

**FLORIDA UTILITY SERVICES 1, LLC  
5911 TROUBLE CREEK ROAD  
NEW PORT RICHEY, FL 34652  
863-904-5574**

**February 10, 2025**

Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

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RE: Docket No. 20240119-WU – Application for staff-assisted rate case in Polk County by Alturas Water, LLC. - Response to Staff Audit Report - ACN 2024-229-2-1.

Commission Clerk

Alturas Water, LLC, (ALT) hereby submits its response to the Staff Audit Report in the above referenced docket.

**General**

In response to Audit Document Request No. 1, ALT provided detailed yearly general ledgers (GL) with trial balances for all periods beginning June 15, 2018 through the test year ended June 30, 2024. Due to limitations within QuickBooks reporting capabilities, a report for the split test year July 2023 through June 2024 could not be generated. Several “Balance Per Utility” balances throughout staff’s audit report reference partial or incorrect balances from these documents. Attached is a complete GL trial balance for the test year July 2023 through June 2024 that was compiled from the GL documents that were provided. In our response to the Audit Findings below we will reference this document where partial or incorrect “Balance Per Utility” balances are displayed.

ALT obtained access to the audit staff workpapers that support the findings in their report. ALT assertions and discussions below are based on a review of the audit staff workpapers.

**Audit Findings 1 & 2**

ALT asserts that the Plant in Service (PIS), Accumulated Depreciation (AD), and, Depreciation Expense balances should be \$76,260, \$45,114, and \$2,810, respectively, as of June 30, 2024, based on the following.

Based on our review of their workpapers, ALT has compiled a PIS and AD schedule that determined the differences between the ALT balances proffered above and the balances displayed in the staff’s audit report. The PIS & AD schedule we developed is attached to this response. The material differences are explained below.

### Plant in Service

The audit staff's PIS schedule for year 2020 (WP-16.1) contains a calculation error that understates Acct. No. 320 - Water Treatment Equipment by \$1,106.

	<b>2019 End Bal</b>	<b>Addition</b>	<b>Retirement</b>	<b>2020 End Bal</b>	
Per Audit	\$220	\$1,475	(\$1,106)	\$369	(does not calculate)
Per ALT	<u>\$220</u>	<u>\$1,475</u>	<u>(\$220)</u>	<u>\$1,475</u>	
Difference	\$0	\$0	(\$886)	(\$1,106)	

ALT limited the retirement to \$220, the balance in the account, to avoid a negative balance.

ALT accepts the two retirements reflected below that were identified in the audit staff workpapers (WP-16.1 & 16.2). They are included in the PIS and AD schedule that is attached.

Acct. 311-Pumping Equipment for \$511 in 2021  
Acct 320- Water Treatment Equipment for \$551 in 2022.

### Accumulated Depreciation

The audit staff's workpaper AD schedule (WP-22) did not include a corresponding AD retirement for the following PIS accounts.

Acct No. 334-Meters & Meter Installations for \$295 in 2018  
Acct No 320-Water Treatment Equipment for \$220 in 2020  
Acct No. 311-Pumping Equipment for \$510 in 2021  
Acct No. 331-Transmission & Distribution Mains for \$1,124 in 2021  
Acct No 320-Water Treatment Equipment for \$550 in 2022

The above adjustments will reduce audit staff's AD balance by \$2,699, and, the corresponding effect on the subsequent recalculation of depreciation accruals will account for a significant portion of the AD difference displayed in the attached PIS and AD schedule. The remaining difference may be attributed to the different calculation methods used the audit staff and ALT as describe below.

The audit staff's AD schedule (WP-22) calculates AD accruals based on what appears to be a simple PIS average method times the depreciation rate ((1/Service Life) rounded to 2 decimal places). ALT's attached PIS & AD schedule calculates AD accruals using the beginning and ending PIS average divided by the service life ((whole number) not rounded). Both methods are acceptable accounting methods, however they can result in minor calculation differences.

### Depreciation Expense

ALT asserts that the test year, June 2023 – July 2024, amount for depreciation expense is \$3,607. ALT calculated test year depreciation expense using the same method displayed on audit WP 22.6,

by using the balances in the PIS & AD schedule attached and the common allocated depreciation expense amount from the attached GL trial balance.  $((\$3,009/2) + \$1,306 + \$797)$ .

**Audit Finding 3**

ALT disagrees with the audit staff's statements and the balances reflected in the finding. ALT asserts that its Capital Structure is comprised of long-term debt, customer deposits, and common equity, totaling of \$41,396, with an average weighted cost of 8.82 percent. A Schedule of Cost of Capital with ALT calculations is included below.

**Long-Term Debt**

The long-term debt balance is \$13,270, with an interest cost of 8.06 percent, as reflected on audit staff's WP 31.3 and 31.4.

**Customer Deposits**

The customer deposit balance is \$1,644, with an interest rate of 2.00 percent, as reflected on audit staff's WP 31 and 31.10.

