



C SIS California School Information Services

Sutter County Superintendent of Schools

Extraordinary Audit of the Twin Rivers Charter School

July 19, 2016

Joel D. Montero
Chief Executive Officer





July 19, 2016

Bill Cornelius, Superintendent
Sutter County Superintendent of Schools
970 Klamath Lane
Yuba City, CA 95993

Dear Superintendent Cornelius,

In February 2016, the Sutter County Superintendent of Schools and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for an Assembly Bill (AB) 139 extraordinary audit of the Twin Rivers Charter School. Specifically, the agreement contained the following scope of work:

The Sutter County Superintendent of Schools has requested that the team assign professionals to conduct an AB 139 extraordinary audit on behalf of the Twin Rivers Charter School. Per Education Code Section 1241.5(c), the superintendent has reason to believe that fraud, misappropriation of funds, or other illegal practices may have occurred.

The primary focus of this review is to provide the county office with reasonable assurances, based on the sample testing performed, that adequate management and internal controls are in place for the reporting and monitoring of financial transactions and that fraud, misappropriation of funds, or other illegal activities have not occurred. Specific review objectives will include the evaluation of policies, procedures, internal controls and transactions performed by the charter school.

Testing for this review will be based on sample selections; it will not include all transactions and records for the sample period. The sample period will be sampled from the 2014-2015 fiscal year and July 1, 2015 through December 31, 2015 of the current fiscal year. Sample testing and review results are intended to provide reasonable, but not absolute assurance regarding the accuracy of the charter school's financial transactions, bank records and activity. The review of the charter school sample testing during the sample period will include, but not be limited to the following:

1. Review internal controls of the child care and child nutrition programs, book sales, and other sales/fundraising programs as considered necessary, including but not limited to the following:
 - a. Cash receipts, deposits, accounts receivable,
 - b. Cash disbursements, reimbursements, checks, accounts payable, purchasing,
 - c. Payroll and personnel,

FCMAT

Joel D. Montero, Chief Executive Officer

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- d. Transaction authorizations,
 - e. Segregation of duties,
 - f. Management authorization procedures and practices, override of procedures, and delegation of authorization and signature authority,
 - g. Journal entries preparation, accounting and documentation,
 - h. Bank account and other account reconciliations,
 - i. Free and reduced meal counts,
 - j. Adherence to existing accounting and governing board policies and procedures compared with the charter petition.
2. Review independent auditor's reports, governing board minutes and agendas, and other internal reports.
 3. Review contracts, agreements and MOUs.
 4. Review how assets are safeguarded, including physical objects, inventory, charter school data and intellectual property.
 5. Evaluate the reliability and integrity of information used for internal management decisions and external agency reporting.

This final report contains the study team's findings and recommendations in the above areas of review. FCMAT appreciates the opportunity to serve the Sutter County Superintendent of Schools, and extends thanks to all the staff for their assistance during fieldwork.

Sincerely,



Joel D. Montero
Chief Executive Officer

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About FCMAT

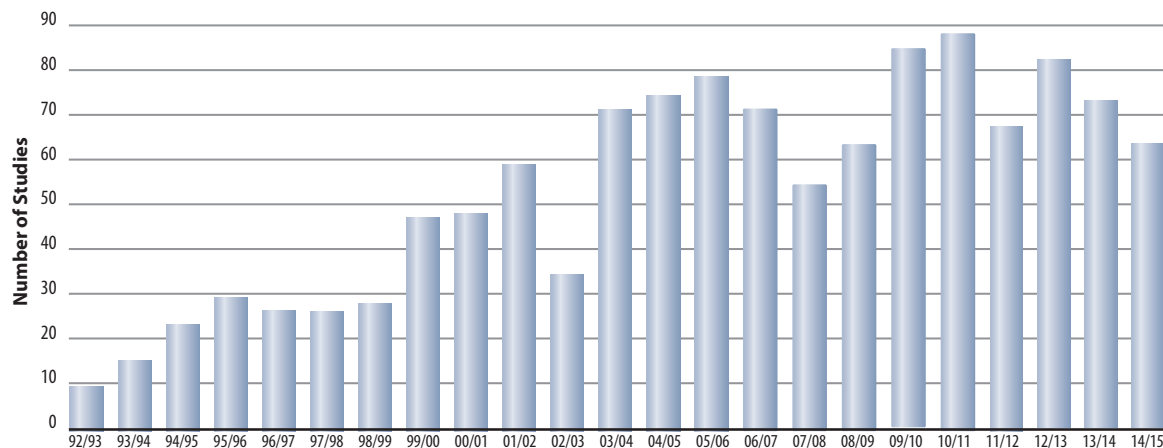
FCMAT's primary mission is to assist California's local K-14 educational agencies to identify, prevent, and resolve financial, human resources and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT's fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices, support the training and development of chief business officials and help to create efficient organizational operations. FCMAT's data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and inform instructional program decisions.

FCMAT may be requested to provide fiscal crisis or management assistance by a school district, charter school, community college, county office of education, the state Superintendent of Public Instruction, or the Legislature.

When a request or assignment is received, FCMAT assembles a study team that works closely with the LEA to define the scope of work, conduct on-site fieldwork and provide a written report with findings and recommendations to help resolve issues, overcome challenges and plan for the future.

FCMAT has continued to make adjustments in the types of support provided based on the changing dynamics of K-14 LEAs and the implementation of major educational reforms.

Studies by Fiscal Year



FCMAT also develops and provides numerous publications, software tools, workshops and professional development opportunities to help LEAs operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) division of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS). CSIS also hosts and maintains the Ed-Data website (www.ed-data.org) and provides technical expertise to the Ed-Data partnership: the California Department of Education, EdSource and FCMAT.

FCMAT was created by Assembly Bill (AB) 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. AB 107 in 1997 charged FCMAT with responsibility for CSIS and its state-wide data management work. AB 1115 in 1999 codified CSIS' mission.

AB 1200 is also a statewide plan for county offices of education and school districts to work together locally to improve fiscal procedures and accountability standards. AB 2756 (2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

In January 2006, Senate Bill 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT's services to those types of LEAs.

Since 1992, FCMAT has been engaged to perform more than 1,000 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Joel D. Montero, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.

Introduction

In February 2016, the Fiscal Crisis and Management Assistance Team (FCMAT) received a request from the Sutter County Superintendent of Schools (county office) for an Assembly Bill (AB) 139 extraordinary audit of the Twin Rivers Charter School, which is authorized by the Yuba City Unified School District.

