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Public Service Commission

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

DATE: October 16, 2026

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

FROM: Lynn M. Deamer, Chief of Auditing, Office of Auditing and Performance Analysis

RE: Docket No.: 20260086-WU
Company Name: Wildwood Water Company
Company Code: WU937
Audit Purpose: A1b: Staff Assisted Rate Case
Audit Control No.: 2026-202-1-1

Attached is the final audit report for the Utility stated above, I am sending the Utility a copy of this memo and audit report. If the Utility desired 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.

Attachment: Audit Report

Cc: Office of Audit & Performance Analysis

State of Florida

Public Service Commission

Office of Auditing and Performance Analysis
Bureau of Auditing

Auditor's Report

Wildwood Water Company
Staff-Assisted Rate Case

Historical Test Year Ended December 31, 2025

Docket No. 20260086-WU
Audit Control No. 2026-202-1-1
October 16, 2026

Kathryn Guan
Audit Manager

Grayson DiBernardo
Audit Staff

Lynn M. Deamer
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 & Finance in its audit service request dated July 16, 2026. We have applied these procedures to the attached schedules prepared by the audit staff in support of Wildwood Water Company's request for a Staff Assisted Rate Case in Docket No.20260086-WU.

The report is intended only for internal Commission use.

Objectives and Procedures

General

Definitions

Utility refers to Wildwood Water Company, Inc.

The test year for this proceeding is the historical twelve months ended December 31, 2025.

NARUC refers to the National Association of Regulatory Utility Commissioners.

USoA refers to the NARUC Uniform System of Accounts as adopted by Rule 25-30.115-Uniform System of Accounts for Water and Wastewater Utilities, Florida Administrative Code (F.A.C.)

Background

Wildwood Water Company, Inc. is a Class C Utility providing water service to approximately 339 residential service and 24 general service active customers in St. Johns County. The Utility is a wholly owned subsidiary of Holy Grail, LLC.

On June 7, 2010, the Commission issued Order No. PSC-2010-0367-PAA-WU, granting Water Certificate No.648-W to Wildwood Water Company and approving the service rates and charges as well as a new late payment charge. On August 27, 2010, the Commission issued amendatory Order No. PSC-2010-0367A-PAA-WU, including the approved monthly service rates. The Commission did not establish rate base for the Utility in this docket.

Utility Books and Records

Objectives: The objective was to determine whether the Utility maintains its books and records in conformity with the NARUC USoA.

Procedures: The Utility did not provide a general ledger, but provided a transaction ledger. This transaction ledger did not contain balances or transactional information of Utility Plant in Service, Accumulated Depreciation, CIAC, or Accumulated Amortization of CIAC. Audit staff sourced plant additions from the Utility-provided Plant Schedule and transaction ledger, the Plant Schedule and transaction ledger provided did not have sufficient detail. In addition, the transaction ledger has no Account number, and the Utility did not record the ledger in accordance with NARUC USoA. Audit staff reorganized the transaction ledger of 2025 by NARUC Accounts. The Utility did not provide the supporting documentation for Plant additions and retirements. The Utility did provide invoices for purchased power bills, but did not provide invoices for any other Operation and Maintenance Expenses. After several attempts the Utility was able to provide us with the billing information that we need to develop a billing analysis. See Finding 1.

Rate Base

Utility Plant in Service

Objectives: The objectives were to determine whether 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 made 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 obtained the beginning balances for UPIS as of December 31, 2008, from the 2009 Annual Report. We scheduled the plant additions from December 31, 2008, through December 31, 2019, and retirements from December 31, 2008, through December 31, 2025, using Annual Reports. We scheduled the plant additions from the Utility's Plant Schedule from December 31, 2019, to December 31, 2024. We also sourced the plant additions of 2025, using the transaction ledger. We recalculated the plant balances from 2009 to 2025, and traced to the plant balance as of December 31, 2025, in the 2025 Annual Report. No supporting documentation of additions and retirements were provided by the Utility. We determined the year-end balances and simple average balances as of December 31, 2025. See Finding 2.

Land & Land Rights

Objectives: The objectives were to determine whether Land & Land Rights; 1) Consists of property that exists and is owned by the Utility or held under a long-term lease by the Utility; 2) review and document any changes to land since the last Commission proceeding.

Procedures: We obtained the Land deeds and recalculated the Land original value using documentary stamp tax rates and traced to the 2025 Annual Report. We determined that the Utility owns the Land, and that there were no land additions since December 31, 2008. We determined the year-end balances and simple average balances as of December 31, 2025. See Finding 3.

Accumulated Depreciation

Objectives: The objectives were to determine whether: 1) Adjustments to accumulated depreciation in the Utility's last rate case proceeding were recorded in its general ledger, 2) Accumulated depreciation accruals are properly recorded in compliance with Commission Rule 25-30.140-Depreciation, Florida Administrative Code (F.A.C.) and the NARUC USoA, 3) Depreciation expense accruals are calculated using the Commission's authorized rates, and 4) Retirements are properly recorded when an asset was replaced.

Procedures: We obtained the beginning balances for Accumulated Depreciation for UPIS as of December 31, 2008, from the 2009 Annual Report. We recalculated Accumulated Depreciation using our audit plant balances and depreciation rates established by Commission Rule 25-30.140 - Depreciation, F.A.C., and traced the ending balance of Accumulated Depreciation as of December 31, 2025, to the 2025 Annual Report. We determined the year-end balances and simple average balances as of December 31, 2025. See Finding 4.

Contributions-in-Aid-of-Construction

Objectives: The objectives were to determine whether; 1) Contributions-in-Aid-of-Construction (CIAC) is properly recorded in compliance with Commission rules and the NARUC USoA, 2) Donated property is properly accounted for as recorded as CIAC, and 3) Adjustments to CIAC in the Utility's last rate case proceeding were recorded in its general ledger.

Procedures: We obtained the beginning balances for Contributions in Aids of Construction (CIAC) as of December 31, 2008, from the 2009 Annual Report. We recalculated the CIAC balances from December 31, 2008, through December 31, 2024, using the customer growth from 2009 to 2025 from the Annual Reports, the response to Engineering staff's Data Request No.5, and traced the CIAC ending balance as of December 31, 2025, to the 2025 Annual Report. We determined the year-end balances and simple average balances as of December 31, 2025. See Finding 5.

