

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

**February 14, 2025**

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

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RE: Docket No. 20240105-SU – Application for staff-assisted rate case in Polk County by West Lakeland Wastewater, LLC. - Response to Staff Audit Report - ACN 2024-227-2-1.

Commission Clerk

West Lakeland Wastewater, LLC, (WLW) hereby submits its response to the Staff Audit Report in the above referenced docket.

**General**

In response to Audit Document Request No. 1, WLW provided detailed yearly general ledgers (GL) with trial balances for all periods beginning October 31, 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.

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

**Audit Findings 1**

WLW disagrees with the audit staffs accumulated depreciation (AD) balance and the depreciation expense amount for the test year ended June 30, 2024. WLW review of the audit staffs AD schedules on WP’s 22 – 22.6 revealed multiple compilation and posting issues that render the “Per Audit” balance of \$267,691 as faulty. WLW differences with the audit staff’s AD schedule include, (1) The plant in service (PIS) balance of \$300,867 displayed on WP 22.6 does not reconcile to the PIS balance of \$309,485 displayed on WP 16. (2) The use of incorrect PIS additions and retirements on WP 22, (3) The inclusion of AD retirements on WP 22.1 which are not evident on WP 16, (3) The exclusion of corresponding AD retirements when PIS was retired on WP’s 22, and 22.3 through 22.6, inclusive. All of the above issues render the PIS balances and the calculated annual depreciation accruals on WP No’s. 22 – 22.6, as faulty.

WLW asserts that the test year, June 30, 2024, balance for AD is \$260,617. During our review of the AD records for this audit finding, we found an imbedded calculation error in our AD schedules that has persisted since 2018. The error has caused the annual accruals for depreciation expense and AD to be overstated by approximately \$11,181, as of June 30, 2024 (test year ended). WLW has attached revised PIS and AD schedules that correct this error, and the issues we identified in the audit staff's AD schedule, for the staff's review. The differences between WLW initial AD balance in the GL, as of June 30, 2024, and the corrected AD balances are displayed below.

***Wastewater Accumulated Depreciation***

Acc#	Account Description	6/30/24 Per GL	Utility Adjustment	6/30/24 Adj GL
354.00	Structures & Improvements	(\$2,608)	\$201	(\$2,407)
360.00	Collection Sewers - Forced	(\$9,291)	\$1,575	(\$7,717)
361.00	Collection Sewers - Gravity	(\$97,341)	\$0	(\$97,341)
363.00	Services	(\$16,503)	\$0	(\$16,503)
364.00	Flow Measuring Devices	(\$2,764)	\$2,063	(\$701)
365.00	Flow Measuring Install	(\$993)	\$41	(\$952)
370.00	Receiving Wells	(\$39,252)	\$0	(\$39,252)
371.00	Pumping Equipment	\$1,226	\$6,706	\$7,932
380.00	Treatment & Disposal Equipment	(\$87,180)	\$0	(\$87,180)
382.00	Outfall Sewer Lines	(\$5,694)	\$449	(\$5,245)
390.00	Office Furniture & Equipment	(\$631)	\$123	(\$508)
393.00	Tools, Shop & Garage	(\$142)	\$24	(\$118)
398.00	Common Plant (Vehicles)	(\$10,624)	\$0	(\$10,624)
<b>Total</b>		<b>(\$271,798)</b>	<b>\$11,181</b>	<b>(\$260,617)</b>

WLW asserts that the test year, June 2023 – July 2024, amount for depreciation expense is \$7,862. WLW 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. (((\$4,596/2) + \$1,976 + \$3,588).

**Audit Finding 2**

WLW disagrees with the audit staff's statements and the equity balance reflected in the finding. WLW asserts that its Capital Structure is comprised of long-term debt, customer deposits, and common equity, totaling of \$50,471, with an average weighted cost of 7.95 percent. A Schedule of the Cost of Capital with WLW calculations follows.

**Long-Term Debt**

The long-term debt balance is \$23,947, with an average interest cost of 7.27 percent as displayed below.

Long-Term Debt	Life	06/30/23	06/30/24	TY Average	Ratio	Int Rate	Wtd Rate
224.7 · Cap City Loan 2286	5yr	\$7,762	\$4,995	\$6,378	23.20%	5.950%	1.380%
224.8 · Cap City Loan 1160	3yr	\$1,383	\$570	\$977	3.55%	6.075%	0.216%
224.9 · Cap City Loan 0465	5yr	\$21,900	\$18,382	\$20,141	73.25%	7.750%	5.677%
<b>Balance</b>		<b>\$31,046</b>	<b>\$23,947</b>	<b>\$27,496</b>	<b>100.00%</b>		<b>7.27%</b>

The debt instruments for the three loans indicated above were provided in response to Audit Doc. Req. No. 35. The three loans were “jumbo” bank loans taken out by FUS1 to pay for various capital and maintenance projects for several FUS1 utility systems. WLW debt balance, recorded in Acct No. 224 – Long-Term Debt, was determined by using the ratio of the financed loan amounts, that were used to pay for the projects specific to WLW, to the total financed balance for each loan.

