



**Schedule of Water Charge – Actual Expenses
For the Fiscal Year 2024 Water Charge**

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INDEPENDENT ACCOUNTANT'S EXAMINATION REPORT

To the Members of the Board of Directors
Polk Regional Water Cooperative

We have examined the accompanying Schedule of Water Charge – Actual Expenses of Polk Regional Water Cooperative (the “Cooperative”) for the Fiscal Year 2024 Water Charge (the “Schedule”). The Cooperative’s management is responsible for preparing and fairly presenting the Schedule in accordance with the criteria set forth in Section 13.5 of the applicable Project Implementation Agreements as described in Notes 1 and 2 to the Schedule. Our responsibility is to express an opinion on the Schedule based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule is presented in accordance with the applicable criteria in all material respects. An examination involves performing procedures to obtain evidence about the Schedule. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

As discussed in Note 1 to the Schedule, the Schedule was prepared by management for the purpose of reporting the Fiscal Year 2024 water charge based on actual project costs and other funding sources and to support the retrospective determination of credits or additional billings to project participants as contemplated by Section 13.5 of the applicable Project Implementation Agreements. Accordingly, the Schedule is not intended to present the Cooperative’s financial position, changes in net position, or cash flows in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

In our opinion, the Schedule is fairly presented, in all material respects, in accordance with the criteria set forth in Section 13.5 of the applicable Project Implementation Agreements, as described in Notes 1 and 2 to the Schedule.

The criteria used to prepare the Schedule are contained in the applicable Project Implementation Agreements and are intended only for the information and use of the Cooperative, its Board of Directors, management, and the project participants subject to those agreements. As a result, the Schedule and this report are not suitable for any other purpose. Our report is intended solely for these specified parties and should not be used by anyone other than these specified parties.

Brynjulfson CPA, P.A.

Brynjulfson CPA, P.A.
Auburndale, Florida
April 21, 2026

Polk Regional Water Cooperative
Schedule of Water Charge – Actual Expenses
Fiscal Year 2024 Water Charge

	Southeast Wellfield	West Polk Lower Floridan Aquifer	Total
WATER CHARGE - ACTUAL EXPENSES			
BASE RATE CHARGES			
Debt Service Cost	\$ 6,468,787	\$ 2,418,683	\$ 8,887,470
Capital Renewal and Replacement Cost	-	-	-
Fixed Operation and Maintenance Cost	-	-	-
Reserves	-	-	-
TOTAL BASE RATE CHARGE	<u>6,468,787</u>	<u>2,418,683</u>	<u>8,887,470</u>
WATER USE CHARGES			
Variable Operation and Maintenance Cost	-	-	-
TOTAL WATER USE CHARGE	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL WATER CHARGE - ACTUAL EXPENSES	<u>\$ 6,468,787</u>	<u>\$ 2,418,683</u>	<u>\$ 8,887,470</u>
LESS: OTHER FUNDING SOURCES			
Interest earned on unspent loan proceeds	\$ (5,271,444)	\$ (1,949,712)	\$ (7,221,156)
WATER CHARGE - ACTUAL EXPENSES, NET OF OTHER FUNDING SOURCES	<u>\$ 1,197,343</u>	<u>\$ 468,971</u>	<u>\$ 1,666,314</u>
ESTIMATED WATER CHARGES			
ESTIMATED WATER CHARGE PER RES 2023-22	\$ 2,572,022	\$ -	\$ 2,572,022
ESTIMATED WATER CHARGE PER RES 2023-23	-	815,047	815,047
TOTAL ESTIMATED WATER CHARGES FOR FY 2023 AND 2024	<u>\$ 2,572,022</u>	<u>\$ 815,047</u>	<u>\$ 3,387,069</u>
GROSS PROJECT PARTICIPANT ADJUSTMENT (CREDIT)	<u>\$ (1,374,679)</u>	<u>\$ (346,076)</u>	<u>\$ (1,720,755)</u>

Note 1 - Purpose and nature of the schedule. The accompanying Schedule of Water Charge - Actual Expenses (the "Schedule") was prepared by management of the Polk Regional Water Cooperative (the "Cooperative") for the purpose of reporting the Fiscal Year 2024 water charge based on actual project costs and other funding sources, and to support the retrospective determination of credits or additional billings to project participants, as contemplated by Section 13.5 of each applicable Project Implementation Agreement. The Schedule is intended to be used in connection with an examination engagement performed in accordance with the AICPA standards for attestation engagements. The Schedule is not intended to present the financial position, changes in net position, or cash flows of the Cooperative in conformity with accounting principles generally accepted in the United States of America.

Note 2 - Criteria and basis of presentation. The Schedule was prepared in accordance with the criteria set forth in Section 13.5 of the Project Implementation Agreements. The Schedule presents the water charge based on actual expenses for the fiscal year, net of other funding sources, and compares the resulting amount to estimated water charges assessed during the fiscal year to determine the gross project participant adjustment (credit).