Accumulated Amortization of CIAC

Objectives: The objectives were to determine whether: 1) Accruals to accumulated amortization of CIAC are properly recorded in compliance with Commission Rule 25-30.140, F.A.C., 2) Retirements are recorded when a contributed asset was replaced, 3) Adjustments to accumulated amortization of CIAC in the utility's last rate case proceeding were recorded in its general ledger.

Procedures: We obtained the beginning balances for Accumulated Amortization of CIAC (AA of CIAC) as of December 31, 2008, from the 2009 Annual Report. We recalculated the accumulated amortization of CIAC per year using the audit CIAC balances and applicable amortization rates determined by audit staff from 2009 to 2025 and compared to the ending balance of accumulated amortization of CIAC as of December 31, 2025, in the 2025 Annual Report. We determined the year-end balances and simple average balances as of December 31, 2025. See Finding 6.

Acquisition Adjustment

Objectives: The objective was to determine if the utility has an authorized acquisition adjustment and calculate the Accumulated Amortization if it is applicable.

Procedures: We determined that the Utility does not have an authorized Acquisition Adjustment. No further work was performed.

Working Capital

Objectives: The objective was to determine the working capital to be included in the Utility's rate base per Commission Rule 25-30.443(3), F.A.C.

Procedures: We calculated the Utility's working capital as of December 31, 2025, using one-eight of operation and maintenance (O&M) expense as required by Commission Rule 25-30.433(3), F.A.C. No exceptions were noted.

Capital Structure

Capital Structure

Objectives: The objectives were to determine the: 1) Components of the Utility's capital structure, 2) Cost rate for each class of capital, 3) Overall weighted cost of capital, and that 4) Components are properly recorded in compliance with the NARUC USoA.

Procedures: We determined that the Utility's capital structure consists of Accrued Taxes, Customer Deposits, Opening Balance Equity, Other Paid in Capital (Business Loan), Retrained Earnings and Shareholder Disbursement. We recalculated the cost rate of common equity using Commission Order No. PSC-2026-0223-PAA-WS. We determined the year-end Capital Structure and weighted average cost as of December 31, 2025. See Finding 7.

Customer Deposits

Objectives: The objectives were to determine whether customer deposit balances represented actual obligations of the Utility, and to verify whether customer deposits were properly recorded and reflected.

Procedures: Audit staff obtained the customer deposits from the transactional ledger provided by the Utility. We compared this to the amount in the 2025 Annual Report. We reviewed the criteria in Rule 25-30.311, F.A.C. Audit staff found no evidence that the Utility is refunding these deposits nor accruing interest in accordance with this Rule. See Finding 13.

Net Operating Income

Operating Revenue

Objectives: The objectives were: 1) to provide a calculation of revenues for all test year rates by class and meter size using the billing analysis; 2) to provide a schedule of customers billed or served by class and meter size for the last month of the test year; 3) to provide a schedule of test year miscellaneous service charges received by type and provide the number of connections for each type of charge; 4) to provide a billing analysis using the attached form for each class of service by meter size for all Commission approved test year tariffed rates, and 5) to provide a schedule of private fire protection service by size of connection.

Procedures: We obtained the billing register, general service meter readings and meter size from the Utility for 2025 and calculated the consumption of 6 general service customers. We rescheduled the billing register of 2025 by rate class and calculated the consumptions of each rate class by tier. We scheduled the billing analysis for residential service and general service from the determined billing register. We obtained the transaction ledger from the Utility and created the pivot table for the operating revenues. We determined that the Utility did not collect the miscellaneous service charges, and that the Utility had no private fire protection service. We recalculated the service revenues of 2025 by rate class using the billing determinants, and Commission-approved tariffs. We also traced our recalculation of revenues to the transaction ledger, sales revenues in RAF Return and the 2025 Annual Report. We scheduled the monthly active customers by rate class from the billing register of 2025. We also scheduled the customers billed by rate class for the last month of the test year (December 2025). See Finding 8.

Customer Bills

Objectives: The objective was to verify if the customer bills were charged appropriately by using the tariff rates.

Procedures: We judgmentally selected February, May, and July 2025 of each rate class for sample testing. We recalculated the sampled customer bills using the Commission-approved tariff rates and traced to the billed amount on the customer bills. We determined that the Utility did not use the Commission-approved tariff rates. See Finding 9.

Operation and Maintenance Expense

Objectives: The objectives were to determine whether O&M expense is: 1) Representative of the Utility's ongoing operations for the test year, 2) Properly recorded in the appropriate period for the correct amount, and 3) Recorded in compliance with NARUC USoA and Commission Rules.

Procedures: We obtained the transaction ledger of 2025 from the Utility and scheduled the O&M Expenses by NARUC Accounts. We also created a pivot table for the O&M Expenses from the transaction ledger. We obtained invoices of purchased power and reviewed purchased power expenses; we also reviewed the chemical expense from the chemical invoices schedule. We reviewed materials and supplies, miscellaneous expenses, insurance expenses, transportation expenses and contractual services by category from the transaction ledger. We determined that the Utility had no employees. The Utility's president took a $12,000 ($1,000 per month) Shareholder Disbursement as a salary in 2025, which is reflected in the Capital Structure. We scheduled a summary of all the expenses that should be removed from O&M Expenses. We reviewed the O&M Expenses and traced to the 2025 Annual Report. We also determined that the Utility had no allocation manual and there were no allocated expenses from the Utility. See Finding 10.

Depreciation and CIAC Amortization Expense

Objectives: The objectives were: 1) to verify the depreciation expense and amortization expense of the Utility was properly booked and recorded, and 2) to determine whether the appropriate test year depreciation and amortization rates have been used for test year expense and computation of net operating income for the Utility.

Procedures: We recalculated Depreciation Expense for 2025 using the audit UPIS balances and the depreciation rates detailed in Rule 25-30.140, F.A.C., and traced to the 2025 Annual Report. We calculated the CIAC composite rates using the audit plant balances and depreciation expenses. We also recalculated the CIAC Amortization Expense for 2025 using the audit CIAC balance and composite rate and traced to the 2025 Annual Report. See Finding 11.

