

**Education Audit Appeals Panel  
State of California**

Appeal of Audit Findings identified by  
Shasta County Office of Education (SCOE)  
by:

Oak Run Elementary School District,  
  
Appellant.

EAAP Case No. 24-63  
OAH Case No. 2025030306

**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: January 26, 2026.

IT IS SO ORDERED.

Date

W. J. J. J.

Elizabeth Dearstyne  
Elizabeth Dearstyne, Chairperson  
for Education Audit Appeals Panel

Ryan G. Seeley, SBN 238748  
Justin W. Dersch, SBN 258603  
**OFFICE OF THE STATE CONTROLLER**  
300 Capitol Mall, Suite 1850  
Sacramento, CA 95814  
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Attorneys for Respondent,  
STATE CONTROLLER'S OFFICE

**BEFORE THE EDUCATION AUDIT APPEALS PANEL**  
**FOR THE STATE OF CALIFORNIA**

In the Matter of the Audit Appeal by:	)	EAAP Case No. 24-63
	)	OAH Case No. 2025030306
OAK RUN ELEMENTARY SCHOOL	)	
DISTRICT,	)	<b>STIPULATED AGREEMENT</b>
	)	
Appellant.	)	

Appellant OAK RUN ELEMENTARY SCHOOL DISTRICT (Appellant), Respondent  
MALIA M. COHEN, California State Controller (SCO), Respondent CALIFORNIA  
DEPARTMENT OF FINANCE (Finance), and Respondent/Intervener CALIFORNIA  
DEPARTMENT OF EDUCATION (Education) (collectively known as "the Parties") agree to a  
complete resolution of the above-captioned matter as follows:

RECITALS

A. The independent accounting firm of Wilkinson, Hadley, King & Co. LLP  
(Auditor) conducted an audit of the Appellant for the 2021-2022 and 2022-23 fiscal years, the  
results of which were included in a letter issued on or about September 6, 2024, by the Shasta  
County Office of Education (Shasta).

B. The Auditor and Shasta determined that the Appellant was not in compliance with  
Health and Safety Code section 120335, which resulted in the over-reporting of average daily

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attendance (ADA) leading to a \$820,275 overpayment of ADA apportionment to the Appellant for the above fiscal years.

C. Appellant then timely filed a request for formal appeal of the finding pursuant to Education Code section 41344(d) instituting this appeal.

D. Education intervened as a Respondent pursuant to Education Code section 41344.1(b).

E. On November 11, 2025, Education recalculated the apportionment overpayment using the 2021-22 ADA Loss Mitigation adjustment, which resulted in the overpayment amount being reduced to \$19,828.

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

#### AGREEMENT

For the purpose of completely settling and resolving the appeal of the audit, the Parties agree as set forth below:

1. This stipulated agreement fully and completely resolves all known claims, demands, appeals, obligations, or causes of actions arising from or relating to the finding issued by Shasta. Accordingly, the Parties expressly waive any right or claim to assert or pursue thereafter any known claim, demand, obligation, and/or cause of action resulting from the finding issued by Shasta.

2. The Appellant shall have \$19,828 withheld from its future apportionment in regard to the finding issued by Shasta.

3. The Appellant also agrees to report the corrected average daily attendance amounts of 13.82 (2021-2022 fiscal year) and 16.11 (2022-2023 fiscal year) to Education no later than March 3, 2026.

4. This agreement does not reflect subsequent year funding effects which may result from reporting updated ADA pursuant to paragraph 3. In the event subsequent year funding is impacted from the reporting of updated ADA pursuant to this agreement, this agreement shall not preclude the District from exercising any rights and procedural protections related to such

1 impact, including, but not limited to, requests for summary review and formal appeal procedures,  
2 regardless of whether such procedures were exhausted prior to the execution of this agreement,  
3 except in no event may the District challenge the updated ADA for fiscal years 2021-22 and  
4 2022-23 as reported to the CDE pursuant to the requirements of paragraph 3.

5 5. This stipulated agreement is subject to and conditioned upon approval and  
6 adoption by Education Audit Appeals Panel, pursuant to Education Code section 41344.1(b).

7 6. 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 stipulated  
9 agreement are deemed to be the equivalent of original signatures.

