

**HORIZON COMMUNITIES CORP**  
**Tallahassee, Florida**

**PROGRAM - SPECIFIC AUDIT**

**December 31, 2024**

# CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b> .....	1 – 2
<b>FINANCIAL STATEMENTS:</b>	
Schedule of Expenditures of State Financial Assistance and Related Notes .....	3 - 4
<b>REPORTS IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS OF THE GOVERNMENT ACCOUNTABILITY OFFICE (GAO), AND CHAPTER 10.650, RULES OF THE AUDITOR GENERAL</i></b>	
Report on Compliance for Each Major State Project and Report on Internal Control Over Compliance Required by Chapter 10.650, <i>Rules of the Auditor General</i> .....	5 - 8
Schedule of Findings and Questioned Costs .....	9 - 11

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GREGORY J. COCHRAN, C.P.A.  
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HAROLD A. BROCK, JR. (Retired)  
W. FREDERICK THOMSON (1943-2024)

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Horizon Communities Corp  
Tallahassee, Florida

### Report on the Schedule of Expenditures of State Financial Assistance

#### *Opinion*

We have audited the schedule of expenditures of state financial assistance for the Transitional Services – Post Release project (the “Project”) of Horizon Communities Corp (the “Organization”) for the year ended December 31, 2024, and the related notes.

In our opinion, the accompanying Schedule presents fairly, in all material respects, the expenditures of state financial assistance for the Project of the Organization for the year ended December 31, 2024, in accordance with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the standards applicable to Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Schedule*

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibilities for the Audit of the Schedule*

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Chapter 10.650, *Rules of the Auditor General* will always detect a material misstatement when it exists. 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, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud, or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Thomson Black & Company*

Tallahassee, Florida  
February 9, 2026

**HORIZON COMMUNITIES CORP**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AND**  
**RELATED NOTES**  
**Year Ended December 31, 2024**

<u>Grantor/Program or Project Title</u>	<u>CSFA Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
<u>Florida Department of Transportation</u>			
Transitional Services – Post Release	70.011	Unknown	\$ <u>840,810</u>
Total expenditures of state financial assistance			\$ <u>840,810</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**NOTE 1 - GENERAL**

The accompanying Schedule of Expenditures of State Financial Assistance (the “Schedule”) for the Transitional Services – Post Release project (CSFA No. 70.011) presents the activity of that program of Horizon Communities Corp (the “Organization”) for the year ended December 31, 2024. The information in the Schedule is presented in accordance with the program-specific option under section 215.97, Florida Statutes (the Florida Single Audit Act) (“the Act”).

**NOTE 2 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of state financial assistance includes the state grant activity of Horizon Communities Corp (the “Organization”) and is presented on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This basis of presentation differs from accounting principles generally accepted in the United States of America in that the expenses are recognized when paid rather than when the obligation is incurred. The information in this schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*.

**NOTE 3 – CONTINGENCY**

Grant revenue amounts received under the Transitional Services – Post Release project (CSFA No. 70.011) are subject to audit and review by the State of Florida and other oversight agencies. As a result of the program-specific audit for the year ended December 31, 2024, certain costs have been identified as questioned costs and are described in the accompanying Schedule of Findings and Questioned Costs.

**HORIZON COMMUNITIES CORP**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AND**  
**RELATED NOTES**  
**Year Ended December 31, 2024**

**NOTE 3 - CONTINGENCY (Continued)**

The resolution of these matters is subject to review by the grantor agency. Management has recorded grant expenditures in the Schedule based on approved invoices submitted to the Florida Department of Corrections. Any expenditures ultimately determined to be unallowable by the grantor agency may be required to be repaid and would be recognized in the period such determination becomes final.

The Organization is currently evaluating the questioned costs and intends to work with the grantor agency during the audit resolution process.

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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

Board of Directors  
Horizon Communities Corp  
Tallahassee, Florida

**Report on Compliance for the Transitional Services – Post Release Project**

**Qualified Opinion on Compliance for the Transitional Services – Post Release Project**

We have audited the Horizon Communities Corp’s (the “Organization”) compliance with the types of compliance requirements described in the *Department of Financial Services’ State Projects Compliance Supplement*, that could have a direct and material effect on its Transitional Services – Post Release project for the year ended December 31, 2024.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinions section of our report, Horizons Communities Corp complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Transitional Services – Post Release project for the year ended December 31, 2024.

