FLORIDA WEST COAST OPERATING ENGINEERS
APPRENTICESHIP TRUST FUND

TAMPA, FLORIDA

FINANCIAL STATEMENTS
MARCH 31, 2021 and 2020

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FINANCIAL STATEMENTS

MARCH 31, 2021 and 2020

CONTENTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Florida West Coast Operating Engineers
Apprenticeship Trust Fund

We have audited the accompanying financial statements of Florida West Coast Operating Engineers Apprenticeship Trust Fund (a nonprofit organization), which comprise the statements of financial position as of March 31, 2021 and 2020 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 auditors consider 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 the 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida West Coast Operating Engineers Apprenticeship Trust Fund as of March 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Gramling & Haya
Certified Public Accountants, P.A.

Tampa, Florida
August 20, 2021

FLORIDA WEST COAST OPERATING ENGINEERS
APPRENTICESHIP TRUST FUND
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2021 and 2020

		2021		2020
ASSETS				
CURRENT ASSETS				
Cash	$	129,564	$	97,696
Investments		825,148		950,749
Employers' contributions receivable		64,430		67,961
Prepaid insurance		10,907		10,561
Interest receivable				5,041
Total current assets		1,030,049		1,132,008
PROPERTY AND EQUIPMENT				
Land and Improvements		936,425		881,832
Equipment		1,043,748		864,027
Building		186,756		183,543
Vehicles		30,732		30,732
Total property and equipment		2,197,661		1,960,134
Less accumulated depreciation		(429,464)		(276,098)
Net property and equipment		1,768,197		1,684,036
Total assets	$	2,798,246	$	2,816,044
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	$	19,978	$	9,148
Payroll taxes payable		6,221		5,952
Total current liabilities		26,199		15,100
UNRESTRICTED NET ASSETS		2,772,047		2,800,944
Total liabilities and net assets	$	2,798,246	$	2,816,044

EXHIBIT A
Read the accompanying Independent Auditors' Report
and Notes to the Financial Statements

FLORIDA WEST COAST OPERATIONG ENGINEERS
APPRENTICESHIP TRUST FUND
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED MARCH 31, 2021 and 2020

	2021	2020
INCOME		
Employers' contributions	$ 332,744	$ 343,519
Contributions received	109,500	245,790
County reimbursements	90,454	72,920
Interest and dividend income	25,212	31,928
Unrealized gain on investments	8,233	5,396
Gain on sale of investments	5,664	1,251
Miscellaneous income	2,338	
Total income	574,145	700,804
GENERAL AND ADMINISTRATIVE EXPENSES		
Gross salaries	178,696	226,312
Depreciation expense	153,366	87,250
Employee benefits	75,382	84,554
Repairs and maintenance	36,792	68,682
Administration fee	36,759	35,346
Training supplies	27,175	31,298
Professional services	7,361	28,789
Insurance	25,779	18,631
Payroll tax expense	15,433	17,997
Other administrative expenses	7,440	8,718
Utility expense	9,867	7,576
Travel and conferences	537	7,517
Investment advisory fee	4,730	5,473
Vehicle expenses	6,161	5,402
Preemployment testing expense	6,353	5,124
Exam reimbursements	9,120	3,677
Equipment maintenance and moving		3,529
Investment interest	976	1,351
Dues and fees	1,115	1,365
Equipment rent expense		
Total general and administrative expenses	603,042	648,591
CHANGES IN UNRESTRICTED NET ASSETS	(28,897)	52,213
UNRESTRICTED NET ASSETS, beginning of year	2,800,944	2,748,731
UNRESTRICTED NET ASSETS, end of year	$ 2,772,047	$ 2,800,944

EXHIBIT B

Read the accompanying Independent Auditors' Report
and Notes to the Financial Statements

FLORIDA WEST COAST OPERATING ENGINEERS
APPRENTICESHIP TRUST FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2021 and 2020

		2021		2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Changes in unrestricted net assets	$	(28,897)	$	52,213
Adjustment to reconcile change in unrestricted net assets to net cash provided by operations:				
Depreciation		153,366		87,250
Unrealized gain on investments		(8,233)		(5,396)
Gain on sale of investments		(954)		(1,251)
(Increase) Decrease in assets				
Employers' contributions receivable		3,531		(11,853)
Prepaid insurance		(346)		(356)
Interest receivable		5,041		(187)
Deposit				12,385
Increase (Decrease) in liabilities				
Accounts payable		10,830		(8,672)
Payroll taxes payable		269		(2,345)
Net cash provided (used) by operations		134,607		121,788
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES				
Sale of investments		160,000		100,000
Reinvested dividends		(25,212)		(24,585)
Purchase of property and equipment		(237,527)		(465,497)
Purchase of investments				
Net cash used by investing activities		(102,739)		(390,082)
NET INCREASE (DECREASE) IN CASH		31,868		(268,294)
Cash, beginning of year		97,696		365,990
Cash, end of year	$	129,564	$	97,696

EXHIBIT C

Read the accompanying Independent Auditors' Report and Notes to the Financial Statements

FLORIDA WEST COAST OPERATING ENGINEERS
APPRENTICESHIP TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Method of Accounting: The Florida West Coast Operating Engineers Apprenticeship Trust Fund (the Fund) prepares its financial statements using the accrual basis of accounting. The result of using this method provides for the recognition of income when it is earned, rather than when it is received and expenses are recognized when incurred rather than when paid.

