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**COMPLIANCE AND RISK MANAGEMENT**

**Audits**

If the Trust self-insures any Trust benefits, the Trust is subject to audit by the Washington State auditor, and it is the policy of the Trustees to assist as necessary with the audit. In such event, the Trust has decided to assume a risk of loss and will have available for inspection by the state auditor a written report indicating the class of risk or risks the Trustees have decided to assume.

The Trust is audited annually by an independent auditor for purposes of compliance with the Internal Revenue Code, the Trust Agreement and other applicable law.

Cross Reference: [Trust Procedure 200.1P](http://docushare.everett.k12.wa.us/docushare/dsweb/Get/Document-32977/200.1P.pdf) Financial Management

Legal References: [RCW 48.62.031](http://apps.leg.wa.gov/rcw/default.aspx?cite=48.62.031)(3 & 5) Authority to self-insure—Options—Risk manager

[Internal Revenue Code 501](http://www.irs.gov/Charities-%26-Non-Profits/Other-Non-Profits/Voluntary-Employee-Beneficiary-Association---501(c)(9))(c)(9)

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