

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

**FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.  
D/B/A CAREERSOURCE OKALOOSA WALTON  
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JUNE 30, 2025**

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and the general fund of 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, 2025, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of CareerSource Okaloosa Walton, as of June 30, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CareerSource Okaloosa Walton 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 opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CareerSource Okaloosa Walton's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 financial statements.
- 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 CareerSource Okaloosa Walton'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CareerSource Okaloosa Walton's ability to continue as a going concern for a reasonable period of time.

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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

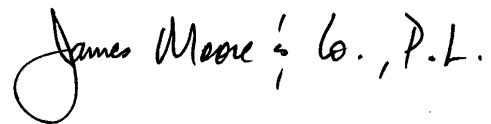
### ***Supplementary Information***

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 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. The 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 November 26, 2025, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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, flowing style.

Tallahassee, Florida  
November 26, 2025

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.  
D/B/A CAREERSOURCE OKALOOSA WALTON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025**

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, 2025.

**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.

**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.

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.  
D/B/A CAREERSOURCE OKALOOSA WALTON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025**

**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, 2025. 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.

	<b>Condensed Statements of Net Position</b>	
	<b>2025</b>	<b>2024</b>
Current Assets	\$ 570,317	\$ 790,824
Capital Assets, net	176,790	353,579
Total Assets	747,107	1,144,043
Accounts payable and accrued expenses	128,633	108,346
Unearned revenue	58,716	248,625
Lease liability	185,794	358,002
Total Liabilities	373,143	714,973
Net investment in capital assets	(9,004)	(4,423)
Unrestricted	382,968	433,853
Net Position	\$ 373,964	\$ 429,430

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

	<b>Condensed Statements of Activities</b>	
	<b>2025</b>	<b>2024</b>
Program revenues:		
Operating grants and contributions	\$ 2,853,529	\$ 2,842,586
Charges for services	2,900	475
General revenues:		
Other	17	16
Total revenues	2,856,446	2,843,077
Expenses:		
Training, retraining and readjustment	2,911,912	2,823,562
Change in net position	(55,466)	19,515
Net position, beginning of year	429,430	409,915
Net position, end of year	\$ 373,964	\$ 429,430

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.  
D/B/A CAREERSOURCE OKALOOSA WALTON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2025**

**Financial Highlights**

**Governmental Activities.** The assets of CareerSource Okaloosa Walton exceeded its liabilities at June 30, 2025, by \$373,964. The governmental activities decreased CareerSource Okaloosa Walton's net position by \$(55,466). Net position decreased primarily due to CareerSource Okaloosa Walton having increased miscellaneous expenses during the year ended June 30, 2025 related to the clean-up of old federal award balances, which were non-cost reimbursable expenses based upon the previous performance of the organization in meeting certain performance standards.

**Capital Assets**

CareerSource Okaloosa Walton's investment in capital assets (including right-to-use leased assets) for its governmental activities as of June 30, 2025, amounts to \$176,790 (net of accumulated depreciation and amortization). This investment in capital assets includes equipment and right-to-use leased assets. The lease liability was \$185,794 at June 30, 2025.

**Debt Administration**

CareerSource Okaloosa Walton 's long-term debt is its accrual for compensated absences and lease liability. Please refer to the notes accompanying financial statements entitled *Long Term Debt* and *Leases* for more detailed information about long-term debt activity.

**Budgetary Highlights**

CareerSource Okaloosa Walton 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 8<sup>th</sup> Avenue  
Shalimar, Florida 32579



**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.**  
**D/B/A CAREERSOURCE OKALOOSA WALTON**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

	<u><b>Governmental Activities</b></u>
<u><b>ASSETS</b></u>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 554,828
Grant, contract and other receivables	15,489
Total current assets	<u>570,317</u>
<b>Non-current assets</b>	
Capital assets	
Equipment	384,957
Right-to-use assets	871,145
Less: Accumulated depreciation and amortization	<u>(1,079,312)</u>
Total capital assets/non-current assets	176,790
<b>Total Assets</b>	<u><u>\$ 747,107</u></u>
<u><b>LIABILITIES AND NET POSITION</b></u>	
<b>Current liabilities</b>	
Accounts payable and accrued expenses	\$ 49,926
Unearned revenue	58,716
Total current liabilities	<u>108,642</u>
<b>Non-current liabilities</b>	
Due within one year:	
Lease liability	185,794
Compensated absences	78,707
<b>Total Liabilities</b>	<u><u>\$ 373,143</u></u>
<b>Net position</b>	
Net investment in capital assets	\$ (9,004)
Unrestricted	<u>382,968</u>
<b>Total Net Position</b>	<u><u>\$ 373,964</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 ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025**