Study Guidelines

Education Code Section 1241.5(c) permits a county superintendent of schools to review or audit the expenditures and internal controls of any charter school in that county if he or she has reason to believe that fraud, misappropriation of funds, or other illegal fiscal practices have occurred that merit examination. On completion of the investigation, if evidence exists that fraud or misappropriation of funds may have occurred, Education Code Section 42638(b) states that the “county superintendent shall notify the governing board of the school district, the State Controller, the Superintendent of Public Instruction, and the local district attorney.” The basis of this review is to determine if sufficient documentation exists to further investigate the findings, or if there is evidence of criminal activity that should be reported to the local district attorney’s office for further investigation by law enforcement.

The county superintendent’s office received several pieces of information causing concern that cash deposits may be unrecorded, missing, or untimely; specific sales transactions from events such as book fairs, fundraisers, child care and meal programs may not be recognized, were missing, or were accounted for in an untimely manner; and internal controls protecting cash were ineffective and thus putting the school’s resources, which could include assets and staff, at risk.

Based on the allegations and information provided, the Sutter County Superintendent of Schools requested FCMAT to provide for the assignment of professionals to conduct an AB 139 extraordinary audit under the provisions of Education Code Section 1241.5(c). As part of the audit, FCMAT interviewed individuals and reviewed documents to determine if instances of fraud, misappropriation of funds or other illegal practices may have occurred that would warrant further investigation by the local district attorney’s office.

Study Team

The study team was composed of the following members:

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In writing its reports, FCMAT uses the Associated Press Stylebook, a comprehensive guide to usage and accepted style that emphasizes conciseness and clarity. In addition, this guide emphasizes plain language, discourages the use of jargon and capitalizes relatively few terms.

Background

The Twin Rivers Charter School (school) is authorized by the Yuba City Unified School District and was approved to operate in April 2004. Effective October 22, 2014, a new superintendent/principal was hired as the previous superintendent/principal had resigned a few months earlier. Since the school began operation, the superintendent/principal and their assistant have performed much of its business and accounting functions. The assistant is not a formally trained accountant and does not have an accounting degree. The school performs all accounting functions using the county office's accounting system. As the school's student enrollment grew, so did the complexity of the school's accounting and the financial responsibilities of the assistant. In 2009, the assistant completed the Chief Business Officer (CBO) training program through the Sutter County CBO program and became the school's CBO. During the 2012-13 fiscal year, the school contracted with the county office to provide the school and CBO with more structured advice and occasional help for interim reporting, year-end closing, and budget development.

After taking over in October 2014, the new superintendent/principal had concerns about the understandability of the financial information received from the CBO; therefore, the school requested that the county office expand its contract to include more personalized assistance at the school site with interim reporting, year-end closing, and budget development. During this same time period, the CBO expressed concerns that the superintendent/principal was changing financial procedures and not providing sufficient accounting documentation and guidance for the CBO to adequately prepare financial information.

The county office became increasingly concerned that the school was experiencing difficulty in recording and presenting financial information and lacked effective internal controls related to cash. In February 2016, the county office requested that FCMAT provide for the assignment of professionals to study specific aspects of alleged fraud and misappropriation of funds in the school.

Audit Field Work, Scope, and Procedures

The fraud investigation consisted of gathering information and documentation pertaining to the questioned financial reporting, establishing an audit plan, performing various auditing test procedures to determine whether fraud occurred, and if so, evaluating the loss, determining who was involved and how it occurred. FCMAT focused on processes and procedures related to cash and sales, internal controls, deposit timeliness, transaction processing, authorization of transactions, job duties and overall staff accounting knowledge.

The primary focus of this audit was to determine, based on the testing performed, whether adequate management controls are in place regarding the school's reporting and monitoring of financial transactions and whether fraud, misappropriation of funds or other illegal activities may have occurred. Management controls include the processes for planning, organizing, directing, and controlling business operations, including systems for measuring, reporting, and monitoring performance. Specific audit objectives included evaluating policies, procedures and internal controls, and transactions performed by the school.

Fraud risk assessment tools, audit objectives and transaction sampling and testing were based on the FCMAT audit team's experience and professional judgment and did not include the testing of all available transactions and records for the time period examined. Sample testing and examination results are intended to provide reasonable but not absolute assurance as to the accuracy of the transactions and financial activity.

FCMAT visited the school's business office located at the elementary school. Meetings and field-work at the business office allowed FCMAT to conduct interviews, request and discuss specific financial transactions, and observe and obtain information related to general business practices and events that transpired during the 2014-15 school year and for the six months dated July 1, 2015 through December 31, 2015.

FCMAT was granted cooperative access by the school, including the school's management and staff, to all of its accounting records and documents during all aspects of the audit.

Transaction Sampling Analysis

To accomplish the objectives of this audit, a number of audit test procedures were developed to analyze and understand the allegations and potential outcomes. FCMAT compiled and assembled transaction samples directly from the school's financial and accounting records, including information about vendors and customers, invoices, cash receipts and disbursements, donations, fundraisers, payroll and other transactions, for 18 months between July 1, 2014 and December 31, 2015.

The transaction samples included review of:

- Bank statements and bank reconciliations.
- Cash receipts/deposits and cash disbursements.
- Employment agreements, contracts, governing board meeting minutes, manuals, employment handbooks, and internal control policies and procedures.
- Child care, school lunch, fundraisers, donations, and compensated time off.
- Vendor, employee reimbursement, and credit card transactions.
- Attendance transactions.

- Federal nonprofit Forms 990.
- Independent audit reports.

FCMAT's findings are the result of the above audit procedures.

Fraud, Occupational Fraud, and Internal Controls

Fraud

Fraud can include an array of irregularities and illegal acts characterized by intentional deception and misrepresentation of material facts.

A material weakness is a deficiency in the internal control process whereby errors or fraud may occur, or can be a violation of specific laws or regulations. Because of the weakness, employees in the normal course of business may not detect errors in time to correct them.

Although all employees have some degree of responsibility for internal controls, the governing board, superintendent/principal and senior management are ultimately responsible for those controls that employees under their supervision are expected to follow.

Occupational Fraud

Occupational fraud occurs when an organization's owners, executives, managers or employees use their position to deliberately misuse or misapply the employer's resources or assets for personal benefit. The three primary types of occupational fraud are asset misappropriation, corruption, and financial statement fraud.