Taxes Other than Income

Objectives: The objective was to verify the taxes other than income (TOTI) of the Utility for the test year ended December 31, 2025.

Procedures: We recalculated the 2025 RAFs based on our recalculated revenues. We recalculated the Other Taxes and Licenses from the transaction ledger. We recalculated the 2025

property taxes. We also reduced the 4% tax discount per Florida Statutes. We recalculated the Taxes Other Than Income and compared to the 2025 Annual Report. Our Finding 12 discusses our adjustment and more details.

Income Taxes

Objectives: The objective was to determine whether the test year income taxes were properly recorded in compliance with the USoA.

Procedures: Based on the Utility's 2025 Tax Return, there was no taxable income. No further work was performed.

Audit Findings

Finding 1: Utility Books and Records

Audit Analysis: Audit staff determined that the Utility did not maintain a general ledger, but only the transaction ledger. This transaction ledger did not contain account balances for Accumulated Depreciation, CIAC, or Accumulated Amortization of CIAC. The Utility did not record any retirements for the period of audit. The transaction ledger did not have sufficient detail. Specifically, the transaction ledger has no account numbers. Audit staff reorganized the transaction ledger of 2025 by NARUC Accounts. The Utility was only able to provide the transaction ledgers from 2020 to 2025, all the transactions before 2020 were not available. It appears that the Utility is in violation of Rule 25-30.110, F.A.C.

The Utility was not able to provide the supporting documentation of plant additions and retirements, and invoices of operation and maintenance expenses. After several attempts the Utility was able to provide us with the billing information that we need to develop a billing analysis.

This is the informational finding. Technical staff should determine what, if any, is the effect on the filing.

Finding 2: Utility Plant in Service

Audit Analysis: Audit staff determined that the Utility Plant in Service was not properly recorded and reflected in the 2025 Annual Report. The Utility provided audit staff a transaction ledger and a plant schedule. Both did not have NARUC Account numbers, so audit staff segregated the amounts into the appropriate NARUC USoA. See details below.

- Supporting Documentation of Plant

The Utility did not provide any invoices for additions and retirements from 2009 to 2025. The Utility did provide a schedule of plant additions from 2020 to 2025. Audit staff did not verify any additions or retirements from 2009 to 2019. We used in our plant schedule the additions and retirements reflected in the Annual Reports for these years. For 2020 to 2025, audit staff used the plant schedule provided by the Utility, and where applicable, we reconciled these years on the plant schedule to the Annual Reports. Audit staff requested additional explanations for selected additions from 2020 to 2025. The response of the Utility included a description of the Plant items and an explanation of how it is used by the Utility.

- Vehicles

Audit staff determined that all the vehicles' ownership are under the holding company (Holy Grail), the Utility only has the authorization to use those vehicles. There were no documented contracts, written agreements, or allocations for the vehicles. Audit staff removed the transportation equipment of $49,595.

- Plant Retirement

The Utility indicated that it replaced all service meters between 2024 and 2025. Audit staff calculated retirements at 75% of replacement cost. See details in Table below.

Table 2-1 Plant Retirements Adjustments of 2024 & 2025

Acct. No.	Account Description	Year	Adjust Adjustment	Adjustment Reason
334	Meters and Meter Install.	2024	$ (94,953)	75% of the additions to the retirement for the meter replacement
334	Meters and Meter Install.	2025	$ (3,622)	75% of the additions to the retirement for the meter replacement
Total Plant Retirements Adjustment			**$ (98,575)**	

- Plant Additions

Audit staff determined that there was a total of $78,176 in O&M Expenses that should be capitalized to Plant. See details in Table below.

Table 2-2 Plant Additions from 2020 to 2025

Acct. No.	Account Description	Year	Adjust Adjustment	Adjustment Reason
304	Structures & Improvements	2020	$ 5,635	Adjust based on reviewed transaction ledger
304	Structures & Improvements	2023	$ 1	Adjust based on reviewed transaction ledger
304	Structures & Improvements	2024	$ (126,604)	Adjust based on reviewed transaction ledger
304	Structures & Improvements	2025	$ 551	Adjust based on reviewed transaction ledger
304	Structures & Improvements	2025	$ 31,833	Adjust based on reviewed transaction ledger
304	Structures & Improvements	2025	$ 2,902	Reclass from 620 Materials & Supplies in O&M Expenses
Plant Additions of Account 304			**$ (85,681)**	
307	Wells & Springs	2025	$ 28,700	Adjust based on reviewed transaction ledger
307	Wells & Springs	2025	$ 48,354	Reclass from 620 Materials & Supplies in O&M Expenses
Plant Additions of Account 307			**$ 77,054**	
309	Supplies and Mains	2020	$ (20,619)	Adjust based on reviewed transaction ledger
Plant Additions of Account 309			**$ (20,619)**	
310	Power Generation Equipment	2025	$ 799	Adjust based on reviewed transaction ledger
Plant Additions of Account 310			**$ 799**	
311	Pumping Equipment	2020	$ 5,095	Adjust based on reviewed transaction ledger
311	Pumping Equipment	2021	$ 3,669	Adjust based on reviewed transaction ledger
Plant Additions of Account 311			**$ 8,764**	
320	Water Treatment Equipment	2020	$ 27,796	Reclass from 309 to 320
320	Water Treatment Equipment	2025	$ 5,000	Reclass from 310 to 320
Plant Additions of Account 320			**$ 32,796**	
334	Meters and Meter Install.	2024	$ 126,603	Reclass from 304 to 334
334	Meters and Meter Install.	2025	$ 26,919	Reclass from 620 Materials & Supplies in O&M Expenses
334	Meters and Meter Install.	2025	$ 4,305	Adjust based on reviewed transaction ledger
Plant Additions of Account 334			**$ 157,827**	
Total Plant Additions Adjustment			**$ 170,940**	

- Utility Plant in Service

Audit staff recalculated the plant balances from 2009 to 2019 using the additions and retirements of the Annual Reports. We recalculated the plant balances from the retirements of the Annual Reports and the determined plant additions from 2020 to 2025 and traced the ending balance of UPIS to the 2025 Annual Report. See details in Table below.

