

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:** June 24, 2022

**TO:** Office of the Commission Clerk

**FROM:** Rhonda L. Hicks, Director, Office of Auditing and Performance Analysis <sup>RA</sup>

**RE:** Docket No.: 20220062-WS  
Company Name: C.F.A.T. H2O, Inc.  
Company Code: WS719  
Audit Purpose: B1c: Certificate Transfer  
Audit Control No.: 2022-090-4-1

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Attached is the final audit report for the Utility stated above. I am sending the Utility a copy of this memo and the audit report. If the Utility desires to file a response to the audit report, it should send a response to the Office of the Commission Clerk. There are no confidential work papers associated with this audit.

RLH/cmm

Attachment: Audit Report

cc: Office of Auditing and Performance Analysis File.

State of Florida



**Public Service Commission**

Office of Auditing and Performance Analysis  
Bureau of Auditing  
Miami District Office

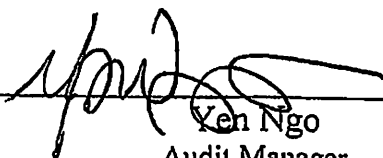
**Auditor's Report**

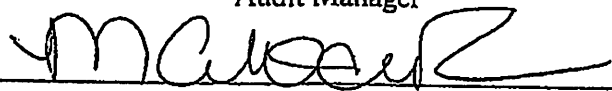
C.F.A.T. H2O, Inc./  
CSWR-Florida Utility Operating Company, LLC

Transfer of Certificate  
Certificate Nos. 552-W and 481-S

**As of February 28, 2022**

Docket No. 20220062-WS  
Audit Control No. 2022-090-4-1  
**June 14, 2022**

  
\_\_\_\_\_  
Yen Ngo  
Audit Manager

  
\_\_\_\_\_  
Marisa N. Glover  
Reviewer

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## Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by the Division of Accounting and Finance in its audit service request, dated March 29, 2022. We have applied these procedures to the attached schedules prepared by C.F.A.T. H2O, Inc./ CSWR-Florida Utility Operating Company, LLC's request for a Transfer of Certificate in Docket No. 20220062-WS.

The report is intended only for internal Commission use.

## Objectives and Procedures

### **General**

#### Definitions

Buyer/Utility refers to Central States Water Resources (CSWR)-Florida Utility Operating Company (UOC), LLC, which is wholly owned by CSWR-Florida Utility Holding Company, LLC.

Seller refers to C.F.A.T. H2O, Inc.

NARUC refers to the National Association of Regulatory Utility Commissioners.

USOA refers to the NARUC Uniform System of Accounts adopted by Rule 25-30.115, Florida Administrative Code.

#### Utility Information

C.F.A.T. H2O, Inc. (C.F.A.T or Utility) is a Class “C” water and wastewater utility that serves approximately 242 water and wastewater customers in Marion County, per the application. Rate base for water was established in the last rate case proceeding in Order No. PSC-2011-0366-PAA-SU, issued August 31, 2011. No rate proceeding has taken place for wastewater. An audit that included wastewater plant was conducted for the period ended December 31, 1993, in the Utility’s previous transfer docket. The transfer was approved in Order No. PSC-1994-0701-FOF-WS, issued on June 8, 1994.

CSWR-Florida UOC, LLC is purchasing C.F.A.T. water system for \$675,000 and the wastewater system for \$775,000. The anticipated closing date for both systems is 45 days after Commission approval. CSWR-Florida UOC, LLC is not acquiring any non-regulated assets or operations of the Seller and is not assuming any of the Seller’s liabilities or obligations. The transaction is limited to the acquisition of assets used to provide regulated utility service. CSWR-Florida UOC, LLC filed an application with the Commission for a Transfer of Certificate on March 15, 2022.

#### Utility Books and Records

**Objective:** The objective was to determine whether the Utility maintains its accounts and records in conformity with the NARUC USOA.

