Florida West Coast Operating Engineers
Apprenticeship Trust Fund

Financial Statements

March 31, 2025 and 2024

INDEX TO FINANCIAL STATEMENTS

Page

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the 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, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Florida West Coast Operating Engineers Apprenticeship Trust Fund as of March 31, 2025 and 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Florida West Coast Operating Engineers Apprenticeship Trust Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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 Florida West Coast Operating Engineers Apprenticeship Trust Fund's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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 Florida West Coast Operating Engineers Apprenticeship Trust Fund'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 Florida West Coast Operating Engineers Apprenticeship Trust Fund'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.

Bates CPA PLLC

Bates CPA PLLC
Tampa, Florida
July 24, 2025

Florida West Coast Operating Engineers Apprenticeship Trust Fund

STATEMENTS OF FINANCIAL POSITION

	March 31, 2025	March 31, 2024
ASSETS:		
Current assets:		
Cash	$ 108,305	$ 133,602
Investments	887,677	850,392
Employers' contributions receivable	128,361	118,762
Prepaid insurance	16,957	11,691
Interest receivable	12,364	9,624
Total current assets	1,153,664	1,124,071
Property and equipment:		
Equipment	1,065,292	1,017,967
Land and improvements	936,425	936,425
Building	206,648	190,956
Vehicles	79,380	30,732
Total property and equipment	2,287,745	2,176,080
Less accumulated depreciation	(981,598)	(847,164)
Property and equipment, net	1,306,147	1,328,916
Total assets	$ 2,459,811	$ 2,452,987
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable	$ 18,592	$ 17,390
Wages payable	7,777	6,837
Payroll taxes payable	1,324	1,472
Total current liabilities	27,693	25,699
Net assets without donor restrictions	2,432,118	2,427,288
Total liabilities and net assets	$ 2,459,811	$ 2,452,987

The accompanying notes are an integral part of these financial statements. See independent auditor's report.

Florida West Coast Operating Engineers Apprenticeship Trust Fund

STATEMENTS OF ACTIVITIES

	Year Ended March 31, 2025	2024
Support and revenue:		
Employers' contributions	$ 678,732	$ 680,881
Hillsborough County income	120,161	118,763
Miscellaneous income	46,296	9,596
Investment income (loss), net	40,203	22,437
Total support and revenue	885,392	831,677
Expenses:		
Program services	763,508	672,497
Management and general	117,054	107,608
Total expenses	880,562	780,105
Increase/(decrease) in net assets	4,830	51,572
Net assets without donor restrictions, beginning balances	2,427,288	2,375,716
Net assets without donor restrictions, ending balances	$ 2,432,118	$ 2,427,288

The accompanying notes are an integral part of these financial statements. See independent auditor's report.

Florida West Coast Operating Engineers Apprenticeship Trust Fund

STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended March 31, 2025		
	Program Services	**Management and General**	**Total Expenses**
Expenses:			
Gross salaries	$ 305,242	$ 32,500	$ 337,742
Depreciation expense	134,434	-	134,434
Employee benefits	119,242	-	119,242
Administration fee	-	43,830	43,830
Training supplies	37,516	-	37,516
Repairs and maintenance	35,434	-	35,434
Insurance	27,982	6,181	34,163
Payroll taxes	23,391	2,493	25,884
Accounting and legal fees	-	22,743	22,743
Exam reimbursements	18,754	-	18,754
Advertising and promotion	16,131	-	16,131
Utilities	15,005	790	15,795
Office supplies and expenses	7,387	7,912	15,299
Automobile & fuel expense	11,502	605	12,107
Preemployment testing expense	7,911	-	7,911
Travel and conferences	1,952	-	1,952
Dues and fees	1,625	-	1,625
Total expenses	$ 763,508	$ 117,054	$ 880,562

The accompanying notes are an integral part of these financial statements. See independent auditor's report.

Florida West Coast Operating Engineers Apprenticeship Trust Fund

STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended March 31, 2024		
	Program Services	Management and General	Total Expenses
Expenses:			
Gross salaries	$ 265,737	$ 26,750	$ 292,487
Depreciation expense	143,577	-	143,577
Employee benefits	114,500	-	114,500
Administration fee	-	42,144	42,144
Insurance	21,532	6,452	27,984
Training supplies	26,153	-	26,153
Payroll taxes	20,377	2,053	22,430
Accounting and legal fees	-	21,343	21,343
Repairs and maintenance	20,883	-	20,883
Exam reimbursements	16,858	-	16,858
Utilities	14,371	756	15,127
Office supplies and expenses	7,099	7,544	14,643
Automobile & fuel expense	10,745	566	11,311
Preemployment testing expense	6,898	-	6,898
Advertising and promotion	1,314	-	1,314
Dues and fees	1,245	-	1,245
Travel and conferences	1,208	-	1,208
Total expenses	$ 672,497	$ 107,608	$ 780,105

The accompanying notes are an integral part of these financial statements. See independent auditor's report.