Table 2-3 UPIS as of December 31, 2025

NARUC Account and Description	UPIS per 2025 Annual Report	Audit Adjustment of Vehicles	Audit Adjustment of Additions	Audit Adjustment of Retirements	UPIS of 2025 per Audit
304 Structures & Improvements	$ 201,451	$ -	$ (85,681)	$ -	$ 115,770
305 Collecting & Impounding	$ 1,461	$ -	$ -	$ -	$ 1,461
307 Wells & Springs	$ 59,230	$ -	$ 77,054	$ -	$ 136,284
309 Supply Mains	$ 218,528	$ -	$ (20,619)	$ -	$ 197,909
310 Power Generation Equipment	$ 23,459	$ -	$ 799	$ -	$ 24,258
311 Pumping Equip.	$ 14,824	$ -	$ 8,764	$ -	$ 23,588
320 Water Treatment Equipment	$ 990	$ -	$ 32,796	$ -	$ 33,786
334 Meters and Meter Install.	$ 123,385	$ -	$ 157,827	$ (98,575)	$ 182,638
339 Other Plant And Miscellaneous Equipment	$ 176,944	$ -	$ -	$ -	$ 176,944
340 Office Furniture & Equipment	$ 99,401	$ -	$ -	$ -	$ 99,401
341 Trans. Equipment	$ 49,595	$ (49,595)	$ -	$ -	$ -
Total UPIS	**$ 969,268**	**$ (49,595)**	**$ 170,940**	**$ (98,575)**	**$ 992,038**

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

Effect on the Filing: The Utility Plant in Service as of December 31, 2025, should be increased by $22,770 ($992,038 - $969,268).

Finding 3: Land & Land Rights

Audit Analysis: Audit staff determined that the Utility did not use the original value of the Lands in its Annual Reports. We recalculated the original values of the Land using documentary stamp tax on the Land deeds and traced to the 2025 Annual Report. See details in Table below.

Table 3-1 Differences of the Original Land Values and Land Balance as of December 31, 2025

Land Item	Balance per Annual Report	Audit Adjustment	Balance per Audit
Land & Land Rights	$ 64,250	$ (56,150)	$ 8,100

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

Effect on the Filing: The Land balances of the Utility should decrease $56,150 ($8,100 - $64,250).

Finding 4: Accumulated Depreciation

Audit Analysis: Audit staff determined that the accumulated depreciation of the Utility was not properly recorded and reflected on the Annual Reports. We recalculated the accumulated depreciation using the audit UPIS balances and depreciation rates per Rule 25-30.140, F.A.C., from 2009 to 2025 and compared to the ending balance of accumulated depreciation as of December 31, 2025, in the 2025 Annual Report. The Utility used tax depreciation rates to calculate the depreciation. See Finding 11 for depreciation expenses for the test year. See details in Table below.

Table 4-1 Differences of Accumulated Depreciation as of December 31, 2025

NARUC Account and Description	Balance per Annual Report	Audit Adjustment	Balance per Audit
108 Structures & Improvements	$ 29,249	$ (21,083)	$ 8,166
108 Collecting & Impounding	$ 1,461	$ -	$ 1,461
108 Wells & Springs	$ 59,260	$ 1,397	$ 60,657
108 Supply Mains	$ 245,361	$ (54,175)	$ 191,186
108 Power Generation Equipment	$ 7,266	$ (2,944)	$ 4,322
108 Pumping Equip.	$ 20,410	$ 363	$ 20,773
108 Water Treatment Equipment	$ 990	$ 9,140	$ 10,130
108 Meters and Meter Install.	$ 136,419	$ (102,418)	$ 34,001
108 Other Plant And Miscellaneous Equipment	$ 185,978	$ (9,034)	$ 176,944
108 Office Furniture & Equipment	$ 96,884	$ 2,517	$ 99,401
108 Trans. Equipment	$ 51,222	$ (51,222)	$ -
Total Accumulated Depreciation	**$ 834,500**	**$ (227,459)**	**$ 607,041**

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

Effect on the Filing: The Accumulated Depreciation of the Utility as of December 31, 2025, should be decreased by $227,459 ($607,041 - $834,500).

Finding 5: Contributions-in-Aid-of-Construction CIAC

Audit Analysis: Audit staff determined that the CIAC of the Utility was not properly recorded and reflected on the Annual Reports. See details below.

- Water Customers

The Utility properly reported the water customers from 2009 to 2011 on W-3 of the Annual Reports. However, starting in 2022, the water customers of the Utility in the Annual Reports have not been updated. Audit staff obtained the customer numbers the response to Engineering staff's Data Request No.5 from 2020 to 2025 and applied the average customer growth from 2011 through 2020, to the years 2012 to 2020.

- Meter Size

The Utility stated that all service meters of the Utility have been replaced between 2024 and 2025, and the new meter size is 3/4"×3/4". The old meter size before 2025 was 5/8"×3/4".

- CIAC Balances Recalculation

Audit staff recalculated the CIAC balances from 2009 to 2025 based on customer growth each year using the service availability charges, and compared to the CIAC balance as of December 31, 2025, in the 2025 Annual Report. In addition, audit staff made the retirements to CIAC to reflect the service meters replaced between 2024 and 2025.
See details in Tables below.