**Procedures:** Based upon the review of the general ledger provided by the Seller, the Utility’s books and records are not maintained according to the NARUC USOA. Finding 1 discusses the Utility’s books and records.

## **Net Book Value**

### Utility Plant in Service

**Objectives:** The objectives were to determine whether the utility plant in service (UPIS): 1) Consists of property that exists and is owned by the Utility, 2) Additions are recorded at original cost, 3) Retirements are recorded when a replacement asset is put into service and 4) Adjustments required in the Utility's last rate proceeding are recorded in its books and records.

**Procedures:** We reconciled the Water UPIS beginning balances as of December 31, 2009, using the Commission-approved balances in Order No. PSC-2011-0366-PAA-WU issued on August 31, 2011. We scheduled UPIS activity from December 31, 2009, through February 28, 2022, and verified plant additions along with supporting documentation. The Utility stated that it only maintains its books and records from January 1, 2009, to present. Audit staff noted the Utility's general ledger for the years ended December 31, 2010, and December 31, 2017, were not available for reviewing. The plant additions for those years were excluded from the rate base due to lack of supporting documentation.

Audit staff tested the plant additions from the available general ledger from January 1, 2010 through February 28, 2022. We also determined the retirement (75% of the addition) of the plant based on the description of the plant additions, since the Utility did not record any retirements. We also removed the installation of the meters for inadequate supporting documentation.

The wastewater plant was audited as part of its transfer docket (Docket No. 19931080-WS) for the year ended December 31, 1993. The Utility issued its first Annual Report in December 31, 1997 and did not maintain any books and records until January 1, 2009 through February 28, 2022. Audit staff relied on the Annual Reports from December 31, 1997 through December 31, 2008 to calculate the Utility's plant additions and retirements. We audited the plant additions from the general ledger from January 1, 2009, through February 28, 2022.

The Utility received the contribution of a wastewater plant from Oakmuir in the year ended December 31, 2000, which entailed force mains, lift stations, and manholes. The Utility recorded the contribution in the amount of \$142,458 to account 270 – Contribution-in-Aid-of-Construction. The Utility also recorded the same amount as the plant additions to Accounts 360 – Collection Sewers – Force for \$73,358 and 370 – Receiving Wells for \$69,100, for total plant additions of \$142,458. Audit staff removed \$142,458 from UPIS.

Audit staff compiled the annual number of customers for wastewater from the period ended December 31 1997, through December 31, 2021, from the Annual Reports. This approach assisted audit staff in determining when a retirement of a plant addition would occur. The number of customers increased from 103 to 255 from December 31, 1997, through December 31, 2005. The plant additions during these period were considered as expansion to accommodate the growth of services, so retirements were not calculated during this time. We included the retirements for the year ended December 31, 2007, through February 28, 2022, since the number of the customers has remained steady during these years.

During the period ended December 31, 2018, the Utility spent \$17,505 to repair a leak. The Utility recorded this amount as an expense. Audit staff considered the proper method of allocating the cost as follows: 1. The repair cost of the leak in the amount of \$4,271.42, should be recorded to account 380 – Treatment and Disposal Equipment, 2. The cost of the sludge removal in order to locate the leak should be recorded to account 389 – Other Plant and Misc. Equipment and amortized over a period of 15 years (Rule 25-30.140). Finding 2 discusses utility plant in service.

### Land and Land Rights

**Objectives:** The objectives were to determine whether the Utility’s land was: 1) Recorded at original cost, 2) Owned or secured under a long-term lease agreement and 3) Adjustments required in the Utility’s last rate proceeding are recorded in its books and records.

**Procedures:** We scheduled land from the Commission-approved balances in Order No. PSC-2011-0366-PAA-WU for water and from the Annual Reports for wastewater. There were no additions to land since December 31, 2009, through February 28, 2022, for water. There were no additions to land from December 31, 1997, through February 28, 2022, for wastewater. No further work was performed.