Note 3 - Overview of water charge components. Under the Project Implementation Agreements, the water charge generally consists of a base rate charge and a water use charge. For purposes of the Schedule, actual expenses are presented in aggregate by major categories (including base rate charge components such as debt service cost and fixed costs, and water use charge components such as variable operation and maintenance cost), along with other funding sources and the resulting adjustment.

Note 4 - Allocation between PRWC projects. For purposes of preparing the Schedule, management allocates costs between the Cooperative's two projects based on the project that gave rise to the cost, where such project-specific identification is available. However, debt service and related fiscal charges associated with the main loan obtained by the Cooperative to finance both projects are allocated using the following percentages:

PROJECT	Allocation
Southeast Wellfield	73%
West Polk Lower Floridan Aquifer Wellfield	27%

The allocation is a management estimate applied for Schedule preparation and does not, by itself, establish final participant-specific billings. Upon completion of both projects, total actual expenses will be determined for each project and a final true-up allocation will be made based on the actual project expenses incurred.

Certain costs qualifying as water charge components under Note 3 were incurred by other Cooperative cost centers, including combined projects and administrative functions. For Schedule presentation purposes, these amounts are netted against the related expense components and, therefore, are not separately presented as individual expense components or as Other Funding Sources.

Note 5 - Accounting, audit/examination, and adjustments under Section 13.5. Section 13.5 requires the Cooperative to maintain accounts and records of actual water use by project participants, revenues received from all sources to meet project cash needs, and actual project costs (including, as applicable, debt service, capital renewal and replacement, fixed operation and maintenance, reserves, and variable operation and maintenance). The Cooperative is required to determine what the water charge should have been for each project participant based on actual costs during each fiscal year and using that data, prepare the Schedule of Water Charge – Actual Expenses and have an examination performed. For purposes of verifying the base rate charge portion, it is assumed that project participants used the quantity of water specified in their project water estimates even if actual water use was less. Any underpayment is added to, and any overpayment is deducted from, the participant's base rate charge for the upcoming fiscal year.

Polk Regional Water Cooperative
Notes to the **Schedule of Water Charge – Actual Expenses**

Note 6 - Other funding sources. The Schedule reflects other funding sources that reduce the amount otherwise required to be recovered from project participants through the water charge. For Fiscal Year 2024, other funding sources presented on the Schedule include interest earned on unspent loan proceeds.

Note 7 - Use of estimates. Preparation of the Schedule requires management to make estimates and assumptions that affect the reported amounts, including the classification of certain costs within water charge components, the identification and measurement of other funding sources, and the allocation of aggregated costs between projects as described in Note 4. Actual results may differ from those estimates.

Note 8 - Subsequent billings or credits to project participants. The gross project participant adjustment (credit) presented on the Schedule represents the difference between estimated water charges assessed during the fiscal year and the water charge based on actual expenses, net of other funding sources. The timing and manner of applying any resulting credits or additional amounts to project participants are governed by the Project Implementation Agreements, including Section 13.5.

The project participant credits for the FY2024 water charge are shown below:

Project Participant	Southeast Wellfield				West Polk Lower Floridan Aquifer Wellfield			
	Original Estimated		Final	Difference	Original Estimated		Final	Difference
	Charge per	Percent	Allocation	Additional Due/	Charge per	Percent	Allocation	Additional Due/
	Resolution 2023-22	of Total	of Actual	(Credit)	Resolution 2023-23	of Total	of Actual	(Credit)
		Expenses				Expenses		
Auburndale	\$ 236,157	9%	\$ 109,937	\$ (126,220)	\$ 9,242	1%	\$ 5,318	\$ (3,924)
Bartow	60,536	2%	28,181	(32,355)	33,270	4%	19,143	(14,127)
Davenport	418,029	16%	194,603	(223,426)	-	0%	-	-
Dundee	126,109	5%	58,707	(67,402)	-	0%	-	-
Eagle Lake	157,626	6%	73,379	(84,247)	-	0%	-	-
Haines City	484,568	19%	225,579	(258,989)	-	0%	-	-
Lake Alfred	224,165	9%	104,355	(119,810)	-	0%	-	-
Lake Hamilton	70,133	3%	32,649	(37,484)	-	0%	-	-
Lakeland	55,202	2%	25,698	(29,504)	583,219	72%	335,579	(247,640)
Polk City	-	0%	-	-	89,492	11%	51,493	(37,999)
Polk County	516,770	20%	240,570	(276,200)	90,574	11%	52,115	(38,459)
Winter Haven	222,727	9%	103,685	(119,042)	9,250	1%	5,322	(3,928)
	<u>\$ 2,572,022</u>	<u>100%</u>	<u>\$ 1,197,343</u>	<u>\$ (1,374,679)</u>	<u>\$ 815,047</u>	<u>100%</u>	<u>\$ 468,971</u>	<u>\$ (346,076)</u>