

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

To the Governing Board  
Withlacoochee Regional Water Supply Authority  
Lecanto, Florida

We have audited the financial statements of the business-type activities and the major fund of Withlacoochee Regional Water Supply Authority (the Authority) for the year ended September 30, 2023, and have issued our report thereon dated \_\_\_\_\_. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550, *Rules of the Auditor General*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our required communication letter to you, dated \_\_\_\_\_. Professional standards also require that we communicate to you the following information related to our audit.

**Significant Audit Matters**

**Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. Consideration was given to the adoption of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription Based Information Technology Agreements* and it was determined that none of the contracts reviewed qualified under the standard. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended September 30, 2023.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Management’s estimate of depreciation expense is based on original judgments of useful lives and straight-line depreciation. We evaluated the key factors and assumptions used to develop the depreciation estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

**CERTIFIED PUBLIC ACCOUNTANTS**

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

# DRAFT

To the Governing Board  
Withlacoochee Regional Water Supply Authority  
Lecanto, Florida

The disclosures in the financial statements are neutral, consistent, and clear.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate to each opinion unit’s financial statements taken as a whole.

### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated \_\_\_\_\_.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Authority’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. The following issue came to our attention:

- **Charles A. Black (CAB) Wellfield Rate Increase**

Through review of the CAB Wellfield revenues, it was noted that rate increase for 2022-2023 and 2023-2024 exceeded the contractually outlined cap of 3%. The Authority reached out to Citrus County and determined the amount of the overpayment. The overpayment (\$5,758) was recorded as a payable for September 30, 2023. The amounts that were overpaid for both 2022-2023 and 2023-2024 will be credited on the upcoming payment.

# DRAFT

To the Governing Board  
Withlacoochee Regional Water Supply Authority  
Lecanto, Florida

**Other Matters**

We applied certain limited procedures to management discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on management discussion and analysis , which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Restriction on Use**

This information is intended solely for the information and use of the Governing Board and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

---

Ocala, Florida