

**Education Audit Appeals Panel
State of California**

Appeal of Audit Finding 2022-001 by:

EAAP Case No. 23-26

Kernville Union Elementary School District,

OAH No. 2023060905

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: October 23, 2023.

IT IS SO ORDERED.


Date

Oct. 23, 2023


Joel Montero, Chairperson
for Education Audit Appeals Panel

1 HARPREET K. NAKHWAL, State Bar No. 286901
2 KIMBERLEY K CHOW, State Bar No. 289832
3 **OFFICE OF THE STATE CONTROLLER**
4 300 Capitol Mall, Suite 1850
5 Sacramento, CA 95814
6 Telephone No.: (916) 445-2636

7 Attorneys for Respondent,
8 MALIA M. COHEN, California State Controller

9
10 **BEFORE THE EDUCATION AUDITS APPEAL PANEL**
11 **FOR THE STATE OF CALIFORNIA**

12 In the Matter of the Audit Appeal of:) EAAP Case No.: No. 23-26
13 2021-22 Audit Finding No. 2022-001 by:) OAH Case No.: 2023060905
14)
15 KERNVILLE UNION ELEMENTARY) **STIPULATION AND SETTLEMENT**
16 SCHOOL DISTRICT,) **AGREEMENT**
17 Appellant)
18 vs.)
19)
20 OFFICE OF THE STATE CONTROLLER)
21 Respondent,)
22)
23 DEPARTMENT OF FINANCE,)
24 Respondent)

25 INTRODUCTION

Appellant KERNVILLE UNION ELEMENTARY SCHOOL DISTRICT (KERNVILLE),
Respondent MALIA M. COHEN, CALIFORNIA STATE CONTROLLER (SCO), and
Respondent, DEPARTMENT OF FINANCE (DOF) (collectively known as “the Parties”) agree
to a complete settlement of the above-captioned matters as follows:

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RECITALS

- 1
- 2 A. The independent accounting firm of Christy White, A Professional Accountancy
- 3 Corporation (Auditor) conducted an audit of the Appellant for the 2021-22 fiscal year.
- 4 The results of which were included in the audit report issued on or about June 30, 2022.
- 5 B. In Audit Finding 2022-001, The Auditor determined that the Appellant was not in
- 6 compliance with Education Code section 51747(g)(9)(F), which requires independent
- 7 study agreements to contain signatures of the pupil, the pupil’s parent or guardian, and a
- 8 certificated employee affixed no later than 30 days after the first day of independent
- 9 study instruction or October 15, whichever date comes later.
- 10 C. The Auditor determined that the agreements did not contain all the required elements
- 11 outlined in Education Code section 51747(g)(9)(F) in regard to signatures and dates. As a
- 12 result, the Auditor disallowed \$434,094 received by the Appellant in the 2021-22 fiscal
- 13 year.
- 14
- 15 D. The SCO certified the audit.
- 16 E. Appellant timely filed a joint request for formal appeal of Audit Finding 2022-001
- 17 pursuant to Education Code section 41344, subdivision (d), instituting this appeal before
- 18 the Education Audit Appeals Panel (EAAP).
- 19 F. In order to avoid the cost and uncertainty of litigation, the Parties to this case agree to
- 20 resolve this dispute on the terms and conditions described below.

AGREEMENT

21

22 For the purpose of completely settling and resolving the appeal of Audit Finding 2022-001, the

23 Parties agree as set forth below:

24

25

1. This stipulated agreement fully and completely resolves all claims, demands, appeals, obligations, or causes of actions arising from or relating to Audit Finding 2022-001. Accordingly, the Parties expressly waive any right or claim to assert or pursue thereafter any claim, demand, obligation, and/or cause of action relating to Audit Finding 2022-001.
2. Appellant KERNVILLE shall have nothing withheld from its future apportionment in regard to Audit Finding 2022-001.
3. This Stipulated Agreement is subject to and conditioned upon approval and adoption by EAAP, pursuant to Education Code section 41344.1, subsection (b).
4. This Stipulated Agreement may be executed in counterparts, each of which shall constitute an original. Facsimile and PDF signatures transmitted to other parties to this Stipulated Agreement are deemed to be the equivalent of original signatures.

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1 5. The parties shall be responsible for their own attorneys' fees and costs relative to the
2 Appeal.

