



Inyo County Superintendent of Schools

Lisa Fontana, Ph.D.

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Office of Superintendent

September 20, 2018

Board of Trustees
Mr. Barry Simpson, District Superintendent
Bishop Unified School District
301 North Fowler Street
Bishop, CA 93514

Subject: **2018/19 Local Control and Accountability Plan and July 1st Adopted Budget**

Dear Board of Trustees and Superintendent:

In accordance with Education Code sections 52070 and 42127, the Inyo County Superintendent of Schools office has reviewed the local control and accountability plan (LCAP) and the July 1st adopted budget of the Bishop Unified School District for fiscal year 2018 – 2019.

Education Code 52070(d) requires the county superintendent to approve the LCAP or annual update for each school district after determining all of the following:

1. The LCAP adheres to the template adopted by the state board of education pursuant to 52064 and follows any instructions or directions for completing the template that are adopted by the state board.
2. The budget includes expenditures sufficient to implement the specific actions and strategies included in the LCAP.
3. The LCAP adheres to the expenditure requirements adopted pursuant to section 42238.07 for funds apportioned on the basis of the number and concentration of unduplicated students pursuant to sections 42238.02 and 42238.03.

Based on our review, your LCAP is approved.

Education Code 42127(b) requires that the county superintendent approve, conditionally approve or disapprove the adopted final budget for each school district after doing the following:

1. Examine the adopted budget to determine whether it complies with the standards and criteria adopted by the state board of education pursuant to Education Code 33127.

2. Identify any technical corrections needed to bring the budget into compliance with the standards and criteria established pursuant to Education Code 33127.
3. Determine whether the adopted budget will allow the district to meet its financial obligations during the fiscal year and is consistent with a financial plan that will enable the district to satisfy its multiyear financial commitments.
4. Review and consider studies, reports, evaluations, or audits of the school district that were commissioned by the district, the county superintendent, the superintendent of public instruction, and state control agencies and that contain evidence that the school district is showing fiscal distress under the standards and criteria adopted in Education Code Section 33127 or that contain a finding by an external reviewer that more than three of the fifteen most common predictors of a school district needing intervention, as determined by the County Office Fiscal Crisis and Management Assistance Team, are present.
5. Determine whether the adopted budget includes the expenditures necessary to implement the actions and services included within the LCAP or annual update to the LCAP that has been approved by the county superintendent of schools.

The budget reports were well prepared and allowed us to review your financial position in detail. Based upon our review, your July 1 budget meets the above specified criteria and is approved.

Deficit Spending

The following represents the actual deficits incurred in each of the past five fiscal years.

<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
(\$592,467)	(\$395,216)	(\$510,036)	(\$178,805)	(\$286,177)

The above deficits amount to a cumulative total of \$1,962,701. This means that over the past five budget cycles the district has decreased its reserves by \$1,962,701. At the end of the 2017/18 fiscal year the actual total ending reserves in the general fund are \$3,516,629.

The following projected changes in total reserves have been reported in the multi-year projection.

<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
\$243,700	\$31,978	\$178,724

Each of the three years shows a projected surplus as presented in the July 1 budget documents. However, there is an assumption in the multi-year projection that includes using reserves in a self-insurance fund to pay the cost of retiree benefit obligations in the

2018/19 and 2019/20 fiscal years. Without using the reserves in the self-insurance fund to pay for retiree benefit obligations, the projections might show deficit spending in these years.

It is important to highlight the fact that the district's reserve levels are currently at 17% which is above the state required minimum of 3%. However, given the context of deficit spending that has occurred over the past five years we would encourage the district to continue to closely monitor revenues and expenditures in order to avoid deficit spending in the future.

We appreciate the timely submittal of your budget and LCAP. Please remember that your first interim report must be filed with our office no later than December 14, 2018. If you have questions or concerns please contact me at 760-873-3262.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa Fontana", written in a cursive style.

Dr. Lisa Fontana
Inyo County Superintendent of Schools

cc: County Board of Education
Tom Snyder, Deputy Superintendent (email)
Ilissa Twomey, Director of Curriculum and Instruction (email)
Midge Milici, CBO (email)
Budget File (Laserfiche)