### Accumulated Depreciation

**Objectives:** The objectives were to determine whether the Utility’s accumulated depreciation: 1) Accruals were properly calculated and recorded based on Rule 25-30.140, Florida Administrative Code, –Depreciation, 2) Retirements are recorded when an asset is replaced and 3) Adjustments required in the Utility’s last rate proceeding are recorded to its books and records.

**Procedures:** We reconciled water plant accumulated depreciation’s beginning balances, as of December 31, 2009, using the Commission-approved balances in Order No. PSC-2011-0366-PAA-WU issued on August 31, 2011, through February 28, 2022. We recalculated the wastewater plant accumulated depreciation based on the Annual Reports from December 31, 1997 through December 31, 2008, and the general ledger from January 1, 2009, through February 28, 2022. We recalculated annual accruals to accumulated depreciation, using the depreciation rates established in Rule 25-30.140(2), Florida Administrative Code. C.F.A.T. did not assign the appropriate accumulated depreciation to individual accounts. Instead, the Utility recorded monthly lump sums for both water and wastewater. Finding 2 discusses accumulated depreciation.

### Contributions-in-Aid-of-Construction

**Objectives:** The objectives were to determine whether the Utility’s contributions-in-aid-of-construction (CIAC): 1) Consisted of cash or property contributions that exist and are owned by the Utility, 2) Additions are recorded using Commission-approved tariffs, 3) Retirements are recorded when a contributed asset was replaced and 4) Adjustments in the Utility’s last rate proceeding are recorded in its books and records

**Procedures:** We reconciled water plant accumulated depreciation’s beginning balances, as of December 31, 2009, using the Commission-approved balances in Order No. PSC-2011-0366-

PAA-WU issued on August 31, 2011, through February 28, 2022. We established the wastewater plant accumulated depreciation based on the Utility's Annual Reports from December 31, 1997, through December 31, 2008, and the general ledger from January 1, 2010, through February 28, 2022. There were additions made to CIAC of wastewater from December 31, 1997, through February 28, 2022. Finding 3 discusses contributions-in-aid-of-construction.

#### Accumulated Amortization of CIAC

**Objectives:** The objectives were to determine whether the Utility's accumulated amortization of CIAC: 1) Accruals are properly calculated and recorded based on Rule 25-30.140, Florida Administrative Code, – Depreciation, 2) Retirements are recorded when a contributed asset was replaced and 3) Adjustments required in the Utility's last rate proceeding are recorded to its books and records.

**Procedures:** We reconciled water plant accumulated amortization of CIAC beginning balances, as of December 31, 2009, using the Commission-approved balances in Order No. PSC-2011-0366-PAA-WU, issued on August 31, 2011, through February 28, 2022. We recalculated the wastewater plant accumulated amortization of CIAC based on the Annual Reports from December 31, 1997 through December 31, 2008, and the general ledger from January 1, 2009, through February 28, 2022. There were additions to CIAC from August 31, 2002, to February 28, 2022. Finding 3 discusses accumulated amortization of contributions-in-aid-of-construction.

#### Acquisition Adjustment

**Objective:** The objective was to determine the acquisition adjustment, if any, based on audit staff's net book value pursuant to Rule 25-30.0371(1), Florida Administrative Code – Acquisition Adjustments.

**Procedures:** We determined that the net book value for the Utility, at the time of the transfer, was less than the purchase price, which would reflect a positive acquisition adjustment, pursuant to Rule 25-30.0371 – Acquisition Adjustments. The Buyer is requesting a positive acquisition adjustment. Audit staff determined the acquisition adjustment to be \$446,302 for water and \$675,082 for wastewater. No further work was performed.

### **Other**

#### Rates and Charges

**Objective:** The objective is to determine whether the Utility is charging monthly service rates authorized by Commission-approved tariffs.

**Procedures:** We obtained and tested the Utility's billing registers for the month of February 28, 2022. We recalculated a sample of customer bills using the Commission-approved tariffs and verified that the Utility is using approved rates. No further work was performed.

#### Customer Deposits

**Objective:** The objective is to determine whether the Seller collected customer deposits and whether the balances are transferred to the Buyer.