#### Customer Deposits

The customer deposit balance is \$7,675, with an interest rate of 2.00 percent, as reflected on audit staff’s WP 31.

#### Common Equity

The common equity balance is \$18,849, with a cost rate of 11.24 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 \$102,200 due to FUS1, and a related party debt balance (Smallridge) of \$44,314, included in Acct No. 231 – Accounts Payable. The cost rate for common equity of 11.24 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	\$23,947	\$0	\$23,947	47.45%	7.27%	3.45%
Customer Deposits	\$7,675	\$0	\$7,675	15.21%	2.00%	0.30%
Common Equity	(\$127,665)	\$146,514	\$18,849	37.35%	11.24%	4.20%
Other:						
Intercompany/Related Party Debt	\$146,514	(\$146,514)	\$0			
<b>Total</b>	<b>\$50,471</b>	<b>\$0</b>	<b>\$50,471</b>	<b>100.00%</b>		<b>7.95%</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	\$16,647
3200 - Members Equity	(\$134,324)
Current Year Earnings (NOL)	(\$9,988)
<b>Total</b>	<b>(\$127,665)</b>

**Intercompany/Related Party Debt**

Acct No. 231 - AP - Smallridge	\$44,314
Acct No. 231 - AP - FUS1	\$102,200
<b>Total</b>	<b>\$146,514</b>

### **Audit Finding 3**

WLW 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. WLW takes no position on audit staff's annualization calculation.

### **Audit Finding 4**

WLW asserts that the Operations and Maintenance Expense (O&M) amount should be \$180,764 for the test year ending June 30, 2024. The \$180,764 is the WLW test year GL amount of \$182,076, displayed below, reduced by adjustments totaling \$1,312.

NARUC	Description	WLW Balance			Utility Adjust	Adjusted Balance
		Allocated	Direct	Total		
701	Salaries & Wages Employees	\$42,711		\$42,711	\$0	\$42,711
703	Salaries & Wages Officers	\$7,197		\$7,197	\$0	\$7,197
704	Employee Benefits	\$5		\$5	(\$5)	\$0
710	Purchased Water		\$560	\$560	\$0	\$560
711	Sludge Hauling		\$33,918	\$33,918	(\$443)	\$33,475
715	Purchased Power		\$13,338	\$13,338	\$0	\$13,338
718	Chemicals		\$2,715	\$2,715	\$0	\$2,715
720	Materials & Supplies	\$1,833	\$6,167	\$8,000	(\$863)	\$7,137
731	Contract Service - Professional	\$1,092		\$1,092	\$0	\$1,092
735	Contract Services -Testing		\$1,240	\$1,240	\$0	\$1,240
736	Contract Services - Other	\$203	\$29,946	\$30,148	\$0	\$30,148
740	Rental Expense	\$5,575	\$4,016	\$9,591	\$0	\$9,591
750	Transportation Expense	\$7,985		\$7,985	\$0	\$7,985
755	Insurance Expense	\$3,633	\$4,873	\$8,506	\$0	\$8,506
770	Bad Debt Expense		\$4,506	\$4,506	\$0	\$4,506
775	Miscellaneous Expense	\$8,307	\$2,257	\$10,563	\$0	\$10,563
	<b>TOTAL</b>	<b>\$78,540</b>	<b>\$103,536</b>	<b>\$182,076</b>	<b>(\$1,312)</b>	<b>\$180,764</b>

Our discussion of the O&M Expense Schedule presented above as it relates to Table 4-1 in the audit report, follows below.

#### **Acct No. 703 – Salaries & Wages Officer (common allocation)**

The correct amount for this account is \$7,197, which is approximately 9.00% of the \$79,200 test year salary for Mike Smallridge, as President of Florida Utility Services 1, LLC, and its subsidiary systems. The support for the allocated amount was provided in response to Doc. Req. No. 16. The \$9,198, referenced by the auditor (WP-43.2), was a calculation that summed the Officers Salary of \$79,200 to the actual amount paid, \$23,000, by check to Mike Smallridge that was posted to FUS1 GL, multiplied by WLW common allocation ratio of 9.00 percent. There was no other information provided as to why the auditor used this method.

#### **Acct. No. 704 – Employee Benefits (common allocation)**

WLW takes no position on the adjustment. The support for the allocated amount and its calculations was provided in response to Doc. Req. No. 33.

#### **Acct. No. 710 – Purchased Water (direct charge)**

The correct amount for this account is \$560. This is for water service provided by Lakeland Electric Utilities for a 5/8" water tap at the wastewater plant. It appears that the difference is a timing issue. The compilation of purchased water bills appears on WP 43.14 and includes billings for the period June 2023 through May 2024, which does not correspond to the test year for this proceeding. There is no other information provided for the adjustment in the work papers.

Acct. No. 711 – Sludge Hauling (direct charge)

WLW takes no position on this adjustment. It appears that the audit staff's adjustment removes late fees that are not recoverable for this proceeding.

Acct. No. 715 – Purchased Power (direct charge)

The correct amount for this account is \$13,338. The audit staff's adjustment appears to be the result of a timing issue. The compilation of purchased power bills on WP 43 includes billings for the period June 2023 through May 2024, which does not correspond to the test year for this proceeding. There is no other information provided for the adjustment in the work papers.