**Common Equity**

The common equity balance is \$26,481, with a cost rate of 9.63 percent. Commission practice is to treat intercompany and related party debt as common equity, as referenced in Order No. PSC-2021-0106-PAA-WS, issued March 17, 2021. Therefore, our compilation for the common equity balance includes, an intercompany payable balance of \$94,858 due to FUS1, included in Acct No. 231 – Accounts Payable, and a related part debt balance of \$13,773, included in Acct. No. 224.1 - Smallridge. The cost rate for common equity of 9.63 percent was calculated using the leverage graph formula established by Order No. PSC-2024-0165-PAA-WS, issued May 22, 2024.

**Schedule of Cost of Capital**

<b>Class of Capital</b>	<b>Balance 06/30/24</b>	<b>Adjustment</b>	<b>Adj Balance</b>	<b>Ratio</b>	<b>Cost Rate</b>	<b>Weighted Cost</b>
Long-Term Debt	\$13,270		\$13,270	32.06%	8.06%	2.58%
Customer Deposits	\$1,644	\$0	\$1,644	3.97%	2.00%	0.08%
Common Equity	(\$82,150)	\$108,631	\$26,481	63.97%	9.63%	6.16%
Other:						
Intercompany/Related Party Debt	\$108,631	(\$108,631)	\$0			
<b>Total</b>	<b>\$41,396</b>	<b>\$0</b>	<b>\$41,396</b>	<b>100.00%</b>		<b>8.82%</b>

Common Equity Cost Rate : ROE = 6.94% / (1.719 / Equity Ratio)

Order No. PSC-2024-0165-PAA-WS

**Common Equity**

Acct No. 220.400 - Equity in Allocated Plant	\$3,675
3200 - Members Equity	(\$80,872)
Current Year Earnings (NOL)	(\$4,953)
<b>Total</b>	<b>(\$82,150)</b>

**Intercompany/Related Party Debt**

Acct No. 224.1 - Smallridge	\$13,773
Acct No. 231 - AP - FUS1	\$94,858
<b>Total</b>	<b>\$108,631</b>

**Audit Finding 4**

ALT agrees that test year revenues should be annualized to reflect the new tariff rates that went into effect on June 1, 2024, for this SARC proceeding. ALT takes no position on audit staff's annualization calculation.

**Audit Finding 5**

ALT asserts that the Operations and Maintenance Expense (O&M) amount should be \$43,771 for the test year ending June 30, 2024. The \$43,771 is the ALT test year GL amount of \$43,915, displayed below, reduced by \$144 (Acct. No. 636 below).

ALT has several issues with the information presented by staff auditors in this finding. The primary issue is that the "Balance Per Utility" column amounts displayed in the finding are from the December 31, 2023 GL trial balance provided in response to Doc. Req. No. 1 (WP-12.1). The balances do not reflect the GL balances for the 12-month test year ending June 30, 2024.

ALT has attached the actual, 12-Month Test Year Ending June 30, 2024, GL trial balance to this response. The trial balance schedule was compiled from the 2023 and 2024 GL files that were provided to audit staff in Doc. Req. No. 1. Below is a schedule that is similar to Table 5-1 in the audit report that restates the "Balance Per Utility" balance to the correct amounts.

NARUC	Description	Alturas Balance			Utility Adjust	Adjusted Balance
		Allocated	Direct	Total		
601	Salaries & Wages Employees	\$9,491	\$0	\$9,491	\$0	\$9,491
603	Salaries & Wages Officers	\$1,599	\$0	\$1,599	\$0	\$1,599
604	Employee Benefits	\$1	\$0	\$1	\$0	\$1
615	Purchased Power	\$0	\$2,231	\$2,231	\$0	\$2,231
618	Chemicals	\$0	\$1,927	\$1,927	\$0	\$1,927
620	Materials & Supplies	\$407	\$3,491	\$3,898	\$0	\$3,898
631	Contract Service - Professional	\$243	\$0	\$243	\$0	\$243
635	Contract Services -Testing	\$0	\$4,410	\$4,410	(\$144)	\$4,266
636	Contract Services - Other	\$45	\$7,447	\$7,492	\$0	\$7,492
640	Rental Expense	\$1,239	\$0	\$1,239	\$0	\$1,239
650	Transportation Expense	\$1,775	\$0	\$1,775	\$0	\$1,775
655	Insurance Expense	\$807	\$3,970	\$4,778	\$0	\$4,778
665	Regulatory Commission Expense	\$0	\$1,143	\$1,143	\$0	\$1,143
670	Bad Debt Expense	\$0	\$647	\$647	\$0	\$647
675	Miscellaneous Expense	\$1,846	\$1,196	\$3,042	\$0	\$3,042
<b>TOTAL</b>		<b>\$17,453</b>	<b>\$26,462</b>	<b>\$43,915</b>	<b>(\$144)</b>	<b>\$43,771</b>

Our discussion of the O&M Expense Schedule presented above, follows below.

**Acct. No. 601 – Salaries & Wages Employees (common allocation)**

The correct amount for this account is \$9,491, which is approximately 2.00% of the \$474,550 test year salaries for FUS1 staff employees. The support for the allocated amount and its calculations was provided in response to Doc. Req. No. 11. The audit staff's adjustment of \$576 goes away when the correct utility amount is used.