**Basis for Qualified and Unmodified Opinions**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Horizon Communities Corp and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our qualified and unmodified opinions on compliance for each major state project. Our audit does not provide a legal determination of Horizon Communities Corp’s compliance with the compliance requirements referred to above.

## *Matter Giving Rise to Qualified Opinion on Transitional Services – Post Release project*

As described in the accompanying schedule of findings and questioned costs, Horizon Communities Corp did not comply with requirements regarding Transitional Services – Post Release project as described in finding numbers 2024-001 for Allowable Costs. Compliance with such requirements is necessary, in our opinion, for Horizon Communities Corp to comply with the requirements applicable to that state project.

### **Management’s Responsibility**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization’s Transitional Services – Post Release project.

### **Auditors’ Responsibility**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Horizon Communities Corp’s compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Chapter 10.650, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Horizon Communities Corp’s compliance with the requirements of each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Horizon Communities Corp’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Horizon Communities Corp’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of Horizon Communities Corp’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors’ Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Horizon Communities Corp's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

*Thomson Black & Company*  
Tallahassee, Florida  
February 9, 2026

**HORIZON COMMUNITIES CORP**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2024**

**Section A - Summary of Auditors' Results:**

1. The auditors' report expresses an unmodified opinion on the schedule of expenditures of state financial assistance of Horizons Communities Corp.
2. The auditors report on compliance for the major state project for Transitional Services – Post Release expressed a modified opinion (See 2024-001).
3. No material weaknesses or instances of noncompliance material to the schedule of expenditures of state financial assistance of Horizon Communities Corp, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. A material weakness (2024-001) and a significant deficiency (2024-002) in the internal control over major state projects were identified during the audit.
6. There were reportable audit findings relative to major state projects for Horizons Communities Corp (2024-001 and 2024-002) under Chapter 10.656, *Rules of the Auditor General*.
7. The state project tested as a major project was:

Florida Department of Corrections:  
Transitional Services – Post Release - CSFA #70.011
8. This audit was a program-specific option under section 215.97, Florida Statutes (the Florida Single Audit Act) (“the Act”).

**Section B – Findings and Questioned Costs – Major State Project:**

**FINDING 2024-001 – Allowable Costs (Material Weakness)**

**Condition:** During the audit, we identified duplicated expenditures reported on invoices that were reimbursed to the Organization.

**Criteria:** Section 215.97, Florida Statutes (Florida Single Audit Act), and Chapter 10.650, *Rules of the Auditor General*, require that expenditures reported for reimbursement under state financial assistance programs be allowable, supported, and in compliance with applicable laws and rules.

**HORIZON COMMUNITIES CORP**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2024**

**FINDING 2024-001 – Allowable Costs (Material Weakness) (Continued)**

**Cause:** The Organization leases its employees from a 3<sup>rd</sup> party vendor. The invoices submitted have line items for personnel that are paid through the 3<sup>rd</sup> party vendor for each of the project's location and high level management position. Starting July 2024, the Department requested that the Organization include the entire amount paid to the 3<sup>rd</sup> party vendor on the administrative overhead line of the invoice.

**Effect:** Since the gross values paid to the leased employees were already included in the lines of the invoice above, the amounts paid were duplicated. The invoices were approved by the Department, and the Organization was paid. Since the dollar amounts submitted on the invoices were more than the organization incurred in cost, other possible allowable costs were not included. This results in questioned costs totaling \$242,940.

**Recommendation:** We recommend that the Organization work with the Department to try and resubmit invoices starting July 2024 to remove the duplicated items and include any other costs that may be allowable under the grant. We further recommend that the Organization utilize the class function in their accounting software to segregate state project expenses from other organizational costs, and then reconcile invoices submitted monthly to the accounting software.

**Management's Response:** Horizon has recreated the invoices as suggested and invoicing procedures have been corrected.

**FINDING 2024-002 – Reporting (Significant deficiency)**

**Condition:** During our testing of reimbursement invoices submitted under the program, we noted that amounts reported on invoices did not reconcile to the Organization's underlying accounting records. Specifically, duplicated items of cost were included on invoices, resulting in reported expenditures exceeding amounts supported by the general ledger. These duplicated costs were identified in **Finding 2024-001**.

