

**OKALOOSA-WALTON
JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON**

FINANCIAL STATEMENTS

JUNE 30, 2021

OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
TABLE OF CONTENTS
JUNE 30, 2021

	<u>Page(s)</u>
Independent Auditors' Report	1 – 3
Management's Discussion and Analysis	4 – 6
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements	
Balance Sheet – Governmental Fund	9
Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Position	10
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	12
Notes to Financial Statements	13 – 19
Schedule of Expenditures of Federal Awards	20 – 21
Notes to Schedule of Expenditures of Federal Awards	22
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Accounting Standards</i>	23 – 24
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with Uniform Guidance	25 – 26
Schedule of Findings and Questioned Costs	27 – 28
Corrective Action Plan	29



INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Okaloosa-Walton Jobs and Education Partnership, Inc.
d/b/a CareerSource Okaloosa Walton:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Okaloosa-Walton Jobs and Education Partnership, Inc., d/b/a CareerSource Okaloosa Walton ("CareerSource Okaloosa Walton") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise CareerSource Okaloosa Walton's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of CareerSource Okaloosa Walton, as of June 30, 2021, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis as listed in the table of contents be presented to supplement the 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

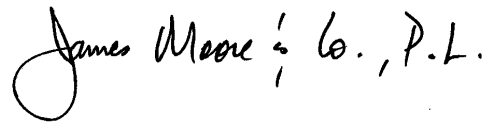
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise CareerSource Okaloosa Walton's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2022, on our consideration of CareerSource Okaloosa Walton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CareerSource Okaloosa Walton's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style, with a large, stylized "J" at the beginning.

Tallahassee, Florida
May 25, 2022

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Management is pleased to offer the following assessment of the operations of Okaloosa-Walton Jobs and Education Partnership, Inc. d/b/a CareerSource Okaloosa Walton (“CareerSource Okaloosa Walton”) for the year ended June 30, 2021.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to CareerSource Okaloosa Walton’s basic financial statements. CareerSource Okaloosa Walton’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of CareerSource Okaloosa Walton’s finances in a manner similar to a private sector business. The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities.

The *statement of net position* presents information on all of CareerSource Okaloosa Walton’s assets and liabilities, with the difference between the two reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of CareerSource Okaloosa Walton is improving or deteriorating.

The *statement of activities* presents information showing how CareerSource Okaloosa Walton’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The location of the basic government-wide financial statements can be found in the table of contents.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. CareerSource Okaloosa Walton uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. CareerSource Okaloosa Walton maintains one fund, which is the general fund.

OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be used in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The location of the basic governmental fund financial statements can be found in the table of contents in this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The location of the notes to the financial statements can be found in the table of contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents a Schedule of Expenditures of Federal Awards. This schedule lists all Federal grants awarded to CareerSource Okaloosa Walton and the related expenditures for the fiscal year ended June 30, 2021. The location of the Schedule of Expenditures of Federal Awards can be found in the table of contents.

Government-wide Financial Analysis *Condensed financial information* - As noted earlier, net position may serve over time as a useful indicator of a government’s financial position.

	Condensed Statements of Net Position	
	2021	2020
Current Assets	\$ 672,938	\$ 632,712
Capital Assets, net	7,854	19,636
Total Assets	<u>680,792</u>	<u>652,348</u>
Accounts payable and accrued expenses	225,240	168,803
Deferred revenue	116,970	154,799
Total Liabilities	<u>342,210</u>	<u>323,602</u>
Net investment in capital assets	7,854	19,636
Unrestricted	330,728	309,110
Net Position	<u>\$ 338,582</u>	<u>\$ 328,746</u>

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

At the end of each fiscal year above, CareerSource Okaloosa Walton is able to report a positive balance in net position.