Acct No. 603 – Salaries & Wages Officer (common allocation)

The correct amount for this account is \$1,599, which is approximately 2.00% of the \$80,000 test year salary for Mike Smallridge, as President of Florida Utility Services 1, LLC, and its subsidiary systems. The support for the allocated amount and its calculations was provided in response to Doc. Req. No. 11. The \$2,044, referenced by the auditor (WP-43.2-2) was a response to Doc Req. No. 16, in the West Lakeland Wastewater SARC.

Acct. No. 604 – Employee Benefits (common allocation)

ALT takes no position on the adjustment. The support for the allocated amount and its calculations was provided in response to Doc. Req. No. 11.

Acct. No. 615 – Purchased Power (direct charge)

The correct amount for this account is \$2,231. The audit adjustment of \$10 goes away when the correct utility amount is used.

Acct. No 618 – Chemicals (direct charge)

The correct amount for this account is \$1,927. The audit adjustment of \$202 goes away when the correct utility amount is used.

Acct. No. 620 – Materials & Supplies (direct charge & common allocation)

The correct amount for this account is \$3,898. The direct amount totaling \$3,491 represent material and supplies (M&S) purchased specifically for the ALT system. The common allocated amount totaling \$407, is approximately 2.00% of the \$20,350 in miscellaneous M&S used by all FUS1 systems. All of the source documents to support the \$3,491 direct amount for this account were provided in ALT response to Doc. Req No. 15. Only one document, for \$503, is referenced in the audit workpapers (WP-43.5). The support for the allocated amount and its calculations was provided in response to Doc. Req. No. 11.

Acct. No. 631 – Contract Services Professional (common allocation)

The correct amount for this account is \$243, which is approximately 2.00% of the \$12,150 test year professional services expense for all FUS1 systems. The audit amount of \$1,780 is comprised of two transactions (\$1,440 and \$340) and is found on WP-43.6 of the audit workpapers. The \$1,440 was for a 5-year tank inspection that was originally posted to this account. That transaction was subsequently reclassified by ALT to Acct. No. 186.2 – Deferred Tank Inspection, by Journal Entry 12.31.23.DC, on December 31, 2023. It should not be included as an expense for this proceeding. The \$340 is found on WP-43.9-3 of the audit workpapers. It appears that the auditor calculated this amount as the sum of \$135 (One-half of the \$265 common allocation) plus \$207 (The total 6-month 2024 common allocation). ALT 2023 common allocation was \$265, however, the amount related to the period Jun-Dec 2023 was only \$34. When added to the \$208 amount for 2024, the total amount is \$243, as displayed in the utility's amount for this account. The GL transactions for this account were provided in response to Audit Doc. No. 1. The support for the allocated amount and its calculations was provided in response to Doc. Req. No. 11.

Acct. No. 635 – Contract Services Testing (direct charge)

The correct amount for this account is \$4,410. The supporting invoices were provided in response to Audit Doc. Req. No. 15. The only audit workpaper that reference's this account is WP 10-15,

which requested supporting documentation for testing expense, as well as other expenses. The invoices provided in the ALT response supports the entire amount of \$4,410. This information was also provided to the staff engineers in response to Staff's First Data Request, on November 25, 2024.

Acct. No. 636 – Contract Services Other (direct charge & common allocation)

The correct amount for this account is \$7,348. The auditor's \$432 difference in this account is due to two transactions that were not included in their analysis (WP 43.7-1). The amounts relate to the amortization of a deferred asset, the tank inspection referenced in Acct. No. 631 above. The inspection fee of \$1,440 was amortized over 5 years for \$288, which was posted to this account by Journal Entry 12.31.23.J2 on December 31, 2023. The difference, of \$144, was for Journal Entry 06.30.JT, for the same amortization, which was posted in error and should be removed.

Acct No. 640 – Rental Expense (common allocation)

The correct amount for this account is \$1,239, which is approximately 2.00% of \$61,950 of test year rental expense for all FUS1 systems. The support for the allocated amount and its calculations was provided in response to Doc. Req. No. 11. The audit amount of \$648 was calculated based on the Monthly Base Rent amount from the FUS1 Office Buildings lease, WP 43.8-2, that was executed on February 1, 2019, provided in response to WLW Audit Doc. Req. No. 12. The amount used by the auditor fails to include the sales tax associated with the lease or any of the other common rental expenses, such as storage space for remote operations, incurred by FUS1.

Acct. No. 650 – Transportation Expense (common allocation)

The correct amount for this account is \$1,775, which is approximately 2.00% of \$88,750 of transportation expense for all FUS1 systems. The support for the allocated amount and its calculations was provided in response to Doc. Req. No. 11. ALT could not determine the source of audit staffs amount of \$1,721. The only place this amount is found is on WP 43.9, with no reference to where it came from. On WP's 43-9.1 & 43.9.2, it appears, that the audit staff performed a sample of ALT transportation expenses by requesting support documentation for 39 items. No exceptions were noted. Based on that sample no adjustments to this account are needed.

