

**Education Audit Appeals Panel
State of California**

Appeal of 2010-11 Audit Finding 11-1 by:

Foresthill Union School District,

Appellant.

EAAP Case No. 12-15

OAH No. 2013020551

Appeal of 2011-12 Audit Finding 12-1 by:

Foresthill Union School District,

Appellant.

EAAP Case No. 13-02

OAH No. 2013040820

Decision

The Education Audit Appeals Panel has adopted the attached Stipulated Agreement of the parties as its Decision in the above-entitled matter, with the understanding that the numbers stated on page 2, lines 15 through 22, mean to refer to the applicable audit findings in EAAP Cases Nos. 12-15 and 13-02, i.e., Finding 11-1 and Finding 12-1, respectively.

Effective date: August 19, 2013.

IT IS SO ORDERED.

August 19, 2013

Date

Original Signed

David Botelho, Chairperson
for Education Audit Appeals Panel

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Justin W. Dersch, SBN 258603
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5 Attorneys for Respondent,
6 JOHN CHIANG, California State Controller

7 **BEFORE THE EDUCATION AUDIT APPEALS PANEL**
8 **FOR THE STATE OF CALIFORNIA**

9 In the Matter of the Audit Appeals of:
10 2010-2011 Audit Finding 2011-1 and
11 2011-2012 Audit Finding 2012-1 by:

} EAAP Case No. 12-15; OAH Case No.
2013020551 and EAAP Case No. 13-02; OAH
Case No. 2013040820 (Consolidated)

12 FORESTHILL UNION SCHOOL DISTRICT,

} **STIPULATED AGREEMENT**

13 Appellant.
14
15

16 Appellant FORESTHILL UNION SCHOOL DISTRICT (Appellant), Respondent JOHN
17 CHIANG, California State Controller (SCO), and Respondent DEPARTMENT OF FINANCE
18 (Finance) (collectively known as "the Parties") agree to a complete resolution of the above-
19 captioned matters as follows:

20 **RECITALS**

21 A. The independent accounting firm of Gilbert Associates, Inc. (Auditor) conducted
22 an audit of the appellant for the 2010-11 and 2011-12 fiscal years, the results of which were
23 included in the audit reports issued on or about December 9, 2011, and December 12, 2012,
24 respectively.

25 B. In Audit Findings 2011-1 and 2012-1, the Auditor determined that the Appellant
26 was not in compliance with Education Code section 51747, which requires a written agreement
27 for each student enrolled in an independent study program.

28 C. The SCO certified the audits.

1 D. The Auditor determined, for Audit Findings 2011-1 and 2012-1, that there was
2 material noncompliance with Education Code section 51747(c)(8) which resulted in an
3 overstatement in the amount of apportionment the Appellant claimed from the State in the
4 amount of \$65,465 (12.63 ADA) and \$25,225 (4.75 ADA), respectively.

5 E. Appellant then timely filed separate requests for formal appeals for Audit
6 Findings 2011-1 and 2012-1 pursuant to Education Code section 41344(d) instituting EAAP case
7 numbers 12-15 and 13-02, respectively.

8 F. Finance intervened as a Respondent in both matters pursuant to Education Code
9 section 41344.1(b).

10 G. On May 15, 2013, the Office of Administrative Hearings consolidated the above
11 matters for hearing on November 5 and 6, 2013.

12 H. In order to avoid the cost and uncertainty of litigation, the parties to this case
13 agree to resolve this dispute on the terms and conditions described herein.

14 AGREEMENT

15 For the purpose of completely settling and resolving the appeal of Audit Finding 12-15
16 and 13-02, the Parties agree as set forth below:

17 1. This stipulated agreement fully and completely resolves all claims, demands,
18 appeals, obligations, or causes of actions arising from or relating to Audit Findings 12-15 and
19 13-02. Accordingly, the Parties expressly waive any right or claim to assert or pursue thereafter
20 any claim, demand, obligation, and/or cause of action relating to Audit Findings 12-15 and
21 13-02.

22 2. The Appellant shall repay in full satisfaction of Audit Findings 12-15 and 13-02
23 from its future apportionments the sum of \$90,688 in equal installments of \$11,336 over a period
24 of eight (8) years, with no interest, commencing with the 2013-14 school year.

25 3. This stipulated agreement is subject to and conditioned upon approval and
26 adoption by EAAP, pursuant to Education Code section 41344.1(b).

27 4. This stipulated agreement may be executed in counterparts, each of which shall

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1 constitute an original. Facsimile and pdf signatures transmitted to other parties to this stipulated
2 agreement are deemed to be the equivalent of original signatures.

3 5. The parties shall be responsible for their own attorneys' fees and costs.

4
5 Dated: 6/28/, 2013

FORESTHILL UNION SCHOOL DISTRICT

6
7 By: Original Signed
8 JIM ROBERTS, Superintendent
9 Representative for Appellant

10 Dated: July 10, 2013

DEPARTMENT OF FINANCE

11 By: Original Signed
12 NICK SCHWEIZER
13 Program Budget Manager,
14 Department of Finance

15 Dated: 7/25/, 2013

OFFICE OF THE STATE CONTROLLER

16 By: Original Signed
17 JUSTIN W. DERSCH
18 Staff Counsel for Respondent,
19 JOHN CHIANG, California State Controller

20
21 APPROVED AS TO FORM:

22 Kamala D. Harris
23 Attorney General of California

24 By: _____
25 Melinda Vaughn
26 Deputy Attorney General
27 Attorney for Department of Finance
28 Date: July 16, 2013