

**Education Audit Appeals Panel
State of California**

Appeal of 2015-16 Audit Finding 2016-3 by:

EAAP Case No. 17-06
OAH No. 2017-10-0241

Acton-Agua Dulce School District,
Appellant.

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: Sept. 24, 2018.

IT IS SO ORDERED.

Sept. 24, 2018
Date


Joel Montero, Chairperson
for Education Audit Appeals Panel

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Department of Finance

8
9 BEFORE THE EDUCATION AUDIT APPEALS PANEL
10 STATE OF CALIFORNIA
11

12
13 **In the Matter of the Audit Appeal of:**

14 **The 2015-2016 Audit Finding 2016-003 by**
15 **ACTON-AGUA DULCE UNIFIED**
SCHOOL DISTRICT,

16 Appellant,

17 v.

18 **CALIFORNIA STATE CONTROLLER,**

19 Respondent;

20 **CALIFORNIA DEPARTMENT OF**
21 **FINANCE,**

22 Intervenor.
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EAAP Case No. 17-06

OAH No. 2017100241

STIPULATED AGREEMENT

1 Appellant ACTON-AGUA DULCE SCHOOL DISTRICT (Appellant), Respondent State
2 Controller's Office ("SCO"), and Intervenor Department of Finance (Finance) collectively known
3 as "the Parties" agree to a complete resolution of the above-captioned matters as follows:

4 RECITALS

5 A. The independent accounting firm of Christy White Associates (Auditor) conducted
6 an audit of the Appellant for the 2015-2016 fiscal year; the results of which were included in the
7 audit report issued on or about December 12, 2016.

8 B. In Audit Finding 2016-3 the Auditor determined that the Appellant was not in
9 compliance with Title 5, California Code of Regulations, section 15498.1, which required
10 Appellant to continue reducing average class enrollment in grades K-3.

11 C. Respondent SCO certified the audit.

12 D. The Auditor determined that there was material noncompliance which resulted in
13 an overstatement in the amount of apportionment the Appellant claimed from the State in the
14 amount of \$115,366 relative to Audit Finding 2016-3.

15 E. Appellant then timely filed a request for formal appeal of the subject Audit
16 Findings for 2015-2016 pursuant to Education Code section 41344, subdivision (d), instituting
17 this appeal.

18 F. Finance intervened as a Respondent pursuant to Education Code section 41344.1,
19 subdivision (b).

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

22 AGREEMENT

23 For the purpose of completely settling and resolving the appeal of the referenced Audit
24 Finding for school year 2015-2016, the Parties agree as set forth below:

25 1. This stipulated agreement fully and completely resolves all claims, demands,
26 appeals, obligations, or causes of actions arising from or relating to the referenced Audit Finding.
27 Accordingly, the Parties expressly waive any right or claim to assert or pursue thereafter any
28 claim, demand, obligation, and/or cause of action relating to said Audit Finding.

1 2. The Parties agree that Audit Finding 2016-3 does not reflect that Appellant acted
2 in good faith to comply with the conditions established in law necessary for apportionment of
3 funding. Specifically, Appellant appears to have complied with a Collective Bargaining
4 Agreement that allowed higher average K-3 class sizes; however, Appellant failed to provide the
5 same Collective Bargaining Agreement to the Auditor during the 2015-2016 audit, which resulted
6 in the finding. Accordingly, the repayment of \$115,366 identified in Audit Finding 2016-3 is
7 waived.

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

10 4. This stipulated agreement may be executed in counterparts, each of which shall
11 constitute an original. Facsimile and PDF signature transmitted to other parties to this stipulated
12 agreement are deemed to be the equivalent of original signatures.

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

14
15 Dated: July 26, 2018

ACTON-AGUA DULCE SCHOOL DISTRICT

16
17 By: 
18 Mr. Lawrence King, Superintendent

19 Dated: _____, 2018

DEPARTMENT OF FINANCE

20
21 By: _____
22 Jeff Bell, Program Budget Manager

23 Dated: _____, 2018

OFFICE OF THE STATE CONTROLLER

24
25 By: _____
26 John E. Dickerson, Staff Counsel
27
28

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14
15 Dated: _____, 2018 ACTON-AGUA DULCE SCHOOL DISTRICT

16
17 By: _____
18 Name, Title

19 Dated: _____, 2018 DEPARTMENT OF FINANCE

20
21 By: _____
22 Jeff Bell, Program Budget Manager

23 Dated: 7-25-_____, 2018 OFFICE OF THE STATE CONTROLLER

24
25 By: _____
26 John E. Dickerson, Staff Counsel
27
28

2. The Parties agree that Audit Finding 2016-3 does not reflect that Appellant acted in good faith to comply with the conditions established in law necessary for apportionment of funding. Specifically, Appellant appears to have complied with a Collective Bargaining Agreement that allowed higher average K-3 class sizes; however, Appellant failed to provide the same Collective Bargaining Agreement to the Auditor during the 2015-2016 audit, which resulted in the finding. Accordingly, the repayment of \$115,366 identified in Audit Finding 2016-3 is waived.

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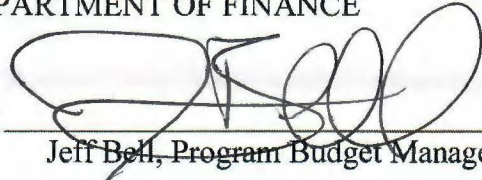
Dated: July 26, 2018

ACTON-AGUA DULCE SCHOOL DISTRICT

By: 
Mr. Lawrence King, Superintendent

Dated: 30 Jul, 2018

DEPARTMENT OF FINANCE

By: 
Jeff Bell, Program Budget Manager

Dated: _____, 2018

OFFICE OF THE STATE CONTROLLER


By: _____
John E. Dickerson, Staff Counsel

1 *AS TO FORM ONLY*

2
3 Dated: August 1, 2018

Respectfully Submitted,

4 XAVIER BECERRA
5 Attorney General of California
6 LESLIE P. McELROY
7 Supervising Deputy Attorney General

8 
9 MARY R. CONKLIN
10 Deputy Attorney General
11 *Attorneys for Intervenor*
12 *Department of Finance*

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