

**AZUSA UNIFIED SCHOOL DISTRICT  
RESOLUTION #22-23:06**

**A RESOLUTION OF THE BOARD OF EDUCATION  
FUND 17 –  
SPECIAL RESERVE for OTHER THAN CAPITAL OUTLAY FUND  
BALANCE COMMITMENT**

**BE IT RESOLVED** by the Board of Education of the Azusa Unified School District and hereby ordered that:

**WHEREAS**, school district Board of Education are responsible for maintaining the fiscal solvency of the school district they govern; and

**WHEREAS**, the California Department of Education urges school districts to *commit* to maintaining a prudent level of financial resources to protect against the need to reduce services because of temporary revenue shortfalls or unanticipated expenditures; and

**WHEREAS**, the California Department of Education and the Government Finance Officers Association recommend that school districts maintain committed, assigned, and unassigned reserves of at least two months of operating expenditures, or approximately a 17 percent reserve, to mitigate revenue shortfalls and unanticipated expenditures; and

**WHEREAS**, maintaining positive cash flow will diminish the need for borrowing and its associated costs; and

**WHEREAS**, California's tax system relies heavily on income taxes paid by individuals and businesses, which are volatile revenue sources; and

**WHEREAS**, certain school district expenditures such as health care benefits or pension costs can be difficult to predict; and

**WHEREAS**, healthy reserves can address unanticipated revenue shortfalls or expenditure increases and provide the Azusa Unified School District time to adjust spending rather than abruptly reducing services and negatively impacting student instruction; and

**WHEREAS**, the Board of Education of the Azusa Unified School District wishes to commit funds in the Special Reserve Fund for Other Than Capital Outlay for unanticipated expenditures, management of cash flow, mitigation of volatility in funding, and emergency facility repairs;

**BE IT RESOLVED** that the Board of Education hereby determined that all amounts currently in, and future amounts deposited in the Special Reserve Fund for Other Than Capital Outlay Projects (Fund 17) are hereby committed to protecting against unforeseen revenue shortfalls and/or unanticipated expenditures.

**THIS RESOLUTION** is effective on the date of adoption until revoked or superseded.

**PASSED AND ADOPTED** by the Board of Education of the Azusa Unified School District this 13<sup>th</sup> day of September 2022, by the following vote:

AYES: \_\_\_\_\_  
NOES: \_\_\_\_\_  
ABSENT: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Adrian Greer,  
President, Board of Education

I hereby certify that the foregoing is a true and correct copy of a Resolution of the Governing Board of the Azusa Unified School District of Azusa, California, adopted by said Governing Board at its meeting on September 13, 2022.

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Xilonin Cruz-Gonzalez  
Clerk, Board of Education