Acct. No. 655 – Insurance Expense (direct charge & common allocation)

The correct amount for this account is \$4,778. The direct amount for \$3,970 is a Comprehensive General Liability & Commercial Insurance policy for the ALT system. The common allocated amount of \$807, which is approximately 2.00% of \$40,350 of insurance expense for commercial auto and workers' compensation insurance, etcetera, incurred for all FUS1 systems. The audit amount of \$4,887 is based on their review, and, the premium calculations for five insurance policies (WP 43-10) in effect during the test year. ALT asserts that the difference of \$109 is the result of periodic policy changes and amendments that occurred during the year. Policy premiums are allocated when they are paid. The allocated amount includes any subsequent policy changes, amendments, and associated taxes and finance fees when they occur. Audit staff's limited review of the actual policy premium, when it was issued or renewed, did not capture any changes that occur during the year.

Acct No. 665 – Regulatory Commission Expense (direct charge)

The correct amount for this account is \$1,143, before the inclusion of rate case expense for this proceeding. The utility amount of \$1,143, was posted to this account as Journal Entry 12.31.23.J2, on December 31, 2023. This entry was used to amortize the deferred transfer and rate case expense that ALT incurred for the Certificate of Transfer in Docket No. 20186175-WU, and, the Limited Alternative Rate Increase in Docket No. 20200152-WS, respectively. On WP 43.11, the audit staff states that, no regulatory expenses were paid during the test year. The workpaper also includes an amount of \$1,685, which audit staff included in this account. The \$1,685 is supported on WP 43.11-1, with a copy of ALT 2023 Regulatory Assessment Fee (RAF) return. RAFs are included in Taxes Other Than Income, not here, in this account.

Account No. 670 – Bad Debt Expense (direct charge)

The correct amount for this account is \$647.

Acct No. 675 – Miscellaneous Expense (direct charge and common allocation)

The correct amount in the account is \$3,042. The direct amount of \$1,196 relates to fees for ALT annual drinking water permit with Polk County, banking and customer convenience fees associated with postings to the ALT bank account. The auditor only requested support for the drinking water permit which is included on WP 43.13-3. The allocated amount of \$1,846, which is approximately 2.00% of \$93,800 of miscellaneous expenses incurred for all FUS1 systems for various general supplies and services for all the FUS1 systems. Examples of these cost include, banking fees, office and building maintenance supplies, office equipment and repairs, telephone and internet services, travel related cost, etcetera. The auditor states that “most” of the fees reviewed in their sample relate to interest and meals, which he states are non-recoverable. ALT asserts that the audit sample included on WP 43.13-1 and 46.13-2, does not accurately reflect the costs that were posted to this account. The “interest” fees were bank fees charged to service multiple FUS1 loan accounts and not interest payments on the loan balance. The “meals” fees were reimbursements for employee work related travel. FUS1 field operators travel the length of the state in the course of their job, at time requiring overnight stays.

**Exhibit 1: Rate Base**

ALT discussion of the rate base balances for this schedule are included above. The auditor did not include a balance for working capital. Below is a summary balance based on ALT assertions in this response.

<u>Description</u>	<u>GL Balance</u>	<u>Utility Adjustments</u>	<u>Adjusted Balance</u>
Utility Plant in Service	\$77,221	(\$1,061)	\$76,160
Land	\$500	\$0	\$500
CIAC	(\$18,137)	\$0	(\$18,137)
Accumulated Depreciation	(\$46,391)	\$1,277	(\$45,114)
Accumulated Amortization of CIAC	\$18,137	\$0	\$18,137
Working Capital	\$0	\$5,471	\$5,471
<b>Net Rate Base</b>	<b>\$31,330</b>	<b>\$5,687</b>	<b>\$37,017</b>



**Exhibit 2: Capital Structure**

ALT disagrees with all the information and the way it is presented by the audit staff in this Exhibit. ALT has provided a Cost of Capital schedule with accurate balances that follows our response to Audit Finding No. 3.

**Exhibit 3: Net Operating Income**

With the exception of Operating Revenue, ALT disagrees with all the information presented by the audit staff in this Exhibit

The Operating & Maintenance Expense (O&M) amount of \$38,614 in the exhibit was taken from the December 31, 2023, GL trial balance (WPs 12 & 43). The correct test year amount is \$43,915, as shown in the attached test year trial balance, reduced to \$43,771, as discussed in ALT response to Audit Finding 5 above.

The Depreciation Expense amount of \$580 in the exhibit was taken from the December 31, 2023, GL trial balance (WPs 12). The correct test year amount is \$4,213, as shown in the attached test year trial balance, reduced to \$3,607, as discussed in ALT response to Audit Findings 1 & 2 above.

The Taxes Other Than Income amount of \$5,854 in the exhibit was taken from documents provided in response to Audit Doc. Req. No. 22 (WP-53), not from the GLs provided in Audit Doc. Req. No. 1. The correct test year amount is \$2,486, as shown in the attached test year trial balance. On WP-53, the auditor included amounts of \$600 for FDEP, and, \$3,506 for Polk County Service Tax. These two items are not considered TOTI. The FDEP fee is an annual license fee that was included in O&M Acc. No. 675, and, the Polk County Service Tax is a franchise fee assessed by Polk County. The franchise fee is a separate line item on each customer bill that ALT collects on behalf of Polk County and remits to Polk County every month. It is a pass-through item that is not recorded as revenue. Therefore, it is not a recoverable TOTI expense. Additionally, the auditor did not include \$738 recorded in Acct. No. 408.1 – Payroll Tax for the test year, which is a recoverable TOTI expense. Below is a summary amount based on ALT assertions in this response.