Asset misappropriation includes cash skimming, falsifying expense reports and/or forging company checks. Corruption involves an employee(s) influencing business transactions to obtain a personal benefit that violates that employee's duty to the employer and/or the organization. Financial statement fraud includes the intentional misstatement or omission of material information in financial reports.

Occupational fraud is one of the most difficult types of fraud and abuse to detect; however, the most common method of detection comes from tips, such as by telephone, email or online forms. Tips help prevent occupational fraud three times as often as any other fraud prevention method for this type of fraud scheme, and for 39.1% of all fraud cases. According to the 2016 Report to the Nations on Occupational Fraud and Abuse conducted and published by the Association of Certified Fraud Examiners, Inc., corruption schemes accounted for 35.4% of all occupational fraud cases reported, with a median loss of \$200,000. Based on this study, the perpetrator's position and authority in an organization have a direct correlation with the losses incurred. Approximately 40.9% of fraudsters were employees; 36.8% were managers; 18.9% were owner/executives; and 3.4% were in other categories. Although the second lowest percentage is from owner/executives, this group generated the largest median loss of \$703,000 of the 2,410 cases reported worldwide between January 2014 and October 2015.

Internal Controls

The term "internal controls" is defined by the accounting industry as it applies to organizations and school agencies, including charter schools. An organization establishes control over its operations by setting goals, objectives, budgets, transaction processing, and performance expectations. Several factors influence the effectiveness of internal controls, including the social environment and how it affects employees' behavior, the availability and quality of information used to monitor the organization's operations, and the policies and procedures that guide the organization. Internal controls help an organization obtain timely feedback on its progress in meeting operational goals and guiding principles, producing reliable financial reports, and ensuring

compliance with applicable laws and regulations. Internal controls are the principal mechanism for preventing and/or deterring fraud or illegal acts. Illegal acts, misappropriation of assets or other fraudulent activities can include an assortment of irregularities characterized by intentional deception and misrepresentation of material facts. Effective internal controls provide reasonable assurance that operations are effective and efficient, that the financial information produced is reliable, and that the organization complies with all applicable laws and regulations.

All educational agencies, including charter schools, should establish internal control procedures to accomplish the following:

1. Prevent management from overriding internal controls.
2. Ensure ongoing state and federal compliance.
3. Assure the governing board that the internal control system is sound.
4. Help identify and correct inefficient processes.
5. Ensure that employees are aware of the expectation that proper internal controls will be utilized.

Internal control elements provide the framework for an effective fraud prevention program. An effective internal control structure includes the policies and procedures used by staff, adequate accounting and information systems, the work environment, and the professionalism of employees. The five interrelated components of an effective internal control structure and their definition are included in the table below:

Internal Control Element	Definition
Control Environment	Commonly referred to as the moral tone of the organization, the control environment includes a code of ethical conduct; policies for ethics, hiring and promotion guidelines; proper assignment of authority and responsibility; oversight by management, the board or an audit committee; investigation of reported concerns; and effective disciplinary action for violations.
Fraud Risk Assessment	Identification and assessment of the organization's objectives to develop a strategy to react in a timely manner.
Control Activities	The development of policies and procedures to enforce the governing board's directives. These include actions by management to prevent and identify misuse of the district's assets, including preventing employees from overriding controls in the system.
Information and Communication	Establishes effective fraud communication. Ensures that employees receive information regarding policies and opportunities to discuss ethical dilemmas. Establishes clear means of communication within an organization to report suspected violations.
Monitoring	Ongoing monitoring that includes periodic performance assessments to help deter fraud by managers and employees.

The following is a partial list of example deficiencies and omissions that can cause internal control failures:

- Failure to adequately segregate duties and responsibilities related to authorization.
- Failure to limit access to assets or sensitive data (e.g., cash, fixed assets, personnel records).
- Failure to record transactions, resulting in lack of accountability and the possibility of theft.
- Failure to count funds with a witness present whenever the chain of custody changes, with signatures and dates on the cash forms.

- Failure to reconcile assets with the correct records.
- Unauthorized transactions, resulting in skimming, embezzlement or larceny.
- Modification of accounting policies and procedures without a complete evaluation of the effects on the internal control system and financial reporting.
- Lack of monitoring, implementing or enforcing internal controls by the governing board and management, or because personnel are not qualified.
- Collusion among employees where little or no supervision exists.

A system of internal controls consists of policies and procedures designed to provide the governing board and management with reasonable assurance that the organization achieves its objectives and goals. Traditionally referred to as hard controls, these include segregation of duties, limiting access to cash, board/management review and approval and reconciliations. Hard controls also include an organization conducting sufficient due diligence by performing background and cross checks of employee Social Security numbers, bank account numbers and addresses to companies that do business with the organization to prevent conflict of interest. Other types of internal controls include soft controls such as asking employees to disclose any potential conflicts of interest, management tone, performance evaluations, training programs, and maintaining established policies, procedures, ethics training and expected standards of conduct.

The internal control environment establishes the organization's moral tone, commonly referred to as the tone at the top. This tone is an intangible internal control element that consists of the employees' perception of the ethical conduct displayed by the governing board and executive management.

A strong system of internal controls that consists of all five elements can provide reasonable but not absolute assurance that the organization will achieve its goals and objectives.

Weaknesses in or the lack of internal controls have led to an environment where there is the potential for fraud, misappropriation and misuse of assets at the Twin Rivers Charter School. Although FCMAT found significant material weaknesses in the internal control structure, based on the findings in this report, there is insufficient evidence to demonstrate that fraud, misappropriation of funds and/or assets or other illegal activities may have occurred in the specific areas reviewed. The lack of written accounting policies and procedures approved by the governing board have contributed to an environment of miscommunication and poor financial reporting, in addition to weaknesses in the internal control structure.

Findings

Cash Deposits, Sales, and Cash Internal Controls

Pennies for Patients Fundraising

The school enters into many fundraising ventures such as Pennies for Patients where the funds are given to the Leukemia & Lymphoma Society. The funds were raised at the school and consisted primarily of coins and some cash. There are no written fundraising policies and procedures that define the process required for fundraising events nor are there other procedures necessary for safeguarding funds, such as never counting money alone and the proper use of cash count forms and signing forms with a witness, all of which assist in protecting employees and the school from allegations of fraud. Because of poor internal controls, the Pennies for Patients funds were not recorded in the school's accounting records, the CBO did not know the total funds collected or where the funds were, and no written chain of custody, cash count forms, or audit trail of the funds existed.

