

**Education Audit Appeals Panel  
State of California**

Appeal of 2011-12 Audit Finding 2012-04  
by:

Waukena Joint Union Elementary  
School District,  
Appellant.

EAAP Case No. 13-04

OAH No. 2014010031

**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: December 15, 2014.

IT IS SO ORDERED.

December 15, 2014  
Date

*Original Signed*  
David Botelho, Chairperson  
for Education Audit Appeals Panel



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10 BEFORE THE EDUCATION AUDIT APPEALS PANEL  
 11 STATE OF CALIFORNIA

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14 In the Matter of the Audit Appeal of Fiscal  
 Year 2011-2012 Audit Finding 12-04:

OAH Case No. 2014010031

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16 WAUKENA JOINT UNION  
 ELEMENTARY SCHOOL DISTRICT,

EAAP Case No. 13-04

17

Appellant,

STIPULATED AGREEMENT

18

v.

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20 CALIFORNIA STATE CONTROLLER,

Respondent,

21

22 DEPARTMENT OF FINANCE,

Intervener.

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25 Appellant Waukena Joint Union Elementary School District (District), respondent

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27 California State Controller (SCO), and intervener California Department of Finance (DOF) agree

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to a complete resolution of this appeal of Audit Finding 12-04 for fiscal year 2011-12 as follows:

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1 RECITALS

2 A. Appellant Waukena Joint Union Elementary School District was audited for the  
3 2011-12 fiscal year, and the auditor issued an audit report dated December 11, 2012.

4 B. Audit Finding 12-04 concluded that the District was not in compliance with the  
5 administrator-to-teacher ratio set forth in Education Code section 41403. Audit Finding 12-04  
6 stated:

7 The District properly calculated the ratio which resulted in one excess  
8 administrator.

9 C. The auditor concluded that the effect of Audit Finding 12-04 was the following:

10 The computed penalty is \$57,012 based upon a 77% portion of state revenue  
11 within total revenue, and an average administrator salary of \$74,041.

12 D. The District disputed the determination in Audit Finding 12-04 and requested a  
13 summary review with the Education Audit Appeals Panel (EAAP) on April 22, 2013. Following  
14 EAAP's completion of the summary review process, the District timely filed a formal appeal on  
15 November 15, 2013.

16 E. The District represents that it substantially complied with all legal requirements  
17 relating to the audit findings.

18 F. On January 14, 2014, DOF intervened in the above-captioned matter by notice of  
19 motion and motion to intervene pursuant to section 41344.1, subdivision (b), of the Education  
20 Code. The motion was granted on January 23, 2014.

21 G. To avoid the time and expense of ongoing litigation, the parties have agreed to enter  
22 into this agreement.

23 AGREEMENT

24 For the purpose of completely settling and resolving the audit findings between the District  
25 and SCO and DOF, the parties agree as set forth:

26 1. This stipulated agreement fully and completely resolves all claims, demands, appeals,  
27 obligations, or causes of action relating to Audit Finding 12-04 of the audit of the District for  
28 fiscal year 2011-12.

- 1           2.    The District shall repay \$57,012 over a period of eight years without interest,
- 2   beginning with the 2014-15 fiscal year.
- 3           3.    This District shall ensure that in 2014-15 and all future years it is in compliance with
- 4   the administrator-to-teacher ratio set forth in Education Code section 41403.
- 5           4.    This stipulated agreement is subject to and conditioned upon approval and adoption
- 6   by EAAP, pursuant to section 41344.1, subdivision (b), of the Education Code.
- 7           5.    This stipulated agreement may be executed in counterparts, each of which shall
- 8   constitute an original. Facsimile and PDF signatures transmitted to other parties to this
- 9   Agreement are deemed to be the equivalent of original signatures or counterparts.
- 10          6.    The parties shall be responsible for their own attorney fees and costs.
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The parties ratify the preceding terms and conditions through the signatures of their  
respective representatives, as follows:

DATED: October 23, 2014

WAUKENA JOINT UNION ELEMENTARY  
SCHOOL DISTRICT

By: Original Signed  
Terri Lancaster  
Superintendent  
Waukena Joint Union Elementary School District

DATED: October 23, 2014

OFFICE OF THE STATE CONTROLLER

By: Original Signed  
JOHN DICKERSON  
*Attorney for Respondent Office of the State  
Controller*

DATED: October 30, 2014

DEPARTMENT OF FINANCE

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

DATED: October 31, 2014

KAMALA D. HARRIS  
Attorney General of California  
NIROMI PFEIFFER  
Supervising Deputy Attorney General

By: Original Signed  
R. MATTHEW WISE  
Deputy Attorney General  
*Attorneys for Intervener Department of Finance*

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