



Contra Costa County Office of Education

77 Santa Barbara Road, Pleasant Hill, CA 94523 • (925) 942-3388
Lynn Mackey, Superintendent of Schools

February 10, 2023

Adam Clark, Ed.D., Superintendent
Mt. Diablo Unified School District
1936 Carlotta Drive
Concord, CA 94519

RE: First Interim

Dear Superintendent Clark:

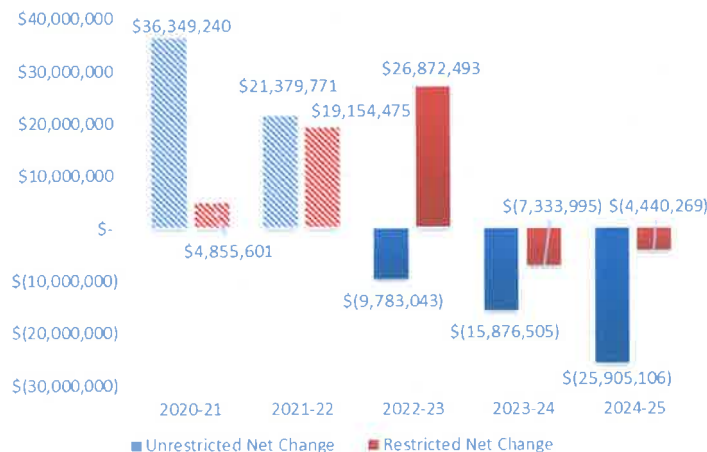
The District submitted its 2022-23 First Interim Report with a positive certification. This certification states that the District will meet its financial obligations for the current and subsequent two fiscal years. The County Office has completed its review of your District's First Interim Report in compliance with the provisions of state law. Based on the information available at the time of our review, the County Office of Education concurs with the District's First Interim positive certification for the period ended October 31, 2022.

During our review, we noted the following:

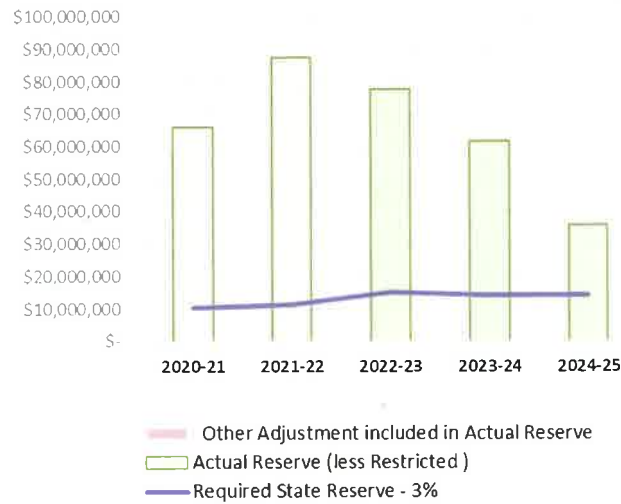
Surplus, Deficit Spending, and Reserves

The District projects a surplus in the current fiscal year and deficit spending in one or both subsequent fiscal years. Deficits, especially in the unrestricted general fund, reduce the available fund balance making it more difficult to respond to economic recessions and/or other financial difficulties. Districts have been advised to maintain an unrestricted reserve level well above the state minimum reserve requirement. Districts are strongly encouraged to take steps to eliminate ongoing operating deficits while maintaining sufficient unrestricted reserves to protect the agency from unforeseen financial hardships.

Surplus/(Deficit)



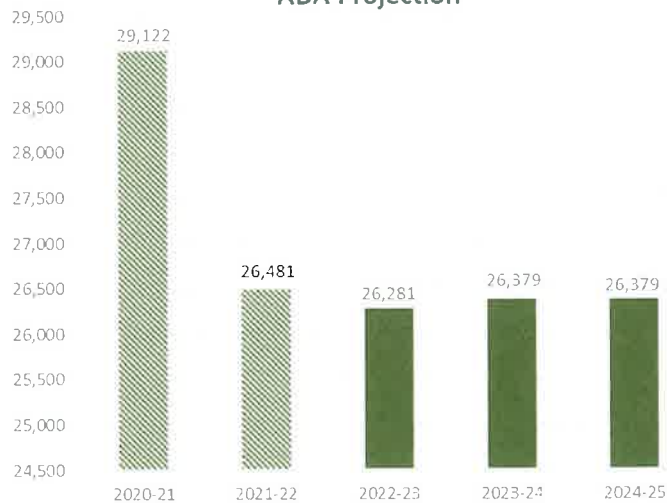
Unrestricted General Fund plus Fund 17 Reserves



Operating Uncertainties

Using the federal and state stimulus funds and COVID-19 ADA Relief, the District has successfully managed the various financial and operational challenges brought about by the tight labor market, inflationary pressures, and decline in enrollment and average daily attendance (ADA). This increased funding has improved the district’s multi-year projection and ending fund balance. However, the District is cautioned that fluctuations in average daily attendance (ADA) may impact the District’s funding.

ADA Projection



First Interim – Mt. Diablo USD
February 10, 2023

Collective Bargaining and Other Disclosure Requirements

The CCCOE requests that all districts submit a collective bargaining disclosure form to our office ten working days prior to board action on a proposed settlement. To comply with AB 2756 (Daucher), both the Superintendent and Chief Business Officer must sign the collective bargaining disclosure form. Your district must make any budget revisions within 45 days of approval of a collective bargaining agreement.

Districts are also required to disclose non-voter approved debt and self-insured workers' compensation claims.

We appreciate your staff's effort as they have worked to prepare the various forms and documents required to complete the 2022-23 First Interim Report. Please do not hesitate to call if you have any questions or concerns.

Sincerely,



Bill Clark, Interim Deputy Superintendent
Business and Administrative Services

BC:bf

cc: Keisha Nzewi, Board President, Mt. Diablo USD
Lynn Mackey, Superintendent of Schools, Contra Costa County
Dr. Lisa Gonzales, Chief Business Officer, Mt. Diablo USD

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