Florida West Coast Operating Engineers Apprenticeship Trust Fund

STATEMENTS OF CASH FLOWS

	Year Ended March 31, 2025	2024
Operating activities:		
Increase/(decrease) in net assets	$ 4,830	$ 51,572
Adjustments to reconcile net assets to cash from operating activities:		
Depreciation	134,434	143,577
Net realized and unrealized (gains) losses on investment	(5,195)	(2,267)
Changes in operating assets and liabilities:		
Employers' contributions receivable	(9,599)	(4,450)
Prepaid insurance	(5,266)	286
Interest receivable	(2,740)	(4,356)
Accounts payable	1,202	(6,188)
Wages payable	940	(3,601)
Payroll taxes payable	(148)	(308)
Cash provided by/(used in) operating activities	118,458	174,265
Investing activities:		
Reinvested dividends	(32,090)	(15,626)
Purchases of property and equipment	(111,665)	(22,810)
Purchase of investments	-	(200,000)
Cash provided by/(used in) investing activities	(143,755)	(238,436)
Increase/(decrease) in cash	(25,297)	(64,171)
Cash, beginning balances	133,602	197,773
Cash, ending balances	$ 108,305	$ 133,602

The accompanying notes are an integral part of these financial statements. See independent auditor's report.

Note 1 – Summary of Significant Accounting Policies

Basis of Accounting

The Florida West Coast Operating Engineers Apprenticeship Trust Fund's (Fund) policy is to prepare 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.

Property and Equipment

All acquisitions of property and equipment in excess of $1,000 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are recorded at cost. Donated property and equipment are recorded at the approximate fair value at the date of donation. Depreciation has been computed using the straight-line method based on the estimated useful lives of the related assets. Depreciation expense was $134,434 for the year ended March 31, 2025 and $143,577 for March 31, 2024.

Income Taxes

In accordance with Internal Revenue Code Section 501(c)(3) and 509(a)(2), the Fund is exempt from paying income taxes, therefore, no provision has been made in the accompanying financial statements.

Uncertain Tax Positions

Income not directly related to the Fund's tax-exempt purpose is subject to taxation as unrelated business income. For the years ended March 31, 2025 and 2024, the Fund has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements. Additionally, the Fund believes it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status. Tax returns for the years 2022 through 2024 are subject to examination by the Internal Revenue Service.

Cash and Cash Equivalents

For the purposes of the statement of financial position, the Fund considers all deposits with financial institutions and interest-bearing bank accounts to be cash or cash equivalents.

Investments

The Fund's investments consist of money market funds, mutual funds, certificates of deposit, corporate bonds, and government and agency bonds. They are reported at their fair values in the statements of financial position. Net investment return consists of interest and dividend income, realized and unrealized capital gains and losses less advisory fees and are included in the statements of activities.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Basis of Presentation

In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entitie*s, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions." Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.
- Net assets with donor restrictions – Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in "net assets with donor restrictions," depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from donor restrictions.

For the years ended March 31, 2025 and 2024, all net assets are designated as net assets without donor restrictions.

Functional allocation of expenses

The cost of providing the programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting activities benefited. Expenses directly attributed to a specific function area are reported as direct expenses to the program and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Note 2 – Nature of Activities

The Fund was established for the training and education of apprentices in the trade of 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. The Fund receives funding, referred to as employers' contributions, from contractors employing members of the operating engineer's union as part of a collective bargaining agreement. The employer remits between $0.25 to $1.40 for each hour to the Fund for all hours worked by covered union members.

Concentration of Market Risk: A concentration of market risk exists for the Fund since it relies on contractors and developers from the West Central Florida construction and building trade industry for work. Additionally, the Fund relies on the continued success of four employers. Their contributions total approximately 77% of the Fund's contributions received.

Note 3 – Cash and Cash Equivalents

Cash balances are summarized as follows:

	March 31	
Description	**2025**	**2024**
Checking	$ 87,496	$ 112,916
Money market and savings	20,809	20,686
Total	$ 108,305	$ 133,602

Note 4 – Fair Value Measurements

The Fund follows the methods of fair value measurement described in the Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification to determine the fair value of all assets and liabilities required to be measured at fair value. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy prioritizes the observable and unobservable inputs used to measure fair value into three broad levels described as follows:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or model-derived valuations in which all significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- Level 3: Unobservable inputs are used when little or no market data is available.

In determining fair value, the Fund utilizes valuation techniques that maximize the use of observable inputs and minimizes the use of unobservable inputs to the extent possible.

