



J. Todd Finnell, Ed.D.
County Superintendent of Schools

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April 10, 2019

Governing Board and Superintendent Laura Dubbe
McCabe Union Elementary School District
701 W. McCabe Road
El Centro, CA 92243

Dear Members of the Governing Board and Superintendent Laura Dubbe,

In accordance with Education Code Section 42130 et seq., the County Office of Education has completed its review of the district's **2018-19 Second Interim Report**. The district has adopted the report and has submitted a **Positive** Certification, indicating that the district will be able to meet its financial obligations for the current year and subsequent two years. All the data submitted by the district has been analyzed and appears to adequately reflect the financial status as of January 31, 2019.

Our office concurs with the district's **Positive** Certification. A highlight of district data can be found on the following pages of this document.

We express our appreciation to Elizabeth Goff for the time and effort that was put into the preparation of this report. If you have any questions concerning the review of the 2018-19 Second Interim report, please feel free to contact me at (760) 312-6585.

Respectfully,

Norma Fajardo
Chief Business Officer, Business Services

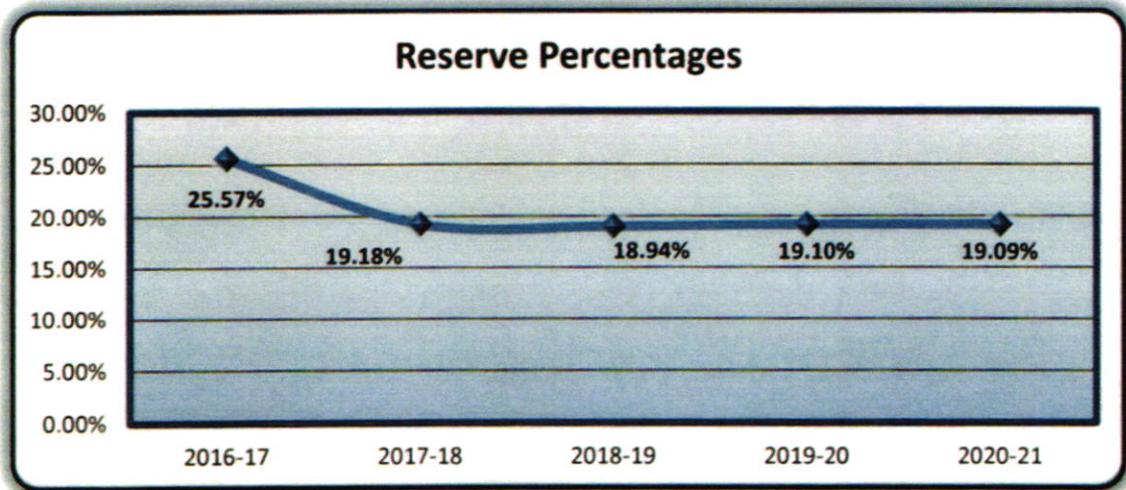
cc: J. Todd Finnell, Ed.D., County Superintendent of Schools

2018-19 Second Interim OVERVIEW

McCabe Union Elementary School District

RESERVE FOR ECONOMIC UNCERTANTIES

Although the minimum state reserve percentage for a district of your size is **3%**, most districts need a substantially higher reserve to operate a fiscally sound budget. Your district reserve level for 2018-19 is estimated to be **18.94%**. Below are the past fiscal year's reserve percentage and the reserve percentages that were projected as part of the 2018-19 Second Interim submission.



GENERAL FUND UNRESTRICTED TRENDS

The district is projecting unrestricted expenditures to exceed unrestricted revenues by \$684,486 in 2018-19. The district is projecting a deficit in 2019-20 by \$320,700 and in 2020-21 by \$179,133. The following chart displays the actual unrestricted general fund balance change for the prior fiscal years, the projected Second Interim Report, and board approved multi-year financial projections reflecting the 2019-20 and 2020-21 fiscal years.

