

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**DOCKET NO. 100104-WU**

**WATER MANAGEMENT SERVICES, INC.**

**IN RE: APPLICATION FOR INCREASE IN WATER RATES IN  
FRANKLIN COUNTY BY WATER MANAGEMENT SERVICES, INC.**

**REBUTTAL TESTIMONY & EXHIBITS OF:**

**BARBARA S. WITHERS**

DOCKET NO. 100104-WU  
7817 SEP 17 9  
FPSC-Civil Process Unit

1 REBUTTAL TESTIMONY OF BARBARA S. WITHERS  
2 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
3 IN DOCKET NO. 100104-WU  
4 IN RE: APPLICATION FOR INCREASE IN  
5 WATER RATES IN FRANKLIN COUNTY  
6 BY WATER MANAGEMENT SERVICES, INC.  
7

8 **Q. Please state your name, profession and address.**

9 A. My name is Barbara S. Withers. I am a Certified Public Accountant  
10 (CPA) with the Barbara Sheehan Withers CPA firm. My business address  
11 is 411 Live Oak Plantation Rd, Tallahassee, Florida 32312.  
12

13 **Q. Please summarize your educational background and professional  
14 experience.**

15 A. I am a graduate of Florida State University with a Bachelor of Science in  
16 Business Administration, with a major in Accounting. I worked for Water  
17 Management Services, Inc. (WMSI) for 10 years, from 1975 to 1985.  
18 During my tenure at the utility, I prepared the initial franchise application  
19 to the Public Service Commission (PSC) for the St. George Island water  
20 system and the initial tariff. I also set up the initial accounting procedures  
21 both on St. George Island and in the Tallahassee office. In 1987, I  
22 established my own firm. I have approximately 35 years of experience in  
23 providing accounting services for a water utility. I have been involved

1 with the preparation of the income tax returns for the St. George Island  
2 water utility system since its inception and am extremely familiar with the  
3 utility plant from its initial construction through the reconstruction for the  
4 new bridge, as well as its continued operations. I previously prepared the  
5 annual reports to the PSC for the Company during the first 20 years and  
6 have reviewed them in the past 15 years. My experience and education  
7 are detailed in my resume, attached as Exhibit (BSW-1) \_\_\_\_.

8

9 **Q. Are you Certified Public Accountant?**

10 A. Yes.

11

12 **Q. Are you a member of any professional societies and associations?**

13 A. Yes. I belong to several professional societies and associations, including  
14 the following: American Institute of CPAs, Florida Institute of CPAs  
15 (FICPA), and American Women's Society of CPAs. I also serve on two  
16 committees of the FICPA: the FSU Accounting Conference Committee  
17 and the Florida Institute on Federal Taxation.

18

19 **Q. On whose behalf are you presenting testimony?**

20 A. I am presenting testimony and appearing on behalf of the applicant,  
21 WMSI.

22

23

1       **Q.     Have you testified previously in this docket?**

2       A.     No.

3

4       **Q.     What is the purpose of your testimony?**

5       A.     The purpose of my testimony is to respond to portions of the direct  
6           testimony presented by Office of Public Counsel (OPC) witness Donna  
7           Ramas.

8

9       **Q.     Are you sponsoring any exhibits?**

10      A.     Yes, I am sponsoring four exhibits. Exhibit (BSW-1) \_\_\_ is a summary of  
11           my education and experience. Exhibit (BSW-2) \_\_\_ is an analysis of  
12           amounts advanced to WMSI by Gene Brown. Exhibit (BSW-3) \_\_\_ is a  
13           copy of the Accounting Policies & Procedures Manual I prepared for  
14           WMSI. Finally, Exhibit (BSW-4) \_\_\_ is a detailed composite exhibit that  
15           contains a computation of the hours spent by each person at my firm,  
16           including myself, and accountants Scott Hutter and Susan Brooks Shearer,  
17           and their résumés, together with a statement showing the amounts billed  
18           WMSI and the amounts paid in 2010.

19

20      **Q.     Are you currently providing accounting services for WMSI?**

21      A.     Yes, I am currently providing accounting services for WMSI and have  
22           done so for many years.

23

1       **Q.     What is the scope of the accounting services that you are providing for**  
2       **WMSI?**

3       A.     I prepare WMSI's tax returns and perform various accounting and  
4       bookkeeping assistance for WMSI. Under an accounting services contract  
5       with WMSI, I am also working with the company to update WMSI's  
6       policy and procedures manual and monitor compliance. I am also working  
7       with WMSI personnel to ensure compliance with Uniform System of  
8       Accounts for Class A Water Utilities, to assist with any necessary journal  
9       entries, and to provide other services required regarding review of utility  
10      plant additions, disposals, and depreciation, including maintaining the  
11      fixed asset matrix and other matters. Other areas of involvement include  
12      amortization of deferred debits and contributions in aid of construction  
13      (CIAC) and the preparation of other accounting schedules as needed. As  
14      WMSI establishes a budget system, I will assist with that project as well.

