

**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.

Wade  
Date

Elizabeth Dearstyn  
Elizabeth Dearstyn, 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  
Telephone: (916) 327-1363  
Facsimile: (916) 322-1220

Attorneys for Respondent,  
STATE CONTROLLER'S OFFICE

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

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

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

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

5 D. Education intervened as a Respondent pursuant to Education Code section  
6 41344.1(b).

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

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

12 AGREEMENT

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

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

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

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

25 4. This agreement does not reflect subsequent year funding effects which may result  
26 from reporting updated ADA pursuant to paragraph 3. In the event subsequent year funding is  
27 impacted from the reporting of updated ADA pursuant to this agreement, this agreement shall  
28 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.

10 ///

11 ///

12 ///

13 ///

14 ///

15 ///

16 ///

17 ///

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

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

Bv:

VIRGINIA G. CALE  
Deputy General Counsel,  
Department of Education

Dated: 12/2 , 2025

## OFFICE OF THE STATE CONTROLLER

Bv:

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

Bv:

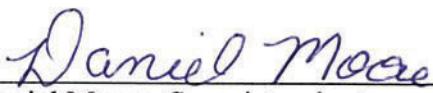
JOSÉ PABLO GALÁN DE LA CRUZ  
Deputy Attorney General  
Attorney for California Department of Finance

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                   By:

5                     
6                   Daniel Moore, Superintendent  
7                   Representative for Appellant

8 Dated: \_\_\_\_\_, 2025

9                   DEPARTMENT OF FINANCE

10                  By:

11                  JESSICA HOLMES  
12                  Program Budget Manager,  
13                  Department of Finance

14 Dated: \_\_\_\_\_, 2025

15                  DEPARTMENT OF EDUCATION

16                  By:

17                  VIRGINIA G. CALE  
18                  Deputy General Counsel,  
19                  Department of Education

20 Dated: \_\_\_\_\_, 2025

21                  OFFICE OF THE STATE CONTROLLER

22                  By:

23                  JUSTIN W. DERSCH  
24                  Staff Counsel for Respondent,  
25                  MALIA M. COHEN, California State Controller

26 APPROVED AS TO FORM ONLY

27 Dated: \_\_\_\_\_, 2025

28                  OFFICE OF THE ATTORNEY GENERAL

29                  By:

30                  JOSÉ PABLO GALÁN DE LA CRUZ  
31                  Deputy Attorney General  
32                  Attorney for California Department of Finance

1           7. The parties shall be responsible for their own attorneys' fees and costs.  
2  
3

4           Dated: \_\_\_\_\_, 2025

5           OAK RUN ELEMENTARY SCHOOL DISTRICT

6           By: \_\_\_\_\_

7           Daniel Moore, Superintendent  
8           Representative for Appellant

9           Dated: \_\_\_\_\_, 2025

10          DEPARTMENT OF FINANCE

11          By: \_\_\_\_\_

12          JESSICA HOLMES  
13          Program Budget Manager,  
14          Department of Finance

15          Dated: \_\_\_\_\_, 2025

16          DEPARTMENT OF EDUCATION

17          By: \_\_\_\_\_

18           Digitally signed by Virginia Cale  
19          Date: 2025.12.01 09:47:01 -08'00'  
20          VIRGINIA G. CALE  
21          Deputy General Counsel,  
22          Department of Education

23          Dated: \_\_\_\_\_, 2025

24          OFFICE OF THE STATE CONTROLLER

25          By: \_\_\_\_\_

26          JUSTIN W. DERSCH  
27          Staff Counsel for Respondent,  
28          MALIA M. COHEN, California State Controller

29          APPROVED AS TO FORM ONLY

30          Dated: \_\_\_\_\_, 2025

31          OFFICE OF THE ATTORNEY GENERAL

32          By: \_\_\_\_\_

33          JOSÉ PABLO GALÁN DE LA CRUZ  
34          Deputy Attorney General  
35          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