

April 24, 2026

**Polk Regional Water Cooperative**

c/o Eric DeHaven, Executive Director

We are pleased to confirm our understanding of the services we are to provide Polk Regional Water Cooperative (the "Cooperative"), an independent special district created pursuant to Chapter 189, Florida Statutes and Section 373.1962, Florida Statutes for the year ended September 30, 2026.

**Audit Scope and Objectives**

We will audit the financial statements of each major fund and the disclosures, which collectively comprise the basic financial statements of the Cooperative as of and for the year ended September 30, 2026. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Cooperative's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Cooperative's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis

We have also been engaged to report on supplementary information other than RSI that accompanies the Cooperative's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole:

- 1) Schedule of Expenditures of Federal Awards or State Financial Assistance (as necessary).
- 2) Schedule of Revenues and Expenses – budget to actual – admin.

The Schedule of Water Charge – Actual Expenses, if included in the Cooperative's annual financial report, will be covered by a separate examination engagement as described in the Reporting section of this letter and will not be included in our in-relation opinion on supplementary information.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

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Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objective also includes reporting on –

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and/or major state projects and an opinion (or disclaimer of opinion) on compliance with federal and/or state statutes, regulations, and the terms and conditions of federal and/or state awards that could have a direct and material effect on each major program/project in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and/or Chapter 10.550, Rules of the Auditor General.

A Single Audit will be required if expenditures of federal awards equal or exceed \$1,000,000 during the fiscal year (2 CFR §200.501). A State Single Audit will be required if expenditures of state financial assistance equal or exceed \$750,000 (Section 215.97, Florida Statutes).

#### **Auditor’s Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General (as applicable) and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government’s ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, members, grantors, creditors, financial institutions and other third parties. We will also request written representations from your attorneys as part of the engagement.

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Based on our preliminary understanding, areas that may require significant audit attention include funding-source allocation, grant/loan reimbursement activity, direct payments to third parties by funding agencies, capital project costs, debt activity, and related receivables. Our risk assessment may change as planning progresses.

Our audit of the financial statements does not relieve you of your responsibilities.

### **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion.

As required by the Uniform Guidance and/or Chapter 10.550, Rules of the Auditor General, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal or state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and Chapter 10.550, Rules of the Auditor General.

However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance and/or Chapter 10.550, Rules of the Auditor General.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Cooperative's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

The Uniform Guidance and Chapter 10.550, Rules of the Auditor General requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and/or state statutes, regulations, and the terms and conditions of federal and/or state awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB *Compliance Supplement* and/or the State of Florida's State Projects *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Cooperative's major programs or major state projects. For federal or state programs that are included in the respective Compliance Supplements, our compliance and internal control procedures will relate to the compliance requirements that those Compliance Supplements identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Cooperative's compliance with requirements applicable to each of its major programs/projects in our report on compliance issued pursuant to the Uniform Guidance and/or Chapter 10.550, Rules of the Auditor General.

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## **Responsibilities of Management for the Financial Statements and Single Audit**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported.

Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements

Management is responsible for making all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and Government Auditing Standards.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report

You are responsible for the preparation of the supplementary information in conformity with the applicable criteria as follows:

- Budget-to-actual schedule: prepared in accordance with the applicable budgetary basis/presentation used by management.
- SEFA: prepared in accordance with Uniform Guidance.
- SEFSA/state financial assistance schedule: prepared in accordance with Chapter 10.550, Rules of the Auditor General, Section 215.97, Florida Statutes, and applicable DFS/State project requirements.
- Water-charge schedule: prepared in accordance with Section 13.5 of the Project Implementation Agreements.

You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

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Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the applicable criteria described above; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with those criteria; (3) the methods of measurement or presentation have not changed from those used in the prior period or, if they have changed, the reasons for such changes; and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards and/or state financial assistance (including notes and noncash assistance received) in conformity with the Uniform Guidance and/or Chapter 10.550, Rules of the Auditor General. You agree to include our report on the schedule of expenditures of federal awards and/or state financial assistance in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards and/or state financial assistance. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon

Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards and/or state financial assistance in accordance with the Uniform Guidance and/or Chapter 10.550, Rules of the Auditor General; (2) you believe the schedule of expenditures of federal awards and/or state financial assistance, including its form and content, is stated fairly in accordance with the Uniform Guidance or Chapter 10.550, Rules of the Auditor General; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards and/or state financial assistance.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards and/or state financial assistance, and related notes and disclosures.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

### **Non-Audit/Non-Attest Services**

We will provide the following non-audit/non-attest services based upon information provided by you.