<b>Description</b>	<b>GL Balance</b>	<b>Utility Adjustments</b>	<b>Adjusted Balance</b>
Operating Revenues	\$37,330	\$3,260	\$40,590
Operation & Maintenance Expense	\$43,915	(\$144)	\$43,771
Depreciation Expense	\$4,213	(\$606)	\$3,607
Taxes Other Than Income	<u>\$2,486</u>	<u>\$0</u>	<u>\$2,486</u>
Total Operating Expense	\$50,614	(\$750)	\$49,864
<b>Net Operating Income(Loss)</b>	<b>(\$13,284)</b>	<b>\$4,010</b>	<b>(\$9,274)</b>

Respectfully submitted,

Mike Smallridge  
Florida Utility Services 1, LLC

Test Year Trial Balance

July 2023-June 2024

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**ALTURAS WATER, LLC - TRIAL BALANCE**  
**(12-Month Period July 2023 to June 2024)**

NARUC	Alturas Account	Balance	
101.303	101.303 · Land & Land Rights	\$500.00	
101.304	101.304 · Structures & Improvements	\$519.00	
101.307	101.307 · Wells & Springs	\$6,987.00	
101.309	101.309 · Supply Mains	\$237.00	
101.311	101.311 · Pumping Equipment	\$15,086.66	
101.320	101.320 · Water Treatment Equipment	\$2,208.41	
101.330	101.330 · Distribution Reservoirs	\$22,822.00	
101.331	101.331 · Transmission & Distribution	\$19,161.57	
101.334	101.334 · Meters & Meter Installs	\$6,345.31	
101.400	101.400 · Allocated Plant	\$3,853.64	\$77,720.59
108.304	108.304 · Structures & Improvements AD	(\$249.52)	
108.307	108.307 · Wells & Springs AD	(\$6,987.00)	
108.309	108.309 · Supply Mains AD	(\$103.43)	
108.311	108.311 · Pumping Equip AD	\$426.57	
108.320	108.320 · Water Treatment Equip AD	(\$439.77)	
108.330	108.330 · Distribution Reservoirs AD	(\$13,863.72)	
108.331	108.331 · Transmission & Distrib AD	(\$19,161.56)	
108.334	108.334 · Meters & Meter Install AD	(\$3,651.89)	
108.400	108.400 · Allocated Plant AD	(\$2,360.93)	(\$46,391.25)
114.000	114 · UP Acquisition Adjustments	\$25,813.19	
115.000	115 · UP Acq Adj Accum Amortization	(\$10,275.78)	\$15,537.41
131.000	131.1 · Iberia Checking	\$15,971.65	
131.000	131.2 · Iberia Savings	\$1,024.55	\$16,996.20
135.000	135.1 · FUS	(\$7,000.00)	(\$7,000.00)
141.000	141 · Accounts Receivable	\$6,527.78	\$6,527.78
186.200	186.2 · Def Cost - Tank Inspection	\$1,008.00	\$1,008.00
211.000	211 · Paid in Capital	(\$8,298.17)	(\$8,298.17)
215.000	32000 · Members Equity	\$69,021.51	
	<b>Test Year Earnings</b>	<b>\$16,802.93</b>	
220.000	220.400 · Equity in Allocated Plant	(\$3,674.82)	\$82,149.62
224.000	224.1 · Mortgage 1 - Smallridge	(\$13,773.31)	
224.000	224.4 · Cap City Loan 2345	(\$13,270.22)	(\$27,043.53)
231.000	231 · Accounts Payable	(\$109,509.11)	(\$109,509.11)
235.000	235 · Customer Deposits	(\$1,644.00)	(\$1,644.00)
236.000	236.1 · Polk County PST Tax Payable	(\$53.54)	(\$53.54)
271.000	271 · CIAC Contributions	(\$18,637.00)	(\$18,637.00)
272.000	272 · CIAC Accum Amortization	\$18,637.00	\$18,637.00
<b>Balance</b>		<b>\$0.00</b>	<b>\$0.00</b>

