

**Education Audit Appeals Panel
State of California**

Audit Appeal of Audit Finding 2024-004
by:

Aromas-San Juan Unified School District,

Appellant.

EAAP Case No. 25-06
OAH Case No. 2025110012

Decision

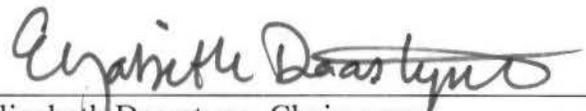
The Education Audit Appeals Panel has adopted the attached Stipulated Agreement of the parties as its Decision in the above-entitled matter.

Effective date: March 23, 2026.

IT IS SO ORDERED.

3/23/26

Date



Elizabeth Dearstyne, Chairperson
for Education Audit Appeals Panel

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8 BEFORE THE EDUCATION AUDIT APPEALS PANEL
9 STATE OF CALIFORNIA, OAKLAND

11 **In the Matter of the Audit Appeal of:**
12 **Fiscal Year 2023-24 Audit Finding 2024-004**
13 **by Aromas-San Juan Unified School**
14 **District,**

Appellant,

v.

17 **California State Controller, California**
18 **Department of Finance,**

Respondents.

Case No. 2025110012

EAAP Case No. 25-06

**JOINT STIPULATION AND
SETTLEMENT AGREEMENT**

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

RECITALS

25 A. The independent accounting firm of Nigro & Nigro PC (Auditor) conducted an
26 annual financial compliance audit of the Appellant for the fiscal year ending on June 30, 2024,
27 the results of which were included in the final independent auditor's report, dated December 2,
28

1 2024.

2 B. In Audit Finding 2024-004/40000, the Auditor determined that Appellant was not in
3 compliance with Education Code section 42238.02, which allocates grant resources to students
4 meeting certain eligibility criteria, but requires that those students remain counted only once even
5 in cases where they meet multiple independent criteria. The audit report stated that for several
6 students that participated in the school's lunch program, "there was not sufficient supporting
7 documentation on file to support the designation." As a result, the Auditor concluded that such
8 conditions resulted in the disallowance of a grant of funds in the amount of \$51,349.

9 C. The SCO certified the audit.

10 D. On August 25, 2025, Appellant timely filed a request for formal appeal of Audit
11 Finding 2024-004/40000 pursuant to Education Code 41344, subdivision (d), instituting the
12 Appeal before the Education Audit Appeals Panel (EAAP).

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

15 **STIPULATION AND AGREEMENT**

16 For the purposes of completely settling and resolving the Appeal, the Parties do hereby
17 stipulate and agree as follows:

18 1. This stipulated agreement fully and completely resolves all claims, demands,
19 appeals, obligations, and/or causes of action arising from or relating to Audit Finding 2024-
20 004/40000. Accordingly, the Parties expressly waive any right or claim to assert or pursue
21 thereafter any claim, demand, obligation, and/or cause of action relating to Audit Finding 2024-
22 004/40000, and Appellant hereby dismisses with prejudice this appeal.

23 2. Appellant shall have nothing withheld from its future apportionment in regard to
24 Audit Finding 2024-004/40000.

25 3. This stipulated agreement is subject to and conditioned upon approval and
26 adoption by EAAP, pursuant to section 41344.1, subdivision (b), of the Education Code.

27 4. This stipulated agreement may be executed in counterparts, each of which shall
28 constitute an original. Facsimile and .pdf (electronic) signatures by the Parties and/or their

1 designated representatives are deemed the equivalent of original signatures.

2 5. The Parties shall bear their own attorneys' fees and costs relative to the Appeal.
3 The Parties ratify the preceding terms and conditions through the signatures of their respective
4 representatives as follows:

5 Dated: February 5, 2026

Aromas-San Juan Unified School District

6 By: Barbara Dill-Varga
7 Barbara Dill-Varga
8 Superintendent
9 Aromas-San Juan Unified School District,
10 Appellant

11 Dated: February 29, 2026

California Office of the State Controller

12 By: Ethan F. Jaffe
13 Ethan F. Jaffe
14 Staff Counsel
15 California State Controller, Respondent

16 Dated: February 9, 2026

California Department of Finance

17 By: Jessica Holmes
18 Jessica Holmes
19 Program Budget Manager
20 California Department of Finance,
21 Respondent

22 APPROVED AS TO FORM ONLY:

23 Dated: February 6, 2026

Office of the Attorney General

24 By: Katherine Granger
25 Katherine Granger
26 Deputy Attorney General
27 Attorney for Respondent, California
28 Department of Finance