

Expenditures audit

Review - Internal Financial Audit by the Plantation
Acres Improvement District
Fiscal Year 2023 and Fiscal Year 2024

Prepared by: Ted T.

At the requests of residents, the current PAID Chairman commissioned the District Accountant to conduct a financial audit covering Fiscal Year 2023 and Fiscal Year 2024. This audit covers two years, so the totals on the Profit and Loss report and the Expenses by Vendor summary cover a two year span.

I received a copy and reviewed the contents of the audit which also included dozens of pages of financial transactions. I requested additional information from PAID with Public Records Requests to further clarify the budget lines but they have not responded.

In this analysis I will discuss the Profit and Loss report and the Expenses by Vendor Summary.

It is abundantly clear that a small amount of our taxes are used for flood control management (25%) and the vast majority is used for the Administration of the District, such as, salaries, pensions, health care benefits, insurance, administrative costs, and the largest amount by far is spent on vendors.

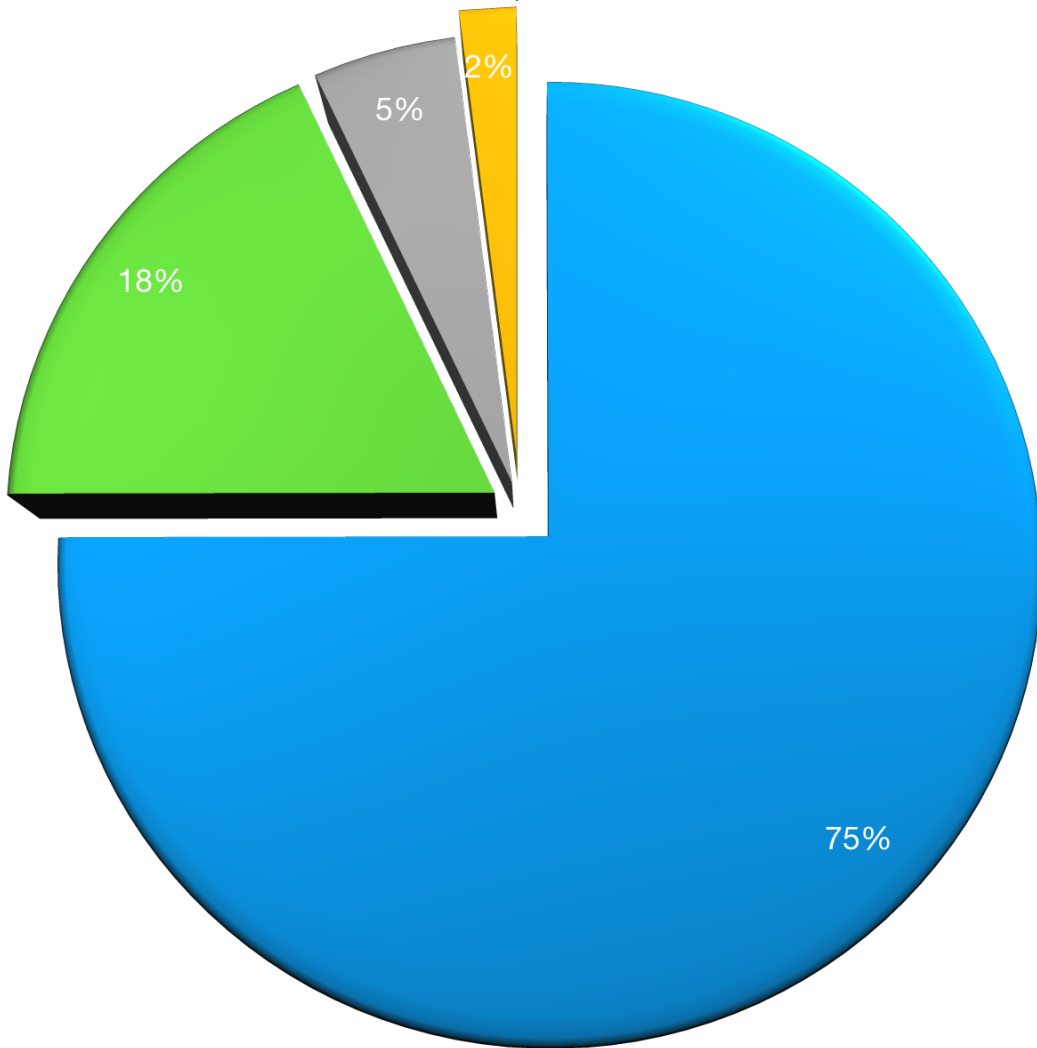
Profit and Loss Report Analysis

Total Budget Expenses: \$3.446,856.91

The three areas in the report pertaining to flood control management are described as Equipment and Repairs, Field Expense, and Repairs and Maintenance.