The following is a description of the valuation methodologies used to measure fair value. There have been no changes in the methodologies used during the years ended March 31, 2025 and 2024.

Certificates of Deposit: Valued at cost plus interest earned. The carrying amount is a reasonable estimate of 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.

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

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.

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

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

All investments are part of net assets without donor restrictions. The net investment return in the statements of activities was $37,285 for the year ended March 31, 2025 and $17,893 for March 31, 2024.

The cost and fair value of the investments as of March 31, 2025 are as follows:

Investment	Cost	Fair Value
Government bonds	$ 390,326	$ 389,485
Corporate bonds	330,901	330,983
Certificates of deposit	100,360	100,531
Mutual funds	61,810	61,654
Money market funds	5,024	5,024
Total	$ 888,421	$ 887,677

The following fair value measurements are used as of March 31, 2025.

Investment	Level 1	Level 2	Level 3	Total
Government bonds	$ -	$ 389,485	$ -	$ 389,485
Corporate bonds	-	330,983	-	330,983
Certificates of deposit	-	100,531	-	100,531
Mutual funds	61,654	-	-	61,654
Money market funds	-	5,024	-	5,024
Total	$ 61,654	$ 826,023	$ -	$ 887,677

The cost and fair value of the investments as of March 31, 2024 are as follows:

Investment	Cost	Fair Value
Government bonds	$ 374,472	$ 369,944
Corporate bonds	225,731	223,836
Mutual funds	148,785	148,785
Certificates of deposit	99,794	99,909
Money market funds	7,918	7,918
Total	$ 856,700	$ 850,392

The following fair value measurements are used as of March 31, 2024.

Investment	Level 1	Level 2	Level 3	Total
Government bonds	$ -	$ 369,944	$ -	$ 369,944
Corporate bonds	-	223,836	-	223,836
Mutual funds	148,785	-	-	148,785
Certificates of deposit	-	99,909	-	99,909
Money market funds	-	7,918	-	7,918
Total	$ 148,785	$ 701,607	$ -	$ 850,392

Note 6 – Hillsborough County Income

The Fund maintains a contract with the School Board of Hillsborough County (SDHC). Under the terms of the contract, the SDHC compensates the Fund (1) at a rate of $1.00 per instructional hour for the actual number of classroom training hours as specified by the apprenticeship standards for the fiscal year ended June 30, 2024 and (2) at a rate of $1.00 per hour up to a maximum of 2,000 hours per registered student. The compensation is 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. The contract has been renewed for the fiscal year July 1, 2024 through June 30, 2025.

Note 7 – Land and Building

The title to the land and building is held under the name Florida West Coast Operating Engineers Apprenticeship Building Corporation Inc, 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 Inc. The Fund has a one hundred percent investment interest in the nonprofit corporation.

Note 8 – Pension and Health and Welfare Funds

The Fund contributes to the Central Pension Fund of the International Union of Operating Engineers and Participating Employers. It is a multi-employer defined benefit pension plan established by the International for all full-time employees. 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. Plan contributions were paid at the rate of $9.00 per hour. Total contributions were $51,336 for the year ended March 31, 2025 and $49,588 for March 31, 2024.

The Fund contributes to the General Pension Plan of the International Union of Operating Engineers and Participating Employers. It is a multi-employer defined benefit pension plan established by the International for all full-time officers and employees of local unions and related organizations. 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. Plan contributions were paid at the rate of 17.5% of gross wages. Total contributions were $32,256 for the year ended March 31, 2025 and $29,537 for March 31, 2024.

The Fund contributes to the IUOE & Pipeline Employer's Health and Welfare Fund. It is 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 Health and Welfare Fund provides health, mental health and accidental death benefits to all covered participants and their dependents. Plan contributions were paid at the rate of $6.25 per hour. Total contributions were $35,650 for the year ended March 31, 2025 and $35,375 for March 31, 2024.

Note 9 – Lease Agreements

The Fund agreed to lease office equipment at a cost of $684 per month for sixty months. The total rent expense under all operating leases was $8,453 for the year ended March 31, 2025 and $5,891 for March 31, 2024.

The minimum rental commitment for future years is as follows:

Year	Amount
2026	$ 8,630
2027	8,630
2028	8,630
2029	3,596
Total	$ 29,486

Note 10 – Liquidity and Availability of Financial Resources

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

As of March 31, 2025, the following assets could be readily available within one year to meet general expenditures:

Asset	Amount
Cash	$ 108,305
Investments	887,677
Employers' contributions receivable	128,361
Total	$ 1,124,343

Note 11 – Subsequent Events

Management has evaluated subsequent events that occurred through July 24, 2025, the date that the financial statements were available to be issued, and determined that no adjustments or disclosures to the financial statements were required.