Prepared by / Date: Reviewed by / Date: SV-6/1/2020 DC-8/10/2020

Cawood Water District Fixed Assets Lead Schedule December 31, 2019

Purpose: Prepare schedule of fixed assets and document audit procedures

Assertions: E/O, C, R/O, V, A/CL, CO

Accounts /

Transaction Class: Capital Assets

Scope: All fixed asset and related transactions as of and for the year ended 12/31/19

Account		Balance, 12/31/18	Additions	Retirements	Balance, 12/31/19	Per General Ledger	Variance
1520	Water Plant	1,338,607			1,338,607	1,338,607	_
1530	Distribution Lines	9,836,442	90,251		9,926,693	9,926,693	(0)
1540	Meters and Hydrants	720,505	15,000		735,505	735,505	-
1550	Office Equipment	45,191	2,905		48,096	48,096	0
1560	Equipment	289,733	8,235		297,968	297,968	-
1565	Vehicles	121,820	41,768		163,588	163,588	-
	Total Capital Assets	12,352,298	158,159	-	12,510,457	12,510,457	
1510	Work in Progress	-	-	-	-	-	-
1514	WIP - Smith	-	_	-	<u>-</u>	-	-
1517	WIP - Line Relocation				<u>-</u>		-
	Total WIP		-	_	-	-	

	Total Accum Depreciation	(3,972,730)	(242,117)	-	(4,214,847)	(4,214,848)	
1566	Accum Deprec - Vehicles	(121,820)	(6,961)		(128,781)	(128,781)	-
1561	Accum Deprec - Equip	(207,048)	(17,666)		(224,714)	(224,714)	-
1551	Accum Deprec - Office Equip	(44,874)	(410)		(45,284)	(45,284)	-
1541	Accum Deprec - Meters	(523,447)	(15,181)		(538,628)	(538,628)	(0)
1531	Accum Deprec - Dist Lines	(2,477,347)	(165,691)		(2,643,038)	(2,643,038)	-
1521	Accum Deprec - Wtr Plt	(598,194)	(36,208)	-	(634,402)	(634,403)	1

	2018	2017	2016	2015
Depreciation Expense	242,117	244,053	233,193	227,970
% of Total Assets	1.94%	1.97%	1.89%	1.88%

Procedures:

- 1) Obtained fixed asset schedule and updated schedule above
- 2) Reviewed District's capitalization policy to capitalize capital assets in excess of \$1,500
- 3) Reviewed minutes, reviewed predecessor's workpapers, inquired of management, and board members:
- 4) Updated depreciation schedule for asset additions and recalculated depreciation

7/30/2019 New Taps (20)	15,000	20 Times 750
1/10/2019 Computer	1,306	
12/3/2019 Computer	1,599	
7/23/2019 Mapping & Inspection	8,235	<u>PL-2</u>
12/1/2019 Wilson Road Line Relocation	40,451	<u>F-3A</u>
12/9/2019 Asbury Hollow Line Extension	49,800	<u>F-3B</u>
3/1/2019 Ram #508001	20,884	<u>F-3D</u>
3/1/2019 Ram #508002	20,884	<u>F-3D</u>
Total	158,159	

- 5) Per inquiry and other audit procedures, no potentially impaired assets were identified
- 6) Reviewed GL detail for all repairs and maintenance accounts and inquired of any items in excess of the capitalization

<u>F-2</u>

- 7) Compared depreciation expense to prior years and as a percentage of total fixed assets
- 8) Inquired of Ken Taylory of KenVirons Engineering regarding changes in work in progress
 Both Asbury Hollow and Wilson Road projects were complete as of 12/31/19
- 9) Noticed items at <u>F-3B</u> were expensed instead of capitalized, made the following entry to correct this error

AJE07				
	5115	Repairs - Equipment		6,615.00
	5020	Contractual Services		16,877.00
	1530	Distribution Lines	23,492.00	

10) Proposed adjustment to update depreciation expense

AJE05		
1531	Accum Deprec - Dist Lines	33
1541	Accum Deprec - Meters	50
1566	Accum Deprec - Vehicles	1,392
5131	Depreciation Expense	1,409

Conclusion:

Capital assets appear to be reasonably stated as adjusted