| Profit and Loss Report Flood Control Expenses | |
|--|--------------|
| Equipment and Repairs | \$73,113.83 |
| Field Expense | \$603,430.78 |
| Repairs and Maintenance | \$178,042.34 |
| Total | \$854,586.95 |

**Flood Control Expenses + Other Expenses Totaling
\$3,446,856.91**



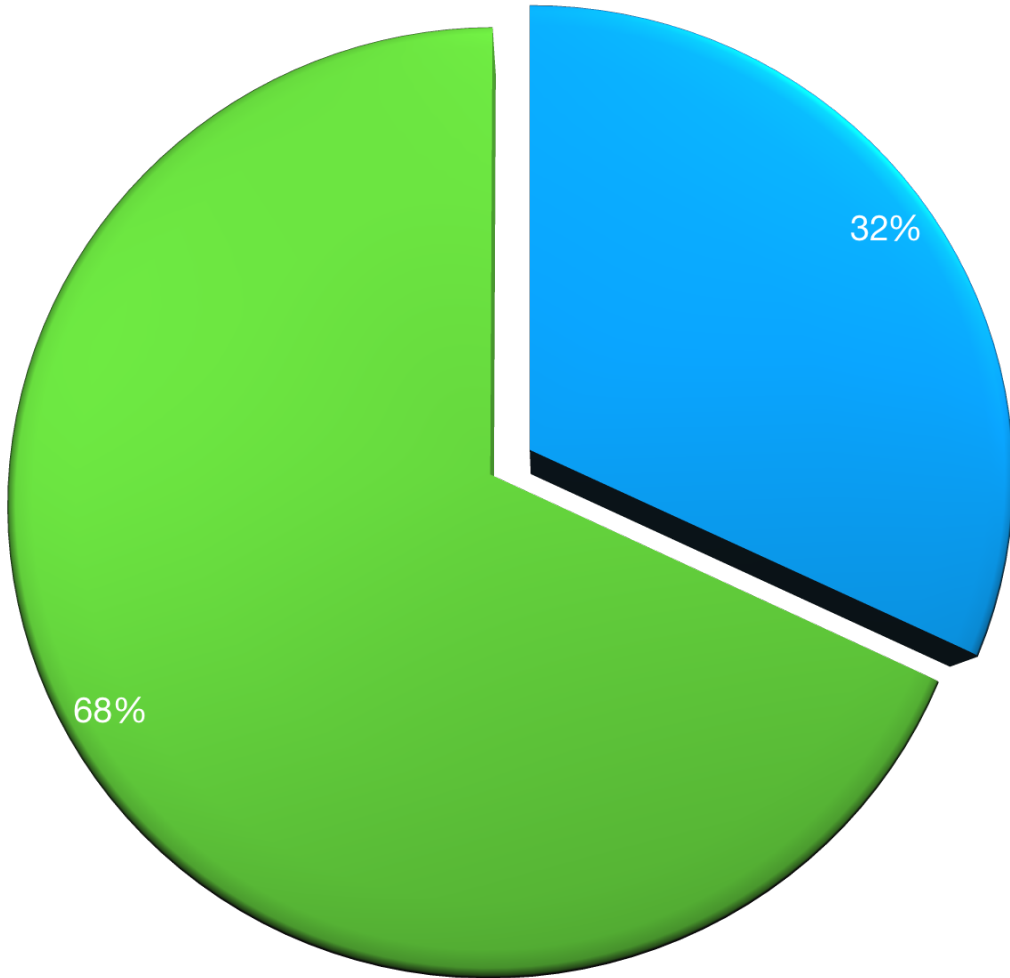
- Other Expenses
- Field Expense
- Repairs and Maintenance
- Equipment and Repairs

Expenses by Vendor Summary

For purposes of this section let's dismiss the expenditure to ADP for \$589,489.49. This expenditure is for payroll expenses and ADP is merely the facilitating vendor. There are fees associated for this service that the District is paying but they are not accurately depicted in this section.

| Expenses by Vendor | |
|---|----------------|
| Expenses by Vendor | \$2,923,324.13 |
| Payroll Expenses to ADP (subtracted from total) | \$589,489.49 |
| Adjusted Total | \$2,333,834.64 |

**Expense by Vendor + Other Expenses Totaling
\$3,446,856.91**



● Other Expenses

● Expenses by Vendor

In this section I have provided a snapshot of vendors with expenses over \$20,000.00.

