



Summary of Third Party Pricing Review Virco, Inc.

In an effort to proactively demonstrate public benefit, U.S. Communities has enacted an annual program to review contract pricing by engaging a third party to perform a pricing review. The firm of Macias, Gini & O'Connell (MG&O) was engaged to perform the pricing review of the Wichita Public Schools / U.S. Communities office furniture contract.

We have received the completed pricing review from Macias, Gini & O'Connell (MG&O) for the supplier Virco Inc. for the timeframe of July 1st through December 31st, 2009. Below is a summary of the key findings and results of the pricing review.

- The following public agencies participated in the third party pricing review;
 - Russellville School District, AK
 - Boulder Valley School District, CO
 - Charlotte County Public Schools, FL
- One furniture project was selected for each public agency listed above totaling \$269,000.
 1. For each project selected all line items or parts were selected for pricing verification for a total sample size of 49 due to the short timeframe of new contract pricing availability.
 - No exceptions to the contract pricing terms were found.

The pricing review demonstrated that Virco is complying with the pricing terms and conditions of the Wichita Public Schools/U.S. Communities contract.



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

U.S. Communities,
Virco, Inc., and
Wichita Public Schools

We have performed the procedures enumerated below, which were agreed to by U.S. Communities on behalf of itself, Virco, Inc. (Virco), and Wichita Public Schools, solely to assist U.S. Communities, Virco, and Wichita Public Schools in determining that items purchased under Wichita Public Schools' furniture contract with Virco were invoiced in accordance with contractual terms for items invoiced during the period of July 1, 2009 through December 31, 2009. Virco's management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities, to ensure compliance with Wichita Public Schools' furniture contract with Virco. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Agency Audit Participants:

- Russellville School District, AK
- Boulder Valley School District, CO
- Charlotte County Public Schools, FL

Our procedures and findings are as follows:

1. Randomly select 1 project for each School District listed above in the July 1, 2009 to December 31, 2009 period.

Results: Procedure performed without exception.

2. For each project in procedure 1, request an electronic invoice. From the three invoices provided, select up to 150 items purchased and verify that invoice pricing does not exceed U.S. Communities contract pricing. Pricing verification can be achieved by using the following, but not exclusive, resources:
 - Apply appropriate contract discount from Product List Price to arrive at customer's final purchase price
 - Other referenced resources

Results: Procedure performed without exception. **Note:** The three invoices provided produced a total sample size of 63 (Russellville School District – 14, Boulder Valley School District – 25, Charlotte County Public Schools – 24), which was approved by the representative of U.S. Communities.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on compliance with Wichita Public Schools' furniture contract with Virco. 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 information and use of U.S. Communities, Virco, and Wichita Public Schools, and may be shared in whole or in part by U.S. Communities with the agencies they selected for testing (Russellville School District, AK, Boulder Valley School District, CO, and Charlotte County Public Schools, FL) and is not intended to be and should not be used by anyone other than those specified parties.

Macías Gini & O'Connell LLP

Certified Public Accountants

Sacramento, California
April 13, 2010