Table 5-1 CIAC Calculations

Year	Customer Numbers	Customer Growth per Utility	Meter Installation Charge	Connection Charge	Increase in CIAC	Retirement of CIAC	CIAC per Audit
2009	323		$ 130	$ 1,500	$ -	$ -	$ 32,675
2010	360	37	$ 130	$ 1,500	$ 60,310	$ -	$ 92,985
2011	343	-17	$ 130	$ 1,500	$ -	$ -	$ 92,985
2012	346	3	$ 130	$ 1,500	$ 4,890	$ -	$ 97,875
2013	349	3	$ 130	$ 1,500	$ 4,890	$ -	$ 102,765
2014	352	3	$ 130	$ 1,500	$ 4,890	$ -	$ 107,655
2015	355	3	$ 130	$ 1,500	$ 4,890	$ -	$ 112,545
2016	358	3	$ 130	$ 1,500	$ 4,890	$ -	$ 117,435
2017	361	3	$ 130	$ 1,500	$ 4,890	$ -	$ 122,325
2018	364	3	$ 130	$ 1,500	$ 4,890	$ -	$ 127,215
2019	367	3	$ 130	$ 1,500	$ 4,890	$ -	$ 132,105
2020	370	3	$ 130	$ 1,500	$ 4,890	$ -	$ 136,995
2021	371	1	$ 130	$ 1,500	$ 1,630	$ -	$ 138,625
2022	373	2	$ 130	$ 1,500	$ 3,260	$ -	$ 141,885
2023	373	0	$ 130	$ 1,500	$ -	$ -	$ 141,885
2024	375	2	$ 130	$ 1,500	$ 3,260	$ 47,335	$ 97,810
2025	376	1	$ 390	$ 1,500	$ 1,890	$ 1,805	$ 97,895

Table 5-2 Difference of CIAC Balances As of December 31, 2025

	per Annual Report	Audit Adjustment	per Audit
CIAC Balance	$ 20,155	$ 77,740	$ 97,895

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

Effect on the Filing: The CIAC balance as of December 31, 2025, should be increased by $77,740 ($97,895- $20,155).

Finding 6: Accumulated Amortization of CIAC

Audit Analysis: Audit staff determined that the Accumulated Amortization of CIAC of the Utility was not properly reflected on the Annual Reports. We recalculated the accumulated amortization of CIAC per year using the audit CIAC balances and applicable amortization rates determined by audit staff from 2009 to 2025 and compared to the ending balance of accumulated amortization of CIAC as of December 31, 2025, in the 2025 Annual Report. See details in Table below.

Table 6-1 AA of CIAC

Year	AA of CIAC per Annual Report	Audit Adjustment	AA of CIAC per Audit
2009	$ 3,235	$ 408	$ 3,643
2010	$ 4,445	$ 3,766	$ 8,211
2011	$ 5,655	$ 7,123	$ 12,778
2012	$ 6,865	$ 10,721	$ 17,586
2013	$ 8,075	$ 14,558	$ 22,633
2014	$ 9,285	$ 18,636	$ 27,921
2015	$ 10,495	$ 19,331	$ 29,826
2016	$ 11,705	$ 19,484	$ 31,189
2017	$ 12,915	$ 19,694	$ 32,609
2018	$ 14,125	$ 19,961	$ 34,086
2019	$ 15,335	$ 20,284	$ 35,619
2020	$ 16,545	$ 21,287	$ 37,832
2021	$ 17,755	$ 22,753	$ 40,508
2022	$ 18,965	$ 24,347	$ 43,312
2023	$ 20,155	$ 26,058	$ 46,213
2024	$ 20,155	$ 28,052	$ 48,207
2025	$ 20,155	$ 31,151	$ 51,306

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

Effect on the Filing: The Accumulated Amortization of CIAC as of December 31, 2025, should be increased by $31,151 ($51,306 - $20,155).

Finding 7: Capital Structure

Audit Analysis: Audit staff recalculated the capital structure and traced to the 2025 Annual Report and determined that the capital structure of the Utility was not properly recorded and reflected on the Annual Report. We determined that the Utility's capital structure consists of Accrued Taxes, Customer Deposits, and Equity. See the calculation of capital structure and audit adjustment in Exhibit 2.

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

Effect on the Filing: The Capital Structure of the Utility should be adjusted as shown in Exhibit 2.

Finding 8: Operating Revenue

Audit Analysis: Audit staff determined that the operating revenues of the Utility were not properly recorded and reflected on the Annual Report. However, audit staff determined that the Utility has not collected any miscellaneous service charges. The audited revenues reflect only service revenues. See details below.

- General Service

There were six general service customers with 0 consumption in the billing register each month of 2025. Audit staff determined that these were due to an error in the billing system. The Utility provided the usage information from ABS, the vendor that provided billing and meter reading services for the Utility, for these customers. We calculated the appropriate consumption and applied the appropriate tariff for these customers.

The Utility said there are no general service rates, they charged the rates based on the residential services. However, audit staff determined there are Commission-approved rates for general service. In addition, the tariff rates are the same for residential service and general service.

- Residential Service

Audit staff determined that the consumption of residential service was correctly recorded in the billing register.

- Incorrect Rates in the Billing Register

Audit staff determined that the Utility did not use the Commission-approved tariff rates for each rate class in the billing register. See Finding 9.

- Operating Revenues

Audit staff recalculated the operating revenues for the residential and general service customers using the appropriate billing determinants and the approved tariff rates. The Utility did not charge any miscellaneous service charges during the test year. There is an approved tariff for miscellaneous service charges. The operating revenue for 2025 reflected on the Annual Report, RAF Return, the Federal Income Tax Return, and utility's transaction ledger was $199,170. The audit recalculated operating revenue for 2025 was $180,892.

- Customer Numbers

Audit staff counted 423 residential service customers (active and inactive) and 27 general service customers (active and inactive) in the billing register for 2025. Audit staff noted that there were 339 active residential service customers and 24 active general service customers by the end of 2025. The response to Engineering staff's Data Request No.5, there were 369 residential service customers and 7 general service customers. There is an unexplained disconnection between the customer numbers.

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

Effect on the Filing: The operating revenues of the Utility in 2025 should be decreased by $18,278 ($180,892 - $199,170).

Finding 9: Incorrect Rates Charged on Customer Bills

Audit Analysis: Audit staff judgmentally selected and recalculated 18 customer bills from February, May and July of 2025, and determined that the Utility's customer bills were not correctly recorded in the billing register, and the Utility did not use the Commission-approved tariff rates. See details below.