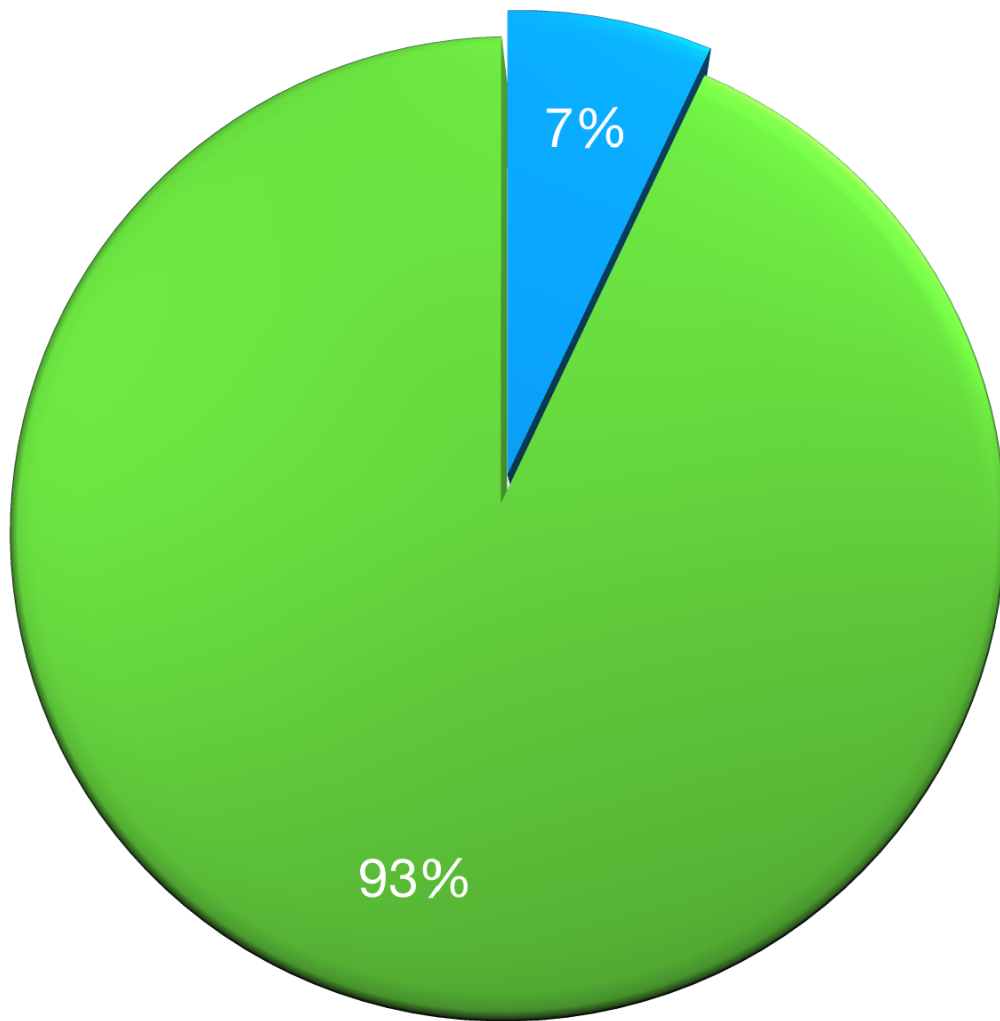
| Snapshot of Expenses by Individual Vendor Over 20,000.00 | |
|---|--------------|
| Dynamic Accounting, Inc. | \$86,284.28 |
| EGIS Insurance Advisors, LLC | \$83,952.87 |
| Florida Dept. of Revenue | \$84,103.54 |
| Hinterland Group, Inc. | \$404,506.98 |
| Keefe | \$27,000.00 |
| Pastora Lawn Care | \$134,045.00 |
| Shenandoah General Construction, LLC | \$119,599.00 |
| Solitude Lake Management | \$43,200.89 |
| Solution Lake Management | \$21,243.29 |
| Suburban Propane | \$22,556.66 |
| United Health | \$106,635.35 |