	Condensed Statement of Activities	
	2021	2020
Program revenues:		
Operating grants and contributions	\$ 2,535,773	\$ 2,760,089
Charges for services	27,528	11,231
General revenues:		
Other	151	2,590
Total revenues	2,563,452	2,773,910
Expenses:		
Training, retraining and readjustment	2,553,616	2,764,558
Change in net position	9,836	9,352
Net position, beginning of year	328,746	319,394
Net position, end of year	\$ 338,582	\$ 328,746

Financial Highlights

The assets of CareerSource Okaloosa Walton exceeded its liabilities at June 30, 2021 by \$338,582.

Governmental Activities. Governmental activities increased CareerSource Okaloosa Walton's net position by \$9,836. Key elements of this increase are as follows:

The slight decrease in expenses is the result of decreased grant activity in the current year. This decrease, along with an increase in charges for services, resulted in the small increase in net position noted above.

Capital Assets

During the fiscal year, CareerSource Okaloosa Walton had a decrease in net capital assets. Decreases in net capital assets during the year ended June 30, 2021, were related to depreciation of capital assets in the amount of \$11,782. Additional information on CareerSource Okaloosa Walton's capital assets can be found in Note 2 of this report.

Budgetary Highlights

The Organization is not legally required to adopt a budget. As such, budgetary exhibits are not presented.

Request for Information

This report is designed to provide a general overview of CareerSource Okaloosa Walton's finances for all those with an interest in CareerSource Okaloosa Walton's finances. Questions concerning any of the information in this report or requests for additional information should be addressed as follows:

Okaloosa-Walton Jobs and Education Partnership, Inc.
d/b/a CareerSource Okaloosa Walton
109 8th Avenue
Shalimar, Florida 32579

OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 583,762
Grant, contract and other receivables	89,176
Capital assets, net of accumulated depreciation	7,854
Total assets	<u>\$ 680,792</u>
LIABILITIES	
Accounts payable and accrued expenses	\$ 189,359
Unearned revenue	116,970
Compensated absences, current portion	35,881
Total liabilities	<u>\$ 342,210</u>
NET POSITION	
Net investment in capital assets	\$ 7,854
Unrestricted	330,728
Total net position	<u>\$ 338,582</u>

The accompanying notes to financial statements
are an integral part of this statement.

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

		PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
Functions/Programs	EXPENSES			
Governmental activities:				
Training, retraining and readjustment	\$ 2,553,616	\$ 27,528	\$ 2,535,773	\$ 9,685
Total governmental activities	<u>\$ 2,553,616</u>	<u>\$ 27,528</u>	<u>\$ 2,535,773</u>	<u>9,685</u>
		General revenues:		
		Other		151
		Change in net position		9,836
		Net position, beginning of year		328,746
		Net position, end of year		<u>\$ 338,582</u>

The accompanying notes to financial statements
are an integral part of this statement.

OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2021

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 583,762
Grant, contract, and other receivables	89,176
Total assets	<u>\$ 672,938</u>
LIABILITIES	
Accounts payable and accrued expenses	\$ 189,359
Deferred revenue	116,970
Total liabilities	<u>306,329</u>
FUND BALANCE	
Unassigned	366,609
Total Fund Balance	<u>366,609</u>
Total liabilities and fund balance	<u>\$ 672,938</u>

The accompanying notes to financial statements
are an integral part of this statement.

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Fund balances - total governmental fund		\$ 366,609
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Total governmental capital assets	412,003	
Less: accumulated depreciation	<u>(404,149)</u>	7,854
Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:		
Compensated absences	<u>(35,881)</u>	(35,881)
Net position of governmental activities		<u><u>\$ 338,582</u></u>

The accompanying notes to financial statements
are an integral part of this statement.

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>
Revenues	
Grants and contracts	\$ 2,535,773
Other	27,679
Total revenues	<u>2,563,452</u>
Expenditures	
Conference and meeting	364
Direct program	351,047
Dues and membership	9,753
Equipment	40,858
Fees and licenses	132,978
Information and technology	47,815
Insurance	22,359
Occupancy and rent	180,287
One Stop Mobile	9,701
Other	1,908
Outreach	24,896
Personnel and benefits	1,470,563
Professional fees	110,703
Repairs and maintenance	13,304
Staff development	30,911
Supplies and postage	38,644
Telephone	32,440
Travel	11,086
Utilities	24,968
Total expenditures	<u>2,554,585</u>
Net change in fund balance	<u>8,867</u>
Fund balance, beginning of year	357,742
Fund balance, end of year	<u><u>\$ 366,609</u></u>

The accompanying notes to financial statements
are an integral part of this statement.