Without any audit trail, FCMAT could not audit and confirm through the school's accounting records or cash count forms that the fundraiser took place, that the funds were safeguarded, or that funds were actually remitted to the Leukemia & Lymphoma Society. School staff in charge of the fundraiser stated in interviews that at the end of the fundraiser, volunteers took the funds to a bank and utilized the bank's coin counting machine. They stated that the bank allows its customers to use this machine free of charge for certain events. That is why the volunteers utilized the bank rather than taking the funds to a Coin Star counter that charges a 10% fee. Since the bank was aware of the school's fundraiser, the 10% processing fee was waived.

The two school staff who volunteered for the fundraiser and witnessed the funds as they were counted stated that the April 2014 Pennies for Patients fundraiser raised \$1,429.63. Once the coins and cash were counted, the funds were deposited into the personal bank account of one of the staff, further compounding the breakdown in internal controls. The bank then issued a cashier's check written from the staff member's bank account to the Leukemia & Lymphoma Society.

Since there was no documentation of the Pennies for Patients transaction in the school, FCMAT requested that the staff member obtain documentation from the bank corroborating the funds counted at the bank. On Wednesday, April 20, 2016, FCMAT met with both staff members; they provided the bank's receipt for the funds and the receipt of the bank's cashier's check to the Leukemia & Lymphoma Society.

FCMAT reviewed the staff member's bank receipt, as well as the staff's beginning bank account balance, the funds deposited, which included documentation listing each teacher's name who participated in the fundraiser and how much each teacher raised, and the staff member's ending bank account balance after the cashier's check was written. The result was that the bank balance returned to the same balance as it was prior to the fundraising deposit and subsequent check. To document the transaction, FCMAT prepared a Pennies for Patients document the staff members signed stating which bank account the Pennies for Patients money was deposited into, that both staff witnessed the funds counted at the bank, and that once all associated fundraising transactions were complete, the staff member's bank account returned to its original balance.

Child Nutrition (School Meal) and Child Day Care

During the 2013-14 and 2014-15 fiscal years, all of the school's business and accounting operations, including child nutrition (known as school meals in the district), and child day care programs were reconciled and monitored through the school's CBO. After October 2014 the CBO's responsibilities were modified by the superintendent/principal, who transferred much of the school meal and child day care duties to the school registrar, although the CBO continued to be responsible for the other aspects of business and accounting such as deposits, cash disbursements, purchasing, financial reporting, human resources, and payroll.

Regardless of which staff member performs specific duties of the school meal and child day care programs, the cash collections and data entry should reconcile with the students served.

As of 2015-16, the school meal and child day care procedures were modified so that the CBO is provided the cash receipts issued from the receipt book and cash collected from the school meal and child day care programs. Because the CBO only receives cash receipts and cash collected, the CBO does not reconcile the cash collections with the number of children served and parent payments as recorded in the school meal and child care spreadsheets maintained by the registrar.

FCMAT sampled the school meal and child day care programs as shown in Tables I and II:

Table I: School Meal Sample

	12 Months	6 Months	
Description:	2014-15	2015-16	Total
Total Revenue	\$17,080	\$5,398	\$22,478
Sampled Revenue	\$4,593	\$3,949	\$8,542
% Sampled	26.9%	73.2%	38.0%
Total Number Deposits	15	6	21
Sampled Number Deposits	3	3	6
% Sampled	20.0%	50.0%	28.6%

Table II: Child Day Care Sample

	12 Months	6 Months	
Description:	2014-15	2015-16	Total
Total Revenue	\$66,787	\$31,875	\$98,662
Sampled Revenue	\$12,783	\$23,906	\$36,689
% Sampled	19.1%	75.0%	37.2%
Total Number Deposits	14	8	22
Sampled Number Deposits	3	5	8
% Sampled	21.4%	62.5%	36.4%

To gain an understanding of school meal and child day care transactions, FCMAT examined cash receipts issued from receipt books, cancelled checks, cash deposits, accounting records, revenue reports, attendance reports, and student participation reports. Cash collections and financial reporting were reconciled, with confirmation that cash collected was deposited. FCMAT found that while cash was eventually deposited, the time between cash collection and deposit into the bank was excessive.

Deposit timing is determined by reviewing the cash receipt book and examining the dates of the receipts. Tables III and IV show the school meal deposit timing testing and Tables V and VI show the child day care deposit timing testing.

Table III: School Meal Sample, 12 Months, 2014-15

Earliest Receipt	Deposit Date	Days Variance	Total # Receipts	Deposit Amount
08/12/14	09/05/14	24	69	\$ 1,863
1/23/2015	02/27/15	35	23	\$1,156
2/17/2015	03/16/15	27	39	\$1,574

Average Days Variance = 29. Total Deposit = \$4,593

The 2014-15 average variance is 29 days from the first receipt issued to the date of the deposit.

Table IV: School Meal Sample, 6 Months, 2015-16

Earliest Receipt	Deposit Date	Days Variance	Total # Receipts	Deposit Amount
08/10/15	10/09/15	60	70	\$ 2,771
10/02/15	10/19/15	17	16	\$ 705
10/19/15	10/29/15	10	23	\$ 473

Average Days Variance = 29. Total Deposit = \$3,949

The 2015-16 average variance is 29 days from the first receipt issued to the date of the deposit. The combined student meal 2014-15 and 2015-16 average variance is 29 days, and the longest time period that funds were held before deposit was 60 days.

Table V: Child Day Care Sample, 12 Months, 2014-15

Earliest Receipt	Deposit Date	Days Variance	Total # Receipts	Deposit Amount
8/19/2014	08/26/14	7	37	\$ 5,681
1/30/2015	02/20/15	21	32	\$3,406
2/24/2015	03/16/15	20	24	\$3,696

Average Days Variance = 16. Total Deposit = \$12,783

The 2014-15 average variance is 16 days from the first receipt issued to the date of the deposit.

Table VI: Child Day Care Sample, 6 Months, 2015-16

Earliest Receipt	Deposit Date	Days Variance	Total # Receipts	Deposit Amount
06/25/15	08/04/15	40	30	\$ 7,558
08/04/15	08/25/15	21	55	\$6,138
08/24/15	10/02/15	39	65	\$6,105
10/02/15	10/19/15	17	24	\$2,249
10/19/15	10/29/15	10	21	\$1,856

Average Days Variance = 25. Total Deposit = \$23,906

The 2015-16 average variance is 25 days from the first receipt issued to the date of the deposit. The combined child day care 2014-15 and 2015-16 average variance is 22 days from the first receipt issued to the date of the deposit, and the longest time period that funds were held before deposit was 40 days.