15  
16      **Q.     Does the scope of work you are currently providing for WMSI differ**  
17      **from the services you have provided to WMSI in the past?**

18      A.     Somewhat, yes. I will be providing all the services that I previously  
19      provided, such as tax return preparation and filing, as well as additional  
20      services relating to monitoring and compliance, as discussed above. I  
21      have been providing some of these services without charge over the past  
22      10 years due to the extremely difficult cash position of WMSI and have  
23      only billed a modest amount for preparation of the income tax returns.

1       **Q.     Why does WMSI need these additional accounting services?**

2       A.     WMSI needs these additional accounting services because, due to the  
3             complex nature of the accounting for this entity, it is necessary to have a  
4             CPA, with the experience and skills possessed by myself and members of  
5             my firm, to assist in order to improve the accounting records and insure  
6             that all transactions are recorded in a timely manner and properly. We are  
7             also monitoring depreciation schedules for WMSI and recommend making  
8             adjustments if needed to plant and accumulated depreciation accounts.  
9             We are also assisting in the development and monitoring of a budget for  
10            the company's operations, as well as assisting with the cash management  
11            and other areas of critical importance from an accounting standpoint.

12  
13       **Q.     What is the monthly charge for the accounting services you are**  
14            **currently providing to WMSI?**

15       A.     The accounting services expense is \$1,500 per month for an average of 10  
16             hours per month. Any unused hours are credited to months during which  
17             more than 10 hours are needed, so that the utility does not pay for hours  
18             not worked.

19  
20       **Q.     Is this \$1,500 monthly retainer charge reasonable?**

21       A.     I think it is very reasonable. Most CPAs with my background and  
22             experience would be charging \$250 per hour for their time. I have always  
23             given WMSI a discount for my services, for both tax preparation and

1 accounting work. Also, I charge only \$75 and \$50 per hour for my  
2 accounting staff, who have also performed services for WMSI under my  
3 contract.

4  
5 **Q. Have you read the direct testimony of OPC witness Donna Ramas in**  
6 **this docket?**

7 A. Yes.

8  
9 **Q. At pages 19 and 20 of her direct testimony, Ms. Ramas proposes that**  
10 **the accounting expenses be reduced from the \$18,000 amount of your**  
11 **annual retainer to \$3,667, which she says is a five year average cost.**  
12 **Do you agree with her assessment? If not, why?**

13 A. No, I do not agree. WMSI has historically incurred in the neighborhood  
14 of \$3,700, in part, because it did not receive accounting services beyond  
15 the minimum required for tax return preparation and filing and also  
16 because, in extremely challenging years for WMSI, I have provided my  
17 services at discounted rates or many years at no charge. However, I  
18 cannot continue to do so indefinitely. In addition, WMSI recognizes that  
19 it needs to establish better controls, which will require more oversight and  
20 monitoring and necessitate more accounting services. The system set up  
21 some years ago for WMSI for depreciation of fixed assets has reached its  
22 capacity, and we have now set up new depreciation schedules for the  
23 company beginning in 2010. We also are going to be involved in the

1 budget process, both in setting up the budget and monitoring compliance.  
2 Also, the company needs the services of a licensed CPA to properly  
3 maintain the books and records of the company due to the complex  
4 accounting matters involved. Most companies of this size and complexity  
5 have several CPAs on staff and I believe it will result in a more efficient  
6 accounting of WMSI's transactions. At such time as the company is able  
7 to afford hiring a full time in-house CPA, which I strongly recommend,  
8 my retainer could possibly be reduced. The salary for a CPA in today's  
9 market would be no less than \$75,000, and I understand the average  
10 starting salary for accountants with just a degree, who have not yet passed  
11 the CPA exam, is approximately \$48,000 per year. A CPA is needed in  
12 addition to the accounting staff presently on hand at WMSI.

13  
14 **Q. Can you please explain the other exhibits that you are sponsoring?**

15 **A.** Yes. I am sponsoring Exhibit (BSW-2) \_\_\_\_, which is an analysis of  
16 amounts advanced to WMSI by Gene Brown. It appears Ms. Ramas has  
17 erroneously included Mr. Brown's salary in the amount of \$123,950 for  
18 2008 and \$115,600 for 2009 and rent paid to Brown Management Group  
19 of \$15,000 for 2008 and \$18,000 for 2009 in her analysis of cash  
20 exchanges (Exhibits DR-2 and DR-3). If you remove these improper  
21 amounts, the 2008 total would be reduced from \$261,495.95 to  
22 \$122,545.95 and the 2009 total would be reduced from \$131,037.67 to a  
23 negative amount of (\$2,562.33) more paid into WMSI than taken out.