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental fund	\$ 8,867
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives.	
Depreciation expense	(11,782)
Compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	12,751
Change in net position of governmental activities	<u><u>\$ 9,836</u></u>

The accompanying notes to financial statements
are an integral part of this statement.

OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(1) Summary of Significant Accounting Policies:

The following is a summary of the more significant accounting policies of Okaloosa-Walton Jobs and Education Partnership, Inc. (“CareerSource Okaloosa Walton”), which affect significant elements of the accompanying basic financial statements:

(a) **Description of government wide financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of CareerSource Okaloosa Walton. Governmental activities are normally supported by intergovernmental revenues and other non-exchange transactions.

(b) **Reporting entity**—CareerSource Okaloosa Walton is a nonprofit corporation established to provide for enhanced coordination, cooperation, and outcomes by and between the several entities, both public and private, which are involved at the local level in providing youth and adults with opportunities to develop and continuously upgrade their knowledge and skills in order to advance economically and socially throughout their lifetime, and in providing employers with the skilled workforce necessary to be competitive in local, state, national and/or international markets. CareerSource Okaloosa Walton was created to fulfill the duties and responsibilities provided for by the Workforce Investment Act (WIA) of 1998-Title 1, superseded by the Workforce Innovation and Opportunity Act of 2014 (WIOA), and the State of Florida Workforce Innovation Act of 2000 for the Region 2 Local Workforce Development Area which is comprised of Okaloosa and Walton counties. The governing authority of CareerSource Okaloosa Walton is its Board of Directors.

The accounting policies adopted by the Board of Directors conform to accounting principles generally accepted in the United States of America as applied to not-for-profit organizations reporting using the governmental model. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of CareerSource Okaloosa Walton. There were no entities that required inclusion as a component unit within CareerSource Okaloosa Walton's financial statements.

(c) **Basis of presentation – government-wide financial statements**—While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental fund. Separate financial statements are provided for the governmental fund.

(d) **Basis of presentation – fund financial statements**—The fund financial statements provide information about CareerSource Okaloosa Walton's fund. CareerSource Okaloosa Walton reports one governmental fund:

The general fund is established to account for resources devoted to financing the general operations of CareerSource Okaloosa Walton. All operating resources are recorded in the general fund.

(e) **Deposits and investments**—Cash and cash equivalents include amounts in demand deposits as well as investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

(f) **Measurement focus and basis of accounting**—The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Amounts reported as program revenues include charges for services, operating grants and contributions, and capital grants and contributions. Items not properly included among program revenues are reported as general revenues.

All governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available. Available means collectible within the current period, or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, CareerSource Okaloosa Walton considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, state, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. The principal exceptions to this are: principal and interest on general long-term debt, which are recorded as expenditures only when payment is due.

CareerSource Okaloosa Walton's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

(g) **Prepaid items**—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government wide and fund financial statements. The cost of prepaid items is recorded when consumed rather than when purchased.

(h) **Capital assets**—Capital assets acquired by CareerSource Okaloosa Walton are considered to be owned by CareerSource Okaloosa Walton. However, funding sources may maintain an equitable interest in the capital assets purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The Federal Government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year.

Capital assets with a value greater than \$5,000 and an estimated useful life of at least one year are recorded at cost when purchased or at estimated fair value when contributed. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from three to ten years.

OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

(i) **Long-term obligations**—In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities fund type statement of net position.

(j) **Use of estimates**—The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

(k) **Compensated Absences**—Eligible employees accrue annual leave at varying rates based upon length of employment. Annual leave is accrued as earned by employees and recorded as an expense in the period earned. Upon termination, the maximum amount of annual leave that an employee may accumulate and be paid for is 120 hours.

