

**RESOLUTION NO. 2013-1**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE ARMONA COMMUNITY SERVICES DISTRICT  
ADOPTING A CAPITALIZATION POLICY**

The Board of Directors of the Armona Community Services District does hereby find:

WHEREAS, the Armona Community Services District ("District") is a California community services district formed and existing under the provisions of the California Community Services District Law, codified at Government Code §§ 61000-61144, and all acts and laws amendatory thereof or supplementary thereto, and decisions of courts construing said acts, and possessing all the powers thereof; and

WHEREAS, District's auditors presented the District's basic financial statements for the year ended June 30, 2012 at the Board's regular meeting on December 11, 2012; and

WHEREAS, as part of the presentation, the District's auditors recommended that the District adopt a capitalization policy; and

WHEREAS, the Board deems it in the best interest of the District to adopt a capitalization policy in response to the auditor's recommendation.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Armona Community Services District hereby adopts following capitalization policy:

All fixed assets purchased for \$2,500 or less shall be considered an expense and not capitalized. All fixed assets purchased for over \$2,500 shall be capitalized and depreciated in accordance with generally accepted accounting principles. This policy becomes effective with the beginning of the 2012-2013 fiscal year: July 1, 2012.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Armona Community Services District on January 8, 2013, by the following vote:

AYES: Bittner, Dillon, Maciel, Chavarin, Danielson

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

  
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JAMES MACIEL, President, Board of Directors

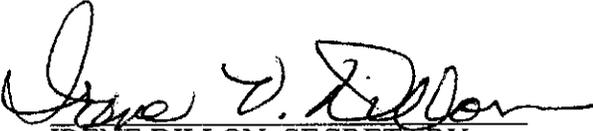
ATTEST:

  
\_\_\_\_\_  
IRENE DILLON, SECRETARY

**CERTIFICATE OF SECRETARY**

I, Irene Dillon, the duly appointed and acting Secretary of the Board of Directors of the Armona Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Armona Community Services District, duly called and held at Armona, California, on January 8, 2013.

DATED: January 8, 2013.

  
IRENE DILLON, SECRETARY

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