1 Combining these corrected figures with the 2010 net cash inflows from  
2 Mr. Brown et al, the net flow of cash into WMSI is \$34,296.38

3  
4 I am also sponsoring Exhibit (BSW-3) \_\_\_\_, which is a copy of the  
5 Accounting Policies and Procedures Manual which I prepared for WMSI.  
6 I am working with WMSI to prioritize their accounting needs. We have  
7 been working on the plant matrix and depreciation schedules and the  
8 requirement that the company keep its accounting records up to date and  
9 close out on a monthly basis, all of which exceeds the capacity of the  
10 present in-house accounting help. WMSI needs more accounting staff at  
11 the CPA level in order to accomplish the necessary tasks, to comply with  
12 the procedures outlined in the manual. If WMSI had the resources of an  
13 in-house CPA, I believe the various items outlined in Ms. Ramas'  
14 testimony with respect to the confusion about the two trailers and other  
15 entries regarding the Scruggs and SMC Investment Properties transactions  
16 would have been better reflected in WMSI's accounting records.

17  
18 I am also sponsoring Exhibit (BSW-4) \_\_\_\_, which is a composite exhibit  
19 containing the hours spent by my firm during 2010 as well as the invoices  
20 and statements sent to WMSI. I have also included résumés of my two  
21 staff accountants who have assisted with this engagement together with  
22 their time records. In my experience, it will take every bit of the \$18,000  
23 annual retainer to assist WMSI to comply with the manuals and to avoid

1           confusion and errors as experienced in the past and as outlined in Ms.  
2           Ramas' testimony. We have been helping the utility this year and as of  
3           now have expended a total of 125.5 hours as reflected in Exhibit (BSW-4)  
4           \_\_\_. The company needs the services of a CPA to assist with the more  
5           complex accounting matters, the plant matrix, the monthly close-out, the  
6           timely retirement of assets, including personal property and plant items,  
7           and had they had these resources during the past few years, the confusion  
8           over these items could have been avoided.

9

10       **Q.     Does that conclude your rebuttal testimony?**

11       A.     Yes, it does.

**Resume**  
**Barbara Sheehan Withers**  
**Certified Public Accountant**

411 Live Oak Plantation Road  
Tallahassee FL 32312  
850-893-4080 – Witherscpa@aol.com

**1985 to present:** Partner and sole proprietor in small CPA firm in Tallahassee FL – Preparation of Federal and State Tax Returns for individuals, trusts, S and C corporations, partnerships, limited liability companies, estates, etc. Also compilation of financial statements for small business entities, tax planning and consultations. Additional experience includes fraud auditing, forensic accounting and auditing, and expert testimony, assisting clients with Charitable Remainder Trusts and other financial activities. Also performed several contracts for State of Florida agencies, including certification of Lottery drawings, contract auditing, review of bid proposals and financial ability of vendors to perform contracts, review of files for content required, certification of environmental testing and other tasks.

**Previous experience in industry:**

\*\*\*Secretary-Treasurer of publicly held land development company located in Tallahassee and listed on American Stock Exchange – prepared listing application; prepared SEC filings, 10-Ks, 10-Q's, annual reports, etc. Worked with attorneys and auditors on secondary offering materials, private placements and other activities of corporation.

\*\*\*Controller and General Manager of private land development company with major project on St. George Island, FL, including St. George's Plantation, Franklin County, FL.

\*\*\*Treasurer and Assistant to the President of large full service printing company in Tallahassee, including book printing and binding, brochures, advertising and campaign materials, legislative printing, etc. Assisted with management of company owned book and magazine publishing companies. \*\*\*Accountant for large tank line motor carrier operating throughout the United States, with barging and towing subsidiaries.

**Education:**

Graduated from Florida State University, Tallahassee FL with BS in Business Administration, major in accounting. Passed all parts of CPA exam at first sitting. Member of AICPA, FICPA, AWSCPA and active on two committees of FICPA.

**References available upon request.**

## WATER MANAGEMENT SERVICES, INC. CASH EXCHANGES

2010	CASH IN	CASH OUT	NET
131.08	0.00	147,105.00	147,105.00
131.09	(329,875.00)	14,640.00	(315,235.00)
131.10			0.00
131.11	0.00	13,850.00	13,850.00
131.12			0.00
132.10			0.00
135.30			0.00
	(329,875.00)	175,595.00	(154,280.00)
2009	CASH IN	CASH OUT	NET
131.08	(1,048.00)	305,240.00	304,192.00
131.09	(184,364.03)	54,841.00	(129,523.03)
131.10	(33,155.00)	20,500.00	(12,655.00)
131.11	0.00	27,335.00	27,335.00
131.12	(111.30)	0.00	(111.30)
132.10		2,700.00	2,700.00
135.30	(194,500.00)		(194,500.00)
	(413,178.33)	410,616.00	(2,562.33)
2008	CASH IN	CASH OUT	NET
131.08	(30,279.05)	221,825.00	191,545.95
131.09	(201,000.00)	50,500.00	(150,500.00)
131.10			0.00
131.11		6,500.00	6,500.00
131.12			0.00
132.10		65,000.00	65,000.00
135.30		10,000.00	10,000.00
	(231,279.05)	353,825.00	122,545.95
SUMMARY			
YEAR	CASH IN	CASH OUT	NET
2008	(231,279.05)	353,825.00	122,545.95
2009	(413,178.33)	410,616.00	(2,562.33)
2010	(329,875.00)	175,595.00	(154,280.00)
<b>3 YR TOTAL</b>	<b>(974,332.38)</b>	<b>940,036.00</b>	<b>(34,296.38)</b>
	=====	=====	=====