(l) **Grant, Contract and Other Receivables**—Grant, contract, and other receivables are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with grantors, contractors, and subrecipients having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

(m) **Net position flow assumption**—Sometimes CareerSource Okaloosa Walton will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is CareerSource Okaloosa Walton's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

(n) **Fund balance flow assumptions**—Sometimes CareerSource Okaloosa Walton will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is CareerSource Okaloosa Walton's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

(o) **Revenues and expenditures/expenses**—Generally, revenue is received from the State of Florida, Department of Economic Opportunity and is earned on a cost reimbursement basis.

OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

(p) **Fund balance policies**—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of CareerSource Okaloosa Walton's highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for CareerSource Okaloosa Walton that can, by passing a motion prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by CareerSource Okaloosa Walton for specific purposes but do not meet the criteria to be classified as committed. The Board of Directors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

(q) **Budgets**—The general expenditure authority of CareerSource Okaloosa Walton, as provided by Sections 445.004 and 445.007 of the Florida Statutes, does not require a legally adopted budget placed into public law. Accordingly, the budgetary comparison schedules for governmental funds have not been presented as supplementary information required by the Governmental Accounting Standards Board.

(2) **Capital Assets:**

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance 07/01/20	Increases	Decreases	Balance 06/30/21
Furniture, fixtures and equipment	\$ 412,003	\$ —	\$ —	\$ 412,003
Less accumulated depreciation	(392,367)	(11,782)	—	(404,149)
Capital assets, net	<u>\$ 19,636</u>	<u>\$ (11,782)</u>	<u>\$ —</u>	<u>\$ 7,854</u>

\$11,782 of depreciation expense was allocated to the training program during the year ended June 30, 2021.

OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(3) **Deposits:**

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, CareerSource Okaloosa Walton's deposits may not be returned. At year end, the carrying amount of deposits was \$583,762 and the bank balance was \$590,423. The bank balance was insured up to \$250,000, the Federal Deposit Insurance Corporation ("FDIC") limit.

(4) **Operating Leases:**

CareerSource Okaloosa Walton has entered into building leases expiring in 2022. For the year ended June 30, 2021, rental expense under the terms of these leases totaled \$180,287. Future minimum lease payments under these leases are as follows:

<u>Year Ending June 30,</u>	<u>Minimum Payments</u>
2022	\$ 181,950
Total	<u>\$ 181,950</u>

(5) **Long Term Liabilities:**

Changes in Long-term Liabilities. Long-term liability activity for the year ended June 30, 2021, was as follows:

	<u>Balance 07/01/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 06/30/21</u>	<u>Due in one year</u>
Governmental activities					
Compensated absences	\$ 48,632	\$ 62,487	\$ (75,238)	\$ 35,881	\$ 35,881

(6) **Retirement Plan:**

CareerSource Okaloosa Walton sponsors a defined contribution retirement plan which covers substantially all employees. The amount of retirement expense for the year ended June 30, 2021 was \$79,639.

(7) **Unearned Revenue:**

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the June 30, 2021, unearned revenue from grant drawdowns made prior to meeting all requirements was \$116,970.

OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(8) Related Parties:

Certain board members provide services either directly or indirectly to CareerSource Okaloosa Walton. A description and the amount of the services provided is as follows:

Training services	\$ 107,695
Information technology services	9,842
Utilities	24,871
	<u>\$ 142,408</u>

The amounts payable to related parties at June 30, 2021 are \$4,057.

(9) Risk Management:

CareerSource Okaloosa Walton is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which CareerSource Okaloosa Walton carries commercial insurance. Insurance against losses is provided for the following types of risk:

- Personal Property
- Public Officials' Liability
- General Liability
- Workers' Compensations
- Employer Practices and Crime
- Cyber Liability Insurance

(10) Income Taxes:

CareerSource Okaloosa Walton is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore, no provision for income taxes has been made in the accompanying financial statements.