Acct. No. 720 – Materials & Supplies (direct charge & common allocation)

WLW takes no position on this adjustment. It appears that the audit staff's adjustment removes unsupported amounts from its sample of common allocated cost.

Acct. No. 736 – Contract Services Other (direct charge & common allocation)

The correct amount for this account is \$30,148. Below is a schedule that displays the auditor's adjustment.

<b>Vendor</b>	<b>Per Utility</b>	<b>Difference</b>	<b>Per Audit</b>
Applied Aquatic	\$688	\$0	\$688
Consta Flow	\$22,586	\$3,560	\$26,146
Waste Management	\$2,565	(\$260)	\$2,305
Roto Rooter	\$1,320	(\$1,320)	\$0
JE's	\$2,787	(\$2,787)	\$0
Allocated	\$203	\$0	\$203
	\$30,148	(\$807)	\$29,341

The Consta Flow difference can be traced to six invoices provided in response to Audit Doc. Req No. 18. Invoice Nos. 3357, 3358, 3359, 3640 and 3712, include line-item charges totaling \$863 that WLW posted as direct charges to Acct. No. 720. The auditor included the total amounts for the invoices in his schedule on WP 43.10. The auditor included Invoice No. 4738, for \$2,696, in his schedule. WLW posted this invoice to Acct. No. 371 because it was for a pump replacement at a lift station. Combine, these errors overstate this account by \$3,560.

The Waste Management difference can be traced to the February 2024 invoice provided in response to Audit Doc. Req No. 18. The actual invoice totals \$469. The auditors schedule only includes \$209, which accounts for the \$260 difference.

The Roto Rooter difference is a direct charge from FUS1 that the auditor did not include in his schedule. FUS1 paid to have the main service line going to the wastewater plant cleaned out after a stoppage on behalf of WLW. The invoice for this service is included at the end of this response.

The JE's difference relates to four journal entries. Two of the JE's (12.31.23J3), that reduced this account by \$3,366, and dated December 31, 2023, should have been removed from the test year because they relate to correcting entries to this account that were outside of the test year. One of the JE's (6.30.24JT), dated June 30, 2024, for \$2,051 was made in error and should be removed. The last JE (12.31.23.J3), totaling \$4,102, was posted to this account on December 31, 2023, for the amortization of two deferred asset accounts, 186.4 – Sand Removal & Rehab and 186.5 – Major Repairs. The net effect of these actions will increase the utility's amount for this account by \$1,315, for the test year (\$3,366-\$2,051).

Acct. No. 740 – Rental Expense (direct charge and common allocation)

The correct amount for this account is \$9,591. The direct amount totaling \$4,016 represent the land lease for the spray field. The allocated amount totaling \$5,575 which is approximately 9.00% 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. 28. The audit amount of \$2,916 was calculated based on the Monthly Base Rent amount from the FUS1 Office Buildings lease, WP 43.11-16, that was executed on February 1, 2019, provided in response to WLW Audit Doc. Req. No. 28. 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. 750 – Transportation Expense (common allocation)

The correct amount for this account is \$7,985. The auditor's calculation on WP 43.12-3 uses one-half of the 2023 common allocation plus the 2024 common allocation to determine the test year \$7,743 (3,999+\$3,744) per audit amount. FUS1 allocates transportation cost to its utility systems on a monthly basis. The \$242 difference between the WLW amount and the audit staff's amount is due to the fact that a larger portion of the 2023 allocated transportation expense occurred in the latter half of 2023. The audit staff's calculation method fails to recognize this occurrence.

Acct. No. 755 – Insurance Expense (direct charge & common allocation)

The correct amount for this account is \$8,506. The direct amount for \$4,872 is a Comprehensive General Liability & Commercial Insurance policy for the WLW system. The common allocated amount of \$3,633, which is approximately 9.00% of \$40,350 of insurance expense for commercial auto and workers' compensation insurance, etcetera, incurred for all FUS1 systems. The audit amount of \$9,579 is based on their review, and, the premium calculations for six insurance policies (WP 43-13) in effect during the test year. WLW asserts that the difference of \$1,073 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. 775 – Miscellaneous Expense (direct charge and common allocation)

The correct amount in the account is \$10,563. The direct amount of \$2,257 relates to fees for WLW Polk County Business Tax, Frontier Communications service for wastewater plant monitoring, banking and customer convenience fees associated with postings to the WLW bank account. The allocated amount of \$8,307, which is approximately 9.00% of \$92,300 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. WLW asserts that the audit sample included on WP 43.16-1 and 46.16-2, 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**

WLW discussion of the rate base balances for this schedule are included above. The auditor included a Land balance of \$356. WLW leases the land occupied by the wastewater plant and spray fields. Therefore, there is a \$0 balance for Land. The auditor did not include a balance for working capital. Below is a summary balance based on WLW assertions in this response.

