

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** September 17, 2019

**TO:** Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

**FROM:** Dylan Andrews, Public Utility Analyst II, Division of Accounting & Finance *ja*

**RE:** Docket No. 20180202-SU: Application for staff-assisted rate case in Polk County by West Lakeland Wastewater, LLC.

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Please file the attached email correspondence with the Utility in the above mentioned docket file.

## Dylan Andrews

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**From:** Mike Smallridge <mike@fus1llc.com>  
**Sent:** Tuesday, September 17, 2019 7:55 AM  
**To:** Dylan Andrews  
**Subject:** RE: West Lakeland

Dylan, this expense is something that I started for this year( meaning the bill to be paid in 2019) because last year( all the work that had to be done for 2018), Marianne was trying to do all the stuff we have to do at the first of the year( in January & February) like Annual reports, CCR and closing out the year end books etc, and she was just overwhelmed. So this expense has never been allocated. This week I will submit an application for transfer for Sunny Shores. I just hope the Commission will approve it. Mike Smallridge

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**From:** Dylan Andrews [<mailto:dandrews@psc.state.fl.us>]  
**Sent:** Monday, September 16, 2019 5:08 PM  
**To:** 'Mike Smallridge'  
**Cc:** Amber Norris; Bart Fletcher; Cheryl Bulecza-Banks; Terence Bethea  
**Subject:** RE: West Lakeland

Mike,

Thank you for the response. Please send in a copy of the 2018 invoice you referenced. For clarification, was this expense allocated to all systems in the test year?

Additionally, staff's most recent audit report indicated that there are 14 utilities managed by FUS. Is there an additional utility? If so, please provide a schedule of revised allocations.

Thank you,

## Dylan Andrews

Public Utility Analyst II  
Division of Accounting and Finance  
Florida Public Service Commission  
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**From:** Mike Smallridge [<mailto:mike@fus1llc.com>]  
**Sent:** Monday, September 16, 2019 12:57 PM  
**To:** Dylan Andrews  
**Subject:** RE: West Lakeland

The CPA licensed Accountant advises, as needed, on the tax implications of business events, structures and decisions regarding all Water and Wastewater Utilities owned by Michael Smallridge that are regulated by the Florida Public Service Commission.

All of these Utilities (15 total) and the management company, Florida Utility Services 1 LLC (FUS), are single-owner Limited Liability Companies owned and managed by Michael Smallridge, Managing Member.

The CPA Accountant performs the following functions to supplement staff accounting duties:

- Prepare individual Schedule C IRS Forms for each of the 16 business entities owned and managed by Michael Smallridge for the purpose of providing water utility services to Florida customers. The Schedule C's are for incorporation in Mr. Smallridge's tax return.
- Review Florida Public Service Commission Annual Reports for all Utilities (15) managed by FUS for consistency with tax returns as appropriate.
- Determine the depreciation and amortization expenses for Florida Utility Services 1 LLC.
- Audit work performed by the Chief Financial Officer, and review and assist bookkeeping of all Utilities and FUS allocated expenses. In using the CPA services when needed, the Utility is able to avoid hiring additional bookkeeping staff. At some point it will be more economical to hire additional staff.

I hope this is the answer you are looking for. If you want I can send you a copy of the 2018 Invoice? Just let me know...Mike Smallridge

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**From:** Dylan Andrews [<mailto:dandrews@psc.state.fl.us>]  
**Sent:** Monday, September 09, 2019 12:30 PM  
**To:** Michael Smallridge  
**Cc:** Amber Norris; Bart Fletcher; Cheryl Bulecza-Banks  
**Subject:** West Lakeland

Mr. Smallridge,

The following question is related to the new request for Contractual services – Accounting expense for West Lakeland.

What specific functions have the contract accountant taken over for FUS1 besides preparing your personal tax return?

Thanks,

**Dylan Andrews**  
Public Utility Analyst II  
Division of Accounting and Finance  
Florida Public Service Commission  
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