BEFORE THE
EDUCATION AUDIT APPEALS PANEL
STATE OF CALIFORNIA

In the Matter of the Formal Appeal of:	)	EAAP No.: 04-02
	)	
	)	
Winters Joint Union School District,	)	OAH No.: N-2004070118
	)	
	)	
Appellant.	)	
	)	
	)	
	)	

DECISION

The attached Stipulation and Proposed Decision of the parties is hereby adopted by the Education Audit Appeals Panel as its Decision in the above-entitled matter.

This Decision shall become effective on 28 Feb. 2005.

IT IS SO ORDERED 28 Feb 2005.

Thomas E. Dithridge, Chairperson

RICHARD J. CHIVARO, Chief Counsel
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Shawn D. Silva, Staff Counsel
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Attorneys for Respondent,
STEVE WESTLY, State Controller

BEFORE THE

EDUCATION AUDIT APPEALS PANEL

STATE OF CALIFORNIA

In the Matter of the Formal Appeal of: WINTERS JOINT UNION SCHOOL DISTRICT, Appellant	**EAAP Case No.: 04-02** **OAH No. N2004070118** **STIPULATION AND PROPOSED DECISION**

All of the parties to this action hereby agree to enter into the following stipulation, resulting in complete resolution of the matter. Accordingly the State Controller's office (SCO), the Department of Finance (DOF), and Winters Joint Union School District (WINTERS or District) hereby agree as follows:

RECITALS

A. The independent accountant, James P. Marta, CPA, conducted an audit of WINTERS for the fiscal year ending June 30, 2003.

B. On page 68 of the audit report, Mr. Marta identified an apportionment significant finding, Finding 03-02. That finding stated that as a result of a review of the Independent Study program, the auditor noted that the Independent Study Master Agreement failed to contain many of the required statements. The District located all the agreements which were missing the printing on the reverse side (which contained many of the elements required by Education Code 51747), and reported that they accounted for 3.72 ADA on the 2002/03 Second Period (P-2) ADA Report. The District then submitted an amended P-2, reflecting a reduction of 3.72.

C. WINTERS timely submitted its summary appeal of finding 03-02 to the Education Audits Appeal Panel (EAAP) on February 20, 2004.

D. On June 1, 2004 the summary appeal of WINTERS was denied.

E. WINTERS then timely submitted its formal appeal of finding 03-02 on June 30, 2004.

F. WINTERS alleges that the use of defective Independent Study Master Agreements was due to an inadvertent error on the part of the District. This conclusion is based on the following:

1. The reverse side of the District's Independent Study Master Agreements was not included by the printer in the August 2002 printing, thereby omitting many of the required statements pursuant to Education Code section 51747.
2. This mistake was not noticed by District employees, and the forms were used, mostly for Independent Study of limited duration.
3. When notified of the error the District immediately destroyed the remaining defective forms and amended their P-2 to reflect the ADA related to the defective agreements.

AGREEMENT

A. For the sole purpose of effecting a compromise of this action and to avoid the uncertainty of litigation, the SCO, DOF and WINTERS agree that the District does not need to reduce its reported ADA for attendance related to the defective agreements (3.72), and that if already so done, the District may file an amended P2 to reflect this finding of substantial compliance.

B. WINTERS agrees to withdraw it appeal, with prejudice, of finding 03-02 of the annual audit for fiscal year 2002/03.

OFFICE OF THE STATE CONTROLLER

Dated: 15 Feb 05

By: Shawn D. Silva
SHAWN D. SILVA
Attorney for
STEVE WESTLY, California State Controller

DEPARTMENT OF FINANCE

Dated: 2/10/05

By: Julie Weng-Gutierrez
JULIE WENG-GUTIERREZ
Deputy Attorney General
Attorney for Department of Finance

WINTERS JOINT UNIFIED SCHOOL DISTRICT

Dated: 2/3/05

By: _____
GLORIA HAHN
Chief Business Officer, for
Winters Joint Unified School District