	2008	2009
TOTAL CASH EXCHANGES PER OPC	261,495.95 ✓	131,037.67 ✓
REMOVE GENE D. BROWN NET PAYCHECKS	(123,950.00)	(115,600.00)
REMOVE BROWN MGMT GROUP RENT CHECKS	(15,000.00)	(18,000.00)
	<hr/>	<hr/>
SUB-TOTAL	122,545.95	(2,562.33)

**Water Management Services, Inc.**  
**Accounting Policies & Procedures**

Water Management Services, Inc. (WMSI) is a Florida corporation with its principal office in Tallahassee, and with offices and operations on St. George Island. The company owns the water system which supplies potable water to residents and businesses located on St. George Island. The company is regulated by the Florida Public Service Commission and is required to maintain its books and records in accordance with the NARUC accounting manual (see Appendix). Additional books and records must be maintained to comply with IRS requirements.

**Accounting Staff & Methods:**

WMSI has a small accounting/financial management staff consisting primarily of a Controller, Bobby Mitchell, and an Office Assistant, Jessica Blankenship. On site assistance is provided, as needed, by the company's CPA, Barbara Withers. The General Manager is Gene Brown and the Assistant General Manager is Sandra Chase. Both the Controller and the Office Assistant report to the General Manager for the respective tasks assigned, and in his absence, to the Assistant General Manager.

The tasks and duties listed below will be assigned to the individuals designated as follows:

- 1 - Controller, Bobby Mitchell
- 2 - Office Assistant, Jessica Blankenship
- 3 - General Manager, Gene Brown
- 4 - Assistant General Manager, Sandy Chase
- 5 - CPA, Barbara Withers
- 6 - Island Manager - Brenda Molsbee
- 7 - Others (Island, Engineers, etc.)

The primary areas to be considered in financial administration are:

1. Accounting systems
2. Chart of Accounts
3. Banking and cash controls including cash forecasting and budgeting
4. Management review
5. Control of the accounting function
6. Revenue controls
7. Billing and collection controls
8. Documentation of assignment processing and control
9. Office management
10. Insurance
11. Legal matters
12. Tax matters (corporate and payroll tax returns)
13. Financial reporting (including regulatory reports)
14. Payroll and Personnel Benefits

**Accounting Systems:**

The company presently utilizes Peachtree Complete Accounting software for its general ledger accounting functions and "Inhance 5000" for its water utility billing functions. The company is continuously updating and expanding its accounting capabilities to accommodate the increased activities and new reporting requirements generated by daily growth of the company and the associated regulatory and banking reporting needs.

Checks are presently written both manually and by computer, and the computer generates the majority of the checks for the payroll and accounts payable disbursements.

**Chart of Accounts:**

The chart of accounts has been developed following the NARUC accounting manual chart of accounts, and is utilized to organize accounting information and establish a basis for the collection of comparable statistics and accounting information needed for regulatory reporting requirements as well as Federal and State income tax reporting.

**Books & Records:**

Operational information should be developed from the accounting records at frequent intervals. Financial statements should be prepared monthly, using the full accrual basis. The following are the basic books and records Water Management Services Inc. should maintain:

1. General Ledger (1)
2. Cash Receipts Journal (2)
3. Cash Disbursements Journal (1)
4. Payroll Journal (1)
5. Billing And Adjustments Journal (Inhance Reports) (2)
6. Standard Journal (Recurring Entries)(1)
7. General Journal (1)
8. Month End Bank Reconciliations/Cash Reports (2)
9. Subsidiary Ledgers:
  - a. Pension Plan Accruals (1)
  - b. CWIP Accounts (1)
  - c. Customer Deposits (2)
  - d. Accounts Receivable (2)
  - e. Individual Earnings Records (1)
  - f. Accounts Payable(by Wednesday of each week)(1)
  - g. CIAC schedules(1)
10. Other Supporting Records:
  - a. Aged accounts receivable(2)
  - b. Property & Equipment (1)
  - c. Depreciation schedules for fixed assets(1)