**ALTURAS WATER, LLC - TRIAL BALANCE**  
**(12-Month Period July 2023 to June 2024)**

NARUC	Alturas Account	Balance	
403.100	403.1 · Depreciation Expense - Other	\$3,415.43	
403.400	403.400 · Allocated Depreciation Expense	\$797.37	\$4,212.80
408.100	408.1 · Payroll Tax	\$737.92	
408.200	408.2 · Regulatory Assessment Fee	\$1,685.60	
408.300	408.3 · Polk County Property Tax	\$62.63	\$2,486.15
461.000	461.1.1 · Resid - Base	(\$11,198.46)	
461.000	461.1.2 · Resid - Usage	(\$19,868.97)	
461.000	461.3.1 · General Svc 3/4" - Base	(\$1,582.20)	
461.000	461.3.2 · General Svc 3/4" - Usage	(\$1,308.66)	
461.000	461.4.1 · General Svc 1" - Base	(\$1,054.80)	
461.000	461.4.2 · General Svc 1" - Usage	(\$587.75)	
461.000	461.5.1 · General Svc 1" No Tax - Base	(\$527.40)	
461.000	461.5.2 · General Svc 1" No Tax - Usage	(\$45.60)	(\$36,173.84)
474.000	474.1 · Late Fees	(\$1,028.50)	
474.000	474.3 · Other Fees	(\$127.46)	(\$1,155.96)
601.000	601.1 · Accounting	\$1,258.88	
601.000	601.2 · Billing CSR	\$3,721.96	
601.000	601.3 · Technician	\$4,510.47	\$9,491.31
603.000	603 · S&W Officers	\$1,599.32	\$1,599.32
604.000	604 · Employee Benefits	\$1.00	\$1.00
615.000	615 · Purchased Power	\$2,230.53	\$2,230.53
618.000	618 · Chemicals	\$1,927.31	\$1,927.31
620.000	620 · Materials & Supplies	\$3,898.49	\$3,898.49
631.000	631 · Professional	\$242.64	\$242.64
635.000	635 · Testing	\$4,410.00	\$4,410.00
636.000	636.1 · Contractors	\$7,015.00	
636.000	636.2 · Other Services	\$477.02	\$7,492.02
640.000	640 · Rents	\$1,238.88	\$1,238.88
650.000	650 · Transportation	\$1,774.51	\$1,774.51
655.000	655 · Insurance	\$4,777.59	\$4,777.59
665.000	665 · Regulatory Commission	\$1,143.37	\$1,143.37
670.000	670 · Bad Debt	\$646.59	\$646.59
675.000	675 · Misc - Other	\$1,845.96	
675.000	675.01 · Bank Charges	\$286.22	
675.000	675.02 · Busn License & Dues	\$600.00	
675.000	675.07 · Telephone & Internet	\$309.40	\$3,041.58
<b>Regulated (Income) Loss</b>		<b>\$13,284.29</b>	<b>\$13,284.29</b>
419.000	419 · Interest Income	(\$6.26)	(\$6.26)
426.000	426 · Non-Utility Expense	\$2,606.32	\$2,606.32
427.000	427 · Interest Expense	\$918.58	\$918.58
<b>Net (Income) Loss</b>		<b>\$16,802.93</b>	<b>\$16,802.93</b>

**Water Utility Plant In Service**

Acc#	Account Description	06/30/18	2018 (6-Months)				2019				2020			
			Per Order	Add	Ret	Adj	Ending	Add	Ret	Adj	Ending	Add	Ret	Adj
303.00	Land	\$500	\$0	\$0	\$0	\$500	\$0	\$0	\$0	\$500	\$0	\$0	\$0	\$500
304.00	Structures & Improvements	\$519	\$0	\$0	\$0	\$519	\$0	\$0	\$0	\$519	\$0	\$0	\$0	\$519
307.00	Wells & Springs	\$6,987	\$0	\$0	\$0	\$6,987	\$0	\$0	\$0	\$6,987	\$0	\$0	\$0	\$6,987
309.00	Supply Mains	\$237	\$0	\$0	\$0	\$237	\$0	\$0	\$0	\$237	\$0	\$0	\$0	\$237
311.00	Pumping Equipment	\$9,108	\$0	\$0	\$0	\$9,108	\$0	\$0	\$0	\$9,108	\$0	\$0	\$0	\$9,108
320.00	Water Treatment Equipment	\$220	\$0	\$0	\$0	\$220	\$0	\$0	\$0	\$220	\$1,475	(\$220)	\$0	\$1,475
330.00	Distribution Reservoirs & Standpipes	\$22,822	\$0	\$0	\$0	\$22,822	\$0	\$0	\$0	\$22,822	\$0	\$0	\$0	\$22,822
331.00	Transmission & Distribution Mains	\$18,787	\$0	\$0	\$0	\$18,787	\$0	\$0	\$0	\$18,787	\$0	\$0	\$0	\$18,787
334.00	Meters & Meter Installations	\$6,247	\$393	(\$295)	\$0	\$6,345	\$0	\$0	\$0	\$6,345	\$0	\$0	\$0	\$6,345
400.00	Allocated CommonPlant (Vehicles)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,381	\$2,381
	Total	\$65,427	\$393	(\$295)	\$0	\$65,525	\$0	\$0	\$0	\$65,525	\$1,475		\$2,381	\$69,161
	Per Audit Work Papers	\$65,427				\$65,525				\$65,525				\$68,055
	Difference	\$0				\$0				\$0				(\$1,106)

