

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

Measure I 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 I Oversight Committee (the "Committee"), solely to assist the Committee in evaluating District management's assertions concerning disbursement of Measure I 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 I 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 I Activity By Site" report (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 I 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 111 expenditures representing \$30,856,427 (55% 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 teacher or administrator salaries.

CONCLUSIONS

- The Report and detailed expenditure schedules were materially mathematically accurate.
- Of the 111 expenditures tested:
 - All 111 expenditures represented valid Measure I expenditures.
 - All 111 expenditures were properly charged to the location indicated.
 - All 111 expenditures were properly coded as to the nature of the expenditure (account classification).
 - All 111 expenditures were determined to represent school improvements, not District teacher or administrator salaries.

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	4,769				4,769
Alice Birney					0
A.M. Winn	292,275				292,275
Bear Flag					0
Bowling Green	1,230,889				1,230,889
Bret Harte	20,910				20,910
Camellia	289,947				289,947
Caroline Wenzel	651,918				651,918
Cesar Chavez	3,782				3,782
C.B. Wire					0
C.P. Huntington					0
Crocker/Riverside	1,313,010				1,313,010
David Lubin	331,897				331,897
Earl Warren	-137				-137
Edward Kemble					0
Elder Creek					0
Ethel I. Baker	131				131
Ethel Phillips					0
Fr. K. B. Kenny	131				131
Freeport	50,706				50,706
Fruit Ridge					0
Golden Empire	939				939
H.W. Harkness					0
Hollywood Park					0
Hubert Bancroft					0
Isador Cohen	389,256				389,256
James Marshall	370,120				370,120
Jedediah Smith					0
John Bidwell	-137				-137
John Bigler	8,353,429				8,353,429
John Cabrillo					0
John D. Sloat					0
John Morse	975,975				975,975
John Muir (PS7)	14,558				14,558
Joseph Bonnheim					0
Knowledge Is Power (KIPP)	3,782				3,782
Language Academy	8,333				8,333
Lisbon	227				227
Maple					0
Marian Anderson	15,631				15,631
Mark Hopkins					0
Mark Twain	-137				-137
Matsuyama					0
Newcomer					0
Nicholas	3,000				3,000
Oak Ridge					0
Therapeutic Center (Oakridge)	438,172				438,172
O.W. Erlewine					0
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					0
Sequoia					0
Susan B. Anthony	14,869				14,869
Sutterville					0
Tahoe	1,333				1,333
Theodore Judah					0
Thomas Jefferson	3,192				3,192
Washington	20,604				20,604
William Land	5,954				5,954
Woodbine					0
TOTAL - ELEMENTARY	14,809,327				14,809,327

Location / Site	G.O. Bond Building Funds	State Modernization Funds	COP Funds	Deferred Maintenance Funds	Total All Funds
Albert Einstein	5,972				5,972
Caleb Greenwood					0
California	2,364				2,364
C.M. Goethe	1,877,727				1,877,727
Fern Bacon Basic	179,446				179,446
Genevieve Didion	15,544				15,544
John H. Still	2,089,375				2,089,375
Kit Carson	9,033				9,033
Leonardo Da Vinci	419,448				419,448
Martin Luther King					0
Sam Brannan	5,444				5,444
Sutter	77,673				77,673
Will C. Wood	1,952,748				1,952,748
TOTAL - MIDDLE/K-8 SCHOOLS	6,634,773				6,634,773

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	5,985				5,985
Hiram W. Johnson					0
Hiram Johnson West Campus	160,753				160,753
John F. Kennedy	2,124,446				2,124,446
Luther Burbank	4,463,438				4,463,438
Rosemont	6,800,067				6,800,067
Sacramento	428,974				428,974
Bigler / Genesis	4,571				4,571
America's Choice	4,584,804				4,584,804
Florin Tech Center					0
Health Care Professions Academy	14,652,820				14,652,820
Science & Engineering	69,098				69,098
The Met	3,782				3,782
American Legion	22,629				22,629
New Tech	18,579				18,579
Capitol City	624,688				624,688
TOTAL - HIGH SCHOOLS	33,964,634				33,964,634
Community Day School	3,817				3,817
District Operations / Admin	761,991				761,991

GRAND TOTALS	G.O. Bond Building Funds				Total All Funds
TOTAL - ALL SCHOOLS	56,174,542				56,174,542

