

**Education Audit Appeals Panel
State of California**

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

Kingsburg Elementary Charter School
District,

Appellant.

EAAP Case No. 12-14

OAH No. 2013020553

Decision

The Education Audit Appeals Panel has adopted the attached Stipulated Agreement of the parties as its Decision in the above-entitled matter.

Effective date: November 18, 2013.

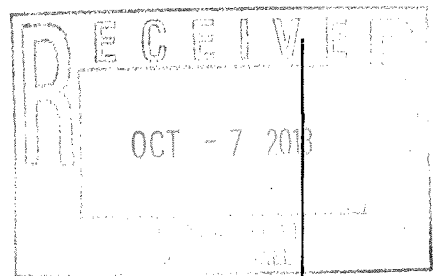
IT IS SO ORDERED.

November 18, 2013

Date

Original Signed

David Botelho, Chairperson
for Education Audit Appeals Panel



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2 Justin W. Dersch, SBN 258603
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8 Attorneys for Respondent,
9 JOHN CHIANG, California State Controller

10 **BEFORE THE EDUCATION AUDIT APPEALS PANEL**
11 **FOR THE STATE OF CALIFORNIA**

12 In the Matter of the Audit Appeal of:) EAAP Case No. 12-14
13 2010-2011 Audit Finding 2011-1 by:) OAH Case No. 2013020553

14 **KINGSBURG ELEMENTARY CHARTER) STIPULATED AGREEMENT**
15 **SCHOOL DISTRICT,**

16 Appellant.

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

21 RECITALS

22 A. The independent accounting firm of Borchardt, Corona & Faeth (Auditor)
23 conducted an audit of the Appellant for the 2010-11 fiscal year, the results of which were
24 included in the audit report issued on or about December 15, 2011, with subsequent revisions on
25 February 10, 2012; June 31, 2012; and May 10, 2013.

26 B. In Audit Finding 2011-1, the Auditor determined that the Appellant was not in
27 compliance with Education Code section 51745.6, which requires a student to teacher ratio of
28 25 to 1 or less in regard to independent study programs.

C. The SCO certified the audit.

1 D. The Auditor determined that there was material noncompliance with Education
2 Code section 51745.6 which resulted in an overstatement in the amount of apportionment the
3 Appellant claimed from the State in the amount of \$97,234 (19.5 ADA).

4 E. Appellant then timely filed a request for formal appeal of Audit Finding 2011-1
5 pursuant to Education Code section 41344(d) instituting this appeal.

6 F. Finance intervened as a Respondent pursuant to Education Code section
7 41344.1(b).

8 G. In order to avoid the cost and uncertainty of litigation, the parties to this case
9 agree to resolve this dispute on the terms and conditions described herein.

10 AGREEMENT

11 For the purpose of completely settling and resolving the appeal of Audit Finding 12-14,
12 the Parties agree as set forth below:

13 1. This stipulated agreement fully and completely resolves all claims, demands,
14 appeals, obligations, or causes of actions arising from or relating to Audit Finding 12-14.
15 Accordingly, the Parties expressly waive any right or claim to assert or pursue thereafter any
16 claim, demand, obligation, and/or cause of action relating to Audit Finding 12-14.

17 2. The Appellant shall repay in full satisfaction of Audit Finding 12-14 from its
18 2013-14 school year apportionment, the sum of \$65,146 with no interest.

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

21 4. This stipulated agreement may be executed in counterparts, each of which shall
22 constitute an original. Facsimile and pdf signatures transmitted to other parties to this stipulated
23 agreement are deemed to be the equivalent of original signatures.

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

Dated: August 6, 2013

KINGSBURG ELEMENTARY CHARTER SCHOOL DISTRICT

By: Original Signed
WES SEVER, Superintendent
Representative for Appellant

Dated: sep 27, 2013

DEPARTMENT OF FINANCE

By: Original Signed
NICK SCHWEIZER
Program Budget Manager,
Department of Finance

Dated: 10/1, 2013

OFFICE OF THE STATE CONTROLLER

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