<u>Description</u>	<u>GL Balance</u>	<u>Utility Adjustments</u>	<u>Adjusted Balance</u>
Utility Plant in Service	\$309,485	\$0	\$309,485
Land	\$0	\$0	\$0
Accumulated Depreciation	(\$271,798)	\$11,181	(\$260,617)
CIAC	(\$221,480)	\$0	(\$221,480)
Accumulated Amortization of CIAC	\$164,343	\$0	\$164,343
Working Capital	\$0	\$22,596	\$5,471
<b>Net Rate Base</b>	<b>(\$19,450)</b>	<b>\$33,777</b>	<b>(\$2,798)</b>

**Exhibit 2: Capital Structure**

WLW disagrees with all the information and the way it is presented by the audit staff in this Exhibit. WLW has provided a Cost of Capital schedule with accurate balances that follows our response to Audit Finding No. 2.

**Exhibit 3: Net Operating Income**

With the exception of Depreciation Expense, WLW disagrees with all the information presented by the audit staff in Exhibit 3. The “Balance Per Utility” amounts which are incorrect are described below.

The auditors “Per Utility” revenue amount of \$190,996 in the exhibit was taken from summary sheets located on WP 41.18-1. This WP compiled a revenue amount using information from the GL and the billing registers. The revenue amount reflected in the GL is \$191,132.

The auditors “Per Utility” O&M expense amount of \$182,516 in the exhibit does not reconcile with the O&M schedule displayed in Table 4-1 of Audit Finding No. 4. The O&M expense amount reflected in the GL is \$182,076, as displayed in the finding.

The auditor’s “Per Utility” CIAC Amortization Expense amount of \$3,419 in the exhibit is incorrect. The CIAC Amortization Expense amount reflected in the GL is \$4,955.



The auditor's Taxes Other Than Income (TOTI) amount of \$8,487, in the exhibit, was compiled from a schedule on audit WP 53.7, which only includes amounts for property taxes, RAFs, and business licenses. WLW included the business license amount of \$57 in Acct. No. 775, because it is not a tax. The TOTI amount reflected in the GL is \$11,750.

WLW revised Exhibit 3, for Net Operating Income, is presented below. A discussion of our adjustments follows.

<b>Description</b>	<b>GL Balance</b>	<b>Utility Adjustments</b>	<b>Adjusted Balance</b>
Operating Revenues	\$191,132	\$8,506	\$199,638
Operation & Maintenance Expense	\$182,076	(\$1,312)	\$180,764
Depreciation Expense	\$10,093	(\$5,819)	\$4,274
CIAC Amortization Expense	(\$4,955)	\$1,466	(\$3,489)
Taxes Other Than Income	\$11,750	\$0	\$11,750
Total Operating Expense	\$198,964	(\$5,665)	\$193,299
<b>Net Operating Income(Loss)</b>	<b>(\$7,832)</b>	<b>\$14,171</b>	<b>\$6,339</b>

Revenues – WLW included the auditors revenue amount and takes no position on their calculated annualization. WLW defers to staff on the final calculation of test year revenues.

O&M Expense – The \$1,306 adjustment is discussed in our response to Audit Finding 4 above.

Depreciation Expense – The \$5,819 adjustment is discussed in Audit Finding 1 above.

CIAC Amortization Expense – The \$1,466 adjustment is due to an erroneous JE that we found during our review of this issue that should not be included in the test year.

TOTI – The correct amount is \$11,750, as displayed in the GL, and compiled below. We acknowledge, and, defer to staff the final amount for RAF's, which will be based on the final revenue amount.

<b>Description</b>	<b>Amount</b>
Property Taxes	\$697
Payroll Taxes	\$3,321
RAF's	\$7,732
<b>Total</b>	<b>\$11,750</b>