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

SELECTED SAMPLE OF EXPENDITURES

Fiscal Year 2005-2006

	Date	Warrant #	Vendor	Project Site	Amount
1	10/18/05	97-174686	WCS/CA IINC	A. M. Winn Elementary School	\$ 15,761
2	08/09/05	97-170956	Hometown Construct	A. M. Winn Elementary School	896,237
3	08/19/05	97-171515	Hometown Construct	A. M. Winn Elementary School	99,581
4	10/07/05	97-174066	Hometown Construct	A. M. Winn Elementary School	57,189
5	10/07/05	97-174066	Hometown Construct	A. M. Winn Elementary School	514,707
6	05/02/06	97-184557	Del Terra Group	Administrative Services	33,333
7	11/15/05	97-180929	City Wide Maintena	American Legion	4,495
8	12/16/05	97-177887	MWH Americas, Inc.	America's Choice	35,518
9	07/27/05	97-170442	Chicago Title Comp	America's Choice	3,146,000
10	06/23/06	97-187950	Fidelity National	America's Choice	117,165
11	06/23/06	97-187965	Wetland Resources	America's Choice	22,220
12	09/13/05	97-172651	Schreder & Brandt	America's Choice	493,678
13	3/13/06	97-181370	Schreder & Brandt	America's Choice	59,880
14	09/23/05	97-173321	ISEC INC.	Arthur A. Benjamin Health Professions High School	24,333
15	6/20/2006	97-187639	Hewlett Packard	Arthur A. Benjamin Health Professions High School	3,094
16	08/12/05	97-171178	Seward L Schreder	Arthur A. Benjamin Health Professions High School	79,244
17	10/25/05	97-175044	Schreder & Brandt	Arthur A. Benjamin Health Professions High School	90,892
18	01/18/06	97-178528	Seward L Schreder	Arthur A. Benjamin Health Professions High School	125,391
19	05/03/06	97-184608	Pacific Gas and Elec	Arthur A. Benjamin Health Professions High School	43,609
20	11/01/05	97-175631	Clark & Sullivan B	Arthur A. Benjamin Health Professions High School	1,635,943
21	12/06/05	97-177153	Clark & Sullivan B	Arthur A. Benjamin Health Professions High School	1,623,335
22	05/05/06	97-184718	Clark & Sullivan B	Arthur A. Benjamin Health Professions High School	660,065
23	01/25/06	97-179218	DC Architects	Arthur A. Benjamin Health Professions High School	296,703
24	12/13/05	97-177585	MCF Construction	Arthur A. Benjamin Health Professions High School	31,460
25	07/06/05	97-170153	C.C. Young Constru	Bowling Green	549,057
26	09/09/05	97-172466	C.C. Young Constru	Bowling Green	430,032
27	11/01/05	97-175529	C.C. Young Constru	Bowling Green	145,666
28	11/18/05	97-176484	Graebel Companies	Camellia Basic	3,600
29	08/19/05	97-171520	Schreder & Brandt	Camellia Basic	66,323
30	12/16/05	97-177894	Schreder & Brandt	Camellia Basic	53,025
31	08/26/05	97-171910	Gary Douppnik	Camellia Basic	84,373
32	02/01/06	97-179608	Peterson Communica	Capital City/Independent Study	7,111
33	08/09/05	97-170967	Schreder & Brandt	Capital City/Independent Study	241,410
34	11/04/05	97-175783	Schreder & Brandt	Capital City/Independent Study	135,546
35	12/13/05	97-177586	Schreder & Brandt	Capital City/Independent Study	107,919
36	08/30/05	97-172054	Landmark Construc	Caroline Wenzel	262,472
37	09/23/05	97-173322	Jack Schreder	Cesar E. Chavez	3,782
38	10/25/05	97-175031	D & S Movers, Inc	Charles M. Goethe Middle	19,364
39	12/22/05	97-178131	Pacific Coast	Charles M. Goethe Middle	3,086
40	08/03/05	97-170712	Landmark Construc	Charles M. Goethe Middle	516,347
41	09/02/05	97-172276	Landmark Construc	Charles M. Goethe Middle	837,984
42	10/07/05	97-172277	Landmark Construc	Charles M. Goethe Middle	92,109
43	02/17/06	97-180561	Landmark Construc	Charles M. Goethe Middle	146,800
44	12/16/05	97-177883	Graebel Companies	Crocker/Riverside	5,400
45	10/18/05	97-174671	City Wide Maintena	Crocker/Riverside	3,630
46	05/05/06	97-184726	Schreder & Brandt	Crocker/Riverside	14,501
47	10/18/05	97-174672	Dual Cal Builders	Crocker/Riverside	339,905
48	06/23/06	97-187942	Bollo Constrction	David Lubin	81,301
49	01/20/06	97-178950	Architectural Rese	District Operations	53,938
50	4/28/2006	97-184443	Architectural Rese	District Operations	49,139
51	12/22/2005	97-178131	Pacific Coast	Fern Bacon Basic Middle	3,495
52	02/17/06	97-180561	Landmark Construc	Fern Bacon Basic Middle	90,643
53	09/30/05	97-173705	Wallace Kuhl and A	Genesis / Bigler	10,724
54	04/21/06	97-184015	DC Architects	Genesis / Bigler	205,789
55	10/21/05	97-174902	City of Sacramento	Genesis / Bigler	119,298
56	08/03/05	97-170722	Seward L Schreder	Genesis / Bigler	593,963
57	09/13/05	97-172651	Schreder & Brandt	Genesis / Bigler	643,070
58	11/08/05	97-175950	Seward L Schreder	Genesis / Bigler	461,281
59	12/13/05	97-177587	Seward L Schreder	Genesis / Bigler	732,893
60	03/21/06	97-182372	Seward L Schreder	Genesis / Bigler	1,078,877
61	01/18/06	97-178524	Mascon Inc	Genesis / Bigler	242,082
62	05/09/06	97-184887	Mascon Inc	Genesis / Bigler	390,908
63	06/16/06	97-187445	Mascon Inc	Genesis / Bigler	1,632,463