Both the school meal and child day care samples show that deposits are not timely. The school has no written policy and procedure detailing how often deposits should be made. The best practice is that deposits should occur at least weekly. Weekly deposits help prevent received checks from becoming stale and returned by the bank and also means less cash is held in the school safe at any given time, which minimizes losses in the event of theft. The CBO and registrar will need to work together so the CBO can reconcile both programs.

Fundraising, Book Sale Programs, and Other Sales

Teachers and others who collect funds for events and other fundraisers such as shirt or book sales, etc., are using unsecure generic mail envelopes to deliver the funds to the CBO. Based on FCMAT's examination of deposits, many cash internal controls are missing, as follows:

- There are no cash count forms, event forms, or other type of inventory tally sheets used to document how much funds were collected, the type of funds collected (e.g., check or cash), the purpose and date of the event, who collected and counted the funds, who the witness was that also counted the funds, signatures and the date the count was done.
- A duplicate copy of the cash count forms, event forms, or inventory tally sheet forms was not retained to serve as a backup copy to use when reconciling the funds eventually deposited at the bank.
- An inventory control was not used during the fundraiser to reconcile how many items (i.e. shirts, books, or other items) were sold, including information on how many items were initially available to sell, and how many items were left at the end of the fundraiser in enough detail to reconcile the quantity and dollar amounts sold.

Based on FCMAT's interviews and examination of provided documentation, the school does not appropriately document the chain of custody of funds with witness signatures. All funds collected by any staff, teachers or volunteer should be counted, dated, and signed together with a witness, a copy of the cash count or fundraising event form kept, and the funds delivered to the CBO with a witness. The CBO should always recount event funds with a witness. Both the CBO and witness sign the forms, document discrepancies, if any, and retain copies of the cash count or fundraising event form with the deposit documents.

Cash and checks collected at either school site and from fundraising activities are placed in either unsecure envelopes or zipper bags. The zipper bags are non-locking. Anytime funds are collected, the funds should be placed in locking zipper bags or, preferably, tamper-proof plastic bank bags that permanently seal until cut open. Tamper-proof plastic bank bags should be used to transport funds even between school sites or the county treasury location. Funds should always be counted with a witness present, with both witnesses signing off at all stages of custody transitions. This is the best way to ensure that the chain of custody of the funds is not broken and allows witnesses to corroborate each other's presence during custody.

The Scholastic Book Fair held September 2015 allegedly raised \$550.18, which was remitted to the CBO in a large unsecure envelope. Fundraising money is commonly submitted in unsecure envelopes, not counted at events by two witnesses, and typically not counted at the event at all.

Upon presentation of the scholastic book fair money to the CBO, the CBO allegedly counted the money without a witness and added the funds to the October 9, 2015 deposit. The school failed to use a cash count form, fundraising event form or other document that identified how much money was raised and counted by two witnesses at the fair.

Using a cash count form or fundraising form that is completed and documented with witness signatures throughout the chain of cash custody process is a critical internal control procedure. Without proper documentation, there is no supporting evidence that \$550.18 was the actual amount raised at the scholastic book fair or deposited by the CBO into the bank.

Book sale programs are operated with the cooperation and equipment from Scholastic Books, which supplies a credit card terminal. Purchases through the credit card terminal are directly transmitted to Scholastic Books, and the school keeps the cash and check sales. At the end of the event, Scholastic Books and the school determine if any additional funds are owed to Scholastic Books or if Scholastic Books owes funds to the school based on the inventory initially provided for the sale.

During the event, there is an opportunity every day to produce a report through the credit card terminal to help reconcile the books sold, the payment method, and funds received. Even so, the school did not produce a report of daily book sales for the September 2015 book fair. The deposits made by the school are the only evidence of the sales. FCMAT verified that Scholastic Books does have such daily reporting available. In fact, FCMAT found in the school's vendor files that for the prior year there was an invoice dated December 16, 2014 identifying the cash, checks and credit card transaction amounts reconciling to the settlement of the account.

Receipt Books Needed for Each Program

The school uses receipt books; however, they are not specific to each program and receipts for school lunch, child day care, and other miscellaneous receipts are mixed within one common receipt book. Each major program at each school site should have a receipt book. For example, the elementary school site should have at least three receipt books in the front office: one each for school lunch, child day care, and all other (miscellaneous) cash collections. Individual receipt books for each program help ensure that program cash collections are easily identifiable and reconcilable to individual parent accounts and to the accounting records of the school.

Taking Money to the County Treasurer or Bank

Deposits remitted to the county treasurer are taken alone by the CBO without a witness. Best practice is that money is not taken to the county treasurer or any bank alone. If an accident happens during transport and school money is lost, the CBO or anyone who transports funds alone would have no witness and could be subject to allegations of theft. If there is no way to send two people to make deposits, then the person making the deposits should alter the path they take to the bank, and should make sure deposits are made on different days and times so their behavior is not easily traced by a potential robber.

Accounting Policies and Procedures Manual

The school lacks an accounting policies and procedures manual. Accounting policies and procedures define and describe how accounting and accounting related transactions should be processed, authorized and recorded in the books, and the types of forms needed for each procedure. Without written, governing-board-approved accounting policies and procedures supporting

strong internal controls, the school's management, staff, and volunteers are left unprotected from accusations of mismanagement of school funds.

Examples of accounting policies and procedures that the school should consider include: travel and reimbursements; purchasing; standards for financial reporting; preparation of tax and reporting forms such as nonprofit tax returns, payroll tax forms, and independent contractor 1099 reporting; related party arrangements such as with the school's nonprofit foundation; audit committee formation and responsibilities; retention and management of files and records; insurance requirements; maintenance requests; fundraising; donations and grants; accrued liabilities; notes payable; lines of credit; supplies and inventory receiving and inspection; professional development; financial reserves; journal entries and reclassification entries; check signing authority; cash receipts and deposits; wire transfers; petty cash; cash boxes; credit and debit cards; bank account reconciliation; fixed assets and leases; capitalization and depreciation; accounts payable and cash disbursements; vendor selection; prepaid expenses; employee relocation costs; accounts receivable; invoicing; receivable accruals; cash receipts; and restricted funds.