- d. Prepaid expenses(1)
  - e. Accrued & withheld taxes(1)
  - f. Vacation, overtime & sick leave records (2 & 4)
  - g. Amortization schedules for Deferred expenses(2)  
(including deferred rate case & limited proceedings)
11. Operations Summary for Management, including CIAC list (Contributions in Aid of Construction) (by the 20<sup>th</sup> of each month) (1)
  12. Daily Cash Report, by 9 a.m. each morning (2)
  13. PSC reports, including two (2) consolidated reports required to be filed within 20 days of each billing cycle (1 and 4)
  
  14. Inventory Lists – all tangible personal property, equipment, furniture and fixtures etc. including such items as safety equipment, vests, signs and cones; tools, pipes, fittings, saws, weed-eaters, shovels and other similar items – once a complete list is developed, it will be maintained on a perpetual basis. (2 & 4)
  
  15. Rework on Audits – complete audit of physical system(1 , 2 & 4)
  
  16. Cross Connection Program – coordinate with island personnel(2, 4, 6 and 7)
  
  17. Financial Statements, including Balance Sheets and Income Statements (both NARUC and TAX) by the 15<sup>th</sup> of each month. (1)
  
  18. PTO Summary update each month (Paid Time Off) – report of balances of sick and annual leave for each employee(2 & 4)
  
  19. Water Billing Summary including number of customers and gallons used by meter type (1)

**Record Keeping System:**

The most efficient record keeping systems should be chosen for the company, and the accounting staff should be continuously improving the quality and timeliness of the accounting reports required by management.

**Banking And Cash Control:**

Due to the small size of the staff, it is not always possible to achieve the required level of internal controls. Where possible, proper segregation of duties should be maintained. Bank statements received in the mail should only be opened and examined by a member of management. All deposits should be made timely. Duties should be periodically rotated and all employees should be required to take vacations.

The company presently maintains a depository account with Farmers & Merchants Bank, in Tallahassee and its major operating account at Gulf State Bank (also utilized for cash



received on the island) and several other operating and reserve accounts as required. The CEO, Gene Brown, General Manager, presently signs all checks, and in his absence, Sandy Chase, Assistant General Manager has check signing authority.

The company operates with a cash budget which projects estimated collections and disbursements on a monthly and annual basis. These projections assist in determining bank cash requirements and identify cash flow problems.

**General Procedure:**

**BILLING:**

1. Technician at St. George Island reads water meters on Monday and Tuesday of the last full week of the month. (7)
2. Technician reports meter readings to Island office by Wednesday of that week(7)
3. Meter readings entered into Inhance 5000 system (6)
4. Inhance system automatically computes amount due for each customer(6)
5. Statements for each customer are printed and mailed out by Friday of the last full week of the month(6)
6. Payments are received by either the Tallahassee office or the St. George Island office(2)(6)
7. Cash receipts are deposited daily(2)(6)
8. Customer accounts are credited for the amount of money received.(6)
9. Yearly credits to customers' accounts for interest on deposits held (6)
10. Final bills to customers terminating service and set up of new customers' accounts (6)

**Other Accounting Tasks:**

1. Maintaining accounts payable records(2)
2. Maintaining accounts receivable records(2)
3. Writing all Checks including both expenses and payroll(1)
4. Preparing monthly bills to customers(6)
5. Entering customer payments into Inhance System(6)
6. Preparing payroll tax returns(1)
7. Daily Bank Deposits(2)
8. Month End Reconciliations of All Bank Accounts(2)
9. Updating CWIP Accounts(1)
10. Updating Pension Accrual Accounts(1)
11. Updating Loan Liability Accounts(1)
12. Updating Customer Deposit Accounts(2)(6)
13. Daily Cash Reports(2, approved by 1)
14. Posting and Maintaining General Ledger on monthly basis, with financial statements prepared no later than the 15<sup>th</sup> of the following month. (1)

Major due dates of annual accountings are as follows:

- A. Annual Report to the Florida Public Service Commission: Due by March 31 each year for the prior year (original and 2 copies)(1) assisted as needed by (2), (3), (4), (5), (6), (7)
- B. Form 1120, Federal Corporate Income Tax Return – due by March 15 each year(5)
- C. Form F-1120, Florida Corporate Income Tax Return – due by April 1 each year(5)
- D. Florida Tangible Personal Property Tax Returns – due by April 1<sup>st</sup> each year in the county in which the property is located, i.e., Franklin and Leon.(1)
- E. Annual Regulatory Assessment Fee Return to the Florida Public Service Commission by due date of March 31<sup>st</sup> each year.

RECAP OF HOURS AS OF SEPTEMBER 16, 2010 FOR  
BARBARA SHEEHAN WITHERS CPA FIRM

BARBARA WITHERS	48 HRS @ \$150	\$7,200
SCOTT HUTTER	28 HRS @ \$75	2,100
SUSAN BROOKS SHEARER	49.5 HRS @ \$50	2,475
TOTAL		\$11,775

(PAID TO DATE \$4,500)

Hours Worked by Barbara S. Withers CPA  
 for Water Management Services Inc.