**Criteria:** Program expenditures reported for reimbursement should be accurate, complete, and supported by the Organization's accounting records. Reported costs should reconcile to the general ledger and be supported by adequate documentation to ensure only allowable and properly incurred costs are submitted for reimbursement, in accordance with the applicable grant agreement and reporting requirements.

**HORIZON COMMUNITIES CORP**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2024**

**FINDING 2024-002 – Reporting (Significant deficiency) (Continued)**

**Cause:** The duplication of costs occurred due to reporting instructions provided by the Department of Corrections requesting the Organization to include leased employee invoices as administrative overhead. These costs had already been recorded and reported under a separate expenditure line within the accounting records. As a result, the inclusion of the leased employee invoices as administrative overhead caused certain costs to be reported more than once on reimbursement invoices.

**Effect:** As a result, reimbursement invoices contained duplicated costs that did not reconcile to the accounting records, resulting in inaccurate reporting of program expenditures.

**Recommendation:** We recommend that the Organization strengthen its internal controls over reimbursement reporting by performing reconciliation procedures between reimbursement invoices and the general ledger prior to submission. Additionally, management should establish documented review and approval controls to verify that costs reported are complete, accurate, and not duplicated.

**Management’s Response:** Horizon now sends invoices to the board for approval before sending to the department for reimbursement. Also, the department has worked with Horizon and have a correct billing procedure that will not duplicate costs.

**Section C – Prior year findings and questioned costs – Major State Project:**

1. No Summary Schedule of Prior Audit findings is required because there was no prior audit findings related to state projects.

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## MANAGEMENT LETTER

Board of Directors  
Horizon Communities Corp  
Tallahassee, Florida

### Report on the Financial Statements

We have audited the Schedule of State Financial Assistance of the Horizon Communities Corp (the “Organization”) for the fiscal year ended December 31, 2024, and have issued our report thereon dated February 9, 2026.

### Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.650, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditors’ Report on Compliance for a State Project and Report on Internal Control over Compliance performed as required by Chapter 10.650, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated February 9, 2026, should be considered in conjunction with this management letter.

Additional Matters Section 10.654(1)(e), *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred or is likely to have occurred, that has an effect on the financial statements or State project amounts that is less than material but warrants the attention of those charged with governance.

In connection with our audit, we did note the following:

### CURRENT YEAR COMMENTS

#### 1. Internal Controls over Cash Disbursements

The Organization’s Executive Director currently has primary responsibility for initiating and approving all disbursements. While this structure is not uncommon for a small organization, it increases the risk that errors or inappropriate payments could occur without timely detection. Accordingly, additional safeguards should be implemented to mitigate this risk.

We recommend that the Organization strengthen its internal controls over cash disbursements by assigning a member of the Board of Directors to perform a monthly review of bank statements, bank reconciliations, and Executive Director credit card activity. This review should focus on cash disbursements and be documented that it was completed, including the name of the reviewer and the date of review.

**Management's Response:** Horizon now sends all monthly banking reports to the boards treasurer for review.

## 2. Review and approval of Executive Director Reimbursements

Currently, the review and approval of reimbursement requests submitted by the Executive Director are performed by the Executive Director. This practice results in a lack of independent review and increases the risk of errors or inappropriate reimbursements.

We recommend that reimbursement requests submitted by the Executive Director be reviewed and approved by a Board member prior to payment. Evidence of this review and approval should be documented and retained with the reimbursement request.

**Management's Response:** Horizon now has the Executive Director provide reimbursements to the entire board for review prior to approval.

## 3. Separate Accounting for State Funding

During our review of invoices submitted to the State and our testing of program expenditures, we noted that the Organization's accounting system does not separately identify grant-related expenditures from non-grant activity. As a result, reconciling invoices submitted to the Florida Department of Corrections to the Organization's accounting records is more difficult.

We recommend that management enhance its accounting procedures by segregating state-funded activity from other organizational activity. Specifically, management may consider utilizing the class (or equivalent) functionality within QuickBooks to separately track state funding and related expenditures. This would improve reconciliation, reporting, and monitoring of program expenditures.

**Management's Response:** Horizon now has two accounts in its bookkeeping records. One for state returned funds and one for all donation from outside sources.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Florida Office of the Attorney General, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the Executive Director and the staff of the Organization for their support and timely assistance during our audit.

*Thomson Black & Veatch Company*

February 9, 2026