

**Education Audit Appeals Panel  
State of California**

Appeal of 2020-21 Audit Finding 2021-005  
by:

Rescue Union School District,  
  
Appellant.

EAAP Case No. 22-16

OAH No. 2023010765


**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: July 24, 2023.

IT IS SO ORDERED.

July 24, 2023  
Date

  
\_\_\_\_\_  
Joel Montero, Chairperson  
for Education Audit Appeals Panel

1 ROB BONTA  
Attorney General of California  
2 MAUREEN C. ONYEAGBAKO  
Supervising Deputy Attorney General  
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Deputy Attorney General  
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*Attorneys for Department of Finance*

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

12  
13 In the Matter of the Audit Appeal of:

Case No. 2023010765

14 Fiscal Year 2020-21 Audit Finding 2021-  
005/40000 by Rescue Union School District,

EAAP Case No. 22-16

15  
16 Appellant.

**JOINT STIPULATION AND  
SETTLEMENT AGREEMENT**

17 v.

18 California State Controller,  
California Department of Finance,

19 Respondents.

20 Appellant Rescue Union School District (Appellant), and Respondents Malia M. Cohen,  
21 California State Controller (SCO), and the Department of Finance (Finance) (collectively, the  
22 Parties), through their undersigned counsel, hereby agree to a complete settlement of the above-  
23 captioned matter as follows:

24 **RECITALS**

25 A. The independent accounting firm of Stephen Roatch Accountancy Corporation (Auditor)  
26 conducted an annual financial compliance audit of Rescue Union School District for the  
27 fiscal year ending on June 30, 2021, the results of which were included in the final audit  
28

1 report, dated December 22, 2021.

2 B. In Audit Finding 2021-005/40000, the Auditor determined that Appellant was not in  
3 compliance with Education Code section 43501, which requires 180 minutes of  
4 instructional time per day for kindergarten classes. The audit report stated, “[t]he District  
5 only provided 165 daily instructional minutes on Wednesday for transitional kindergarten  
6 students,” and the Auditor concluded that Appellant was out of compliance for seven  
7 school days. As a result, the Auditor disallowed \$146,837 received by the Appellant  
8 based on these seven noncompliant school days.  
9

10 C. The SCO certified the subject audit, audit report and audit finding on October 13, 2022.

11 D. Appellant timely filed a request for formal appeal of Finding 2021-005/40000 pursuant to  
12 Education Code section 41344, subdivision (d) on December 9, 2022, instituting the  
13 Appeal before the Education Audit Appeals Panel.  
14

15 E. To avoid the cost and uncertainty of litigation, the Parties to this case agree to completely  
16 resolve this dispute on the terms and conditions described below.

17 **AGREEMENT**

18 For the purpose of completely settling and resolving the Appeal, the Parties do agree as set  
19 forth below:

- 20 1. This stipulated agreement fully and completely resolves all claims, demands, appeals,  
21 obligations, or causes of action arising from or relating to Audit Finding 2021-005/40000.  
22 Accordingly, the Parties expressly waive any right or claim to assert or pursue thereafter  
23 any claim, demand, obligation, and/or cause of action relating to Audit Finding 2021-  
24 005/40000.  
25 2. The Appellant shall have nothing withheld from its future apportionment in regard to  
26 Audit Finding 2021-005/40000.  
27  
28

1 3. This stipulated agreement is subject to and conditioned upon approval and adoption by  
2 Education Audit Appeals Panel, pursuant to section 413441, subdivision (b), of the  
3 Education Code.

4 4. This stipulated agreement may be executed in counterparts, each of which shall constitute  
5 an original. Facsimile and .pdf signatures by the parties and/or their designated  
6 representatives are deemed the equivalent of original signatures.

7 5. The Parties shall bear their own attorneys' fees and costs relative to the Appeal.

8  
9 The parties ratify the preceding terms and conditions through the signatures of their  
10 respective representatives as follows:

11  
12 Dated: \_\_\_\_\_, 2023

Rescue Union School District

13 By: \_\_\_\_\_

14 Jim Shoemake

Superintendent

*Rescue Union School District*

15  
16  
17 Dated: \_\_\_\_\_, 2023

By: \_\_\_\_\_

Joshua E. Morrison, Partner

Atkinson, Andelson, Loya, Ruud & Romo

*Attorney for Rescue Union School District*

18  
19  
20 Dated: MAY 25, 2023

State Controller's Office

21  
22 By:  \_\_\_\_\_

Alexander Fay, Staff Counsel

*Attorney for State Controller's Office*

23  
24  
25 By: \_\_\_\_\_

Chris Ferguson

Program Budget Manager

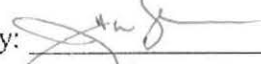
*Department of Finance*

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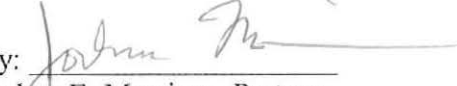
8  
9 The parties ratify the preceding terms and conditions through the signatures of their  
10 respective representatives as follows:

11  
12 Dated: May 31, 2023

Rescue Union School District

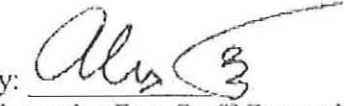
13 By:   
14 Jim Shoemaker  
15 Superintendent  
16 Rescue Union School District


17 Dated: June 1, 2023

18 By:   
19 Joshua E. Morrison, Partner  
20 Atkinson, Andelson, Loya, Ruud & Romo  
21 Attorney for Rescue Union School District

22 Dated: May 25, 2023

State Controller's Office

23 By:   
24 Alexander Fay, Staff Counsel  
25 Attorney for State Controller's Office

26 By:   
27 Chris Ferguson  
28 Program Budget Manager  
Department of Finance

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11  
12 Dated: \_\_\_\_\_, 2023

Rescue Union School District

13 By: \_\_\_\_\_  
14 Jim Shoemake  
15 Superintendent  
16 *Rescue Union School District*


17 Dated: \_\_\_\_\_, 2023

18 By: \_\_\_\_\_  
19 Joshua E. Morrison, Partner  
20 Atkinson, Andelson, Loya, Ruud & Romo  
21 *Attorney for Rescue Union School District*

22 Dated: May 25, 2023

State Controller's Office

23 By:   
24 Alexander Fay, Staff Counsel  
25 *Attorney for State Controller's Office*

26 By:   
27 Chris Ferguson  
28 Program Budget Manager  
*Department of Finance*

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Dated: June 1, 2023

ROB BONTA  
Attorney General of California  
MAUREEN C. ONYEAGBAKO  
Supervising Deputy Attorney General



SANDRA A. DAVIS  
Deputy Attorney General  
*Attorneys for Department of Finance*

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