Date	Hours	Description/Project
4/16/2010	2.00	Meet with Gene Brown at his office, review financial data
4/22/2010	1.50	Meet with Gene Brown at my office, review cash needs/financial info.
4/23/2010	1.00	Telephone conversations, Sandy Chase Bobby Mitchell & Gene Brown, fax items
6/17/2010		Prepare Federal & Florida Income tax returns for 2009 - 5 hrs. billed separately \$550
6/24/2010	5.00	Work on fixed assets, depreciation schedules
7/6/2010	1.50	Review financial information
7/8/2010	2.00	Review documents and schedules
7/9/2010	2.00	Review accounting matters
7/15/2010	2.50	Review June 30, 2010 financial statements and prepare list of items to be analyzed
7/19/2010	3.00	Work on fixed assets, depreciation schedules
7/20/2010	1.50	Prepare June 30 2010 Fixed Asset Matrix and depreciation schedules
7/23/2010	2.00	Review PSC material
8/16/2010	1.00	review financial data w/ SH & SB
8/17/2010	1.00	Organize files, review financials
8/18/2010	1.00	Organize files, review financials
	27.00	
8/23/2010	1.00	Depreciation schedules with staff set up new procedure/excel spreadsheets
8/25/2010	2.00	Review PSC material, read testimony
8/26/2010	0.50	Telephone conversion Gene Brown Re:PSC
8/30/2010	3.00	Review depreciation schedules
8/31/2010	2.00	Work on and review depreciation schedules
Subtotal	35.50	
9/13/2010	0.50	Meet with Gene Brown, Sandy Chase re: accounting matters(with S. Brooks) July & August financial statements for review
	4.00	Finalize & prepare 2009 tax return/research
9/15/2010	4.00	Review PSC testimony and prepare testimony
9/16/2010	4.00	Work on testimony, research records
Subtotal	48.00	As of September 16, 2010

Hours Worked by Scott Hutter

Day/Week	Date	Start	Stop	# Hours	CC	CPA	Project	BSW	Office	State
Friday	5-Feb	11:40 AM	11:50 AM	0.17	WMSI	BSW	Regulations Books	0.17		
Thursday	17-Jun	3:05 PM	3:35 PM	0.50	WMSI	BSW	Trip to WMSI/Federal Extension	0.50		
Thursday	24-Jun	11:30 AM	12:30 PM	1.00	WMSI	BSW	Trip to WMSI/Depr. Schedules	1.00		
Friday	25-Jun	12:20 PM	1:15 PM	0.82	WMSI	BSW	Trip to WMSI/Matrix	0.92		
Friday	25-Jun	3:30 PM	5:10 PM	1.67	WMSI	BSW	Trip to WMSI/Matrix	1.67		
Tuesday	20-Jul	11:30 AM	11:45 AM	0.25	WMSI	BSW	Helping BSW	0.25		
Thursday	22-Jul	12:35 PM	1:05 PM	0.50	WMSI	BSW	Depreciation Reports	0.50		
Thursday	22-Jul	2:30 PM	5:15 PM	2.75	WMSI	BSW	Depreciation Reports	2.75		
Thursday	28-Jul	5:40 PM	5:50 PM	0.17	WMSI	BSW	Fixed Assets	0.17		
Thursday	5-Aug	3:30 PM	3:50 PM	0.33	WMSI	BSW	Fixed Assets	0.33		
Friday	6-Aug	11:10 AM	11:20 AM	0.17	WMSI	BSW	Audit/Depreciation	0.17		
Friday	6-Aug	5:05 PM	5:30 PM	0.42	WMSI	BSW	Fixed Assets	0.42		
Wednesday	11-Aug	12:00 PM	12:25 PM	0.42	WMSI	BSW	Fixed Assets	0.42		
Wednesday	11-Aug	5:05 PM	5:20 PM	0.25	WMSI	BSW	Depreciation Schedules	0.25		
Monday	16-Aug	11:45 AM	12:00 PM	0.25	WMSI	BSW	Audit	0.25		
Tuesday	17-Aug	12:10 PM	12:20 PM	0.17	WMSI	BSW	Helping BSW	0.17		
Friday	20-Aug	12:45 PM	1:05 PM	0.33	WMSI	BSW	Helping Susan/Depreciation	0.33		
Tuesday	24-Aug	11:20 AM	11:55 AM	0.58	WMSI	BSW	Reading Over PSC Testimony	0.58		
Wednesday	25-Aug	8:30 AM	9:00 AM	0.50	WMSI	BSW	Helping BSW/Depr. Schedule	0.50		
Wednesday	25-Aug	10:40 AM	10:55 AM	0.25	WMSI	BSW	Helping Susan/Depreciation	0.25		
Friday	27-Aug	9:35 AM	11:25 AM	1.83	WMSI	BSW	Depreciation Schedules	1.83		
Friday	27-Aug	12:25 PM	1:05 PM	0.67	WMSI	BSW	Depreciation Schedules	0.67		
Friday	27-Aug	2:20 PM	3:20 PM	1.00	WMSI	BSW	Depreciation Schedules	1.00		
Friday	27-Aug	3:35 PM	5:45 PM	2.17	WMSI	BSW	Depreciation Schedules	2.17		
Monday	30-Aug	9:00 AM	12:00 PM	3.00	WMSI	BSW	Depreciation Schedules	3.00		
Monday	30-Aug	12:10 PM	12:30 PM	0.33	WMSI	BSW	Depreciation Schedules	0.33		
Monday	30-Aug	2:35 PM	6:05 PM	3.50	WMSI	BSW	Depreciation Schedules	3.50		
Tuesday	31-Aug	8:40 AM	12:00 PM	3.33	WMSI	BSW	Depreciation Schedules	3.33		
Tuesday	31-Aug	12:20 PM	12:40 PM	0.33	WMSI	BSW	Depreciation Schedules	0.33		
Wednesday	1-Sep	5:00 PM	5:15 PM	0.25	WMSI	BSW	Helping BSW/Budget Etc.	0.25		
				0.00						
				0.00						
				0.00						
				0.00						
				28.00				28.00	0.00	0.00
								BSW	Office	State