**Procedures:** We inquired about the deposit policy. The Seller has Commission-approved tariffs for the collection of customer deposits. Audit staff determined that the Utility does collect customer deposits. We determined that the Utility's trial balance for customer deposits from January 1, 2019, through February 28, 2022 was overstated by \$11,090 according to audit staff's recalculation. Finding 4 discusses customer deposits.

## Audit Findings

### **Finding 1: Books and Records**

**Audit Analysis:** C.F.A.T.'s books and records are not maintained in accordance with the National Association of Regulatory Utility Commissioners' Uniform System of Accounts (NARUC USOA).

NARUC USOA for Class "C" Water and wastewater Utilities states,

"All books of accounts, together with records and memoranda supporting the entries therein, shall be kept in such a manner as to support fully the facts pertaining to such entries. The books and records referred to herein include not only the accounting records in a limited technical sense, but also all other records, reports, correspondence, invoices, memoranda and information useful in determining the facts regarding a transaction."

Rule 25-30.115, Florida Administrative Code – Uniform System of Accounts for Water and Wastewater Utilities, requires utilities to maintain their books and records in conformity with the NARUC USOA.

Audit staff noted that C.F.A.T. did not maintain their books and records in accordance with the NARUC USOA. The general ledgers for years ended December 31, 2010, and December 31, 2017, were not maintained and not available from the Utility.

## Finding 2: Utility Plant in Service, Accumulated Depreciation, and Accumulated Amortization

**Audit Analysis:** According to the Utility's trial balance, total UPIS was \$594,332 and \$379,847 for water and wastewater, respectively, as of February 28, 2022. The Utility recorded \$38,160 and \$269,283 for water and wastewater plant additions, respectively, between January 1, 2009, through February 28, 2022, according to the annual reports. Audit staff discovered invoices for plant additions were not recorded in the general ledger from January 1, 2011, through December 31, 2013. The Utility provided supporting documentation for plant additions from December 2014, through February 28, 2022. The Utility did not include any retirements for these additions. We applied the Commission-approved beginning balances in Order PSC-2002-0487-PAA-SU, issued April 8, 2002, and recalculated the plant additions, and retirements, as shown in Table 2-1 and 2-2.

**Table 2-1  
Water UPIS**

Account Description	Utility Balance		Audit Adjustments	Audit Balance	
	UPIS			UPIS	
	As of 02/28/2022			As of 02/28/2022	
300 Fixed Assets	\$ 7,381	\$ (7,381)	\$	-	
304 Structures & Improvements	24,446	(1,126)		23,320	
307 Wells & Springs	38,888	0		38,888	
310 Power Generation Equipment	22,587	-		22,587	
311 Pumping Equipment	123,365	(10,094)		113,271	
320 Water Treatment Equipment	13,314	(3,172)		10,142	
330 Distribution Reservoirs & Standpipes	201,106	(2,910)		198,197	
331 Transmission & Distribution Mains	83,968	(9,751)		74,217	
333 Services	15,635	(0)		15,635	
334 Meters & Meter Installations	61,414	(13,213)		48,200	
339 Other Plant & Miscellaneous Equipment	2,021	(2,021)		-	
343 Tools, Shop, & Garage Equipment	207	(0)		207	
<b>Total :</b>	<b>\$ 594,332</b>	<b>\$ (49,667)</b>	<b>\$</b>	<b>\$ 544,665</b>	

