Education Audit Appeals Panel State of California

Appeal of 2013-14 Audit Finding 2014-001 by:

Shasta Union Elementary School District, Appellant.

EAAP Case No. 15-09 OAH No. 2016020408

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:

Date

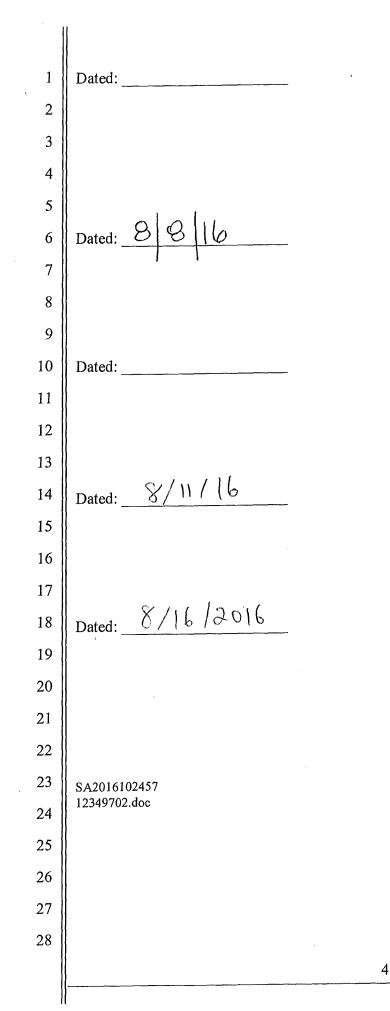
Joel Montero, Chairperson for Education Audit Appeals Panel

1	KAMALA D. HARRIS Attorney General of California	RECEIVED			
[°] 2 3	ISMAEL A. CASTRO Supervising Deputy Attorney General JUDY Y. WONG	OCT 1 2 2016			
4	Deputy Attorney General State Bar No. 299990	EDUCATION AUDIT			
5	1300 I Street, Suite 125 P.O. Box 944255	APPEALS PANEL			
6	Sacramento, CA 94244-2550 Telephone: (916) 327-0356				
7	Facsimile: (916) 324-5567 E-mail: Judy.Wong@doj.ca.gov				
8	Attorneys for Department of Finance				
9					
10	BEFORE THE EDUCATION AUDIT APPEALS PANEL STATE OF CALIFORNIA				
11					
12	IN THE MATTER OF THE APPEAL OF	EAAP CASE NO.: 15-09			
13	FISCAL YEAR 2013-2014, AUDIT FINDING 2014-001 by SHASTA UNION	OAH NO. 2016020408			
14	ELEMENTARY SCHOOL DISTRICT,	STIPULATION AND SETTLEMENT AGREEMENT			
15	Appellant,				
16					
17	OFFICE OF THE STATE CONTROLLER,				
18	Respondent,				
19	DEPARTMENT OF FINANCE,				
20	Intervenor.				
21	Appellant SHASTA UNION ELEMENTARY SCHOOL DISTRICT ("Appellant"),				
22	Respondent BETTY YEE, California State Controller, ("SCO"), and Intervenor DEPARTMENT				
23	OF FINANCE ("Finance") (collectively known as "the parties" and individually, each, a "party")				
24	agree to a complete settlement of the above-captioned matter as follows:				
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28					
	1 Stipulation and Settlement Agreement (2016020408)				
	Stipulation and Settlement Agreement (2016020408)				

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1	<u>RECITALS</u>		
`2	A.	The independent accounting firm of Matsom & Isom (Auditor) conducted an annual	
3	financial con	mpliance audit of the Appellant for the fiscal year of 2013-14, the results of which	
4	were included in the final audit report issued on or about December 15, 2014.		
5	B.	In Audit Finding 2014-001, the Auditor determined that Appellant's independent	
6	study master agreements were substantially complete but missing specific required elements, and		
7	that six of Appellant's independent study master agreements were unsigned. As a result, the		
8	auditor disallowed \$42,912 of Local Control Funding Formula funding received by the Appellant		
9	for the 2013-2014 fiscal year.		
10	C.	The SCO certified the subject audit and audit report and audit finding.	
11	D.	Appellant timely filed a request for formal appeal of Audit Finding 2014-01 (the	
12	"Appeal") pursuant to Education Code section 41344(d), instituting the Appeal before the		
13	Education Audit Appeals Panel ("EAAP").		
14	E.	Finance intervened pursuant to Education Code section 41344.1, subdivision (b).	
15	F.	To avoid the cost and uncertainty of litigation, the parties to this case agree to	
16	completely resolve this dispute on the terms and conditions described below.		
17			
18		AGREEMENT	
19	For th	e purpose of completely settling and resolving the Appeal, the parties, without any	
20	admission o	f liability or wrongdoing, except as provided in section 1 herein, and in furtherance	
21	thereof, do agree as set forth below:		
22	1.	The disallowed amount of \$42,912 shall be reduced to the sum of \$9,195, based on	
23	the six master agreements that were unsigned.		
24	2.	Appellant shall repay in full satisfaction of Audit Finding 2014-001 the sum of	
25	\$9,195, with no interest, from its next principal apportionment following EAAP approval of this		
26	stipulated agreement.		
27	3.	The stipulated agreement fully and completely resolves all claims, demands, appeals,	
28	obligations,	or causes of action arising from or relating to Audit Finding 2014-001. Accordingly,	
	2		
		Stipulation and Settlement Agreement (2016020408)	