**Snapshot of Expenses by Individual Vendor
Over 20,000.00**

| | |
|--|----------------|
| Weiss, Serota, Helman, Cole & Bierman, P.L. | \$88,885.29 |
| Winningham and Fradley, Inc. | \$889,794.59 |
| WMI Corporation | \$68,456.73 |
| Total | \$2,180,264.47 |

From a total of 58 Vendors these 14 Vendors received 93% of the total expenses to Vendors.

**Snapshot Expenses by Individual Vendor + Other Expenses by Vendor
Totaling \$2,333,834.64**



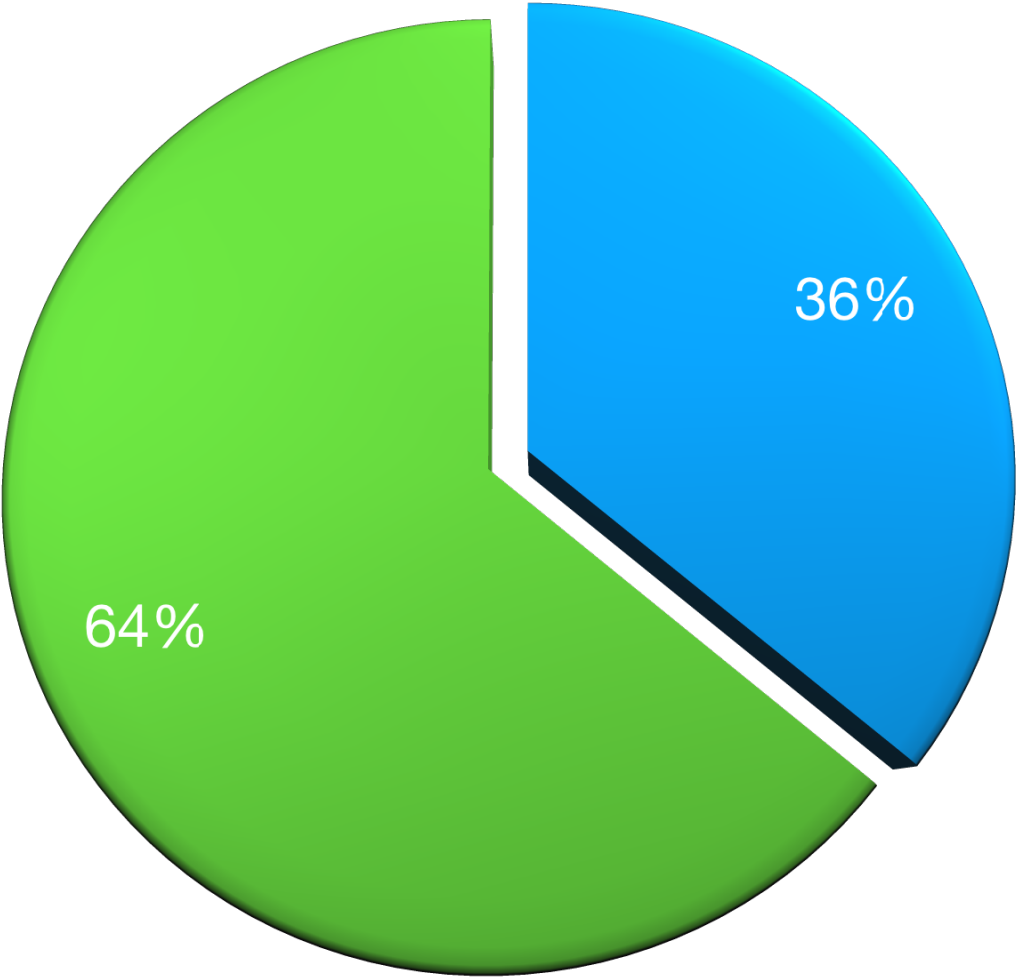
- Other Expenses by Vendor
- Snapshot Expenses by Individual Vendor

Engineering Expense

Engineering had the largest expenses from the budget at \$1,392,399.00. From the total Engineer Expenses Winningham and Fradley (District Engineer) received \$889,794.59. It was the largest recipient of funds by any vendor.

