sacramento	49,910
58	12/09/05	97-177423	PCM3 Construction	Sacramento	16,931
59	08/03/05	97-170732	Scottsman Manufactu	Sacramento New Technology High School	19,236
60	09/27/05	97-173475	Scottsman Manufactu	Sacramento New Technology High School	1,119
61	08/16/05	97-171305	PCM3 Construction	Sacramento New Technology High School	15,025
62	10/11/05	97-174187	PCM3 Construction	Sacramento New Technology High School	15,025
63	03/24/06	97-182646	PCM3 Construction	Sacramento New Technology High School	16,587

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

SELECTED SAMPLE OF EXPENDITURES

(Continued)

Fiscal Year 2005-2006

	Date	Warrant #	Vendor	Project Site	Amount
64	09/09/05	97-172484	PCM3 Construction	Thomas Jefferson	2,589
65	11/08/05	97-175948	PCM3 Construction	Thomas Jefferson	2,753
66	03/24/06	97-182646	PCM3 Construction	Thomas Jefferson	3,938
67	02/10/06	97-180215	HMR Architects	Will C. Wood	82,097
68	12/09/05	97-177423	PCM3 Construction	Will C. Wood	7,761
69	03/24/06	97-182646	PCM3 Construction	Will C. Wood	7,656
				Total Expenditures Tested	<u>\$ 1,493,221</u>
				Total Expenditures for 05/06	\$ 3,047,068
				Percentage of Expenditures	49%