		<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>
<b><u>Functions and Programs</u></b>				
Governmental activities:				
Training, retraining and readjustment	<u>\$ 2,911,912</u>	<u>\$ 2,900</u>	<u>\$ 2,853,529</u>	<u>\$ (55,483)</u>
			General revenues:	
			Other	17
			Change in net position	<u>(55,466)</u>
			<b>Net position, beginning of year</b>	<u>429,430</u>
			<b>Net position, end of year</b>	<u><u>\$ 373,964</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**  
**BALANCE SHEET - GOVERNMENTAL FUND**  
**JUNE 30, 2025**

	<u><b>General Fund</b></u>
<b>Assets</b>	
Cash and cash equivalents	\$ 554,828
Grant, contract, and other receivables	<u>15,489</u>
<b>Total Assets</b>	<u><u>\$ 570,317</u></u>
<b>Liabilities</b>	
Accounts payable and accrued expenses	\$ 49,926
Unearned revenue	<u>58,716</u>
Total liabilities	<u>108,642</u>
<b>Fund Balance</b>	
Unassigned	<u>461,675</u>
Total fund balance	<u>461,675</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 570,317</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 BALANCE SHEET – GOVERNMENTAL FUND  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2025**

<b>Fund balances - total governmental fund</b>		\$ 461,675
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	1,256,102	
Less: accumulated depreciation and amortization	<u>(1,079,312)</u>	176,790
Long-term liabilities, including leases 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:		
Lease liability	(185,794)	
Compensated absences	<u>(78,707)</u>	(264,501)
<b>Net position of governmental activities</b>		<u><u>\$ 373,964</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, 2025**

	<u><b>General Fund</b></u>
<b>Revenues</b>	
Grants and contracts	\$ 2,853,529
Other	2,917
Total revenues	<u>2,856,446</u>
<b>Expenditures</b>	
Current:	
Training, retraining, and readjustment	2,693,654
Debt service:	
Principal	172,208
Interest	15,392
Total expenditures	<u>2,881,254</u>
<b>Net change in fund balance</b>	<u>(24,808)</u>
<b>Fund balance, beginning of year</b>	486,483
<b>Fund balance, end of year</b>	<u><u>\$ 461,675</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 – GOVERNMENTAL FUND TO  
THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025**

<b>Net Change in Fund Balance - Total Governmental Fund</b>	<b>\$</b>	<b>(24,808)</b>
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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 and reported as depreciation and amortization expense.

Depreciation and amortization expense		(176,789)
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Debt proceeds provide current financial resources to governmental funds, but issuing  
debt increases long-term liabilities in the Statement of Net Position. Repayment of  
debt principal is an expenditure in the governmental funds, but repayment reduces  
long-term liabilities in the Statement of Net Position:

Long-term lease liability - principal paid		172,208
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Some expenses reported in the statement of activities do not require  
the use of current financial resources and, therefore, are not  
reported as expenditures in the governmental funds.

Change in compensated absences		(26,077)
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<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>(55,466)</u></b>
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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, 2025**

**(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) **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.

(b) **Government-wide and fund financial statements**—The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of CareerSource Okaloosa Walton. Governmental activities are reported separately from business-type activities, which rely on fees charged to external parties as their primary revenues. CareerSource Okaloosa Walton has no business-type activities.

The Statement of Net Position reports CareerSource Okaloosa Walton's financial position as of the end of the fiscal year. In this statement, CareerSource Okaloosa Walton's net position are reported in two categories: investment in capital assets and unrestricted net position.

The Statement of Activities is displayed using a net-cost format and reports the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Indirect costs are included in the program expense reported for individual functions and activities. Program revenues include (1) charges for services that are directly related to a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the general fund, which is CareerSource Okaloosa Walton's only fund.

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.**  
**D/B/A CAREERSOURCE OKALOOSA WALTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

(c) **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 recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CareerSource Okaloosa Walton considers most revenues, such as reimbursement-based grant revenues and charges for service, to be susceptible to accrual and so they have been recognized as revenues in the current fiscal period. Other revenue items are considered to be measurable and available only when cash is received. When both restricted and unrestricted resources are available for use, it is CareerSource Okaloosa Walton's policy to use restricted resources first, then unrestricted resources as they are needed.

