Financial Statements

Southwest Central Idaho Sheet Metal Workers Training Trust

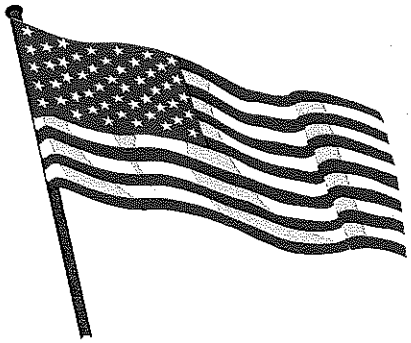
Year Ended December 31, 2022

Gary Merkle, PLLC

CERTIFIED PUBLIC ACCOUNTANT

Southwest Central Idaho
Sheet Metal Workers Training Trust

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Independent Auditor's Report

Board of Directors
Southwest Central Idaho Sheet Metal Workers Training Trust
Boise, Idaho

Opinion

I have audited the accompanying financial statements of the Southwest Central Idaho Sheet Metal Workers Training Trust (the Trust) which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Southwest Central Idaho Sheet Metal Workers Training Trust as of December 31, 2022 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Southwest Central Idaho Sheet Metal Workers Training Trust and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 State 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 the Southwest Central Idaho Sheet Metal Workers Training Trust's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibility

My 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards, I:

- Exercise professional judgement 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 responsible for 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 the Southwest Central Idaho Sheet Metal Workers Training Trust'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Southwest Central Idaho Sheet Metal Workers Training Trust's ability to continue as a going concern for a reasonable period of time.

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

Gary Merkle, CPA

Boise, Idaho
November 15, 2023

Southwest Central Idaho Sheet Metal Workers Training Trust
Statement of Financial Position
December 31, 2022

	Unrestricted	
Assets		
Current Assets:		
Cash and cash equivalents	$840,356	
Total current assets		840,356
Noncurrent Assets:		
Equipment	435,286	
Furniture and fixtures	18,063	
Buildings	822,212	
Land	17,000	
	1,292,561	
Less accumulated depreciation	(833,922)	
Total noncurrent assets:		458,639
Total assets		$1,298,995
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	$78	
Accrued taxes and witholdings	6,958	
Total current liabilities		7,036
Total liabilities		7,036
Net assets:		
Unrestricted		
Undesignated	1,291,959	
Total net assets		1,291,959
Total liabilities and net assets		$1,298,995

See notes to financial statements

Southwest Central Idaho Sheet Metal Workers Training Trust
Statement of Activities
For the Year Ended December 31, 2022

	Unrestricted	
Revenues		
Collective bargaining agreement and related reimbursements	$474,773	
Idaho Launch Grant funds	145,981	
Interest income	1,176	
Rental income	14,885	
Refunds and reimbursements	34,766	
Total revenues		671,581
Expenses		
Program services - Training costs	433,114	
Support services - Administrative and general	119,916	
Total expenses		553,030
Change in net assets		118,551
Net assets - beginning of year		1,173,408
Net assets - end of year		$1,291,959

See notes to financial statements

Southwest Central Idaho Sheet Metal Workers Training Trust
Statement Of Functional Expenses
For The Year Ended December 31, 2022

Program Services		**Support Services**	
Training Costs		***Administrative And General***	
Auto expense	323	Depreciation	41,428
Benefits	140,092	Insurance	8,341
Contest	5,592	Office expense	12,497
Education and seminars	21,088	Payroll taxes	14,965
Equipment rental	3,027	Taxes and licenses	37
Meals	562	Utilities	15,201
Per diem	2,615	Wages	27,447
Professional services	8,147		
Reimbursements	27,066		
Repairs and maintenance	17,235		
Sub contracted services	9,610		
Supplies	40,936		
Telephone	5,369		
Travel	1,468		
Wages	149,984		
Total Expenses	$433,114	Total Expenses	$119,916

See notes to financial statements

Southwest Central Idaho Sheet Metal Workers Training Trust
Statement Of Cash Flows
For The Year Ended December 31, 2022

Cash Flow From Operating Activities:		
Change in net assets	$118,551	
Adjustments to reconcile change in net assets to cash provided or used by operating activities:		
Depreciation	41,428	
Increase/(decrease) in accounts payable	3	
Increase/(decrease) in accrued payroll taxes	3,051	
Net cash provided/(used) by operating activities		163,033
Cash Flow From Investing Activities:		
Purchase of equipment	(39,554)	
Building improvements	(45,329)	
Net cash provided/(used) by investing activities		(84,883)
Net change in cash and cash equivalents		78,150
Cash and cash equivalents, beginning of year		762,206
Cash and cash equivalents, end of year		$840,356

