



GEORGETOWN DIVIDE PUBLIC
UTILITY DISTRICT
FOR THE YEAR ENDED JUNE 30, 2019

ANNUAL FINANCIAL REPORT

Focused
on YOU



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To the Board of Directors of the
Georgetown Divide Public Utility District
Georgetown, California

were necessary to correct capital assets and CIP balances. We recommend that the District reconcile capital asset activity throughout the audit period and establish proper review procedures to ensure all capitalizable costs are properly reconciled and reflected in the financial statements.

Management's Response: The District accepts this finding and has implemented additional procedures to mitigate the future occurrence of errors related to the accrual of earned retention, and in timing of capitalization of construction in progress expenditures.

Accrued Liabilities

Through LSL's audit procedures to verify cutoff and the completeness of the District's accrued liabilities, material expenses were identified to be excluded from accrued liabilities balances totaling \$115,555. We identified that these costs related to the last payroll of the fiscal year that should have been accrued, and as such a material journal entry was necessary to properly accrue these costs. We recommend that the District establish procedures to reconcile accrued liabilities to ensure all payroll costs are properly captured in the proper period.

Management's Response: The District accepts this finding and has added this item to the year-end close out checklist to ensure the last payroll of the fiscal year is accrued correctly.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

The District's response to the findings identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sacramento, California
January 6, 2020