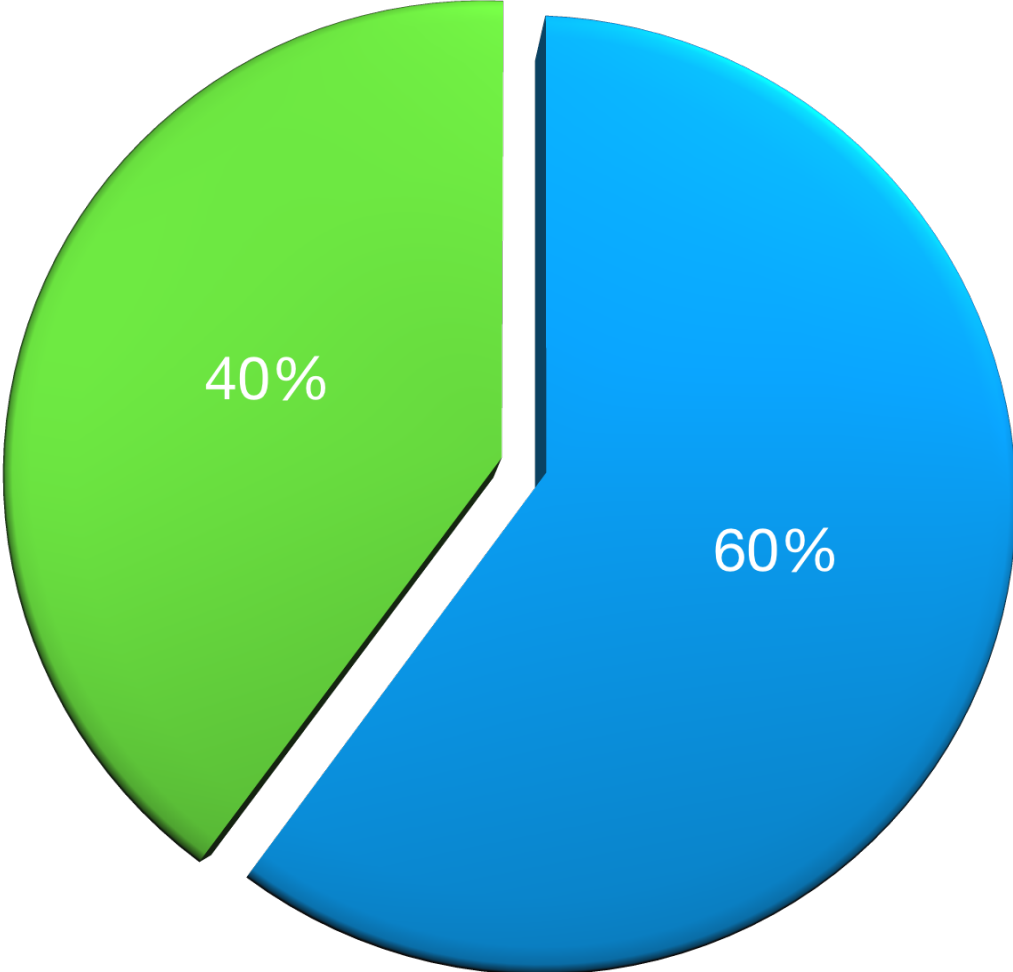
| Engineer Expenses | |
|--------------------------|-----------------------|
| Winningham and Fradley | \$889,794.59 |
| Other Engineer Expenses | \$502,604.41 |
| Total | \$1,392,399.00 |

**Winningham and Fradley + Other
Engineer Expenses Totaling
\$1,392,399.00**



- Other Engineer Expenses
- Winnjingham and Fradley

Engineering Expenses + Other Expenses Totaling \$3.446,856



- Other Expenses
- Enginneering Expenses

My opinion:

The majority of the current Board is made up of members that approved these expenditures during the period of this audit.

There appears to be a complete lack of oversight and fiscal responsibility from the Board, which ultimately approved all expenditures. There were no basic checks and balances in place to ensure adherence to budget lines which very likely created big deficits in the capital improvement portion of the budget. This is a window into what most likely has been going on for many years.