- Preparing the financial statements and related notes in conformity with accounting principles generally accepted in the United States of America.
- Preparing the Schedule of Expenditures of Federal Awards/Schedule of State Financial Assistance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, Section 215.97, Florida Statutes and applicable DFS/State project requirements.
- Preparing the Water-charge schedule and related notes, prepared in accordance with Section 13.5 of the Project Implementation Agreements.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

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You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our nonaudit services and that you have reviewed and approved each of the specific nonaudit services prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

**PUBLIC RECORDS** In accordance with the provisions of Chapter 119.0701(2), Florida Statutes;

**IF THE AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT (863) 248-7388, RECORDSCUSTODIAN@PRWCWATER.ORG, 330 W. CHURCH STREET, DRAWER AT01, BARTOW, FLORIDA 33830.**

The auditor must comply with public records laws, specifically to:

- 1) Keep and maintain public records required by the Cooperative in order to perform the service(s).
- 2) Upon request from the Cooperative's custodian of public records, provide the Cooperative with a copy of the requested records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- 3) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the term of the Agreement and following completion of the Agreement if the Firm does not transfer the records to the Cooperative.
- 4) Upon completion of the Agreement, transfer, at no cost to the Cooperative, all public records in possession of the Auditor or keep and maintain public records required by the Plan to perform the service. If the Auditor transfers all public records to the Client upon completion of the Agreement, the Auditor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Auditor keeps and maintains public records upon completion of the Agreement, the Auditor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the Cooperative, upon request from the Cooperative's custodian of public records, in a format that is compatible with the information technology systems of the Cooperative.

Brynjulfson CPA, P.A. acknowledges that Section 287.133, Florida Statutes provides that a person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or a consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

This agreement may be executed in two or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile, including, without limitation, by facsimile transmission or by electronic delivery in portable document format (".pdf") or tagged image file format (".tiff"), shall be equally effective as delivery of a manually executed counterpart thereof.

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### **Engagement Administration, Fees, and Other**

We understand that your employees or designated agent will (1) provide us with an accurate and complete trial balance of all funds prepared on the proper basis of accounting; (2) assist in preparing confirmation information requested by us; we will control the confirmation process and (3) will locate any documents selected by us for testing.

We will provide copies of our reports to the Cooperative; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Brynjulfson CPA, P.A. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State of Florida or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Brynjulfson CPA, P.A. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the State of Florida. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings, as necessary. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards and/or state financial assistance, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

Mike Brynjulfson is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for the *audit services* will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone...etc.) Our estimated total fee can be found in Attachment A of this letter.

Our fee for the *financial statement preparation assistance* will be billed based on actual time incurred at our standard hourly rates as set forth in Attachment A to this letter and will be billed separately from the audit services.

Our invoices for professional services will be rendered as work progresses and are payable on receipt. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we have to terminate our service for nonpayment, or if you should elect to terminate our services, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination even if we have not completed our report. The fees quoted herein are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, for example, because of changes in the nature and/or scope of the audit due to changes in audit or accounting standards, new grants or funding sources, etc., we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. If only minimal additional time is necessary, we will proceed with the work and separately bill this when the services are completed. The quoted rates in Attachment A will be used in the event that additional work outside the scope of this fee proposal is requested or required of us throughout the period of this agreement.

**E-Verify:** Auditor shall register with and use the Homeland Security's E-Verify System to verify that all employees hired after January 1, 2021 are citizens of the United States or are otherwise legally permitted to perform services in the State of Florida in accordance with F.S. §448.095.

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## Reporting

We will issue a written report upon completion of our audit of Cooperative's financial statements. Our report will be addressed to members of the Board of Directors of the Cooperative. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Cooperative is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

We will also issue the management letter required by Chapter 10.550, Rules of the Auditor General and a report on the examination of compliance with Section 218.415, Florida Statutes (see next section for detail of this report).

### **AICPA Professional Standards, AT-C Section 315 – Examination of Compliance with Section 218.415, Florida Statutes.**

In connection with the requirements of Chapter 10.550, Rules of the Auditor General, we will perform a separate examination of the Cooperative's compliance with Section 218.415, Florida Statutes, in accordance with AICPA attestation standards. The objective of the examination is to express an opinion on whether the Cooperative complied, in all material respects, with the specified requirements of Section 218.415, Florida Statutes.

Section 218.415, Florida Statutes provides requirements applicable to investment policies adopted by the Cooperative and specifies the types of authorized investments. Pursuant to Section 218.415(22), Florida Statutes, auditors of local government units must include a report as to whether the local governmental unit has complied with Section 218.415, Florida Statutes.

An examination is designed to obtain reasonable assurance about whether the Cooperative complied with the specified requirements in Section 218.415.

Because of the inherent limitations of an examination engagement, together with the inherent limitations of internal control, an unavoidable risk exists that some material noncompliance may not be detected, even though the examination is properly planned and performed in accordance with the attestation standards.