- Residential Service

Audit staff determined that the Utility did not use the Commission-approved tariff rates on the residential service customer bills. The Commission-approved base facility charge of residential service is $35.49, and the consumption charges per 1,000 gallons are $0.00 from 0 to 4,000 gallons, $4.71 from 4,001 to 10,000 gallons, $5.77 from 10,001 to 20,000 gallons, and $7.01 for consumption over 20,000 gallons. However, the Utility charged the base facility charge for residential service at $35.43, and the consumption charge per 1,000 gallons are $0.00 from 0 to 4,000 gallons, $4.58 from 4,001 to 10,000 gallons, $5.61 from 10,001 to 20,000 gallons, and $6.82 for consumption over 20,000 gallons on the customer bills.

- General Service

The Utility said they did not have the rates for general service, so they charged the same rates as residential service. Audit staff determined that there are Commission-approved tariff rates for general service, and the rates for general service are the same as residential service. However, the Utility did not charge the correct rate for residential service, the rates for general service were incorrect as well.

Audit staff also determined that there were no previous and current readings in the sampled general service customer bills. The Utility stated that these were due to a billing system error, and these customers were charge based on handwritten usage amounts applied to the bills. However, the sampled customer bills did not reflect the usage correctly, and the usage was zero on each selected bill.

It appears that the Utility is in violation of Rule 25-30.335, F.A.C.

This is the informational finding. Technical staff should determine what, if any, is the effect on the filing.

Finding 10: Operations and Maintenance Expense

Audit Analysis: Audit staff recalculated the O&M Expenses for 2025 and determined that the O&M Expenses of the Utility were not correctly recorded and reflected on the 2025 Annual Report. See details below.

- NARUC Accounts of O&M Expenses

We sourced the O&M Expenses from the transaction ledger of 2025, however, the transaction ledger has no Account numbers. Audit staff reorganized the transaction ledger by NARUC Accounts.

- Purchased Power

We recalculated the purchased power and traced to the 2025 Annual Report and determined that the purchased power of the Utility was not properly recorded and reflected on the Annual Report.

- Chemicals

We recalculated the chemical expense using the schedule of chemicals, including all the invoice numbers and amounts. Audit staff determined that the chemical expense of the Utility was not properly recorded and reflected on the Annual Report.

- Materials and Supplies

Some transactions included in Materials and Supplies should be evaluated by technical staff to determine if they should be capitalized or disallowed. Audit staff recalculated the material and supplies and determined that the materials and supplies of the Utility were not properly recorded and reflected on the Annual Report. See details in Table below.

Table 10-1 Materials and Supplies Need to be Evaluate

NARUC Account	NARUC Account Description	Name	Amount per Transaction Ledger
620	Materials & Supplies	Fis Outdoor	$ 2,506.09
620	Materials & Supplies	Lowman Fence	$ 1,100.00
620	Materials & Supplies	MR Electric	$ 628.38
			$ 4,234.47

- Miscellaneous Expenses

Based on audit reviewed transaction ledger, we included the miscellaneous expenses of $2,373. Our adjustment of ($29,410) reflects unsupported/unknown costs.

- Insurance

The Utility does not own any vehicles but has the authorization to use vehicles owned by the holding company (Holy Grail). We requested the insurance policies from the Utility, and none were provided. The Utility represented that the amount of $17,044 is for vehicle insurance. Technical staff should evaluate what, if any, insurance expenses are appropriate. In addition, the Utility has no general liability insurance.

- Transportation Expenses

Based on audit reviewed transaction ledger, we included fuel, repair, and maintenance costs totaling $4,657. Our adjustment of ($20,514) reflects unsupported/unknown costs.

- Salary and Wages

The Utility stated that it has no employees. There were no salaries and wages in O&M Expenses in 2025. Audit staff also noted that the president received a total of $12,000 ($1,000 per month)

from shareholder disbursements in 2025. The Utility confirmed that this is the wage for the president. Audit staff reflected this in the Capital Structure.

- Contractual Services

We requested the contracts or agreements related to contractual services, however, the Utility was not able to provide any. Audit staff recalculated the contractual services and determined that the contractual services of the Utility were not properly recorded and reflected on the Annual Report. See details below.

- Billing

ABS, LLC is the billing company that the Utility contracted with, which provides a website platform, meter reading, calculates bills, prints bills, provides customer service via telephone, payment processing, late notices etc. Audit staff determined that Contractual Services – Billing of the Utility was properly recorded and reflected on the 2025 Annual Report.

- Professional

The amount per the 2025 Annual Report is $6,331, which the Utility paid for legal and bookkeeping services. Upon review of the transaction ledger, we included $1,000 for engineering service, and $500 for engineering service reclassified from Material and Supplies of the Utility. Our adjustment is the net of these two amounts. Our adjustment is the net of these amounts.

- Testing

Audit staff determined that Contractual Services – Testing of the Utility were accurately recorded and reflected on the 2025 Annual Report.

- Other

The amount per the 2025 Annual Report is $14,987, which the Utility paid Holy Grail for services. The Utility could not adequately define the service provided. Therefore, audit staff did not include this amount. We included the amount totaling $12,673 which was paid to five individuals for operation/ maintenance of Utility facilities. Our adjustment is the net of these two amounts.

- Regulatory Commission Expense

The Utility paid $750 to Florida Public Service as a filling fee for its transfer of majority organizational control in Docket No. 20250144-WU.

- Allocation of O&M Expenses

The Utility indicated that there were no allocated expenses in 2025, and the Utility has no allocation manual.

See details in Table below.