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

Dated: \_\_\_\_\_, 2025 OAK RUN ELEMENTARY SCHOOL DISTRICT

By: \_\_\_\_\_  
Daniel Moore, Superintendent  
Representative for Appellant

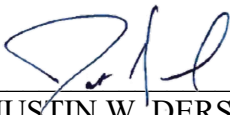
Dated: \_\_\_\_\_, 2025 DEPARTMENT OF FINANCE

By: \_\_\_\_\_  
JESSICA HOLMES  
Program Budget Manager,  
Department of Finance

Dated: \_\_\_\_\_, 2025 DEPARTMENT OF EDUCATION

By: \_\_\_\_\_  
VIRGINIA G. CALE  
Deputy General Counsel,  
Department of Education

Dated: 12/2, 2025 OFFICE OF THE STATE CONTROLLER

By:  \_\_\_\_\_  
JUSTIN W. DERSCH  
Staff Counsel for Respondent,  
MALIA M. COHEN, California State Controller

APPROVED AS TO FORM ONLY

Dated: \_\_\_\_\_, 2025 OFFICE OF THE ATTORNEY GENERAL

By: \_\_\_\_\_  
JOSÉ PABLO GALÁN DE LA CRUZ  
Deputy Attorney General  
Attorney for California Department of Finance

1 7. The parties shall be responsible for their own attorneys' fees and costs.

2  
3 Dated: 12 - 1, 2025

OAK RUN ELEMENTARY SCHOOL DISTRICT

4  
5 By:

Daniel Moore  
Daniel Moore, Superintendent  
Representative for Appellant

6  
7 Dated: \_\_\_\_\_, 2025

DEPARTMENT OF FINANCE

8  
9 By:

10 \_\_\_\_\_  
JESSICA HOLMES  
Program Budget Manager,  
Department of Finance

11  
12 Dated: \_\_\_\_\_, 2025

DEPARTMENT OF EDUCATION

13  
14 By:

15 \_\_\_\_\_  
VIRGINIA G. CALE  
Deputy General Counsel,  
Department of Education

16  
17 Dated: \_\_\_\_\_, 2025

OFFICE OF THE STATE CONTROLLER

18  
19 By:

20 \_\_\_\_\_  
JUSTIN W. DERSCH  
Staff Counsel for Respondent,  
MALIA M. COHEN, California State Controller

21  
22 APPROVED AS TO FORM ONLY

23  
24 Dated: \_\_\_\_\_, 2025

OFFICE OF THE ATTORNEY GENERAL

25  
26 By:

27 \_\_\_\_\_  
JOSÉ PABLO GALÁN DE LA CRUZ  
Deputy Attorney General  
Attorney for California Department of Finance

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

Dated: \_\_\_\_\_, 2025 OAK RUN ELEMENTARY SCHOOL DISTRICT

By: \_\_\_\_\_  
Daniel Moore, Superintendent  
Representative for Appellant

Dated: \_\_\_\_\_, 2025 DEPARTMENT OF FINANCE

By: \_\_\_\_\_  
JESSICA HOLMES  
Program Budget Manager,  
Department of Finance

Dated: \_\_\_\_\_, 2025 DEPARTMENT OF EDUCATION

By: **Virginia Cale** Digitally signed by Virginia Cale  
Date: 2025.12.01 09:47:01 -08'00'  
VIRGINIA G. CALE  
Deputy General Counsel,  
Department of Education

Dated: \_\_\_\_\_, 2025 OFFICE OF THE STATE CONTROLLER

By: \_\_\_\_\_  
JUSTIN W. DERSCH  
Staff Counsel for Respondent,  
MALIA M. COHEN, California State Controller

APPROVED AS TO FORM ONLY

Dated: \_\_\_\_\_, 2025 OFFICE OF THE ATTORNEY GENERAL

By: \_\_\_\_\_  
JOSÉ PABLO GALÁN DE LA CRUZ  
Deputy Attorney General  
Attorney for California Department of Finance

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

Dated: \_\_\_\_\_, 2025 OAK RUN ELEMENTARY SCHOOL DISTRICT

By: \_\_\_\_\_  
Daniel Moore, Superintendent  
Representative for Appellant

Dated: 11/26, 2025 DEPARTMENT OF FINANCE

By:  \_\_\_\_\_  
JESSICA HOLMES  
Program Budget Manager,  
Department of Finance

Dated: \_\_\_\_\_, 2025 DEPARTMENT OF EDUCATION

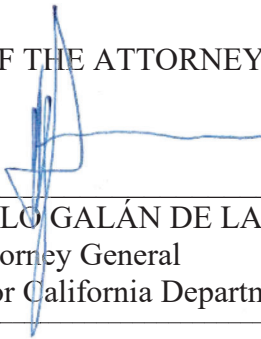
By: \_\_\_\_\_  
VIRGINIA G. CALE  
Deputy General Counsel,  
Department of Education

Dated: \_\_\_\_\_, 2025 OFFICE OF THE STATE CONTROLLER

By: \_\_\_\_\_  
JUSTIN W. DERSCH  
Staff Counsel for Respondent,  
MALIA M. COHEN, California State Controller

APPROVED AS TO FORM ONLY

Dated: November 26, 2025 OFFICE OF THE ATTORNEY GENERAL

By:  \_\_\_\_\_  
JOSÉ PABLO GALÁN DE LA CRUZ  
Deputy Attorney General  
Attorney for California Department of Finance