When a government agency fails to stay within its approved budget lines, it triggers a chain reaction that weakens its financial stability and undermines long-term planning. Each budget line is approved by the governing board for a specific purpose, and regulations require that expenditures remain within those authorized limits. When actual spending exceeds those limits, the agency must adjust the budget by transferring funds from other areas to cover the overages.

In practice, these transfers almost always come from the **capital improvement portion of the**

budget, because capital lines are typically the only areas with large balances available to absorb uncontrolled costs. Capital budgets are designed for long-term infrastructure needs such as drainage improvements, equipment replacement, canal rehabilitation, pump upgrades, and other essential projects. When operating departments overspend, the agency diverts money away from these capital lines to plug the holes created by unplanned or uncontrolled expenditures.

This creates a hidden but serious problem:

Every dollar moved out of capital improvements creates a deficit in the projects that were supposed to be funded.

Over time, repeated transfers out of capital lines result in:

- Deferred maintenance
- Delayed infrastructure upgrades
- Increased long-term repair costs
- Reduced system reliability
- Higher risk of failure during storms or emergencies

The public rarely sees these impacts immediately, but the consequences accumulate. What begins as a simple budget adjustment becomes a structural deficit in the district's ability to maintain and improve its infrastructure.

When an agency does not control spending within its approved budget lines, it forces itself to cannibalize its own capital plan. This undermines the district's long-term needs, weakens financial discipline, and ultimately harms the residents who rely on the district to maintain safe and functional infrastructure.

A clear example of this problem is the district engineer's expenses. Although the engineer was approved each year for **\$80,000**, actual payments have reached **two to four times that amount**.

When a single professional service line exceeds its budget by such a wide margin, the district must pull money from elsewhere — and the only place with enough capacity is the capital improvement section. This is how capital funds get quietly drained, leaving major infrastructure projects underfunded or delayed.

A second example related to the district engineer. Despite working for the district for more than **40 years**, the engineer has **never had a contract** in place with the district. Each year the district has budgeted at **\$80,000**, for engineering services. Yet, the district routinely paid **two to four times that amount** without following its own policy requiring competitive bidding for vendor services over **\$10,000**. As a result, the district has never tested the market or ensured competitive pricing for taxpayers, and this unchecked spending is another way the capital improvement section gets drained.

From the Board's own admission projects have been "shelved" for decades and what I described in this summary may have been a large contributing factor.

And my last point. From Florida State Statute 218.33(3) I am listing fiscal accountability requirements for local governmental entities, including special district.

Each local governmental entity shall establish and maintain internal controls designed to:

- (a) Prevent and detect fraud, waste, and abuse as defined in s. 11.45(1).
- (b) Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.
- (c) Support economical and efficient operations.
- (d) Ensure reliability of financial records and reports.
- (e) Safeguard assets.

Supporting documents from the audit are attached below.

8:34 PM
04/08/26
Accrual Basis

Plantation Acres Improvement District - AUDIT
Profit & Loss
October 2022 through September 2024

| | <u>Oct '22 - Sep 24</u> |
|--------------------------------|--------------------------|
| Ordinary Income/Expense | |
| Income | |
| Engineer Income | 196,298.03 |
| Income | 197,050.37 |
| Income Broward County | 3,389,612.06 |
| Interest | 25,120.44 |
| Total Income | <u>3,808,080.90</u> |
| Gross Profit | 3,808,080.90 |
| Expense | |
| Advertising and Promotion | 236.30 |
| Automobile Expense | 8,447.47 |
| Bank Service Charges | 132.00 |
| Broward County Tax | -31,196.86 |
| Computer and Internet Expenses | 18,489.21 |
| Dues and Subscriptions | 5,900.00 |
| Engineer Expense | 1,392,399.00 |
| Equipment & Repairs | 73,113.83 |
| Field Expense | 603,430.78 |
| Insurance Expense | 204,130.06 |
| Meals and Entertainment | 2,031.25 |
| Misc | 35,123.51 |
| Office Expense | 13,441.00 |
| Office Supplies | 745.00 |
| Payroll Expenses | 596,212.45 |
| Professional Fees | 205,790.03 |
| Propane | 18,211.00 |
| Repairs and Maintenance | 178,042.34 |
| Retirement Contributions | 81,049.16 |
| Tax Roll | 4,400.00 |
| Unifroms | 8,696.73 |
| Utilities | 28,032.65 |
| Total Expense | <u>3,446,856.91</u> |
| Net Ordinary Income | <u>361,223.99</u> |
| Net Income | <u><u>361,223.99</u></u> |