On behalf of the utility,

Mike Smallridge



**West Lakeland Wastewater**  
**Trial Balance as of June 30, 2024**

NARUC	FUS1 Account	Amount	
101.353	101.353 · Land & Land Rights	\$0.00	
101.354	101.354 · Structures & Improvements	\$2,608.00	
101.360	101.360 · Collection Sewers - Force	\$16,096.01	
101.361	101.361 · Collection Sewers - Gravity	\$97,341.00	
101.363	101.363 · Services to Customers	\$16,503.00	
101.364	101.364 · Flow Measuring Devices	\$2,763.99	
101.365	101.365 · Flow Measuring Installations	\$952.00	
101.370	101.370 · Receiving Wells	\$35,945.93	\$309,485.55
101.371	101.371 · Pumping Equipment	\$25,358.43	
101.380	101.380 · Treatment & Disposal Equipment	\$87,179.63	
101.382	101.382 · Outfall Sewer Lines	\$5,990.00	
101.390	101.390 · Office Furniture & Equipment	\$631.00	
101.391	101.391 · Transportation Equipment	\$0.00	
101.393	101.393 · Tools, Shop & Garage	\$775.16	
101.400	101.400 · Common Plant	\$17,341.40	
108.354	108.354 · Structures & Improvements AD	(\$2,608.00)	
108.360	108.360 · Collection Sewers - Force AD	(\$9,291.41)	
108.361	108.361 · Collection - Gravity AD	(\$97,341.00)	
108.363	108.363 · Services to Customers AD	(\$16,503.00)	
108.364	108.364 · Flow Measuring Devices AD	(\$2,763.99)	
108.365	108.365 · Flow Measuring Installations AD	(\$992.80)	
108.370	108.370 · Receiving Wells AD	(\$39,252.36)	(\$271,797.98)
108.371	108.371 · Pumping Equipment AD	\$1,225.93	
108.380	108.380 · Treatment & Disposal Equip AD	(\$87,179.63)	
108.382	108.382 · Outfall Sewer Lines AD	(\$5,694.39)	
108.390	108.390 · Office Furniture & Equip AD	(\$631.00)	
108.391	108.391 · Transportation Equipment AD	\$0.00	
108.393	108.393 · Tools, Shop & Garage AD	(\$142.12)	
108.400	108.400 · Common Plant AD	(\$10,624.21)	
131.000	131.1 · Iberia Checking	\$6,786.77	
	131.2 · Iberia Savings	\$848.34	\$7,635.11
132.000	132 · Lakeland Electric Deposit	\$1,500.00	\$1,500.00
141.000	141 · Accounts Receivable	\$71,287.35	\$71,287.35
186.400	186.4 · Def Cost - Sand Removal & Rehab	\$4,020.00	
186.500	186.5 · Def Cost - Major Repairs	\$2,133.00	\$6,153.00
215.000	32000 · Members Equity	\$134,324.53	
	<b>Current Year Earnings</b>	<b>\$9,987.80</b>	<b>\$127,665.27</b>
220.400	220.400 · Equity in Allocated Plant	(\$16,647.06)	
	224.7 · Cap City Loan 2286	(\$4,994.83)	
	224.8 · Cap City Loan 1160 WW Camera	(\$570.04)	(\$23,946.61)
	224.9 · Cap City Loan 0465	(\$18,381.74)	
231.000	231 · Accounts Payable	(\$163,169.32)	(\$163,169.32)
235.000	235 · Customer Deposits	(\$7,675.00)	(\$7,675.00)
271.000	271 · CIAC Contributions	(\$221,480.00)	(\$221,480.00)
272.000	272 · CIAC Accum Amortization	\$164,342.63	\$164,342.63
<b>TOTAL</b>		<b>\$0.00</b>	<b>\$0.00</b>

*West Lakeland Wastewater  
 12-Month Test Year Ending June 30, 2024*

NARUC	FUS1 Account	Amount	
403.100	403.1 · Depreciation Expense - Other	\$6,504.50	
403.400	403.400 · Allocated Depreciation Expense	\$3,588.15	\$10,092.65
407.200	407.2 · CIAC Amortization Expense	(\$4,955.15)	(\$4,955.15)
408.100	408.1 · Payroll Taxes	\$3,320.56	
408.200	408.2 · Regulatory Assessment Fee	\$7,731.95	\$11,749.92
408.300	408.3 · Polk County Property Tax	\$697.41	
522.000	522.1.1 · Resid - Base	(\$81,917.54)	
	522.1.2 · Resid - Usage	(\$101,241.71)	
	522.1.5 · Resid Prorated - Base	(\$76.35)	
	522.1.6 · Resid Prorated - Usage	(\$104.72)	
	522.2.1 · Gen Service - Base	(\$22.61)	(\$191,131.64)
	522.2.2 · Gen Service - Usage	(\$30.27)	
536.000	536.1 · Late Fees	(\$7,574.00)	
536.800	536.8 · Other	(\$164.44)	
701.000	701.1 · Accounting	\$5,664.96	
	701.2 · Billing CSR	\$16,748.86	
	701.3 · Technician	\$20,297.14	
703.000	703 · S & W - Officers	\$7,196.89	
704.000	704 · Employee Benefits	\$4.50	
710.000	710 · Purchased Water	\$560.16	
711.000	711 · Sludge Removal	\$33,918.24	
715.000	715 · Purchased Power	\$13,338.31	
718.000	718 · Chemicals	\$2,715.23	
720.000	720 · Materials & Supplies	\$8,000.02	\$182,075.98
731.000	731 · Professional - Other	\$1,091.88	
735.000	735 · Testing	\$1,240.00	
736.000	736.1 · Contractors	\$20,540.01	
	736.2 · Other Services	\$9,608.22	
740.000	740 · Rents	\$9,590.95	
750.000	750 · Transportation	\$7,985.34	
755.000	755 · Insurance	\$8,506.03	
770.000	770 · Bad Debt Expense	\$4,505.81	
775.000	775 · Misc - Other	\$8,306.81	
	775.01 · Bank Charges	\$309.81	
	775.02 · Busn License & Dues	\$57.75	
	775.07 · Telephone & Internet	\$1,889.06	
<b>Regulated (Income) Loss</b>		<b>\$7,831.76</b>	<b>\$7,831.76</b>
419.000	419 · Interest Income	(\$50.91)	
426.000	426 · Non-Utility Expense	\$25.00	
427.000	427 · Interest Expense	\$2,181.95	
<b>Net (Income) Loss</b>		<b>\$9,987.80</b>	