Table 10-2 O&M Expenses Adjustment of 2025

Acct.No.	Account Description	Audit Adjustment	Adjustment Reason
615	Purchased Power	$ (229)	Adjust based on reviewed transaction ledger
Adjustment to 615		**$ (229)**	
618	Chemicals	$ (1,531)	Adjust based on reviewed transaction ledger
Adjustment to 618		**$ (1,531)**	
620	Materials and Supplies	$ (78,176)	Capitalized to Plant
620	Materials and Supplies	$ (11,162)	Removed due to non-utility and no supporting
620	Materials and Supplies	$ (13,173)	Reclass from 620 to 630
620	Materials and Supplies	$ (66)	Reclass from 620 to 650
620	Materials and Supplies	$ (437)	Reclass from 620 to 675
620	Materials and Supplies	$ 6,628	Adjust based on reviewed transaction ledger
Adjustment to 620		**$ (96,385)**	
630	Contractual Services:		
	Professional	$ 1,000	Adjust based on reviewed transaction ledger
	Professional	$ 500	Reclass from 620 to 630
Adjustment to 630 Professional		**$ 1,500**	
	Other	$ 12,673	Reclass from 620 to 630
	Other	$ (14,897)	Removed to adjust based on transaction ledger
Adjustment to 630 Other		**$ (2,224)**	
650	Transportation Expenses	$ 192	Adjust based on reviewed transaction ledger
650	Transportation Expenses	$ 854	Adjust based on reviewed transaction ledger
650	Transportation Expenses	$ 3,545	Adjust based on reviewed transaction ledger
650	Transportation Expenses	$ 66	Reclass from 620 to 650
650	Transportation Expenses	$ (25,171)	Remove the unsupported amount in Annual Report
Adjustment to 650		**$ (20,514)**	
665	Regulatory Commission Expense	$ 750	Adjust based on the reviewed transcation ledger
Adjustment to 665		**$ 750**	
675	Miscellaneous Expenses	$ 1,651	Adjust based on reviewed transaction ledger
675	Miscellaneous Expenses	$ 285	Adjust based on reviewed transaction ledger
675	Miscellaneous Expenses	$ 437	Reclass from 620 to 675
675	Miscellaneous Expenses	$ (31,783)	Remove the unsupported amount in Annual Report
Adjustment to 650		**$ (29,410)**	
Total Adjustment of Expenses		**$ (148,043)**	

Table 10-3 Differences of O&M Expenses of 2025

NARUC Account	NARUC Account Description	Amount per Annual Report	Audit Adjustment	Amount per Audit
615	Purchased Power	$ 10,500	$ (229)	$ 10,271
618	Chemicals	$ 8,376	$ (1,531)	$ 6,845
620	Materials and Supplies	$ 113,493	$ (96,385)	$ 17,108
630	Contractual Services:			
	Billing	$ 26,434	$ -	$ 26,434
	Professional	$ 6,331	$ 1,500	$ 7,831
	Testing	$ 3,452	$ -	$ 3,452
	Other	$ 14,897	$ (2,224)	$ 12,673
650	Transportation Expenses	$ 25,171	$ (20,514)	$ 4,657
655	Insurance	$ 17,044	$ -	$ 17,044
665	Regulatory Commmission Expense	$ -	$ 750	$ 750
675	Miscellaneous Expenses	$ 31,783	$ (29,410)	$ 2,373
	Total O&M Expenses	**$ 257,481**	**$ (148,043)**	**$ 109,438**

- Working Capital Allowance

Based on Rule 25-30.433(3), F.A.C., audit staff used 1/8 of O&M Expenses to calculate working capital allowance. The audit O&M Expenses were $109,438, and the working capital allowance per audit was $13,680 ($109,438 × 1/8).

Effect on the General Ledger: The Utility should determine the effect on the general ledger.
Effect on the Filing: The O&M Expenses of 2025 of the Utility should be decreased by $148,043 ($109,438- $257,481). The working capital allowance of the Utility was 13,680 ($109,438 × 1/8) for 2025.

Finding 11: Depreciation and Amortization Expenses

Audit Analysis: Audit staff determined that the Utility's depreciation and amortization expenses were not properly recorded and reflected on the Annual Report. See details below.

- Depreciation Rates

The Utility uses tax depreciation rates to calculate the depreciation expenses for the Plant assets. This is not in compliance with the Rule 25-30.140, F.A.C. Using the service lives prescribed in Rule 35-30.140, audit staff recalculated the appropriate depreciation expense.

- Depreciation Expenses

Audit staff recalculated the depreciation expenses for 2025 using the Class C depreciation rates from Rule 25-30.140, F.A.C., and compared this amount to the depreciation expense in the 2025 Annual Report.

- Amortization Expenses

Audit staff recalculated the amortization expenses using audit balances of CIAC and audit calculated composite amortization rates, and compared this amount to the amortization expense in the 2025 Annual Report.

See details in Table below.

Table 11-1 Depreciation Expense of 2025

Category	Amount per Annual Report	Audit Adjustment	Amount per Audit
Structures & Improvements	$ 4,147	$ (1,354)	$ 2,793
Wells & Springs	$ -	$ 1,427	$ 1,427
Supply Mains	$ 714	$ (591)	$ 123
Power Generation Equipment	$ 1,979	$ (1,200)	$ 779
Pumping Equip.	$ 1,128	$ 260	$ 1,388
Water Treatment Equipment	$ -	$ 1,782	$ 1,782
Meters and Meter Install.	$ 7,313	$ 946	$ 8,259
Other Plant And Miscellaneous Equipment	$ 657	$ (657)	$ -
Office Furniture & Equipment	$ 123	$ (123)	$ -
Trans. Equipment	$ 2,078	$ (2,078)	$ -
Total Depreciation Expense	**$ 18,139**	**$ (1,588)**	**$ 16,551**

Table 11-2 Amortization Expense of 2025

Category	Amount per Annual Report	Audit Adjustment	Amount per Audit
Amortization Expense	$ -	$ 3,099	$ 3,099
Total Amortization Expenses	**$ -**	**$ 3,099**	**$ 3,099**

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

Effect on the Filing: The Utility's Depreciation Expense should be decreased by $1,588 ($16,551 - $18,139) and Amortization Expenses should be increased by $3,099 ($3,099 – $0) for 2025.

Finding 12: Taxes Other than Income

Audit Analysis: Audit staff determined that the Utility's Taxes Other Than Income were not properly recorded and reflected on the Annual Report. See details below.

- RAF

Audit staff noted that the Utility reflected the RAF applicable to 2024 on the 2025 Annual Report. Audit staff recalculated the RAF based on the audit calculated revenues. The difference between these numbers is $459 as shown in the Table below.

- Property Taxes

Audit staff noted that the Utility reflected the property taxes applicable to 2024 on the 2025 Annual Report. In addition, audit staff noted that the Utility paid the full amount for property taxes in 2025 without taking the 4% tax discount per Florida Statutes. Audit staff calculated the amount of the discount and reflected the correct amount for 2025 as per audit as shown in the Table below.