**Table 2-2  
Wastewater UPIS**

Account Description	Utility Balance	Audit	Audit Balance
	UPIS		UPIS
	As of 02/28/2022	Adjustments	As of 02/28/2022
351 Organization	\$ 2,500	\$ -	\$ 2,500
352 Franchises	2,062	-	2,062
354 Structures & Improvements	37,469	(5,209)	32,260
355 Power Generating Equipment	-	-	-
360 Collection - Sewers forced	81,058	(73,358)	7,700
361 Collection - Sewers gravity	45,657	-	45,657
362 Special Collecting Structures	17,856	(2,708)	15,148
363 Services to customers	8,500	-	8,500
364 Flow Measuring Devices	90	-	90
365 Flow Measuring Installations	5,610	-	5,610
370 Receiving Wells	156,498	(156,498)	-
371 Pumping Equipment	-	48,307	48,307
380 Treatment & Disposal Equipment	22,547	(3,384)	19,164
389 Other Plant & Miscellaneous Equipment	-	13,234	13,234
<b>Total :</b>	<b>\$ 379,847</b>	<b>\$ (179,616)</b>	<b>\$ 200,231</b>

According to the Utility's trial balance, total accumulated depreciation was \$405,657 and \$333,946, as of February 28, 2022, for water and wastewater, respectively. The Utility did not allocate the accumulated depreciation by individual plant accounts, but provided a lump sum for accumulated depreciation. Audit staff recalculated the for individual plant account, using the approved rates from Rule 25-30140, F.A.C. –Depreciation, and the audited plant additions and retirements, as of February 28, 2022.

We determined that the accumulated depreciation balance was \$325,034 for water and \$122,001 for wastewater, as of February 28, 2022, as shown in in Tables 2-3 and 2-4.

**Table 2-3  
Water Accumulated Depreciation**

Account Description	Utility Balance	Audit	Audit Balance
	Accum. Dep.		Accum. Dep.
	As of 02/28/2022	Adjustments	As of 02/28/2022
304 Structures & Improvements			\$ (1,141)
307 Wells & Springs			(27,590)
310 Power Generation Equipment			(22,587)
311 Pumping Equipment			(77,556)
320 Water Treatment Equipment			(6,339)
330 Distribution Reservoirs & Standpipes			(95,877)
331 Transmission & Distribution Mains			(45,969)
333 Services			(14,133)
334 Meters & Meter Installations			(33,635)
343 Tools, Shop, & Garage Equipment			(207)
<b>Total :</b>	<b>\$ (405,657)</b>	<b>\$ 80,623</b>	<b>\$ (325,034)</b>

**Table 2-4  
Wastewater Accumulated Depreciation**

<b>Account Description</b>		<b>Utility Balance Accum. Dep. As of 02/28/2022</b>	<b>Audit Adjustments</b>	<b>Audit Balance Accum. Dep. As of 02/28/2022</b>
351	Organization			\$ (2,500)
352	Franchises			(2,062)
354	Structures & Improvements			(3,905)
360	Collection - Sewers forced			(7,700)
361	Collection - Sewers gravity			(38,698)
362	Special Collecting Structures			(14,073)
363	Services to customers			(8,500)
364	Flow Measuring Devices			(90)
365	Flow Measuring Installations			(5,588)
371	Pumping Equipment			(19,722)
380	Treatment & Disposal Equipment			(19,164)
<b>Total :</b>		<b>\$ (333,946)</b>	<b>\$ 211,945</b>	<b>\$ (122,001)</b>

During the period ended December 31, 2018, the Utility spent \$17,505 to repair a leak. The Utility recorded this amount as an expense. Audit staff considered the proper method of allocating the cost as followed: 1. The repair cost of the leak in the amount of \$4,271.42, should be recorded to account 380 – Treatment and Disposal Equipment, 2. The cost of the sludge removal in order to locate the leak should be recorded to account 389 – Other Plant and Misc. Equipment and amortized over a period of 15 years (Rule 25-30.140). We included an accumulated amortization balance for wastewater as of February 28, 2022, as shown in 2-5.