**Major Governmental Fund**—The sole governmental fund used by CareerSource Okaloosa Walton is the general fund, which is used to account for all financial activity of CareerSource Okaloosa Walton.

(d) **Cash and cash equivalents**—Cash and cash equivalents of CareerSource Okaloosa Walton are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(e) **Grants and other receivables**—Grants and other receivables consist of amounts due from grantor agencies for reimbursement of expenditures under various programs. Management has concluded that realization of losses on balance outstanding at year-end will be immaterial.

(f) **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.

(g) **Unearned revenues**—Unearned revenues are comprised of amounts received from grantor agencies by CareerSource Okaloosa Walton prior to meeting revenue recognition criteria. In subsequent periods, when the revenue recognition criteria have been met, the liability for unearned revenues is reduced and revenue is recognized.



**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.**  
**D/B/A CAREERSOURCE OKALOOSA WALTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

(h) **Capital assets**—Capital assets are defined by CareerSource Okaloosa Walton as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of the donation. 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. Depreciation of capital assets is computed using the straight-line method over estimated useful lives as follows:

<u>Assets</u>	<u>Years</u>
Leasehold improvements	30
Equipment	5–10
Vehicles	5

(i) **Leases**—CareerSource Okaloosa Walton leases building facilities and determines if an arrangement is a lease at inception. CareerSource Okaloosa Walton recognizes intangible right-to-use (RTU) assets and corresponding lease liabilities for all leases that are not considered short-term. RTU assets represent the CareerSource Okaloosa Walton’s right to use an underlying asset for the lease term and lease liabilities represent CareerSource Okaloosa Walton’s obligation to make lease payments arising from the lease. RTU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

Basis of lease classification – Leases that meet the following requirement will not be considered short term: the maximum possible lease term(s) is non-cancelable by both lessee and lessor, and is more than 12 months, and (2) the present value of lease payments for the lease is less than \$5,000.

Discount rate – Unless explicitly stated in the lease agreement or CareerSource Okaloosa Walton is able to determine the rate implicit within the lease, the discount rate used to calculate lease right-to-use assets and liabilities will be CareerSource Okaloosa Walton’s incremental borrowing rate (IBR), which will be the rate utilized for the subsequent fiscal year. CareerSource Okaloosa Walton’s IBR was 5.50% at June 30, 2021, and was the discount rate utilized for applicable leases beginning July 1, 2021, and applicable lease conversions.

The CareerSource Okaloosa Walton’s lease agreements do not contain any material residual value guarantees or material restrictive covenants.

(j) **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.

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.**  
**D/B/A CAREERSOURCE OKALOOSA WALTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

(k) **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.

(l) **Compensated absences**—Eligible employees earn paid time off at varying rates based upon length of employment. Paid time off is accrued as earned by employees and recorded as an expense in the period earned. The total accumulated paid time off is paid out to eligible employees at termination.

(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**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which CareerSource Okaloosa Walton is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

**Nonspendable**—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

**Restricted**—Amounts that can be spent only for specific purposes because of the Bylaws, state or federal laws, or externally imposed conditions by grantors or creditors.

**Committed**—Amounts that can be used only for specific purposes determined by a formal action by ordinance or resolution.

**Assigned**—Amounts that are designated by CareerSource Okaloosa Walton Directors for a specific purpose but are not spendable until a budget ordinance is passed by CareerSource Okaloosa Walton Directors.

**Unassigned**—All amounts not included in other spendable classifications.

It is the 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.

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.**  
**D/B/A CAREERSOURCE OKALOOSA WALTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

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

(p) **Income taxes**—CareerSource Okaloosa Walton is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except for taxes on unrelated business income. Since CareerSource Okaloosa Walton had no taxable unrelated business income during the year ended June 30, 2025, no provision for income taxes is provided in the financial statements.

(2) **Reconciliation of Government-Wide and Fund Financial Statements:**

(a) **Explanation of certain differences between the governmental fund balance sheets and the government-wide statements of net position**—Following the governmental fund balance sheets is a reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide statements of net position. The details of these differences are explained in the above referenced financial statements.

(b) **Explanation of certain differences between the governmental fund statements of revenues, expenditures, and changes in fund balance and the government-wide statements of activities**—Following the governmental fund statements of revenues, expenditures, and changes in fund balance, there is a reconciliation between *net change in fund balance – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statements of activities. The details of these differences are explained in the above referenced financial statements.