**Water Accumulated Depreciation**

Acc#	Account Description	Srv Life Years	06/30/18 End Bal	2018 (6-Months)				2019				2020				
				Dep Exp	Ret	Adj	Ending	DepExp	Ret	Adj	Ending	DepExp	Ret	Adj	Ending	
303.00	Land															
304.00	Structures & Improvements	27	(\$133)	(\$10)	\$0	\$0	(\$143)	(\$19)	\$0	(\$1)	(\$163)	(\$19)	\$0	\$0	(\$182)	
307.00	Wells & Springs	27	(\$6,987)	\$0	\$0	\$0	(\$6,987)	\$0	\$0		(\$6,987)	\$0	\$0	\$0	(\$6,987)	
309.00	Supply Mains	32	(\$57)	(\$4)	\$0	\$0	(\$61)	(\$7)	\$0	(\$1)	(\$70)	(\$7)	\$0	\$0	(\$77)	
311.00	Pumping Equipment	17	(\$5,850)	(\$268)	\$0	\$0	(\$6,118)	(\$536)	\$0	\$1	(\$6,653)	(\$536)	\$0	\$0	(\$7,189)	
320.00	Water Treatment Equipment	17	(\$220)	\$0	\$0	\$0	(\$220)	\$0	\$0		(\$220)	(\$50)	\$220	\$0	(\$50)	
330.00	Distribution Reservoirs & Standpipes	33	(\$9,715)	(\$346)	\$0	\$0	(\$10,061)	(\$692)	\$0	\$1	(\$10,752)	(\$692)	\$0	\$0	(\$11,443)	
331.00	Transmission & Distribution Mains	38	(\$18,654)	(\$133)	\$0	\$0	(\$18,787)	\$0	\$0		(\$18,787)	\$0	\$0	\$0	(\$18,787)	
334.00	Meters & Meter Installations	17	(\$1,712)	(\$185)	\$295	\$0	(\$1,602)	(\$373)	\$0	\$3	(\$1,972)	(\$373)	\$0	\$0	(\$2,346)	
400.00	Allocated CommonPlant (Vehicles)	6	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$397)	\$0	\$0	(\$397)	
	Total		(\$43,329)	(\$945)	\$295	\$0	(\$43,979)	(\$1,627)		\$3	(\$45,604)	(\$2,074)	\$220	\$0	(\$47,458)	
	Per Audit Work Papers		(\$43,392)	(\$814)	\$0		(\$44,206)	(\$1,627)		\$0	(\$45,833)	(\$2,046)	\$0		(\$47,879)	
	Difference		(\$63)	\$131	(\$295)		(\$227)	\$0		(\$3)	(\$229)	\$28	(\$220)		(\$421)	

Dep Exp was reduced to prevent over AD balance.  
 Audit staff adjustments agreed to by ALT.  
 Retirements that audit staff did not post.

**Water Utility Plant In Service**

Acc#	Account Description		2020	2021				2022				2023			
			Ending	Add	Ret	Adj	Ending	Add	Ret	Adj	Ending	Add	Ret	Adj	Ending
303.00	Land		\$500	\$0	\$0	\$0	\$500	\$0	\$0	\$0	\$500	\$0	\$0	\$0	\$500
304.00	Structures & Improvements		\$519	\$0	\$0	\$0	\$519	\$0	\$0	\$0	\$519	\$0	\$0	\$0	\$519
307.00	Wells & Springs		\$6,987	\$0	\$0	\$0	\$6,987	\$0	\$0	\$0	\$6,987	\$0	\$0	\$0	\$6,987
309.00	Supply Mains		\$237	\$0	\$0	\$0	\$237	\$0	\$0	\$0	\$237	\$0	\$0	\$0	\$237
311.00	Pumping Equipment		\$9,108	\$681	(\$510)	\$0	\$9,278	\$31,078	\$0	(\$29,078)	\$11,278	\$0	\$0	\$0	\$11,278
320.00	Water Treatment Equipment		\$1,475			\$0	\$1,475	\$734	(\$550)	\$0	\$1,658	\$0	\$0	\$0	\$1,658
330.00	Distribution Reservoirs & Standpipes		\$22,822	\$0	\$0	\$0	\$22,822	\$0	\$0	\$0	\$22,822	\$0	\$0	\$0	\$22,822
331.00	Transmission & Distribution Mains		\$18,787	\$1,498	(\$1,124)	\$0	\$19,162	\$0	\$0	\$0	\$19,162	\$0	\$0	\$0	\$19,162
334.00	Meters & Meter Installations		\$6,345	\$0	\$0	\$0	\$6,345	\$0	\$0	\$0	\$6,345	\$0	\$0	\$0	\$6,345
400.00	Allocated CommonPlant (Vehicles)		\$2,381	\$0	\$0	\$691	\$3,072	\$0	\$0	\$901	\$3,973	\$0	\$0	\$0	\$3,973
	Total		\$69,161	\$2,179	(\$1,634)	\$691	\$70,397	\$31,812	(\$550)	(\$28,177)	\$73,481	\$0	\$0	\$0	\$73,481
	Per Audit Work Papers		\$68,055				\$69,291				\$72,375				\$72,375
	Difference		(\$1,106)				(\$1,106)				(\$1,106)				(\$1,106)