Employee or Human Resources Manual, At-Will Employment Agreement

The school has an Employment Handbook; however, the handbook does not describe the school's vacation policy in detail. The vacation policy of the school states:

While the School recognizes the importance of vacation time as a period of rest and rejuvenation away from the job, vacations must be scheduled with due consideration for 'peak traffic periods' in the school. With this in mind, it is expected that vacation time will be taken when school is not in session. The School does not provide paid vacation time.

The vacation policy states the school does not provide paid vacation time. Discussion of vacation time practices with employees revealed that at least one employee is provided paid vacation time that is not tracked or accounted for in the accounting records. Review of a sample of employee contracts confirmed one employee is awarded paid vacation time as written in the employee's At-Will Employment Agreement.

The At-Will Employment Agreement (AWEA) of the employee who earns paid vacation time references the school's Employment Handbook and states:

Employment rights and benefits for employment at TRCS shall only be as specified in this Employment Agreement, TRCS' charter, the Charter Schools Act and TRCS' Employment Handbook, which from time to time may be amended and modified by TRCS. Employment rights and benefits may be affected by other applicable agreements or directives or advisories from the California Department of Education or State Board of Education. During the term of this Agreement, Employee shall not acquire or accrue tenure, or any employment rights with TRCS.

Neither the AWEA nor the Employment Handbook examined state which document should prevail when they differ.

The Employment Handbook fails to define how employees earn or accrue paid vacation time off, and fails to describe the process for an employee to report to the CBO or payroll department their use of paid vacation time. There is no liability for outstanding paid vacation time recorded in the accounting records. The school's unused paid vacation time at the end of the 2015-16

fiscal year is estimated as \$3,934 based on FCMAT's assumption that the staff member who accrues vacation time will not use any vacation time prior to June 30, 2016. The unused paid vacation of \$3,934 was calculated by taking the staff member's salary, dividing that salary by 1,840 hours (230 days x 8 hours/day = 1,840 hours) to come up with an hourly rate, and then multiplying that by the three weeks of paid vacation as of June 30.

Two AWEAs were examined, one for classified staff and one for certificated staff. Both were recently updated by the school for the 2015-16 school year. The Employment Terms and Conditions sections for both AWEAs state:

A copy of the job description for the above position is attached hereto and incorporated by reference herein. These duties may be amended from time to time in the sole discretion of TRCS.

and

Workdays for the Employee shall be consistent with the applicable calendar of workdays for this position. The current year schedule is attached hereto and incorporated by reference herein.

Both of the AWEAs that FCMAT examined were the employee's original signed AWEA. Neither a job description nor a calendar of workdays for the position was attached as specified. When FCMAT inquired about job descriptions and calendar of workdays, it was explained that no formally approved job descriptions or salary schedules exist for prior years and the workday calendars were not available. FCMAT was also told that some job descriptions have been discussed and prepared for management review but have not been presented to the school board for review and approval. Without a calendar of workdays attached to each employee's AWEA, it cannot be determined which days an employee is required to be at work.

Although sick leave is described in the Employment Handbook for exempt and nonexempt employees, the AWEA does not address sick leave. Because the AWEA does not reference the Employment Handbook, it could be concluded that sick leave is not allowed since the AWEA is considered the employee's employment agreement with the school. The AWEA or Employment Handbook should stipulate which document should prevail when there is a difference between them; otherwise any employee who has been paid sick leave may have been provided a gift of public funds based on the signed AWEA.

The school's Employment Handbook and AWEA should clearly describe how much paid vacation and sick leave each class or type of employee should earn, and how it is used and tracked. Each employee should have a complete job description and calendar of workdays attached to their AWEA.

Visa Credit Card

The school uses a Visa credit card with a spending limit of \$2,000. The card is in the name of the school CBO and includes the name of the school, although it is linked to the CBO's social security number. The CBO position is responsible for reconciling, paying, and accounting for the card.

The school should discontinue the use of the Visa credit card in the name of the CBO and obtain a CAL-Card (purchase card) or a Visa in the name of a management staff member who does not have reconciliation, payment, and accounting duties. CAL-Card is from the California State Department of General Services, Procurement Division, can be used by state agencies and

local governmental agencies through an agreement with U.S. Bank National Association, and is designed for acquiring goods and services. The CBO's name and social security number should not be used or associated with the credit card in any way.

AB 139 Extraordinary Audit Report Summary

Based on the findings in this report, there is not sufficient evidence to demonstrate that fraud, mismanagement and/or misappropriation of funds and assets or other illegal activities may have occurred. However, significant deficiencies in the school's internal control environment exist and increase the probability of fraud and/or abuse. These findings should be of great concern to the charter's governing board, the Yuba City Unified School District, and the Sutter County Superintendent of Schools and require immediate intervention to limit the risk of fraud and/or misappropriation of assets in the future.

Recommendations

The county superintendent should:

1. Notify the governing board of the school that insufficient documentation exists that fraud, misappropriation of charter funds and/or assets or other illegal activities may have occurred, and that the county office has concluded its review.

The school should:

1. Reconcile monthly the school meal and child day care programs as follows:
 - The school site secretary at each site collects cash, and all cash collections made during the school day are directed to this staff member. When cash is collected, a cash receipt is issued to the paying parents and the school site secretary also records the information in a receipt log that identifies the purpose of the payment (e.g., school meals, child day care, or other). A sample receipt log is shown below.

Twin Rivers Charter School							
Weekly Cash Receipts Log							
Name	Date	Cash or Check No.	Receipt No.	Child Day Care	School Meals	Other	Total
John Smith	3/6/16	5625	518532	\$48.00	\$ -	\$ -	\$48.00
Emily Jones	4/10/16	Cash	19420	\$63.00	-	-	\$63.00
Mike Barnes	10/23/16	58756	19565	-	\$25.00	\$20.00	\$45.00
Shirley Blue	10/25/16	Cash	15327	\$400.00	-	-	\$400.00
Mary Brown	11/16/16	59565349	519327	\$120.00	\$150.00	\$20.00	\$290.00
Totals			5	\$631.00	\$175.00	\$40.00	\$846.00

- If child day care payments are received after hours (when the school site secretary is no longer at work), the child day care staff who receives the money issues a receipt to the paying parent. The school site secretary records the information into the receipt log on the next business morning and adds the cash to the deposit.
- The school has two locations, the church site location or elementary school and a newly built location to serve both elementary and middle school students. The school plans to leave the church site location in favor of the newly built location. However, as long as there are two locations, receipts issued at the second school site are recorded by that site secretary and entered into that site's receipt log. Funds from the second location at the church school site are transported to the CBO on Monday with a witness for the funds to be combined into the CBO's weekly deposit.
- Each school site has at least two receipt logs and two deposit bags. Each receipt log identifies child day care, school meals, and other cash receipts as shown in the example Weekly Cash Receipts Log above.
- The receipt log is specific to each week, with the total deposit listed at the bottom of the receipt log and those totals allocated among school meals, child day care, and other payments.
- The Microsoft Excel electronic receipt log ending each Friday is transmitted electronically the following Monday or business day to both the CBO and registrar.