CareerSource Okaloosa Walton files income tax returns in the U.S. Federal jurisdiction. CareerSource Okaloosa Walton's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

CareerSource Okaloosa Walton has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of CareerSource Okaloosa Walton.

(11) Contingencies:

Grant Programs - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although CareerSource Okaloosa Walton expects such amounts, if any, to be immaterial.

OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(12) Significant Funding Source:

CareerSource Okaloosa Walton receives a substantial amount of its funding from the United States Department of Labor passed through the State of Florida, Department of Economic Opportunity, and from the United States Department of Health and Human Services passed through the State of Florida, Department of Economic Opportunity. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on CareerSource Okaloosa Walton's programs and activities.

(13) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates, as adjusted based on the impacts of GASB Statement No. 95, effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on CareerSource Okaloosa's financial statements:

- (a) GASB issued Statement No. 87, Leases, in June 2017. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.

(14) Risks and Uncertainties:

During the year ended June 30, 2021, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to CareerSource Okaloosa as of May 25, 2022, management believes that a material impact to CareerSource Okaloosa's financial position and results of future operations is reasonably possible.

(15) Subsequent Events:

CareerSource Okaloosa Walton has evaluated events and transactions for potential recognition or disclosure in the financial statements through May 25, 2022, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Award Number	Expenditures
FEDERAL AWARDS			
U. S. Department of Health and Human Services			
Passed through State of Florida, Department of Economic Opportunity			
Temporary Assistance for Needy Families	93.558	WTS20	\$ 150,434
Temporary Assistance for Needy Families	93.558	WTS21	384,595
			<u>535,029</u>
U. S. Department of Labor			
Passed through State of Florida, Department of Economic Opportunity			
Employment Service/Wagner-Peyser Funded Activities	17.207	WPB19	64,360
Employment Service/Wagner-Peyser Funded Activities	17.207	WPB20	191,582
Employment Service/Wagner-Peyser Funded Activities	17.207	WPA20	20,795
Employment Service/Wagner-Peyser Funded Activities	17.207	WPA21	56,185
Disabled Veterans' Outreach Program (DVOP)	17.801	DVP19	50,361
Disabled Veterans' Outreach Program (DVOP)	17.801	DVP20	68,241
Disabled Veterans' Outreach Program (DVOP)	17.801	LVR20	34,769
Disabled Veterans' Outreach Program (DVOP)	17.801	LVR21	37,043
		Total Employment Service Cluster	<u>523,336</u>
Unemployment Insurance	17.225	UCR19	<u>63,835</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

(Continued)

Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Award Number	Expenditures
FEDERAL AWARDS (Continued)			
U. S. Department of Labor (Continued)			
Passed through State of Florida, Department of Economic Opportunity (Continued)			
WIOA Adult Program	17.258	WIA20	315,634
WIOA Adult Program	17.258	WIS19	49,710
WIOA Adult Program	17.258	WIS20	22,935
WIOA Youth Activities	17.259	WIY20	212,194
WIOA Youth Activities	17.259	WIS19	49,710
WIOA Youth Activities	17.259	WIS20	22,935
WIOA Dislocated Worker Formulas Grants	17.278	WID20	299,386
SFY 19-20 Performance Incentives	17.278	WRS19	7,418
WIOA Dislocated Worker Formulas Grants	17.278	WIS19	51,217
WIOA Dislocated Worker Formulas Grants	17.278	WIS20	25,802
		Total WIOA Cluster	<u>1,056,941</u>
WIOA National Dislocated Worker Grants	17.277	WNC20	<u>226,206</u>
U. S. Department of Agriculture			
Passed through State of Florida, Department of Economic Opportunity			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FSH20	20,599
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FSH21	42,307
		Total SNAP Cluster	<u>62,906</u>
U. S. Department of Treasury			
Passed through Walton County, Florida			
Coronavirus Relief Fund	21.019	N/A	17,268
Passed through Okaloosa County, Florida			
Coronavirus Relief Fund	21.019	N/A	43,985
			<u>61,253</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 2,529,506</u></u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

(1) Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal awards activity of Okaloosa-Walton Jobs and Education Partnership, Inc. d/b/a CareerSource Okaloosa Walton under programs of the federal government for the year ended June 30, 2021 in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of CareerSource Okaloosa Walton it is not intended to and does not present the financial position, changes in net assets, or cash flows of CareerSource Okaloosa Walton.

