

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
MEASURE I GENERAL OBLIGATION BONDS**

FINANCIAL STATEMENTS

**FOR THE PERIOD FROM MARCH 1, 2003 THROUGH
AND INCLUDING JUNE 30, 2009**

AND

INDEPENDENT AUDITOR'S REPORT

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

MEASURE I GENERAL OBLIGATION BONDS

For the Period from March 1, 2003 Through

June 30, 2008

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To the Board of Education
Sacramento City Unified School District

We have audited the accompanying basic financial statements of Sacramento City Unified

School District (the "District") Measure I General Obligation Bonds (the "Bonds"), as of June 30, 2009 and for the period March 1, 2003 to June 30, 2009, as listed in the Table of Contents. These basic financial statements are the responsibility of Sacramento City Unified School District's management.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

MEASURE I GENERAL OBLIGATION BONDS

BALANCE SHEET

June 30, 2009

ASSETS

Cash and investments (Note 2):	
Cash in County Treasury	\$ 8,054,910
Cash with Fiscal Agent	<u>36,425,238</u>
	\$ 44,480,148

LIABILITIES AND
FUND BALANCE

Accounts payable	\$ 297,740
Retentions payable	<u>1,625,785</u>
Total liabilities	1,923,525

Fund balance	<u>42,556,623</u>
Total liabilities and fund balance	<u>\$ 44,480,148</u>

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE

For the Period from March 1, 2003 Through
and Including June 30, 2009

MEASURE I GENERAL OBLIGATION BONDS

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sacramento City Unified School District accounts for its financial transactions in accordance with policies and procedures of the Department of Education's *California*

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

MEASURE I GENERAL OBLIGATION BONDS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and

the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at June 30, 2009 consisted of the following:

Pooled Funds:

Cash in County Treasury	\$ 8,054,910
Cash with Fiscal Agent	\$ 36,425,238

Pooled Funds

In accordance with Education Code Section 41001, the District maintains substantially

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

MEASURE I GENERAL OBLIGATION BONDS

STATE OF CALIFORNIA

Cash with Fiscal Agent

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

MEASURE I GENERAL OBLIGATION BONDS

NOTES TO BASIC FINANCIAL STATEMENTS

(Continued)

3. GENERAL OBLIGATION BOND (Continued)

Further Specifications

No Administrator Salaries

Proceeds from the sale of bonds authorized by this proposition shall be used only for the

construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

Bond Issuances

The bonds are general obligations of the District, and Sacramento County is obligated to

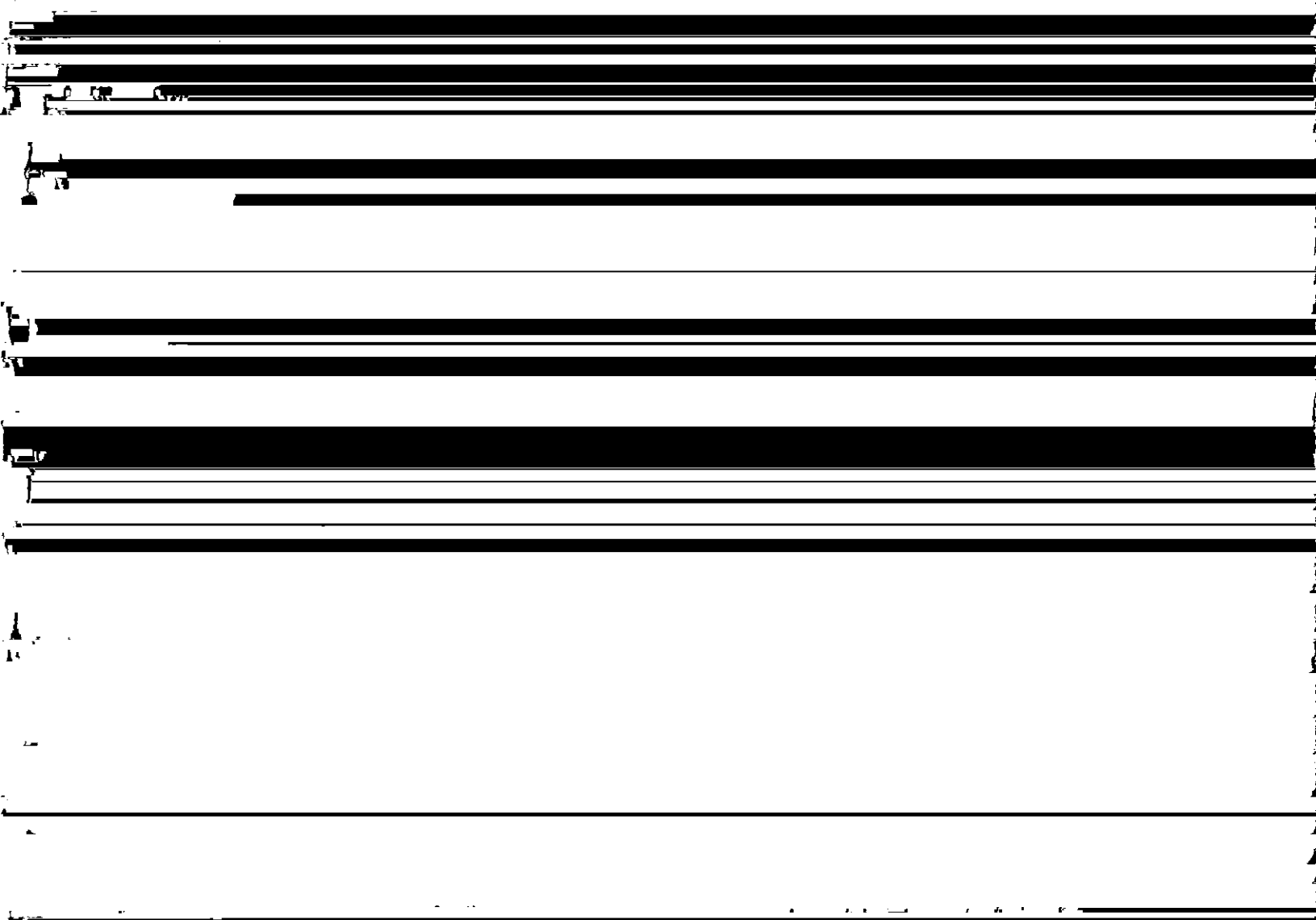
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Education
Sacramento City Unified School District

We have audited the basic financial statements of Sacramento City Unified School District (the "District") Measure I General Obligation Bonds (the "Bonds"), as of June 30, 2009 and for the period March 1, 2003 to June 30, 2009, and have issued our report thereon dated November 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Sacramento City Unified School



**REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

(Continued)

Board of Education

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS

**For the Period from March 1, 2003 Through
and Including June 30, 2009**

No matters were reported.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
MEASURE I GENERAL OBLIGATION BONDS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS

For the Period From March 1, 2008 Through

and Including June 30, 2009

No matters were reported.