- The registrar records the meal payments received that are reported in the receipt log for students' school meals into the school meal activity report and also compares the child day care payments from the receipt log to the payments recorded in the child day care activity report, which is updated by the child day care staff. This ensures that funds received reconcile to each student's account for both meals and day care.
 - The CBO obtains each week's deposit of cash from the school safe on Friday, counts the funds received from the school safe and other school site with a witness, and deposits those funds with a witness in the county treasury within three days of retrieving the funds from the school safe.
 - At the end of each month the registrar sends the school meal and child day care activity reports to the CBO, who reconciles the month's receipt log deposits to the payments recorded in the school meal and child day care activity reports.
 - Any discrepancies between the deposits and the school meal and child day care activity reports are resolved between the CBO and registrar.
2. Ensure that any fundraiser or sales event, including book sales events, is preapproved and includes proper cash controls and documentation. When an organization such as Scholastic Books is the sponsor of the event and provides credit card terminals from which reports may be produced, daily reconciliation reports are produced and reconciled by the school to the funds collected. The reconciliation report serves as a cash control form, or an additional cash control form is used to count the funds with a witness present. Both witnesses sign off that the funds agree to the report. A copy of the report and cash count form accompanies the funds in a plastic tamper-proof deposit bag given to the school CBO.
3. Ensure that all fundraising, sales, or other cash collection events are confirmed:
- Duplicate copy cash count forms, event forms, or inventory tally sheets are used to document how much funds were collected, the type of funds collected (e.g., check or cash), the purpose and date of the event, and who collected and counted the funds with a witness and their signatures and date.
 - Inventory controls are implemented to reconcile how many items were in possession at the beginning and the end of the event and the dollar amounts sold.
 - All funds collected by any staff, teachers or volunteers are counted together with a witness at the event, a copy of the cash count or fundraising event form kept by those counting funds at the event, and the funds sent to the CBO with a witness. The CBO recounts any funds with a witness, and both the CBO and witness sign the forms. Discrepancies, if any, are documented, and copies kept of the cash count or fundraising form with the deposit documents.
 - Any funds collected are placed in locking zipper bags or tamper-proof plastic bank bags that permanently seal until cut open.
 - Tamper-proof plastic bank bags are used to transport funds between school sites, events, and the bank or county treasury location, and only opened with a witness present for dual counting and signature sign off.

4. Ensure that a receipt book is used for each major program at each school site. Individual receipt books for each program contribute to ensuring that program cash collections are more easily reconcilable to individual parent accounts and to the accounting records of the school.
5. Ensure that the CBO or any staff who transports funds to the bank or county treasury is provided with a witness.
6. Create an accounting policies and procedures manual that includes detailed policies and procedures setting out all aspects of the school's accounting and financial transactions and internal control system procedures. The manual should include, but not be limited to, written policies specific to:
 - a. Fundraising, sales, and other events.
 - b. Cash controls, the proper use of forms, and procedures for all transactions where money is involved.
 - c. The recording of all fundraising funds in the accounting records as fundraising or donation revenue and as an expense when the check is written to the charity.
 - d. Other accounting policies and procedures as listed in the Accounting Policies and Procedures Manual section of this report.
7. Update both the school's Employment Handbook and AWEAs to clearly describe how much paid vacation time each class of employee or individual employee should earn and how paid vacation time is used and tracked. Each employee has a complete job description and calendar of workdays attached to their AWEA. The Employment Handbook and AWEA clearly describe which document is the governing document and prevail when there is a difference between the two.
8. Discontinue the use of the Visa credit card in the name of the CBO and obtain a CAL-Card (Purchase Card) or a Visa in the name of another management staff not responsible for reconciliation, payment, and accounting duties.

Appendix

Study Agreement



CSIS California School Information Services

**FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM
AB139 STUDY AGREEMENT
February 1, 2016**

The Fiscal Crisis and Management Assistance Team (FCMAT), hereinafter referred to as the team, and the Sutter County Superintendent of Schools, hereinafter referred to as the COE, mutually agree as follows:

1. BASIS OF AGREEMENT

The team provides a variety of services to local education agencies. Pursuant to the provisions of Education Code (EC) Section 1241.5 (b), a county superintendent of schools may review or audit the expenditures and internal controls of any school in his or her county if he or she has reason to believe that fraud, misappropriation of funds, or other illegal fiscal practices have occurred that merit examination. The extraordinary audits conducted by the county superintendent shall be focused on the alleged fraud, misappropriation of funds, or other illegal fiscal practices and shall be conducted in a timely and efficient manner.

All work shall be performed in accordance with the terms and conditions of this agreement.

2. SCOPE OF THE WORK

A. Scope and Objectives of the Study

The Sutter County Superintendent of Schools has requested that the team assign professionals to conduct an AB 139 extraordinary audit on behalf of the Twin Rivers Charter School. Per Education Code Section 1241.5(c), the superintendent has reason to believe that fraud, misappropriation of funds, or other illegal practices may have occurred.

The primary focus of this review is to provide the county office with reasonable assurances, based on the sample testing performed, that adequate management and internal controls are in place for the reporting and monitoring of financial transactions and that fraud, misappropriation of funds, or other illegal activities have not occurred. Specific review objectives will include the evaluation of policies, procedures, internal controls and transactions performed by the charter school.

Testing for this review will be based on sample selections; it will not include all transactions and records for the sample period. The sample period will be sampled from the 2014-2015 fiscal year and July 1, 2015 through December 31, 2015 of the current fiscal year. Sample testing and review results are intended to provide reasonable, but not absolute assurance regarding the accuracy of the charter school's financial transactions, bank records and activity. The review of the charter school sample testing during the sample period will include, but not be limited to the following:

1. Review internal controls of the child care and child nutrition programs, book sales, and other sales/fundraising programs as considered necessary/ including but not limited to the following:
 - a. Cash receipts, deposits, accounts receivable,
 - b. Cash disbursements, reimbursements, checks, accounts payable, purchasing,
 - c. Payroll and personnel,
 - d. Transaction authorizations,
 - e. Segregation of duties,
 - f. Management authorization procedures and practices, override of procedures, and delegation of authorization and signature authority,
 - g. Journal entries preparation, accounting and documentation,
 - h. Bank account and other account reconciliations,
 - i. Free and reduced meal counts,
 - j. Adherence to existing accounting and governing board policies and procedures compared with the charter petition.
2. Review independent auditor's reports, governing board minutes and agendas, and other internal reports.
3. Review contracts, agreements, and MOUs.
4. Review how assets are safeguarded, including physical objects, inventory, charter school data and intellectual property.
5. Evaluate the reliability and integrity of information used for internal management decisions and external agency reporting.