(2) Summary of Significant Accounting Policies:

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

(3) De Minimis Indirect Cost Rate Election:

CareerSource Okaloosa Walton has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

(4) Sub-recipients:

No grant funds were passed to sub-recipients in fiscal year 2021.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

To the Board of Directors,
Okaloosa-Walton Jobs and Education Partnership, Inc. d/b/a CareerSource Okaloosa Walton:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Okaloosa-Walton Jobs and Education Partnership, Inc. CareerSource Okaloosa Walton ("CareerSource Okaloosa Walton") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise CareerSource Okaloosa Walton's basic financial statements, and have issued our report thereon dated May 25, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CareerSource Okaloosa Walton's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CareerSource Okaloosa Walton's internal control. Accordingly, we do not express an opinion on the effectiveness of CareerSource Okaloosa Walton's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

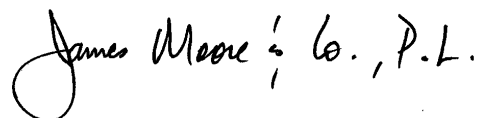
As part of obtaining reasonable assurance about whether CareerSource Okaloosa Walton's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001.

CareerSource Okaloosa Walton's Response to Finding

CareerSource Okaloosa Walton's response to the finding identified in our audit is described in the accompanying corrective action plan. CareerSource Okaloosa Walton's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Tallahassee, Florida
May 25, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Board of Directors,
Okaloosa-Walton Jobs and Education Partnership, Inc. d/b/a CareerSource Okaloosa Walton:

Report on Compliance for Each Major Federal Program

We have audited Okaloosa-Walton Jobs and Education Partnership, Inc. d/b/a CareerSource Okaloosa Walton ("CareerSource Okaloosa Walton") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of CareerSource Okaloosa Walton's major federal programs for the year ended June 30, 2021. CareerSource Okaloosa Walton's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of CareerSource Okaloosa Walton's major federal programs based on our audit of the types of compliance requirements referred to above. 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; the special audit guidance provided by the State of Florida Department of Economic Opportunity; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards, the Uniform Guidance, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about CareerSource Okaloosa Walton's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of CareerSource Okaloosa Walton's compliance.

Basis for Qualified Opinion on the WIOA Cluster (Assistance Listing #s 17.258, 17.259, 17.278)

As described in the accompanying schedule of findings and questioned costs, CareerSource Okaloosa Walton did not comply with requirements regarding Assistance Listing #s 17.258, 17.259 and 17.278 WIOA Cluster as described in finding number 2021-001 for Matching, Level of Effort, Earmarking. Compliance with such requirements is necessary, in our opinion, for the CareerSource Okaloosa Walton to comply with the requirements applicable to this program.

Qualified Opinion on Compliance for the WIOA Cluster (Assistance Listing #s 17.258, 17.259, 17.278)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, CareerSource Okaloosa Walton complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on WIOA Cluster (Assistance Listing #s 17.258, 17.259 and 17.278) for the year ended June 30, 2021.

Report on Internal Control Over Compliance

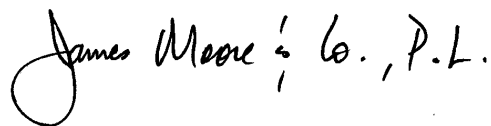
Management of CareerSource Okaloosa Walton is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CareerSource Okaloosa Walton's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CareerSource Okaloosa Walton's internal control over compliance.