**Water Accumulated Depreciation**

Acc#	Account Description	Srv Life Years	2020	2021				2022				2023			
			Ending	DepExp	Ret	Adj	Ending	DepExp	Ret	Adj	Ending	DepExp	Ret	Adj	Ending
303.00	Land														
304.00	Structures & Improvements	27	(\$182)	(\$19)	\$0	\$0	(\$201)	(\$19)	\$0	\$0	(\$221)	(\$19)	\$0	\$0	(\$240)
307.00	Wells & Springs	27	(\$6,987)	\$0	\$0	\$0	(\$6,987)	\$0	\$0	\$0	(\$6,987)	\$0	\$0	\$0	(\$6,987)
309.00	Supply Mains	32	(\$77)	(\$7)	\$0	\$0	(\$85)	(\$7)	\$0	\$0	(\$92)	(\$7)	\$0	\$0	(\$100)
311.00	Pumping Equipment	17	(\$7,189)	(\$541)	\$510	\$0	(\$7,219)	(\$605)	\$0	\$0	(\$7,824)	(\$663)	\$0	\$0	(\$8,487)
320.00	Water Treatment Equipment	17	(\$50)	(\$87)	\$0	\$0	(\$137)	(\$92)	\$550	\$0	\$322	(\$98)	\$0	\$0	\$224
330.00	Distribution Reservoirs & Standpipes	33	(\$11,443)	(\$692)	\$0	\$0	(\$12,135)	(\$692)	\$0	\$0	(\$12,826)	(\$692)	\$0	\$0	(\$13,518)
331.00	Transmission & Distribution Mains	38	(\$18,787)	(\$499)	\$1,124	\$0	(\$18,163)	(\$504)	\$0	\$0	(\$18,667)	(\$495)	\$0	\$0	(\$19,162)
334.00	Meters & Meter Installations	17	(\$2,346)	(\$373)	\$0	\$0	(\$2,719)	(\$373)	\$0	\$0	(\$3,092)	(\$373)	\$0	\$0	(\$3,465)
400.00	Allocated CommonPlant (Vehicles)	6	(\$397)	(\$397)	\$0	\$0	(\$794)	(\$512)	\$0	\$0	(\$1,306)	(\$662)	\$0	\$0	(\$1,968)
	Total		(\$47,458)	(\$2,615)	\$1,634	\$0	(\$48,439)	(\$2,804)	\$550	\$0	(\$50,693)	(\$3,009)	\$0	\$0	(\$53,702)
	Per Audit Work Papers		(\$47,879)	(\$2,056)	\$0		(\$49,935)	(\$2,535)	\$0		(\$52,470)	(\$2,449)			(\$54,919)
	Difference		(\$421)	\$559	(\$1,634)		(\$1,496)	\$269	(\$550)		(\$1,777)	\$560			(\$1,217)

Dep Exp was reduced to prevent over AD balance.

Audit staff adjustments agreed to by ALT.

Retirements that audit staff did not post.

**Water Utility Plant In Service**

Acc#	Account Description		2023	2024 (Jan - Jun)			
			Ending	Add	Ret	Adj	Ending
303.00	Land		\$500	\$0	\$0	\$0	\$500
304.00	Structures & Improvements		\$519	\$0	\$0	\$0	\$519
307.00	Wells & Springs		\$6,987	\$0	\$0	\$0	\$6,987
309.00	Supply Mains		\$237	\$0	\$0	\$0	\$237
311.00	Pumping Equipment		\$11,278	\$13,193	(\$9,894)	\$0	\$14,576
320.00	Water Treatment Equipment		\$1,658	\$0	\$0	\$0	\$1,658
330.00	Distribution Reservoirs & Standpipes		\$22,822	\$0	\$0	\$0	\$22,822
331.00	Transmission & Distribution Mains		\$19,162	\$0	\$0	\$0	\$19,162
334.00	Meters & Meter Installations		\$6,345	\$0	\$0	\$0	\$6,345
400.00	Allocated CommonPlant (Vehicles)		\$3,973	\$0	\$0	(\$119)	\$3,854
Total			\$73,481	\$13,193	(\$9,894)	(\$119)	\$76,660
Per Audit Work Papers			\$72,375				\$75,554
Difference			(\$1,106)				(\$1,106)

**Water Accumulated Depreciation**

Acc#	Account Description	Srv Life Years	2023	2024 (Jan - Jun)			
			Ending	DepExp	Ret	Adj	Ending
303.00	Land						
304.00	Structures & Improvements	27	(\$240)	(\$10)	\$0	\$0	(\$250)
307.00	Wells & Springs	27	(\$6,987)	\$0	\$0	\$0	(\$6,987)
309.00	Supply Mains	32	(\$100)	(\$4)	\$0	\$0	(\$103)
311.00	Pumping Equipment	17	(\$8,487)	(\$380)	\$9,894	\$0	\$1,027
320.00	Water Treatment Equipment	17	\$224	(\$49)	\$0	\$0	\$175
330.00	Distribution Reservoirs & Standpipes	33	(\$13,518)	(\$346)	\$0	\$0	(\$13,864)
331.00	Transmission & Distribution Mains	38	(\$19,162)	\$0	\$0	\$0	(\$19,162)
334.00	Meters & Meter Installations	17	(\$3,465)	(\$187)	\$0	\$0	(\$3,652)
400.00	Allocated CommonPlant (Vehicles)	6	(\$1,968)	(\$331)	\$0	\$0	(\$2,299)
Total			(\$53,702)	(\$1,306)	\$9,894	\$0	(\$45,114)
Per Audit Work Papers			(\$54,919)	(\$1,225)	\$9,894		(\$46,249)
Difference			(\$1,217)	\$81	(\$0)		(\$1,135)

Dep Exp was reduced to prevent over AD balance.	(\$1,505)	1/2 of 2023 Dep Exp
Audit staff adjustments agreed to by ALT.	(\$1,306)	2024 Dep Exp
Retirements that audit staff did not post.	(\$2,810)	Test Year Dep Exp

On Behalf of the utility,

Mike Smallridge