See notes to financial statements

NOTE A – Nature of Activities and Significant Accounting Policies

Nature of Activities

The Sheet Metal Workers Local No. 55 is an affiliate of the Sheet Metal Workers International Association. The purpose of the organization is to protect the membership by securing jobs when available and monitoring the compliance with job contracts. The primary source of revenue is dues and assessments from the membership. Dues and assessments are a function of the number of members and accumulated wages of members.

The Southwest Central Idaho Sheet Metal Workers Training Trust (the Trust) is operated within the context of Local No. 55. The Trust was initiated to hold and manage real estate and to provide training for the journeyman and apprentice membership. Signatory contractors contribute funds to the Trust which in turn provides various training programs throughout the community. The training funds contributed are a function of the hourly wage of the membership.

Basis Of Accounting And Presentation

The financial statements of the Trust have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

The Trust reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets or permanently restricted net assets.

Unrestricted net assets consists of investments and otherwise unrestricted amounts that are available for use in the performance of Trust activities.

Temporarily restricted net assets consist of contributions received for the Organization. Net assets released from restrictions represent expenses incurred during the year that satisfied the restricted purpose.

Permanently restricted net assets consist of contributions subject to permanently imposed donor restrictions. Donors of these assets generally permit the Trust to use all or part of the income earned on related investments for general or specific purposes. There are no permanently restricted net assets at December 31, 2022.

NOTE A – Nature of Activities and Significant Accounting Policies - *Continued*

Cash Equivalents

For purposes of the statement of cash flows, the Trust considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment is stated at cost, or if donated, at fair value on the date of donation. Equipment with a fair value in excess of $500 and a useful life of at least a year is capitalized. Depreciation is computed using the straight-line method over the estimated useful lives ranging from five to forty years. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Income Taxes

The Trust is a non-profit organization other than a private foundation that is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Trust is annually required to file a Return of Organization Exempt From Income Tax (Form 990) with the IRS. In addition, the Trust is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Trust has determined it has no unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990T) with the IRS.

The Trust believes it has appropriate support for any tax positions taken affecting its annual filing requirement, and as such, does not have any uncertain tax positions that are material to the financial statements. The Trust would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Functional Allocation Of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE A – Nature of Activities and Significant Accounting Policies - *Continued*

Use of Estimates

The Trust uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include the estimated useful lives of property and equipment. Actual results could differ from those estimates.

Compensated Absences

The Trust has not recorded any amounts as liabilities for accrued personal leave time, however, management has determined that such amounts are not material to the financial position of the Trust.

Risk Management

The Trust is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets, errors and omissions and natural disasters for which the Trust carries commercial insurance.

Subsequent Events

The Trust has evaluated subsequent events though November 15, 2023, which is the date the financial statements were available to be issued.

NOTE B – Concentration of Credit Risk

Financial instruments that potentially subject the Trust to concentrations of credit risk consist of cash and cash equivalents and a money market account.

Cash deposits in the checking account are FDIC insured up to $250,000. The Trust's cash balance consistently exceeds federally insured limits, however, the Trust has not experienced any losses and believes it is not exposed to any significant credit risk on its cash balances.

NOTE C – Contract Commitments

The Trust has various contractual commitments to local area employers. These contracts are contingent upon the hours worked by union members working on designated projects as specified in the contract agreements.

NOTE D – Property and Equipment

At December 31, 2022, property and equipment consisted of the following:

Equipment	435,286
Furniture and fixtures	18,063
Buildings	822,212
Land	17,000
	1,292,561
Less accumulated depreciation	(833,922)
	$ 458,639

NOTE E – Idaho Launch Grant Funds

The Trust received $145,981 in Idaho Launch grant funds from the state of Idaho for the advancement of the training program for journeyman and apprentice training. The grant funds are based on a proration of enrolled participants, therefore, individual grant funds will be returned to the state of Idaho to the extent that a participant chooses to withdraw their grant application. The Trust will continually monitor the future involvement of participants and will notify the state of Idaho should any participant fail to complete the apprenticeship program.