**Table 2-5  
Wastewater Accumulated Amortization**

<b>Account Description</b>		<b>Utility Balance Accum. Amort. As of 02/28/2022</b>	<b>Audit Adjustments</b>	<b>Audit Balance Accum. Amort. As of 02/28/2022</b>
389	Other Plant & Miscellaneous Equipment	\$ -	\$ (3,235)	\$ (3,235)
<b>Total :</b>		<b>\$ -</b>	<b>\$ (3,235)</b>	<b>\$ (3,235)</b>

**Effect on the General Ledger:** The Utility should determine the effect on the general ledger.

**Effect on the Filing:** Audit staff determined the UPIS should be decreased by \$49,667 and \$179,616 for water and wastewater, respectively, to include the total of additions and retirements to UPIS from December 31, 1997, through February 28, 2022. Audit staff determined the accumulated depreciation balance should be decreased by \$80,623 and \$211,945 for water and wastewater, respectively, as of February 28, 2022. We also determined the accumulated amortization for wastewater should be increased by \$3,235 as of February 28, 2022.

**Finding 3: Contributions-in-Aid-of-Construction (CIAC) and Accumulated Amortization of CIAC**

**Audit Analysis:** According to the Utility’s trial balance, contributions-in-aid-of-construction’s balance was \$132,796 and \$262,882 for water and wastewater, respectively, as of February 28, 2022.

We scheduled contributions-in-aid-of-construction and accumulated amortization of CIAC, using the depreciation rates established by Rule 25-30.140(2), Florida Administrative Code – Depreciation, to impute contributions-in-aid-of-construction, based on the cost of plant assets.

Based on the procedures performed above, audit staff determined contributions-in-aid-of-construction to be \$124,933 and \$262,882 for water and wastewater, respectively, as shown in Table 3-1 and 3-2.

**Table 3-1  
Water Contribution-in-Aid-of-Contribution**

Account Description	Utility Balance	Audit	Audit Balance
	CIAC		Accum. Dep.
	As of 02/28/2022	Adjustments	As of 02/28/2022
<b>Water</b>			
270 CIAC	\$ (132,796)	\$ 7,863	\$ (124,933)
<b>Total :</b>	<b>\$ (132,796)</b>	<b>\$ 7,863</b>	<b>\$ (124,933)</b>

**Table 3-2  
Wastewater Contribution-in-Aid-of-Contribution**

Account Description	Utility Balance	Audit	Audit Balance
	CIAC		Accum. Dep.
	As of 02/28/2022	Adjustments	As of 02/28/2022
<b>Wastewater</b>			
270 CIAC	\$ (262,882)	\$ -	\$ (262,882)
<b>Total :</b>	<b>\$ (262,882)</b>	<b>\$ -</b>	<b>\$ (262,882)</b>

According to the Utility’s trial balance, accumulated amortization of CIAC for water and wastewater was \$121,903 and \$244,230, respectively, as of February 28, 2022. Audit staff calculated the composite rate of accumulated amortization of CIAC by taking the additions for accumulated depreciation in the test year divided by the total plant in service for the test year. This was due to the Utility stating that the rate had been established at the beginning of the audit period and they were unsure of how it was calculated. Based on the procedures performed above, audit staff determined the water accumulated amortization of CIAC to be \$114,500 and the wastewater accumulated amortization of CIAC to be \$248,805 as of February 28, 2022, as shown in Tables 3-3 and 3-4.

**Table 3-3  
Water Accumulated Amortization of Contribution-in-Aid-of-Contribution**

<b>Account Description</b>		<b>Utility Balance Accum. Amort. of CIAC As of 02/28/2022</b>	<b>Audit Adjustments</b>	<b>Audit Balance Accum. Amort. of CIAC As of 02/28/2022</b>
<b>Water</b>				
271	Accumulated Amortization of CIAC	\$ 121,903	\$ (7,403)	\$ 114,500
<b>Total :</b>		<b>\$ 121,903</b>	<b>\$ (7,403)</b>	<b>\$ 114,500</b>

**Table 3-4  
Wastewater Accumulated Amortization of Contribution-in-Aid-of-Contribution**

<b>Account Description</b>		<b>Utility Balance Accum. Amort. of CIAC As of 02/28/2022</b>	<b>Audit Adjustments</b>	<b>Audit Balance Accum. Amort. of CIAC As of 02/28/2022</b>
<b>Wastewater</b>				
271	Accumulated Amortization of CIAC	\$ 244,230	\$ 4,575	\$ 248,805
<b>Total :</b>		<b>\$ 244,230</b>	<b>\$ 4,575</b>	<b>\$ 248,805</b>