Docket No. 100104-WU  
 Barbara Withers, Exhibit BSW-4  
 Page 3 of 8  
 Composite Exhibit

Hours Worked by Susan Brooks

Day/Week	Date	Start	Stop	# Hours	CC	CPA	Project	BSW	Office	State
Monday	16-Aug	2:00 PM	5:45 PM	3.75	WMSI	BSW	Review of Audit Proc./Gen Ledger	3.75		
Wednesday	18-Aug	4:00 PM	5:30 PM	1.50	WMSI	BSW	Gene Brown Depreciation Sch	1.50		
Friday	20-Aug	9:00 AM	5:30 PM	8.50	WMSI	BSW	Depreciation Schedule	8.50		
Monday	23-Aug	8:45 AM	11:00 AM	2.25	WMSI	BSW	Depreciation Schedule	2.25		
Monday	23-Aug	12:45 PM	6:45 PM	6.00	WMSI	BSW	Depreciation Schedule	6.00		
Wednesday	25-Aug	9:00 AM	3:30 PM	6.50	WMSI	BSW	Depreciation Schedule	6.50		
Friday	27-Aug	9:00 AM	2:00 PM	5.00	WMSI	BSW	Depreciation Schedule	5.00		
Friday	27-Aug	2:30 AM	5:15 AM	2.75	WMSI	BSW	Depreciation Schedule	2.75		
Monday	30-Aug	9:00 AM	11:45 AM	2.75	WMSI	BSW	Depreciation Schedule	2.75		
Monday	30-Aug	1:15 PM	6:00 PM	4.75	WMSI	BSW	Depreciation Schedule	4.75		
Monday	13-Sep	10:15 AM	11:15 AM	1.00	WMSI	BSW	WMSI: Review F/S June	1.00		
Monday	13-Sep	11:15 AM	11:45 AM	0.50	WMSI	BSW	WMSI: Meeting w/Client	0.50		
Monday	13-Sep	11:45 AM	1:45 PM	2.00	WMSI	BSW	WMSI: Review F/S July & Aug	2.00		
Monday	13-Sep	3:00 PM	4:30 PM	1.50	WMSI	BSW	WMSI: Review Supporting Schedules w/Client	1.50		
Monday	13-Sep	4:30 PM	5:15 PM	0.75	WMSI	BSW	WMSI: Prepare Wk Files/Copies	0.75		
				0.00						
				0.00						
				0.00						
				0.00						
				0.00						
				0.00						
				49.50				49.50	0.00	0.00
								BSW	Office	State
Company Hours Breakdown								Total		

## RESUME

### Scott Charles Hutter

1764 Beechwood Circle, North, Tallahassee, Florida 32301  
Telephone (850) 878-4114

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#### Education

Florida State University:  
Bachelor of Science in Accounting, May 2001 plus 5<sup>th</sup> year hours/CPA exam  
Bachelor of Science in Biology, December 1996  
Eligible to sit for CPA exam/ plans to take in middle 2007

#### Employment History

Staff Accountant June 2000 to Present  
Barbara Sheehan Withers, CPA and predecessor firm of Watson & Withers  
Provide accounting services, prepare monthly financial statement compilations and tax return preparation. Assist on other projects, including agreed-upon procedures under contracts with State of Florida and other clients, under the supervision of Certified Public Accountants. Skills include Microsoft Word and Excel, Peachtree Accounting, QuickBooks, Taxworks and BNA tax research and forms software.