**West Lakeland Wastewater, LLC**  
**Wastewater Utility Plant In Service**

Acc#	Account Description		2018						2019				
			Ending	Add	Ret	Adj	Ending	Adj	Adj Ending	Add	Ret	Adj	Ending
354.00	Structures & Improvements		7,407	-	-	-	7,407	(4,799)	2,608	-	-	-	2,608
360.00	Collection Sewers - Forced		15,174	-	-	-	15,174	(830)	14,344	-	-	-	14,344
361.00	Collection Sewers - Gravity		99,941	-	-	-	99,941	(2,600)	97,341	-	-	-	97,341
363.00	Services		16,503	-	-	-	16,503	-	16,503	-	-	-	16,503
364.00	Flow Measuring Devices		2,161	-	-	-	2,161	-	2,161	-	-	-	2,161
365.00	Flow Measuring Install		952	-	-	-	952	-	952	-	-	-	952
370.00	Receiving Wells		35,946	-	-	-	35,946	-	35,946	-	-	-	35,946
371.00	Pumping Equipment		5,988	1,601	(1,201)	-	6,388	8,333	14,721	5,900	-	-	20,621
380.00	Treatment & Disposal Equipment		78,952	10,546	(7,910)	-	81,589	-	81,589	5,591	-	-	87,180
382.00	Outfall Sewer Lines		5,990	-	-	-	5,990	-	5,990	-	-	-	5,990
390.00	Office Furniture & Equipment		631	-	-	-	631	-	631	-	-	-	631
391.00	Transportation Equipment		443	-	-	-	443	387	830	-	-	-	830
393.00	Tools, Shop & Garage		-	-	-	-	-	-	-	-	-	-	-
400.00	Common Plant (Vehicles)		-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>		<b>270,088</b>	<b>12,148</b>	<b>(9,111)</b>	<b>-</b>	<b>273,125</b>	<b>491</b>	<b>273,616</b>	<b>11,491</b>	<b>-</b>	<b>-</b>	<b>285,108</b>

**Wastewater Accumulated Depreciation**

Acc#	Account Description	Srv Life Years	2018						2019				
			Ending	DepExp	Ret	Adj	Ending	Adj	Adj Ending	DepExp	Ret	Adj	Ending
354.00	Structures & Improvements	27	(2,463)	(411)	-	-	(2,875)	999	(1,876)	(97)	-	-	(1,972)
360.00	Collection Sewers - Forced	27	(8,250)	(843)	-	-	(9,093)	(698)	(9,791)	(531)	-	-	(10,322)
361.00	Collection Sewers - Gravity	40	(99,941)	-	-	-	(99,941)	2,600	(97,341)	-	-	-	(97,341)
363.00	Services	35	(16,503)	-	-	-	(16,503)	-	(16,503)	-	-	-	(16,503)
364.00	Flow Measuring Devices	5	(2,161)	-	-	-	(2,161)	-	(2,161)	-	-	-	(2,161)
365.00	Flow Measuring Install	35	(952)	-	-	-	(952)	-	(952)	-	-	-	(952)
370.00	Receiving Wells	25	(34,169)	(1,776)	-	-	(35,946)	(3,306)	(39,252)	-	-	-	(39,252)
371.00	Pumping Equipment	15	(1,631)	(612)	1,201	-	(1,042)	(362)	(1,404)	(1,178)	-	-	(2,582)
380.00	Treatment & Disposal Equipment	15	(78,952)	(7,983)	7,910	-	(79,025)	-	(79,025)	(5,626)	-	-	(84,651)
382.00	Outfall Sewer Lines	30	(4,263)	(300)	-	-	(4,562)	515	(4,047)	(200)	-	-	(4,247)
390.00	Office Furniture & Equipment	15	(252)	(63)	-	-	(315)	(46)	(361)	(42)	-	-	(403)
391.00	Transportation Equipment	6	(185)	(111)	-	-	(296)	(645)	(941)	-	-	-	(941)
393.00	Tools, Shop & Garage	15	-	-	-	-	-	-	-	-	-	-	-
398.00	Common Plant (Vehicles)	10	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>		<b>(249,723)</b>	<b>(12,100)</b>	<b>9,111</b>	<b>-</b>	<b>(252,712)</b>	<b>(943)</b>	<b>(253,655)</b>	<b>(7,673)</b>	<b>-</b>	<b>-</b>	<b>(261,328)</b>

Dep Expense was reduced to prevent over AccDep balance.