1	the parties expressly waive any right or claim to assert or pursue thereafter any claim, demand,			
2	obligation, and/or cause of action relating to Audit Finding 2014-001.			
3	4.	The stipulated agreement is subject to and conditioned upon approval and adoption by		
4	EAAP, pursuant to Education Code section 41344.1(b)and upon ratification by the Appellant's			
5	Governing Board.			
6	5.	This stipulated agreement may be executed in counterparts, each of which shall		
7	constitute an original. Facsimile and .pdf signatures by the parties and/or their designated			
8	representatives are deemed the equivalent of original signatures.			
9	6.	The parties shall bear their own attorneys' fees and costs relative to the Appeal.		
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		3 Stipulation and Settlement Agreement (2016020408)		
	Supriation and Settlement (2010020400)			



SHASTA UNION ELEMENTARY SCHOOL DISTRICT

By:

SEAN B. MICK Lozano Smith LLP Attorneys for Shasta Union Elementary School District

SHASTA UNION ELEMENTARY SCHOOL DISTRICT

Officer of Governing Board Shasta Union Elementary School District

OFFICE OF THE STATE CONTROLLER

By: JOHN DICKERSON Counsel for Hon. Betty Yee State Controller

DEPARTMENT OF EMANCE

JEFF BELL Program Budget Manager Department of Finance

By:

JUDY Y. WONG Deputy Attorney General Attorneys for Department of Finance AS TO FORM ONLY

Dated: 8/9/2016 SHASTA UNION ELEMENTARY 1 SCHOOL DISTRICT 2 By: SEAN B. MICK 3 Lozano Smith LLP Attorneys for Shasta Union Elementary 4 School District 5 Dated: 8 SHASTA UNION ELEMENTARY 6 SCHOOL DISTRICT By: Kat B Ima Officer of Governing Board 7 manes 8 Shasta Union Elementary School District 9 OFFICE OF THE STATE CONTROLLER Dated: _____ 10 By: 11 JOHN DICKERSON Counsel for Hon. Betty Yee 12 State Controller 13 DEPARTMENT OF FINANCE 14 Dated: 15 By: JEFF BELL Program Budget Manager 16 Department of Finance 17 Dated: 18 By: JUDY Y. WONG 19 Deputy Attorney General Attorneys for Department of Finance 20 AS TO FORM ONLY 21 22 23 SA2016102457 12349702.doc 24 有限学校 运动 25 26 「「「「「「「「」」」」。 27 的编辑 網絡 解释的 法问题 28 4 Stipulation and Settlement Agreement (2016020408)

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1	Dated:	SHASTA UNION ELEMENTARY SCHOOL DISTRICT
2		By: Sean B. Mick
3		Lozano Smith LLP
4		Attorneys for Shasta Union Elementary School District
5 6	Dated:	SHASTA UNION ELEMENTARY
7		SCHOOL DISTRICT
8		By: Officer of Governing Board Shasta Union Elementary School District
9	12-5-16	
10 11	Dated: 10-5-16	OFFICE OF THE STATE CONTROLLER By:
12		JOHN DICKERSON Counsel for Hon. Betty Yee
13		State Controller
14	Dated:	DEPARTMENT OF FINANCE
15		By: Jeff Bell
16		JEFF BELL Program Budget Manager Department of Finance
17		Department of Finance
18	Dated:	
19		By: JUDY Y. WONG
20		Deputy Attorney General Attorneys for Department of Finance AS TO FORM ONLY
21		AS TO FORM ONLY
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		Stipulation and Settlement Agreement (201602040

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DECLARATION OF SERVICE BY E-MAIL

Case Name:Shasta Union Elementary School District, AppellantNo.:2016020408

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service with postage thereon fully prepaid that same day in the ordinary course of business.

On <u>October 12, 2016</u>, I served the attached [document title] by transmitting a true copy via electronic mail addressed as follows:

John E. Dickerson, Esq. California State Controller's Office - Legal Office 300 Capital Mall, Suite 1850 Sacramento, CA 95814 **E-mail Address**: JDickerson@sco.ca.gov

Ed Hanson Department of Finance 915 L Street, Seventh Floor Sacramento, CA 95814 **E-mail Address:** Ed.Hanson@dof.ca.gov Sean Mick Lozano Smith, LLP One Capitol Mall, Suite 640 Sacramento, CA 95814 **E-mail Address:** SMick@lozanosmith.com

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on October 12, 2016, at Sacramento, California.

Michelle M. Van Dyke

Declarant

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