You are responsible for, and must evaluate, the Cooperative's compliance with Section 218.415, Florida Statutes and the Cooperative's internal control over compliance.

### **AICPA Professional Standards, AT-C Section 205 – Examination of Schedule of Water Charge – Actual Expenses**

We will examine the Schedule of Water Charge – Actual Expenses of the Cooperative for the Fiscal Year 2026 Water Charge and the related notes to the schedule. The schedule will be prepared by management in accordance with the criteria set forth in Section 13.5 of the applicable Project Implementation Agreements.

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The objective of our engagement is to perform an examination of the Cooperative’s Schedule of Water Charge – Actual Expenses (“the Schedule”) of actual values of the fiscal years comprising the FY 2026 Water Charge. The Schedule is prepared in accordance with the cost allocation methodology described in the Cooperative’s Project Implementation Agreements:

- Second Amended and Restated Implementation Agreement – Southeast Wellfield.
- Second Amended and Restated Implementation Agreement – West Polk Lower Floridan Aquifer Wellfield.

Our examination will be conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AICPA), specifically AT-C Section 205, Examination Engagements.

We will examine the Schedule and evaluate whether, in all material respects, it is presented fairly based on:

1. The underlying books, records, and supporting documentation of the Cooperative; and
2. The cost allocation methodology and calculation rules contained in the Project Implementation Agreements.

Our procedures will be tailored to the subject matter and may include:

- Testing actual expense transactions for appropriate classification under the agreement’s cost categories;
- Verifying mathematical accuracy of the Schedule;
- Assessing whether project-level and, when applicable, participant-level allocations are in accordance with the contractual formulas; and
- Reviewing any estimates or assumptions used in the calculation.

Management is responsible for preparing and fairly presenting the Schedule of Water Charge – Actual Expenses and related notes in accordance with Section 13.5 of the applicable Project Implementation Agreements; identifying and documenting the applicable criteria; maintaining records sufficient to support the Schedule; designing, implementing, and maintaining internal control relevant to preparation of the Schedule; and providing us with a written assertion, which may be provided separately and need not accompany our report, and written representations regarding the Schedule.

If the Schedule of Water Charge – Actual Expenses and related notes are included in the Cooperative’s annual financial report, they will be presented separately from the basic financial statements and notes to the financial statements. The schedule and related notes will not be audited as part of the audit of the basic financial statements, and we will not express an opinion on whether they are fairly stated in relation to the basic financial statements as a whole. Our assurance on the schedule and related notes will be provided through our separate independent accountant’s examination report.

**Other Items**

This agreement is entered into in accordance with Section 218.391(7), Florida Statutes and may be hereafter renewed or extended by mutual agreement of both parties. Furthermore, either party may terminate this agreement upon thirty days written notice.

We appreciate the opportunity to be of service to Cooperative and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,  
for **Brynjulfson CPA, P.A.**



**RESPONSE:**

This letter correctly sets forth the understanding of the **Polk Regional Water Cooperative.**

By: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

**Attachment A – Audit Fee Estimate and Rates**  
**Polk Regional Water Cooperative**  
**April 24, 2026**

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|   | <b>Fiscal Year Ending</b> |        |
|---|---------------------------|--------|
|   | <b>September 30,</b>      |        |
|   | <b>2026</b>               |        |
| <b><u>Audit Fees</u></b>                                  |                           |        |
| Audit of the Basic Financial Statements                   | \$                        | 35,000 |
| Federal Single Audit - per Major Program (if required)    | \$                        | 5,900  |
| State Single Audit - Per Major Program (if required)      | \$                        | 4,800  |
| <b><u>Examination fees</u></b>                            |                           |        |
| 2026 Schedule of Water Charge Actual Expenses Examination | \$                        | 5,150  |
| <b><u>Rates per Hour</u></b>                              |                           |        |
| Partner/Shareholder/Principal                             | \$                        | 260    |

Audit fees do not include preparation of the basic financial statements, required supplementary information, other supplementary information, the water-charge schedule and related notes, the Schedule of Expenditures of Federal Awards and/or State Financial Assistance, if required, or the annual report to the State of Florida Division of Accounting and Auditing. These services, if requested, will be billed separately as non-audit/non-attest services at the rates set forth in Attachment A.

If the scope of work to be performed changes significantly due to increased activity or new audit or accounting requirements, we reserve the right to renegotiate the fee. Increased project related activities, including loan or grant funding as well as the related project costs, are expected and will be assessed as part of our audit planning procedures. If we deem the scope of the audit work has changed significantly, we will contact the Board of Directors and executive management to discuss a new fee estimate before we incur the additional costs.