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

SELECTED SAMPLE OF EXPENDITURES

(Continued)

Fiscal Year 2005-2006

	Date	Warrant #	Vendor	Project Site	Amount
64	03/24/06	97-182644	Arrow Fence Co Inc	Genevieve F. Didion	2,473
65	11/01/05	97-175536	S & K Theatrical D	Hiram W Johnson High	12,864
66	08/09/05	97-170975	WCS/CA IINC	Hiram W Johnson High	4,321
67	10/14/05	97-174466	D & S Movers, Inc	Hiram W Johnson High	6,063
68	08/30/05	97-172061	Waters Contracting	Isador Cohen	332,511
69	02/07/06	97-179924	ADI	John F. Kennedy High	5,343
70	12/16/05	97-177889	Quality Sound	John F. Kennedy High	16,626
71	6/2/2006	97-186520	Allied Storage Con	John F. Kennedy High	2,898
72	9/16/2005	97-172923	Schreder & Brandt	John F. Kennedy High	554,787
73	12/16/05	97-177894	Schreder & Brandt	John F. Kennedy High	209,403
74	02/10/06	97-180221	Schreder & Brandt	John F. Kennedy High	84,910
75	06/06/06	97-186686	Waters Contracting	John F. Kennedy High	24,950
76	12/06/05	97-177157	Global 1 Security	John H. Still Center	2,124
77	08/09/05	97-170965	Refnes Constructio	John H. Still Center	806,030
78	11/15/05	97-176299	Refnes Constructio	John H. Still Center	710,681
79	11/15/05	97-176282	Chipman Moving	John Morse/Waldorf	2,183
80	9/16/2005	97-172910	Bostick Company In	John Morse/Waldorf	9,800
81	07/29/05	97-170574	Bollo Constrction	John Morse/Waldorf	257,666
82	08/26/05	97-171904	Bollo Constrction	John Morse/Waldorf	538,188
83	11/15/2005	97-176283	City Wide Maintena	Kit Carson Middle	4,280
84	12/13/2005	97-177583	Graebel Companies	Luther Burbank High	5,213
85	8/19/2005	97-171524	Star Construction	Luther Burbank High	1,294,485
86	8/19/2005	97-171525	Star Construction	Luther Burbank High	143,832
87	9/23/2005	97-173324	Star Construction	Luther Burbank High	1,931,515
88	10/18/05	97-174765	HMR Architects	Oak Ridge	182,104
89	12/13/05	97-177588	Slackey Bros Inc	Rosemont	10,600
90	11/04/05	97-175772	CAPCO	Rosemont	57,214
91	07/29/05	97-170596	Urata & Sons Cemen	Rosemont	362,540
92	10/28/05	97-175378	Decorators Inc	Rosemont	194,067
93	11/15/05	97-176287	Decorators Inc	Rosemont	118,890
94	12/16/05	97-177882	Decorators Inc	Rosemont	184,734
95	01/20/06	97-178955	Decorators Inc	Rosemont	234,837
96	02/01/06	97-179600	Decorators Inc	Rosemont	103,500
97	2/3/2006	97-179783	Montez Glass Inc	Rosemont	19,181
98	03/17/06	97-182217	Decorators Inc	Rosemont	158,292
99	5/19/2006	97-185743	Decorators Inc	Rosemont	223,689
100	5/19/2006	97-185758	Montez Glass Inc	Rosemont	39,254
101	6/23/2006	97-187958	Montez Glass Inc	Rosemont	30,744
102	06/23/06	97-187962	Urata & Sons Cemen	Rosemont	51,140
103	06/02/06	97-186526	Diede Construction	Sacramento New Technology High School	8,003
104	10/04/05	97-173836	Rick Plumbing	Washington	7,500
105	02/03/06	97-179786	Rick Henning Sales	Will C. Wood	6,705
106	09/13/05	97-172649	A Royal Wolf Porta	Will C. Wood	3,426
107	11/15/05	97-176282	Chipman Moving	Will C. Wood	12,630
108	12/16/05	97-177881	Construction Prote	Will C. Wood	15,624
109	12/09/05	97-177422	Pacific Coast	Will C. Wood	3,086
110	08/09/05	97-170948	Bobo Construction	Will C. Wood	471,888
111	10/14/05	97-174464	Bobo Construction	Will C. Wood	824,494

\$ 30,856,427

Total Expenditures for 05/06

\$ 56,174,542

Percentage of Expenditures

55%