3 Dated: _____, 2023 KERNVILLE UNION ELEMENTARY SCHOOL
4 DISTRICT

5 By: _____
6 STEVE MARTINEZ
7 Kernville Union Elementary School District

8 Dated: 9/14/2023, 2023 DEPARTMENT OF FINANCE

9 By: Chris Ferguson
10 CHRIS FERGUSON
11 Program Budget Manager
12 Department of Finance

13 Dated: _____, 2023 OFFICE OF THE STATE CONTROLLER

14 By: _____
15 KIMBERLEY K. CHOW
16 Staff Counsel for Respondent,
17 MALIA M. COHEN, California State Controller

18 *AS TO FORM ONLY*

19 Dated: _____, 2023 SCHOOLS LEGAL SERVICE

20 By: _____
21 Melissa D. Allen
22 Attorney for Kernville Union Elementary School District

23 Dated: _____, 2023 OFFICE OF THE ATTORNEY GENERAL


24 By: _____
25 MICHAEL BYERTS
Deputy Attorney General
Attorney for Department of Finance

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Dated: Sept. 14, 2023

KERVILLE UNION ELEMENTARY SCHOOL DISTRICT

By: 
STEVE MARTINEZ
Kernville Union Elementary School District

Dated: _____, 2023

DEPARTMENT OF FINANCE

By: _____
CHRIS FERGUSON
Program Budget Manager
Department of Finance

Dated: _____, 2023

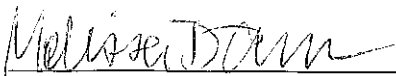
OFFICE OF THE STATE CONTROLLER

By: _____
KIMBERLEY K. CHOW
Staff Counsel for Respondent,
MALIA M. COHEN, California State Controller

AS TO FORM ONLY

Dated: September 14, 2023

SCHOOLS LEGAL SERVICE

By: 
Melissa D. Allen
Attorney for Kernville Union Elementary School District

Dated: _____, 2023

OFFICE OF THE ATTORNEY GENERAL

By: _____
MICHAEL BYERTS
Deputy Attorney General
Attorney for Department of Finance

1 5. The parties shall be responsible for their own attorneys' fees and costs relative to the
2 Appeal.

3 Dated: _____, 2023

KERNVILLE UNION ELEMENTARY SCHOOL
DISTRICT

5 By: _____

6 STEVE MARTINEZ
Kernville Union Elementary School District

8 Dated: 9/14/2023, 2023

DEPARTMENT OF FINANCE

10 By: Chris Ferguson

11 CHRIS FERGUSON
Program Budget Manager
Department of Finance

13 Dated: September 18, 2023

OFFICE OF THE STATE CONTROLLER

15 By: [Signature]

16 KIMBERLEY K. CHOW
Staff Counsel for Respondent,
MALIA M. COHEN, California State Controller

17 AS TO FORM ONLY

18 Dated: _____, 2023

SCHOOLS LEGAL SERVICE

20 By: _____

21 Melissa D. Allen
Attorney for Kernville Union Elementary School District

22 Dated: _____, 2023

OFFICE OF THE ATTORNEY GENERAL

24 By: _____

25 MICHAEL BYERTS
Deputy Attorney General
Attorney for Department of Finance

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3 Dated: _____, 2023

KERNVILLE UNION ELEMENTARY SCHOOL
DISTRICT

5 By: _____

6 STEVE MARTINEZ
7 Kernville Union Elementary School District

8 Dated: _____, 2023

DEPARTMENT OF FINANCE

10 By: _____

11 CHRIS FERGUSON
12 Program Budget Manager
13 Department of Finance

14 Dated: _____, 2023

OFFICE OF THE STATE CONTROLLER

16 By: _____

17 KIMBERLEY K. CHOW
18 Staff Counsel for Respondent,
19 MALIA M. COHEN, California State Controller

20 *AS TO FORM ONLY*

21 Dated: _____, 2023

SCHOOLS LEGAL SERVICE

23 By: _____

24 Melissa D. Allen
25 Attorney for Kernville Union Elementary School District

26 Dated: Sept 18, 2023

OFFICE OF THE ATTORNEY GENERAL

28 By: _____

29 MICHAEL BYERTS
30 Deputy Attorney General
31 Attorney for Department of Finance