

**Education Audit Appeals Panel
State of California**

Audit Appeal of Audit Finding 2024-007
by:

Mt. Diablo Unified School District,

Appellant.

EAAP Case No. 25-13
OAH Case No. 2025050608

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: August 24, 2026.

IT IS SO ORDERED.

8/24/26

Date

Elizabeth Dearstyne

Elizabeth Dearstyne, Chairperson
for Education Audit Appeals Panel

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MT. DIABLO UNIFIED SCHOOL DISTRICT
7

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

10 In the Matter of the Audit Appeal of:

11 Fiscal Year 2023-24 Audit Finding 2024-007
by Mt. Diablo Unified School District,

12 Appellant.

13 v.

14 California State Controller, California
15 Department of Finance,

16 Respondents.

OAH No. 2025050608
EAAP Case No. 25-13

**JOINT STIPULATION AND
SETTLEMENT AGREEMENT**

17
18 Appellant Mt. Diablo Unified School District (Appellant), Respondent Department of
19 Finance (Finance), and Respondent California State Controller (collectively the Parties), through
20 their undersigned counsel and representatives, hereby agree to a complete settlement of the
21 above-captioned matter as follows:

22 **RECITALS**

23 A. The independent accounting firm of Nigro & Nigro PC (Auditor) conducted an
24 annual financial compliance audit of the Mt. Diablo Unified School District (District) for the
25 fiscal year ending on June 30, 2024, the results of which were included in the final independent
26 auditor's report, dated December 12, 2024.

27 B. In Audit Finding 2024-007, the Auditor determined that the District was not in
28 compliance with Education Code section 46120, which required the District to provide no fewer

1 than nine hours of in-person expanded learning opportunities per day for at least 30 non-
2 instructional days. The Auditor concluded that the District was out of compliance for 17 of the
3 30 required days. The Auditor calculated a financial penalty of \$1,064,876.00 based on the
4 finding.

5 C. The office of the California State Controller certified the audit.

6 D. Appellant timely filed a request for formal appeal of Audit Finding 2024-007 on
7 April 24, 2025 pursuant to Education Code 41344, subdivision (d), instituting the Appeal before
8 the Education Audit Appeals Panel.

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

11 **STIPULATION AND AGREEMENT**

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

14 A. This stipulated agreement fully and completely resolves all claims, demands,
15 appeals, obligations, or causes of action arising from or relating to Audit Finding 2024-007.
16 Accordingly, the Parties expressly waive any right or claim to assert or pursue thereafter any
17 claim, demand, obligation, and/or cause of action arising from or relating to Audit Finding 2024-
18 007.

19 B. Appellant shall be required to pay a penalty of \$212,975.20, which is equal to
20 20% of the penalty calculated by the audit. Except as provided herein, Appellant shall not have
21 any other funds withheld from its future apportionment in regard to Audit Finding 2024-007.

22 C. This stipulated agreement is subject to and conditioned upon approval and
23 adoption by Education Audit Appeals Panel, pursuant to section 41344.1, subdivision (b), of the
24 Education Code.

25 D. This stipulated agreement may be executed in counterparts, each of which
26 constitute an original. Facsimile and .pdf (electronic) signatures by the Parties and/or their
27 designated representatives are deemed the equivalent of original signatures.

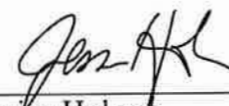
28 E. The Parties shall bear their own attorneys' fees and costs relative to the Appeal.

The Parties ratify the proceeding terms and conditions through the signatures of their respective representatives as follows:

Date: 7/1/24


Adam Clark
Superintendent
Mt. Diablo Unified School District, Appellant

Date: 6/5/26


Jessica Holmes
Program Budget Manager
California Department of Finance, Respondent

APPROVED AS TO FORM ONLY:

Date: 7/2/2026


Kynsie M. Lovell
Staff Counsel
California State Controller, Respondent

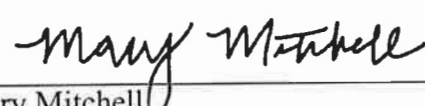
DANNIS WOLIVER KELLEY

Date: July 1, 2026


WILLIAM B. TUNICK
Attorneys for Appellant
Mt. Diablo Unified School District

OFFICE OF THE ATTORNEY GENERAL

Date: June 5, 2026


Mary Mitchell
Deputy Attorney General
Attorney for California Department of Finance,
Respondent

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