(2) Financial Statement Presentation: Under the Financial Accounting Standards Board Codification, Financial Statements of Not-for-Profit Organizations, the Fund is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. All assets are unrestricted for the years ended March 31, 2021 and March 31, 2020.

(3) Property and Equipment: Property and Equipment is recorded at cost as a use of unrestricted cash. Depreciation is calculated using the straight line method based on the estimated useful lives of the related assets.

(4) Income Taxes: In accordance with Internal Revenue Code Section 501(c)3, the Fund is exempt from paying income taxes, and therefore, no provision has been made in the financial statements. The Fund has evaluated its tax positions taken for all open tax years and has not identified any uncertain tax positions. The 2018, 2019 and 2020 tax years are open and subject to examination by the Internal Revenue Service and state taxing authorities. The Fund is not currently under audit nor has the Fund been contacted by federal or state taxing authorities.

(5) Cash and Cash Equivalents: For purposes of the statements of financial position, the Fund includes deposits with financial institutions and interest-bearing bank accounts to be cash and cash equivalents. No restrictions on the usage of cash and cash equivalents exist.

(6) Investments: The Fund's investments consist of money market funds, mutual funds, corporate bonds, government bonds and certificates of deposit on March 31, 2021. They are reported at their fair values in the statements of financial position. Investment returns are included in the change in unrestricted net assets.

FLORIDA WEST COAST OPERATING ENGINEERS
APPRENTICESHIP TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(7) Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DESCRIPTION OF THE FUND

The Florida West Coast Operating Engineers Apprenticeship Trust Fund was established for the training and education of apprentices in heavy equipment operation. The Fund is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and has filed the necessary notice for exemption as an apprenticeship fund with the Department of Labor and is therefore exempt from filing an annual Form 5500-C/R, Return/Report of Employee Benefit Plan.

Concentration of Market Risk: The Fund receives funding from contractors employing members of the Operating Engineers Union as part of a collective bargaining agreement. The employers remit twenty-five cents for each hour to the Fund for all hours worked by covered union members. The employer contributions are used to train apprentices. The Fund relies on the construction industry in West Central Florida for its receipts and is subject to the inherent employment risks of the construction industry. Additionally, the Fund relies on the continued success of three employers. Their contributions total approximately 71% of the Fund's contributions received.

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash balances by account are summarized as follows:

	2021	2020
Checking	$ 102,868	$ 67,761
Money market	6,997	16,551
Savings	19,699	13,384
	$ 129,564	$ 97,696

NOTE 4 – FAIR VALUE MEASUREMENTS

FASB ASC Codification 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Codification 820 are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Fund has the ability to access.

- Level 2: Inputs to the valuation methodology include
  - quoted prices for similar assets or liabilities in active markets.
  - quoted prices for identical or similar assets or liabilities in inactive markets.
  - inputs other than quoted prices that are observable for the asset or liability.
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

  If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

Corporate Bonds: Valued at the estimated prices that may be generated by a matrix system or market driven pricing models. The pricing takes into account the last closing price, as well as the current bid and offer price.

NOTE 4 – FAIR VALUE MEASUREMENTS (continued)

Certificates of Deposit: Valued at the estimated prices that may be generated by a matrix system or market driven pricing models. The pricing takes into account the last closing price, as well as the current bid and offer price. The market value may not be the actual price received if the certificate is sold before maturity.

Government and Agency Bonds: Valued by a third-party that provides independent daily bond valuations through the use of proprietary pricing models.

Money Market Funds: Valued at the closing price reported by the fund sponsor from an actively traded exchange.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Fund are intermediate fixed income pooled open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Fund are deemed to be actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable or reflective of future fair values. Furthermore, although the Fund believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 5 – INVESTMENTS

The Fund's investments as of March 31, 2021, comprise the following:

	Cost	Fair Value
Corporate Bonds	$ 424,996	$ 449,002
Certificates of deposit	-0-	-0-
Government and agency bonds	98,983	100,734
Mutual funds	258,198	253,497
Money market funds	21,915	21,915
Total	$ 804,092	$ 825,148

NOTE 5 – INVESTMENTS (continued)

The Fund used the following fair value measurements as of March 31, 2021:

	Level 1	Level 2	Level 3	Total
Corporate Bonds	$ -	$ 449,002	$ -	$ 449,002
Certificates of deposit	-	-	-	-
Government and agency bonds	100,734	-	-	100,734
Mutual funds	253,497	-	-	253,497
Money market funds	-	21,915	-	21,915
Total investments	$ 354,231	$ 470,917	$ -	$ 825,148

The following schedule summarizes the investment returns and their classification in the statements of activities for the year ended March 31, 2021:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividends	$ 25,636	$ -	$ -	$ 25,636
Realized gains	5,343	-	-	5,343
Unrealized gains	8,150	-	-	8,150
Investment fees	(4,730)	-	-	(4,730)
Total investment return	$ 34,399	$ -	$ -	$ 34,399

NOTE 6 - REIMBURSEMENTS

The Fund maintain a contract with the School Board of Hillsborough County (SDHC). The SDHC will compensate the Fund for (1) at a rate of $.95 per instructional hour and (2) at a rate of $.95 per hour up to a maximum of 2,000 hours per registered student for the fiscal year through June 30, 2021. The compensation will be used for instructors' salaries and benefits; program promotion; instructional materials and supplies; equipment upgrade, replacement and repair; supervisory and administrative costs including lease expenses for classroom facilities and equipment; travel and mileage expenses, and expenses to attend conferences and professional meetings. Quarterly payments are made to the Fund based on a budgeted number of students' hours.

NOTE 7 – CONTRIBUTIONS RECEIVED

The Fund received a contribution of $109,500 for the purchase of equipment from the related International Union of Operating Engineers Local Union 487. The equipment will be used principally as an education and training tool for the apprentices or for any purpose consistent with the Fund's mission. In conformity with the Statement of Financial Accounting Standard No. 116, Accounting for Contributions Received and Contributions Made, the value of the contribution is recorded in these financial statements.

NOTE 8 - LAND AND BUILDING

Title to the land and building is held under the name Florida West Coast Operating Engineers Apprenticeship Building Corporation, which was formed on August 12, 2014 by the Fund for that purpose. The Fund is related through common management and membership with Florida West Coast Operating Engineers Apprenticeship Building Corporation. The Fund's investment is 100% interest in the nonprofit corporation.

NOTE 9 - PENSION FUNDS AND HEALTH AND WELFARE FUND

(1) Central Pension Fund of the International Union of Operating Engineers and Participating Employers:

All full-time employees of the Fund are eligible to participate in a multi-employer defined contribution pension plan established by the International. The plan is open to office employees and employees in an occupational classification subject to the contributory provisions of the Employees Benefit Agreement and does not allow contributions from participants.

Normal retirement benefits are based on the rate of the contributions and the number of years of credited service.

Contributions to the Central Pension Fund were paid at the rate of $7.10 per hour. Total contributions were $37,770 for the year ended March 31, 2020 and $33,525 for March 31, 2021.

NOTE 9 - PENSION FUNDS AND HEALTH AND WELFARE FUND (continued)

(2) General Pension Fund of the International Union of Operating Engineers and Participating Employers:

This pension fund is a multi-employer defined contribution pension plan established by the International for all full-time local union officers and employees. Participation in the plan is mandatory. Contributions to the plan are made by the employer.

Normal retirement benefits are based upon the rate of contributions and the number of years of credited service.

Contributions to the General Pension Fund were made at the rate of 17.50% of gross wages. Total contributions were $13,778 for the year ended March 31, 2020 and $12,187 for the March 31, 2019.

(3) Health and Welfare:

Employees of the Fund are eligible to participate in a multi-employer health and welfare fund established under a collective-bargaining agreement and administered by a joint Board of Trustees with both labor and management representatives. The plan is open to both employees of the Union and all other union members who work for a signatory of the collectible bargaining agreement. The plan only allows COBRA contributions from participants.

The Welfare Fund provides health, mental health and accidental death benefits to all covered participants and their dependents.

Contributions were made at the rate of $6.25 per hour for all full-time employees. Total contributions were $33,006 for the year ended March 31, 2020 and $28,044 for March 31, 2021.

NOTE 10 - SUBSEQUENT EVENTS

Management has evaluated subsequent events for potential disclosure in or adjustment to these financial statements through August 20, 2021, the date that the accompanying financial statements were available to be issued. Based on such evaluation, no events have occurred that in the opinion of management warrant disclosure in or adjustment to the financial statements.

NOTE 11 – ASSETS AVAILABLE FOR GENERAL EXPENDITURE

The Fund does not have any restrictions on the use of assets to meet the needs for general expenditures for the following year.

The Fund's financial assets on March 31, 2020 available within one year of the statements of financial position date for general expenditures are as follows:

Cash	$	129,564
Investments		825,148
Employer contributions		64,430
Total	$	1,019,142