(3) **Capital Assets:**

Capital asset activity for the year ended June 30, 2025, was as follows:

	<b>Balance 07/01/24</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 06/30/25</b>
Furniture, fixtures and equipment	\$ 384,957	\$ —	\$ —	\$ 384,957
Right of use lease asset	871,145	—	—	871,145
Total capital assets	1,256,102	—	—	1,256,102
Less accumulated depreciation	(384,957)	—	—	(384,957)
Less accumulated amortization	(517,566)	(176,789)	—	(694,355)
Capital assets, net	<u>\$ 353,579</u>	<u>\$ (176,789)</u>	<u>\$ —</u>	<u>\$ 176,790</u>

No depreciation expense was allocated to the training program during the year ended June 30, 2025. Amortization expense for right of use lease assets was allocated to the training program during the year ended June 30, 2025, for \$176,789.

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.**  
**D/B/A CAREERSOURCE OKALOOSA WALTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

(4) **Leases:**

CareerSource Okaloosa Walton has leases in effect for buildings with terms ending from 2025 through 2026. The buildings are considered a right-to-use assets of CareerSource Okaloosa Walton. For disclosure purposes, the leases exclude ancillary costs included in the lease, such as utilities. The estimated incremental borrowing rate applied is 5.50%.

Lease expense for the year ended June 30, 2025, is as follows:

	<b>June 30, 2025</b>
Building	\$ 176,789
Total amortization expense	176,789
Interest on lease liabilities	14,603
<b>Total</b>	<b>\$ 191,392</b>

The principal and interest requirements to maturity for the lease liability as of June 30, 2025, is as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 185,794	\$ 5,582	\$ 191,376
Total future minimum lease payments	<u>\$ 185,794</u>	<u>\$ 5,582</u>	<u>\$ 191,376</u>

(5) **Long Term Liabilities:**

*Changes in Long-term Liabilities.* Long-term liability activity for the year ended June 30, 2025, was as follows:

	<b>Balance 07/01/24</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 06/30/25</b>	<b>Due in one year</b>
<b>Governmental activities</b>					
Lease liability	\$ 358,002	\$ -	\$ (172,208)	\$ 185,794	\$ 185,794
Compensated absences	52,630	26,077	-	78,707	78,707
Total long-term liabilities	<u>\$ 410,632</u>	<u>\$ 26,077</u>	<u>\$ (172,208)</u>	<u>\$ 264,501</u>	<u>\$ 264,501</u>

(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, 2025, was \$115,546.

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.**  
**D/B/A CAREERSOURCE OKALOOSA WALTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**(7) Concentrations of Credit Risk and Significant Funding Source:**

a. **Cash and cash equivalents**—As of June 30, 2025, CareerSource Okaloosa Walton had demand deposits with one financial institution of \$552,801. CareerSource Okaloosa Walton has no policy requiring collateral or other security to support its deposits, although all demand deposits with banks are federally insured up to FDIC limitations. The demand deposits with the financial institutions are insured up to \$250,000. At June 30, 2025, CareerSource Okaloosa Walton had \$302,801 in excess of FDIC coverage.

b. **Grants and other receivables**— CareerSource Okaloosa Walton's receivables are for amounts due under contracts with the State of Florida and Federal government agencies. CareerSource Okaloosa Walton has no policy requiring collateral or other security to support its receivables.

c. **Significant funding source**—During the years ended June 30, 2025, CareerSource Okaloosa Walton received approximately 99% of its funding from the United States Department of Labor, the United States Department of Health and Human Services, and the United States Department of Agriculture, all passed through the Department of Commerce. If a significant reduction in the level of this funding were to occur, it could have an adverse effect on CareerSource Okaloosa Walton's program and activities.

**(8) Contingencies and Uncertainties:**

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.

**(9) 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	\$	26,403
Utilities		23,297
	\$	<u>49,700</u>

There were no amounts payable to related parties at June 30, 2025.

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.**  
**D/B/A CAREERSOURCE OKALOOSA WALTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**(10) 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

**(11) 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.

**(12) Recent Accounting Pronouncements:**

(a) GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences, which include leave for vacation, holidays, sick time, or other paid time off. The Statement establishes a unified model for recognizing a compensated absence liability when leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or paid to the employee. This guidance replaces prior provisions under GASB Statement No. 16. CareerSource Okaloosa Walton implemented this Statement and its various provisions during the year ended June 30, 2025, with an effective date of reporting periods beginning after June 15, 2023. The implementation of the Statement did not have a material effect on the Organization.