- Payroll Taxes

The Utility stated that it had no employees for 2025, and no payroll expense is reported on the 2025 Tax Return. The Utility did correctly reflect on the 2025 Annual Report.

- Other Taxes and Licenses

Audit staff included the following taxes in our number in the Table below: $150 to the State of Florida, $500 to Florida Department of Environmental Protection, $250 to St. John's Rural Water Management District.

Table 12-1 Differences of TOTI of 2025

TOTI Category	Amount per Annual Report	Audit Adjustment	Amount per Audit
RAF	$ 7,681	$ 459	$ 8,140
Property Taxes	$ 1,187	$ 452	$ 1,639
Payroll Taxes	$ -	$ -	$ -
Other Taxes and Licenses	$ 1,842	$ (942)	$ 900
Taxes Other Than Income	**$ 10,710**	**$ (31)**	**$ 10,679**

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

Effect on the Filing: The Utility's TOTI for 2025 should be decreased by $31 ($10,679 - $10,710).

Finding 13: Customer Deposits

Audit Analysis: Based on the Rule 25-30.311(4)(a), F.A.C., "Each public utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits of 2 percent per annum. The utility shall pay an interest rate of 3 percent per annum on deposits of nonresidential customers qualifying under subsection (5) below when the utility elects not to refund such a deposit after 23 months." The Utility collected customers deposits in a non-interest-bearing account. The Utility has reflected the customer deposits of $28,500 on the 2025 Annual Report, however, audit staff determined the customer deposits balance to be $28,343 from the transaction ledger. The Utility is not refunding the customer deposits with interest. It appears that the Utility is in violation of Rule 25-30.311, F.A.C.

On the Commission-approved tariff, there is only customer deposit rate for residential service. However, the Utility collected customer deposits for all rate classes. In addition, the Utility stated that all the meters have been replaced or installed with 3/4" ×3/4" meters. However, the tariff provides a rate for only 5/8" ×3/4" meters, and that rate is $75.

There was a $40 refund in the transaction ledger in 2025. Audit staff determined that the customer deposit refunded did not use the Commission-approved tariff rate.

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

Effect on the Filing: The Customer Deposits of the Utility should be decreased by $157 ($28,343 - $28,500).

Exhibits

Exhibit 1: Rate Base

WILDWOOD WATER COMPANY
STAFF-ASSISTED RATE CASE
HISTORICAL TEST YEAR ENDED DECEMBER 31, 2025
DOCKET NO.: 20260086-WU; ACN: 2026-202-1-1
SCHEDULE OF WATER RATE BASE

Description	Balance Per Annual Report 12/31/2025	Audit Adjustment	Audit Finding	Balance Per Audit 12/31/2025	Simple Average per Audit
Utility Plant in Service (UPIS)	$ 969,268	$ 22,770	2	$ 992,038	$ 892,859
Land and Land Rights	$ 64,250	$ (56,150)	3	$ 8,100	$ 8,100
Accumulated Depreciation (AD)	$ (834,500)	$ 227,459	4	$(607,041)	$(609,376)
Contributions in Aid of Construction (CIAC)	$ (20,155)	$ (77,740)	5	$ (97,895)	$ (97,853)
Accumulated Amortization of CIAC	$ 20,155	$ 31,151	6	$ 51,306	$ 49,756
Working Capital Allowance	$ -	$ -	10	$ 13,680	$ 13,680
Total Water Rate Base	**$ 199,018**	**$ 147,490**		**$ 360,188**	**$ 257,167**

* Based on the Rule 25-30.433(3), F.A.C., audit staff took 1/8 of O&M Expenses as working capital allowance.
working capital allowance per Audit = 1/8 × $109,438= $13,680

Exhibit 2: Capital Structure

DOCKET NO.: 20260086-WU; ACN: 2026-202-1-1
SCHEDULE OF CAPITAL STRUCTURE

Class of Capital	Balance Per Utility 12/31/2025	Audit Adjustment	Audit Finding	Balance Per Audit 12/31/2025	Ratio	Cost Rate	Weighted Cost
Long-Term Debt	$ -	$ -		$ -			
Short-Term Debt	$ -	$ -		$ -			
Preferred Stock	$ -	$ -		$ -			
Customer Deposit	$ 28,500	$ (157)	13	$ 28,343	5.73%	2.00%	0.11%
Common Equity	$ 197,212	$ 261,606	7	$ 458,818	92.79%	8.66%	8.04%
Investment Tax Credits	$ -	$ -		$ -			
Accumulated Deferred Taxes	$ 8,960	$ (1,673)	7	$ 7,287	1.47%	0.00%	0.00%
Total Capital Structure	**$ 234,672**	**$ 259,776**		**$ 494,448**	**100.00%**		

Based on the Commission Order No. PSC-2026-0223-PAA-WS:
ROE = 7.46% + (1.115 ÷ Equity Ratio)%
ROE of Wildwood = 7.46% + (1.115 ÷0.9279)%
= 7.46% + 1.202% = 8.66%

Exhibit 3: Net Operating Income

WILDWOOD WATER COMPANY
STAFF-ASSISTED RATE CASE
HISTORICAL TEST YEAR ENDED DECEMBER 31, 2025
DOCKET NO.: 20260086-WU; ACN: 2026-202-1-1
SCHEDULE OF NET OPERATING INCOME

Description	Amount Per Annual Report 12/31/2025	Audit Adjustment	Audit Finding	Amount Per Audit 12/31/2025
Operating Revenues	$ 199,170	$ (18,278)	8 & 9	$ 180,892
O&M Expenses	$ 257,481	$ (148,043)	10	$ 109,438
Depreciation Expense	$ 18,139	$ (1,588)	11	$ 16,551
Amortization Expense	$ -	$ (3,099)	11	$ (3,099)
Taxes Other Than Income	$ 10,710	$ (31)	12	$ 10,679
Income Taxes	$ -	$ -		$ -
Operating Expenses	$ 286,330	$ (152,761)		$ 133,569
NET OPERATING INCOME	$ (87,160)	$ 134,483		$ 47,323