*West Lakeland Wastewater, LLC  
Wastewater Utility Plant In Service*

Acc#	Account Description		2019	2020			2021				
			Ending	Add	Ret	Adj	Ending	Add	Ret	Adj	Ending
354.00	Structures & Improvements		2,608	-	-	-	2,608	-	-	-	2,608
360.00	Collection Sewers - Forced		14,344	7,008	(5,256)	-	16,096	-	-	-	16,096
361.00	Collection Sewers - Gravity		97,341	-	-	-	97,341	-	-	-	97,341
363.00	Services		16,503	-	-	-	16,503	-	-	-	16,503
364.00	Flow Measuring Devices		2,161	-	-	-	2,161	2,410	(1,808)	-	2,764
365.00	Flow Measuring Install		952	-	-	-	952	-	-	-	952
370.00	Receiving Wells		35,946	-	-	-	35,946	-	-	-	35,946
371.00	Pumping Equipment		20,621	-	-	-	20,621	4,663	(3,497)	-	21,787
380.00	Treatment & Disposal Equipment		87,180	-	-	-	87,180	-	-	-	87,180
382.00	Outfall Sewer Lines		5,990	-	-	-	5,990	-	-	-	5,990
390.00	Office Furniture & Equipment		631	-	-	-	631	-	-	-	631
391.00	Transportation Equipment		830	-	-	(830)	0	-	-	-	0
393.00	Tools, Shop & Garage		-	-	-	-	-	-	-	-	-
400.00	Common Plant (Vehicles)		-	-	-	10,714	10,714	-	-	3,110	13,824
	<b>Total</b>		<b>285,108</b>	<b>7,008</b>	<b>(5,256)</b>	<b>9,884</b>	<b>296,743</b>	<b>7,073</b>	<b>(5,305)</b>	<b>3,110</b>	<b>301,622</b>

*Wastewater Accumulated Depreciation*

Acc#	Account Description	Srv Life Years	2019	2020			2021				
			Ending	DepExp	Ret	Adj	Ending	DepExp	Ret	Adj	Ending
354.00	Structures & Improvements	27	(1,972)	(97)	-	-	(2,069)	(97)	-	-	(2,165)
360.00	Collection Sewers - Forced	27	(10,322)	(564)	5,256	-	(5,630)	(596)	-	-	(6,227)
361.00	Collection Sewers - Gravity	40	(97,341)	-	-	-	(97,341)	-	-	-	(97,341)
363.00	Services	35	(16,503)	-	-	-	(16,503)	-	-	-	(16,503)
364.00	Flow Measuring Devices	5	(2,161)	-	-	-	(2,161)	(91)	1,808	-	(445)
365.00	Flow Measuring Install	35	(952)	-	-	-	(952)	-	-	-	(952)
370.00	Receiving Wells	25	(39,252)	-	-	-	(39,252)	-	-	-	(39,252)
371.00	Pumping Equipment	15	(2,582)	(764)	-	-	(3,346)	(785)	3,497	-	(634)
380.00	Treatment & Disposal Equipment	15	(84,651)	(2,529)	-	-	(87,180)	-	-	-	(87,180)
382.00	Outfall Sewer Lines	30	(4,247)	(222)	-	-	(4,469)	(222)	-	-	(4,691)
390.00	Office Furniture & Equipment	15	(403)	(23)	-	-	(426)	(23)	-	-	(450)
391.00	Transportation Equipment	6	(941)	-	-	941	-	(0)	-	-	-
393.00	Tools, Shop & Garage	15	-	-	-	-	-	-	-	-	-
398.00	Common Plant (Vehicles)	10	-	(1,552)	-	(2,720)	(4,272)	(2,045)	-	-	(6,317)
	<b>Total</b>		<b>(261,328)</b>	<b>(5,750)</b>	<b>5,256</b>	<b>(1,779)</b>	<b>(263,602)</b>	<b>(3,860)</b>	<b>5,305</b>	<b>-</b>	<b>(262,157)</b>

Dep Expense was reduced to prevent over AccDep balance.

*West Lakeland Wastewater, LLC*  
*Wastewater Utility Plant In Service*

Acc#	Account Description	2021		2022				2023			
		Ending	Add	Ret	Adj	Ending	Add	Ret	Adj	Ending	
354.00	Structures & Improvements	2,608	-	-	-	2,608	-	-	-	2,608	
360.00	Collection Sewers - Forced	16,096	-	-	-	16,096	-	-	-	16,096	
361.00	Collection Sewers - Gravity	97,341	-	-	-	97,341	-	-	-	97,341	
363.00	Services	16,503	-	-	-	16,503	-	-	-	16,503	
364.00	Flow Measuring Devices	2,764	-	-	-	2,764	-	-	-	2,764	
365.00	Flow Measuring Install	952	-	-	-	952	-	-	-	952	
370.00	Receiving Wells	35,946	-	-	-	35,946	-	-	-	35,946	
371.00	Pumping Equipment	21,787	2,063	(1,547)	-	22,302	9,528	(7,146)	-	24,684	
380.00	Treatment & Disposal Equipment	87,180	-	-	-	87,180	-	-	-	87,180	
382.00	Outfall Sewer Lines	5,990	-	-	-	5,990	-	-	-	5,990	
390.00	Office Furniture & Equipment	631	-	-	-	631	-	-	-	631	
391.00	Transportation Equipment	0	-	-	-	0	-	-	-	0	
393.00	Tools, Shop & Garage	-	775	-	-	775	-	-	-	775	
400.00	Common Plant (Vehicles)	13,824	-	-	4,053	17,877	-	-	-	17,877	
	<b>Total</b>	<b>301,622</b>	<b>2,838</b>	<b>(1,547)</b>	<b>4,053</b>	<b>306,966</b>	<b>9,528</b>	<b>(7,146)</b>	<b>-</b>	<b>309,348</b>	