**Effect on the General Ledger:** The Utility should determine the effect on the general ledger.

**Effect on the Filing:** Audit staff determined CIAC should be decreased by \$7,863 for water, as of February 28, 2022. Audit staff determined that the CIAC balance for wastewater required no adjustment. Audit staff determined accumulated amortization of CIAC should be decreased by \$7,403 for water and increased by \$4,575 for wastewater, as of February 28, 2022.

#### **Finding 4: Customer Deposits**

**Audit Analysis:** According to the Utility’s trial balance, customer deposits’ balance was \$32,449, as of February 28, 2022. The Utility provided a list of the customer deposits but did not maintain a record of refunds, even though the refunds were recorded in the general ledger. A comparison of the deposits from January 1, 2019, through February 28, 2022, revealed a difference of \$11,090. Audit staff could not determine the appropriate refunded amounts of customer deposits as of February 28, 2022.

**Table 4-1  
Customer Deposits**

<b>Account Description</b>		<b>Utility Balance</b>		<b>Audit Balance</b>		
		<b>Customer Deposit As of 02/28/2022</b>		<b>Adjustments</b>	<b>Customer Deposit As of 02/28/2022</b>	
235	Customer Deposits	\$	32,449	\$ (11,090)	\$	21,359
<b>Total :</b>		\$	32,449	\$ (11,090)	\$	21,359

**Effect on the General Ledger:** The Utility should determine the effect on the general ledger.

**Effect on the Filing:** Audit staff determined the balance for customer deposits should be decreased by \$11,090, to reflect the total amount of customer deposits, as of February 28, 2022.



Exhibits

**Exhibit 1: Water Net Book Value**

<b>C.F.A.T. H2O, INC.</b> <b>TRANSFER OF CERTIFICATE AUDIT</b> <b>DOCKET NO. 20220062-WS; ACN 2022-090-1-1</b> <b>SCHEDULE OF WATER NET BOOK VALUE</b> <b>AS OF FEBRUARY 28, 2022</b>				
Description	Balance	Audit	Audit	Balance
	per Utility			Adjustments
	As of 02/28/2022		Finding	As of 02/28/2022
Utility Plant in Service	\$ 594,332	\$ (49,667)	2	\$ 544,665
Land	19,500	-		19,500
Accumulated Depreciation	(405,657)	80,623	2	(325,034)
Contributions in Aid of Construction	(132,796)	7,863	3	(124,933)
Accumulated Amortization of CIAC	121,903	(7,403)	3	114,500
<b>NET BOOK VALUE</b>	<b>\$ 197,282</b>	<b>\$ 31,416</b>		<b>\$ 228,698</b>

**Exhibit 2: Wastewater Net Book Value**

<b>C.F.A.T. H2O, INC.</b> <b>TRANSFER OF CERTIFICATE AUDIT</b> <b>DOCKET NO. 20220662-WS; ACN 2022-090-1-1</b> <b>SCHEDULE OF WASTEWATER NET BOOK VALUE</b> <b>AS OF FEBRUARY 28, 2022</b>				
Description	Balance per Utility As of 02/28/2022	Audit Adjustments	Audit Finding	Balance per Audit As of 02/28/2022
Utility Plant in Service	\$ 379,847	\$ (179,616)	2	\$ 200,231
Land	39,000	-		39,000
Accumulated Depreciation	(333,946)	211,945	2	(122,001)
Accumulated Amortization	-	(3,235)	2	(3,235)
Contributions in Aid of Construction	(262,882)	-	3	(262,882)
Accumulated Amortization of CIAC	244,230	4,575	3	248,805
<b>NET BOOK VALUE</b>	<b>\$ 66,249</b>	<b>\$ 33,669</b>		<b>\$ 99,918</b>