(b) GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. GASB 102 requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. The provisions for GASB 102 are effective for fiscal years beginning after June 15, 2024. CareerSource Okaloosa Walton implemented this Statement and its various provisions during the year ended June 30, 2025, and did not have an effect on the Organization

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.**  
**D/B/A CAREERSOURCE OKALOOSA WALTON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

**(12) Recent Accounting Pronouncements: (Continued)**

(c) GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an entity's accountability. The provisions in GASB 103 are effective for fiscal years beginning after June 15, 2025.

(d) GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB 104 requires governments to provide detailed information about certain types of capital assets, including lease assets, intangible right-to-use assets, and subscription assets, in the notes to financial statements. The provisions for GASB 104 are effective for fiscal years beginning after June 15, 2025.

**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, 2025**

<b>Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Entity Award Number</b>	<b>Expenditures</b>
<b>FEDERAL AWARDS</b>			
<b>U.S. Department of Agriculture</b>			
Passed through Florida Department of Commerce:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Programs	10.561	FSH24	\$ 10,625
State Administrative Matching Grants for the Supplemental Nutrition Assistance Programs	10.561	FSH25	32,700
		<b>Total SNAP Cluster</b>	<u>43,325</u>
<b>U. S. Department of Labor</b>			
Passed through Florida Department of Commerce:			
Employment Service/Wagner-Peyser Funded Activities	17.207	WPA24	17,186
Employment Service/Wagner-Peyser Funded Activities	17.207	WPA25	43,189
Employment Service/Wagner-Peyser Funded Activities	17.207	WPB24	50,419
Employment Service/Wagner-Peyser Funded Activities	17.207	WPB25	352,065
Disable Veterans' Outreach Program (DVOP)	17.801	DVP24	28,975
Disable Veterans' Outreach Program (DVOP)	17.801	DVP25	60,360
Local Veterans' Employment Representative (LVER)	17.801	LVR24	21,079
Local Veterans' Employment Representative (LVER)	17.801	LVR25	47,695
		<b>Total Employment Service Cluster</b>	<u>620,968</u>
Unemployment Insurance	17.225	UCR23	16,962
Unemployment Insurance	17.225	UCR24	93,586
			<u>110,548</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, 2025**  
(Continued)

Federal Grantor/Pass-Through Grantor/ State Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Award Number	Expenditures
<b>FEDERAL AWARDS</b> (Continued)			
<b>U. S. Department of Labor</b> (Continued)			
Passed through Florida Department of Commerce: (Continued)			
WIOA Adult Program	17.258	WIA24	249,092
WIOA Adult Program	17.258	WIA25	2,735
WIOA Adult Program	17.258	WIS24	152,916
WIOA Adult Program	17.258	WIR24	4,373
WIOA Adult Program	17.258	WIS23	108,208
WIOA Adult Program	17.258	WIR25	20,103
WIOA Youth Activities	17.259	WIY24	221,186
WIOA Youth Activities	17.259	WIY25	11,632
WIOA Youth Activities	17.259	WIS24	148,138
WIOA Youth Activities	17.259	WIR24	4,237
WIOA Youth Activities	17.259	WIS23	104,826
WIOA Youth Activities	17.259	WIR25	19,475
WIOA Dislocated Worker Formulas Grants	17.278	WID24	238,162
WIOA Dislocated Worker Formulas Grants	17.278	WID25	817
WIOA Dislocated Worker Formulas Grants	17.278	WIS24	176,808
WIOA Dislocated Worker Formulas Grants	17.278	WIR24	5,057
WIOA Dislocated Worker Formulas Grants	17.278	WIS23	125,115
WIOA Dislocated Worker Formulas Grants	17.278	WIR25	23,244
		<b>Total WIOA Cluster</b>	<u>1,616,124</u>
<b>Department of Health and Human Services</b>			
Passed through Florida Department of Commerce:			
Temporary Assistance to Needy Families	93.558	WTS24	155,312
Temporary Assistance to Needy Families	93.558	WTS25	<u>282,252</u>
			437,564
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 2,828,529</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, 2025**

**(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, 2025, 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 de minimis indirect cost rate as allowed under Uniform Guidance.

**(4) Sub-recipients:**

No grant funds were passed to sub-recipients in fiscal year 2025.

**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 (*Government Auditing Standards*), the financial statements of the governmental activities and the general fund of 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, 2025, 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 November 26, 2025.

***Report on 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 CareerSource Okaloosa Walton'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.