B. Services and Products to be Provided

1. Orientation Meeting - The team will conduct an orientation session at the district to brief management and supervisory personnel on the team's procedures and the purpose and schedule of the study.
2. On-site Review - The team will conduct an on-site review at the district office and at school sites if necessary; and will continue to review pertinent documents off-site.
3. Progress Reports - The team will inform the COE of material issues as the review is performed.

4. Exit Meeting – The team will hold an exit meeting at the conclusion of the on-site review to inform the COE of any significant findings to that point.
5. Draft Report – When appropriate, electronic copies of a preliminary draft report will be delivered to the COE’s administration for review and comment on a schedule determined by the team.
6. Final Report - Electronic copies of the final report will be delivered to the COE and/or district following completion of the review. Printed copies are available from the FCMAT office upon request.
7. Follow-Up Support – If requested, the team will meet with the COE and/or district to discuss the findings and recommendations of the report.

3. **PROJECT PERSONNEL**

The study team will be supervised by Michael H. Fine, Chief Administrative Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

- | | | |
|----|-----------------------|--------------------------------|
| A. | Michelle Plumbtree | FCMAT Chief Management Analyst |
| B. | Michael Ammermon, CPA | FCMAT Consultant |

Other equally qualified staff or consultants will be substituted in the event one of the above individuals is unable to participate in the study.

4. **PROJECT COSTS**

The cost for studies requested pursuant to E.C. 42127.8 (d) (1) shall be:

- A. \$800 per day for each staff team member while on site, conducting fieldwork at other locations, presenting reports, or participating in meetings. The cost of independent FCMAT consultants will be billed at their actual daily rate.
- B. All out-of-pocket expenses, including travel, meals and lodging.

Based on the elements noted in Section 2A, the total estimated cost of the study will be \$65,000.

- C. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT services may be reimbursed from funds pursuant to EC 1241.5 set aside for this purpose. Other payments, when deemed necessary, are payable to Kern County Superintendent of Schools - Administrative Agent.

5. **RESPONSIBILITIES OF THE COE AND/OR DISTRICT**

- A. The district will provide office and conference room space during on-site reviews.
- B. The district will provide the following if requested:
 - 1. Policies, regulations and prior reports addressing the study request
 - 2. Current or proposed organizational charts
 - 3. Current and two (2) prior years' audit reports
 - 4. Any documents requested on a supplemental list. Documents requested on the supplemental list should be provided to FCMAT only in electronic format; if only hard copies are available, they should be scanned by the district and sent to FCMAT in an electronic format
 - 5. Documents should be provided in advance of fieldwork; any delay in the receipt of the requested documents may affect the start date and/or completion date of the project. Upon approval of the signed study agreement, access will be provided to FCMAT's online SharePoint document repository where the district shall upload all requested documents.
- C. The COE and/or district's administration will review a preliminary draft copy of the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with pupils. The district shall take appropriate steps to comply with EC 45125.1(c).

6. **PROJECT SCHEDULE**

The following schedule outlines the planned completion dates for different phases of the study and will be established upon the receipt of a signed study agreement:

<i>Orientation:</i>	<i>To be determined</i>
<i>Staff Interviews:</i>	<i>To be determined</i>
<i>Exit Meeting:</i>	<i>To be determined</i>
<i>Preliminary Report Submitted</i>	<i>To be determined</i>
<i>Final Report Submitted</i>	<i>To be determined</i>

7. COMMENCEMENT, TERMINATION AND COMPLETION OF WORK

FCMAT will begin work as soon as it has assembled an available and appropriate study team consisting of FCMAT staff and independent consultants, taking into consideration other jobs FCMAT has previously undertaken and assignments from the state. The team will work expeditiously to complete its work and deliver its report, subject to the cooperation of the district and any other parties from which, in the team's judgment, it must obtain information. Once the team has completed its fieldwork, it will proceed to prepare a preliminary draft report and a final report. Prior to completion of fieldwork, the district may terminate its request for service and will be responsible for all costs incurred by FCMAT to the date of termination under Section 4 (Project Costs). If the district does not provide written notice of termination prior to completion of fieldwork, the team will complete its work and deliver its report and the district will be responsible for the full costs. The district understands and agrees that FCMAT is a state agency and all FCMAT reports are published on the FCMAT website and made available to interested parties in state government. In the absence of extraordinary circumstances, FCMAT will not withhold preparation, publication and distribution of a report once fieldwork has been completed, and the district shall not request that it do so.

8. INDEPENDENT CONTRACTOR

FCMAT is an independent contractor and is not an employee or engaged in any manner with the district. The manner in which FCMAT's services are rendered shall be within its sole control and discretion. FCMAT representatives are not authorized to speak for, represent, or obligate the district in any manner without prior express written authorization from an officer of the district.

9. INSURANCE


During the term of this agreement, FCMAT shall maintain liability insurance of not less than \$1 million unless otherwise agreed upon in writing by the district, automobile liability insurance in the amount required under California state law, and workers compensation as required under California state law. FCMAT shall provide certificates of insurance, with additional insured endorsements, indicating applicable insurance coverages upon request.

10. HOLD HARMLESS

FCMAT shall hold the district, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement. Conversely, the district shall hold FCMAT, its board, officers, agents and employees harmless from all suits, claims and liabilities resulting from negligent acts or omissions of its board, officers, agents and employees undertaken under this agreement.

12. CONTACT PERSON


Contact: Gail Atwood, Assistant Superintendent of Business Services
Telephone: (530) 822-2957
E-mail Address: gaila@sutter.k12.ca.us



Gail Atwood, Assistant Superintendent
Business Services
Sutter County Office of Education

2/2/2016

Date



Michael H. Fine
Chief Administrative Officer
Fiscal Crisis & Management Assistance Team

February 1, 2016

Date