*Wastewater Accumulated Depreciation*

Acc#	Account Description	Srv Life Years	2021		2022				2023			
			Ending	DepExp	Ret	Adj	Ending	DepExp	Ret	Adj	Ending	
354.00	Structures & Improvements	27	(2,165)	(97)	-	-	(2,262)	(97)	-	-	(2,359)	
360.00	Collection Sewers - Forced	27	(6,227)	(596)	-	-	(6,823)	(596)	-	-	(7,419)	
361.00	Collection Sewers - Gravity	40	(97,341)	-	-	-	(97,341)	-	-	-	(97,341)	
363.00	Services	35	(16,503)	-	-	-	(16,503)	-	-	-	(16,503)	
364.00	Flow Measuring Devices	5	(445)	(102)	-	-	(547)	(102)	-	-	(650)	
365.00	Flow Measuring Install	35	(952)	-	-	-	(952)	-	-	-	(952)	
370.00	Receiving Wells	25	(39,252)	-	-	-	(39,252)	-	-	-	(39,252)	
371.00	Pumping Equipment	15	(634)	(816)	1,547	-	97	(870)	7,146	-	6,373	
380.00	Treatment & Disposal Equipment	15	(87,180)	-	-	-	(87,180)	-	-	-	(87,180)	
382.00	Outfall Sewer Lines	30	(4,691)	(222)	-	-	(4,912)	(222)	-	-	(5,134)	
390.00	Office Furniture & Equipment	15	(450)	(23)	-	-	(473)	(23)	-	-	(497)	
391.00	Transportation Equipment	6	-	(0)	-	-	(0)	(0)	-	-	(0)	
393.00	Tools, Shop & Garage	15	-	(26)	-	-	(26)	(78)	-	-	(103)	
398.00	Common Plant (Vehicles)	10	(6,317)	(2,634)	-	52	(8,999)	(2,608)	-	-	(11,507)	
	<b>Total</b>		<b>(262,157)</b>	<b>(4,517)</b>	<b>1,547</b>	<b>52</b>	<b>(265,074)</b>	<b>(4,596)</b>	<b>7,146</b>	<b>-</b>	<b>(262,524)</b>	

Dep Expense was reduced to prevent over AccDep balance.

**West Lakeland Wastewater, LLC**  
**Wastewater Utility Plant In Service**

Acc#	Account Description		2024	2024 (6-months)			
			Ending	Add	Ret	Adj	Ending
354.00	Structures & Improvements		2,608	-	-	-	2,608
360.00	Collection Sewers - Forced		16,096	-	-	-	16,096
361.00	Collection Sewers - Gravity		97,341	-	-	-	97,341
363.00	Services		16,503	-	-	-	16,503
364.00	Flow Measuring Devices		2,764	-	-	-	2,764
365.00	Flow Measuring Install		952	-	-	-	952
370.00	Receiving Wells		35,946	-	-	-	35,946
371.00	Pumping Equipment		24,684	2,696	(2,022)	-	25,358
380.00	Treatment & Disposal Equipment		87,180	-	-	-	87,180
382.00	Outfall Sewer Lines		5,990	-	-	-	5,990
390.00	Office Furniture & Equipment		631	-	-	-	631
391.00	Transportation Equipment		0	-	-	-	0
393.00	Tools, Shop & Garage		775	-	-	-	775
400.00	Common Plant (Vehicles)		17,877	-	-	(535)	17,342
	<b>Total</b>		<b>309,348</b>	<b>2,696</b>	<b>(2,022)</b>	<b>(535)</b>	<b>309,487</b>

**Wastewater Accumulated Depreciation**

Acc#	Account Description	Srv Life Years	2024	2024 (6-months)			
			Ending	DepExp	Ret	Adj	Ending
354.00	Structures & Improvements	27	(2,359)	(48)	-	-	(2,407)
360.00	Collection Sewers - Forced	27	(7,419)	(298)	-	-	(7,717)
361.00	Collection Sewers - Gravity	40	(97,341)	-	-	-	(97,341)
363.00	Services	35	(16,503)	-	-	-	(16,503)
364.00	Flow Measuring Devices	5	(650)	(51)	-	-	(701)
365.00	Flow Measuring Install	35	(952)	-	-	-	(952)
370.00	Receiving Wells	25	(39,252)	-	-	-	(39,252)
371.00	Pumping Equipment	15	6,373	(463)	2,022	-	7,932
380.00	Treatment & Disposal Equipment	15	(87,180)	-	-	-	(87,180)
382.00	Outfall Sewer Lines	30	(5,134)	(111)	-	-	(5,245)
390.00	Office Furniture & Equipment	15	(497)	(12)	-	-	(508)
391.00	Transportation Equipment	6	(0)	(0)	-	-	(0)
393.00	Tools, Shop & Garage	15	(103)	(14)	-	-	(118)
398.00	Common Plant (Vehicles)	10	(11,507)	(978)	-	1,861	(10,624)
	<b>Total</b>		<b>(262,524)</b>	<b>(1,976)</b>	<b>2,022</b>	<b>1,861</b>	<b>(260,617)</b>

Dep Expense was reduced to prevent over AccDep balance.