Assistant Manager  
Wok 'n Roll – Tallahassee, Florida August 1994 to June 2000

Trained in most aspects of the business including food preparation, waiter, delivery driver, and management activities.

U.S. Navy: Second Class Petty Officer September 1989 – August 1994  
Leadership and management role, with five years intensive learning and hands-on experience. Training department, responsible for overseeing academic progress of all members within my crew. Qualified as Reactor Operator, Shutdown Reactor Operator, Reactor Control Equipment Operator, Primary Valve Operator. Stationed aboard the Aircraft Carrier USS Enterprise (CVN-65).

#### Computer Skills

Microsoft Office  
Peachtree  
Taxworks

#### Awards and Honors

- U.S. Navy - Good Conduct Medal and promotion due to an excellent work performance and work ethic in the Naval Nuclear Power Program
- Valedictorian – Hudson Senior High School – 1985

## Susan Brooks Shearer

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120 Harvey Mill Road  
Crawfordville, FL 32327

850-545-6678 Cell  
850-926-2047 Hm

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### Objective

A position as staff accountant.

### GPA

3.0

### Education

Florida State University, College of Business  
Bachelor of Science, Accounting, May, 2010  
Bachelor of Science, Marketing, May, 1986  
Florida Atlantic University  
Paralegal Certification, 1988  
Tallahassee Community College  
Associate of Arts, May, 1980

### Work Experience

07/95 - Present, Staff Accountant/Controller, Brooks Concrete  
Panacea, Florida

Manage all aspects of business including budgeting, finance,  
accounting, human resources, banking, insurance, marketing,  
public relations and compliance.

01/91 - 06/95, Paralegal, Bateman Graham, P.A.,  
Tallahassee, Florida

Created, organized and maintained national insurance premium  
fraud database for the National Council on Compensation  
Insurance (NCCI); prepared speech and powerpoint slideshow  
for presentation to insurance companies; reviewed and cataloged  
case documents; prepared deposition summaries.

01/89 - 12/90, Paralegal, Hillier, Wanless & Cherry, P.A.  
Boca Raton, Florida

Drafted golf club membership program legal documents; trained  
golf club membership personnel on rules and regulations of plan;  
participated with legal team to complete membership plan  
documents from inception to completion for private golf clubs;  
acted as firm liaison for alcoholic beverage application and  
licensure information to staff attorneys.

**BARBARA SHEEHAN WITHERS**

**CERTIFIED PUBLIC ACCOUNTANT**

Telephone: (850) 893-4080  
Facsimile: (850) 893-6375  
Email: witherscpa@aol.com

411 LIVE OAK PLANTATION ROAD  
TALLAHASSEE, FLORIDA 32312

**Member**  
American Institute of CPA's  
Florida Institute of CPA's  
American Women's Society of CPA's

August 31, 2010

Water Management Services, Inc.  
250 John Knox Road #4  
Tallahassee FL 32303

**INVOICE #B2010-488**

FOR PROFESSIONAL SERVICES RENDERED in connection with accounting and  
Bookkeeping policies, procedures, account classifications, computations and  
Other matters, for the month of August 2010.

August 2010 Retainer, as per accounting and bookkeeping Services agreement	\$ 1,500.00
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**HOURS SPENT AGAINST RETAINER  
AS OF AUGUST 31, 2010**

Barbara Withers	34 hrs. @\$150	\$5,100.00
Scott Hutter	27.84 hrs. @\$75	2,088.00
Susan Shearer	47.75 hrs. @\$50	2,387.50
<b>Total</b>		<b>9,575.50</b>
<b>Paid to date</b>		<b>(4,500.00)</b>
<b>Time in excess of payments</b>		<b>5,075.50</b>

**Retainer:**

Due per previous statement	\$6,000
Add: Invoice B2010-488	
August Retainer	1,500
<b>Billings due as of 8/31/10</b>	<b>7,500</b>

**BARBARA SHEEHAN WITHERS**

CERTIFIED PUBLIC ACCOUNTANT

Telephone: (850) 893-4080  
Facsimile: (850) 893-6375  
Email: witherscpa@aol.com

411 LIVE OAK PLANTATION ROAD  
TALLAHASSEE, FLORIDA 32312

Member  
American Institute of CPA's  
Florida Institute of CPA's  
American Women's Society of CPA's

August 18, 2010

Water Management Services Inc.  
750 John Knox Road, #4  
Tallahassee FL 32303

STATEMENT

FOR PROFESSIONAL SERVICES RENDERED in connection with accounting and bookkeeping policies, procedures, account classifications, computations and other matters, January through July 2010:

Invoice #B2010-437 - January through June 2010	\$ 9,000.00
Invoice #B2010-478 - July 2010	1,500.00
Total billed	10,500.00
Less Paid to date	(4,500.00)
Balance due through July 2010	\$ 6,000.00