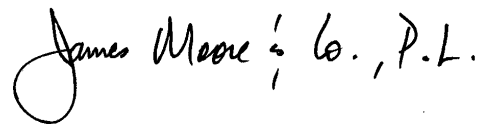
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### ***Report on 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 results of that testing, and not to provide an opinion on the effectiveness of CareerSource Okaloosa Walton'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 CareerSource Okaloosa Walton'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  
November 26, 2025

**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:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Okaloosa-Walton Jobs and Education Partnership, Inc. d/b/a CareerSource Okaloosa Walton (CareerSource Okaloosa Walton)'s compliance with the types of compliance requirements identified as subject to audit 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, 2025. CareerSource Okaloosa Walton's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, CareerSource Okaloosa Walton complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the special audit guidance provided by the State of Florida Department of Commerce and the audit 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of CareerSource Okaloosa Walton 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 a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of CareerSource Okaloosa Walton's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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 CareerSource Okaloosa Walton's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

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 CareerSource Okaloosa Walton'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 GAAS, *Government Auditing Standards*, the special audit guidance provided by the State of Florida Department of Commerce, and the Uniform Guidance 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 CareerSource Okaloosa Walton's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the special audit guidance provided by the State of Florida Department of Commerce and the Uniform Guidance, 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 CareerSource Okaloosa Walton'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 CareerSource Okaloosa Walton'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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of CareerSource Okaloosa Walton'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**

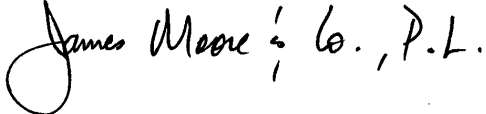
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

James Moore & Co., P.L.

Tallahassee, Florida  
November 26, 2025

**OKALOOSA-WALTON JOBS AND EDUCATION PARTNERSHIP, INC.  
D/B/A CAREERSOURCE OKALOOSA WALTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2025**

**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 auditors' report issued on compliance for major Federal programs: *Unmodified*

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

Identification of major programs:

<u><b>Federal Program</b></u>	<u><b>Federal Assistance Listing Number(s)</b></u>
Employment Service Cluster	17.207, 17.801

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, 2025  
(Continued)**

II. **Financial Statement Findings:** None.

III. **Federal Award Findings and Questioned Costs:** None.

IV. **Federal Award Summary Schedule of Prior Year Findings:** There were no audit findings for the year ended June 30, 2024.

V. **State of Florida, Department of Commerce (DOC) Reporting Requirements:**

1.	Timely reconciliation between the general ledger accounting system and the Subrecipient Enterprise Resource Application (SERA) maintained by the DOC.	Yes
2.	Annual reconciliation to year-end financial records must include the following:	
a.	Each federal award passed through DOC balanced by the individual DOC NFA ID# since each NFA is required to be a self-balancing set of accounts.	No, see 2025-001
b.	Net assets of each federal award equaled zero.	No, see 2025-002
c.	Federal awards did not have negative cash balances without sufficient explanation.	No, see 2025-003
d.	All cost pools were allocated to their final cost objectives.	Yes
3.	Application of indirect cost rate agreements negotiated with the federal cognizant agency or DOC had no areas of noncompliance noted.	Yes
4.	Federal cash management processes complied with DOC requirements.	Yes

**Finding 2025-001: DOC NFA ID# without Self-Balancing Set of Accounts**

During our testing of the DOC's requirement that each NFA ID# passed through the DOC have a self-balancing set of accounts, we noted multiple NFA ID#'s which did not have a self-balancing set of accounts due to the Organization's current set up of their chart of accounts and old federal award balances that had not yet been cleared out from many years ago. We recommend the Organization take steps to ensure that each NFA has a self-balancing set of accounts in the general ledger.

**Finding 2025-002: Federal Awards with Net Assets (Fund Balance)**

During our testing of the DOC's requirement that each federal award have zero net assets (fund balance), we noted multiple federal awards which did have net assets (fund balance) at year-end. This was due to old federal awards from many years ago that were closed out, but not properly reconciled and closed out in the general ledger at the federal award level by a prior finance director. We recommend the Organization take steps to ensure that each federal award has zero net assets (fund balance) at year-end in the general ledger.

**Finding 2025-003: Negative Cash Balances**

During our testing of cash balances, we noted negative cash balances for multiple individual federal awards. These negative balances were due to cash balances not being properly reconciled in the general ledger many years ago for multiple old federal awards that have been closed out. We recommend the Organization take steps to clear out these old balances and ensure that no negative cash balances are present within their accounts for individual federal awards without sufficient explanation.