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 federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 federal program will not be prevented, or detected and corrected, on a timely basis. *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 federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

CareerSource Okaloosa Walton's response to the compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. CareerSource Okaloosa Walton's response was not subjected to the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Tallahassee, Florida
May 25, 2022

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021**

I. Summary of Auditors' Results:

Financial Statements

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☒ yes ☐ no

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Types of auditor's report issued on compliance for major Federal programs: *Qualified for WIOA Cluster*

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)? ☒ yes ☐ no

Identification of major programs:

Federal Program	Federal Assistance Listing Number(s)
17.258, 17.259, 17.278	17.258, 17.259, 17.278

Dollar threshold used to distinguish between type A and type B Federal programs: \$750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.
D/B/A CAREERSOURCE OKALOOSA WALTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021
(Continued)

II. Financial Statement Findings:

None.

III. Federal Award Findings and Questioned Costs:

Finding 2021-001: Youth Experience Earmarking Requirement

Affected Program: Assistance Listing #17.258, 17.259, 17.278 WIOA Cluster. *Award Numbers:* WIA20, WIS19, WIS20, WIY19, WIY20, WID20, WRS19, . *Compliance Requirements:* Matching, Level of Effort, Earmarking.

Condition and Criteria: Okaloosa-Walton Jobs and Education Partnership, Inc. d/b/a CareerSource Okaloosa-Walton (CareerSource Okaloosa-Walton) is required to meet the following earmarking requirement per Section 129 (c)(4), WIOA, 128 Stat. 1510: “Not less than 20 percent of Youth Activity funds allocated to the local area, except for the local area expenditures for administration, must be used to provide paid and unpaid work experiences.”

Cause: The amount spent to provide paid and unpaid work experiences was less than 20 percent.

Effect: CareerSource Okaloosa-Walton did not meet the earmarking requirements under this provision.

Recommendation: We recommend that CareerSource Okaloosa-Walton seek a waiver for this requirement if unable to meet this provision or provide more paid and unpaid work experiences required to meet this provision.

IV. State of Florida, Department of Economic Opportunity (“DEO”) Reporting Requirements:

Okaloosa-Walton Jobs and Education Partnership, Inc. d/b/a CareerSource Okaloosa Walton performed satisfactory reconciliations between the general ledger accounting system and the Subrecipient Enterprise Resource Application.

V. Federal Award Summary Schedule of Prior Year Findings:

There were no audit findings for the year ended June 30, 2020.

Finding 2021-001: Youth Experience Earmarking Requirement

Affected Program: Assistance Listing #17.258, 17.259, 17.278 WIOA Cluster. *Award Numbers:* WIA20, WIS19, WIS20, WIY19, WIY20, WID20, WRS19, . *Compliance Requirements:* Matching, Level of Effort, Earmarking.

Condition and Criteria: Okaloosa-Walton Jobs and Education Partnership, Inc. d/b/a CareerSource Okaloosa-Walton (CareerSource Okaloosa-Walton) is required to meet the following earmarking requirement per Section 129 (c)(4), WIOA, 128 Stat. 1510: "Not less than 20 percent of Youth Activity funds allocated to the local area, except for the local area expenditures for administration, must be used to provide paid and unpaid work experiences."

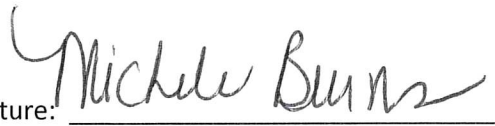
Cause: The amount spent to provide paid and unpaid work experiences was less than 20 percent.

Effect: CareerSource Okaloosa-Walton did not meet the earmarking requirements under this provision.

LWDB Response: In an effort to meet the expenditure requirements CareerSource Okaloosa-Walton will direct staff to spend more time on work experience for youth which will have the impact through cost allocation of raising the across the board expenditure on work experience.

Management will track the expenditure rate and make adjustments of effort no less than once a quarter.

Responsible contact person: Michele Burns
Executive Director

Signature: 

Responsible contact person: Shawn Knobel, CPA
Finance Director

Signature: 