8:46 PM

04/08/26

Accrual Basis

**Plantation Acres Improvement District - AUDIT
Expenses by Vendor Summary
October 2022 through September 2024**

| | Oct '22 - Sep 24 |
|--|---------------------|
| ACTIONRS - ACTION ROOFING SERVICES | 850.00 |
| ADP | 589,489.49 |
| AMERICAN ALLSTATE BACKFLOW SPECIALIST | 145.00 |
| ANGELJR - ANGEL L ALVAREZ JR | 206.84 |
| Bobcat - BOBCAT OF BROWARD | 161.05 |
| BRACKNEY - BRACKNEY ELECTRIC, INC. | 11,022.00 |
| BURK - BURKHARD'S TRACTOR & EQUIPMENT | 3,516.05 |
| Canuke - CANUKE ENTERPRISES, INC. | 4,360.00 |
| Chase Credit Card | 5,130.75 |
| Cintas | 8,696.73 |
| CITYOFPLAN - CITY OF PLANTATION | 747.94 |
| COMCAS - COMCAST | 5,647.47 |
| Comcast | 1,627.36 |
| DAI - DYNAMIC ACCOUNTING, INC. | 86,284.28 |
| DEPARTMENT OF ECONOMIC OPPORTUNITY/ | 175.00 |
| EGIS - EGIS INSURANCE ADVISORS, LLC | 83,952.87 |
| FASD - FLORIDA ASSOCIATION OF SPECIAL | 3,000.00 |
| FLORIDA ASSOCIATION OF SPECIAL | 2,500.00 |
| Florida Dept. of Revenue | 84,103.54 |
| FPL | 9,196.35 |
| GBELEC - GB ELECTRICAL SERVICES, INC. | 2,250.00 |
| HINTERLAND - HINTERLAND GROUP, INC. | 404,506.98 |
| Home Depot | 1,995.38 |
| Industrial Divers Corp. | 3,480.00 |
| InsightM - INSIGHT MOBILE DATA | 1,636.05 |
| JTelles - JOSEPH T. TELLES, INC. | 3,120.46 |
| Kaefe | 27,000.00 |
| KPB Services | 164.99 |
| Lance Fein | 140.00 |
| LWORKS - LANDWORKS DEPOT | 8,126.67 |
| MARYG - MARY GUALTIERI | 320.00 |
| O'Reilly Auto | 7,549.26 |
| Office Depot | 463.94 |
| Pastora Lawn Care | 134,045.00 |
| Patrick Owens | 2,800.00 |
| PCSECURITY - PC SECURITY, INC | 820.90 |
| PJTECH - PJ TECHTRONICS, INC | 3,528.00 |
| SHENANDOAH GENERAL CONSTRUCTION LLC | 119,599.00 |
| SOLITU - SOLITUDE LAKE MANAGEMENT | 43,200.89 |
| Solution Lake Management | 21,243.29 |
| STARC - STARCONTROLS | 12,929.00 |
| STEPHENN - STEPHEN NIESET | 141.06 |
| Streamline - STREAMLINE | 7,770.00 |
| SUN-005-SUN-SENTINEL | 299.60 |
| SunLife - Sun Life Financial | 6,030.73 |
| Suburban Propane | 22,556.66 |
| Truist Bank | 72.00 |
| TRULY - TRULY NOLEN BRANCH 091 | 1,132.00 |
| TSE Consulting | 8,000.00 |
| United Health | 106,635.35 |
| USER FRIENDLY TECHNOLOGY SERVICES, LLC | 1,705.00 |
| Vie Blue | 500.00 |
| Waste Management | 16,649.37 |
| WEISS SEROTA HELFMAN COLE & BIERMAN, P.L | 88,885.29 |
| WEXBANK - WEX BANK | 844.21 |
| WFINC - WINNINGHAM & FRADLEY, INC. | 889,794.59 |
| WM-282-WASTE MANAGEMENT INC OF FLA | 1,734.80 |
| WMI Corporation | 68,456.73 |
| Wright Express | 2,384.21 |
| TOTAL | 2,923,324.13 |