ICTC GOVERNING BOARD

Board of Director’s Meeting
June 20, 2019

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

Create Opportunities
Introductions

Principals:
• Andrew Laflin
• Lance Schmidt

Director:
• Dani Springfels

In-charge/Senior:
• Kim Poblete

Associate:
• Scott Jones

Quality Reviewer:
• David Blumberg
# Professional Services Summary

## Services Provided

<table>
<thead>
<tr>
<th>Financial Statement Audit</th>
<th>• Financial statement audit for the year September, 30, 2018, in accordance with Government Audit Standards</th>
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<td>Examination Procedures</td>
<td>• Examination Procedures pursuant to Section 218.415, Florida Statutes</td>
</tr>
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<td>Non-Audit Procedures</td>
<td>• Preparation of the Financial statements and related notes for the year September, 30, 2018</td>
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## Reports and Conclusions

<table>
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<tr>
<th>Independent Auditors Report</th>
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<tr>
<td>Independent Auditors’ Report on Internal Control (GAS – Yellow Book)</td>
<td>• No Findings</td>
</tr>
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<td>• Unmodified</td>
</tr>
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## Status of Prior Year’s Findings

### Cleared

- Year-End Closing Procedures (2017-001)
- Acquisitions and Disposals of Capital Asset (2017-002)

### Other Recommendations
Governance Communication

Required Communication with Governance

- Qualitative Aspects of Accounting Practices
- No Consultations with Other Auditors
- No Difficulties Encountered in Performing the Audit
- Corrected and Uncorrected Misstatements
- No Disagreements with Management
- Management Representation
Financial Highlights

Grants and Contributions

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015*</td>
<td>$1,197,900</td>
</tr>
<tr>
<td>2016</td>
<td>$582,808</td>
</tr>
<tr>
<td>2017</td>
<td>$864,000</td>
</tr>
<tr>
<td>2018</td>
<td>$641,630</td>
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</table>

Tuition Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$32,350</td>
</tr>
<tr>
<td>2018</td>
<td>$52,718</td>
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</table>

Financial Highlights

Expenditures

<table>
<thead>
<tr>
<th>Year</th>
<th>Personnel Costs</th>
<th>Operating Expenditures</th>
<th>Capital Outlay</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>449,941</td>
<td>135,650</td>
<td>13,675</td>
</tr>
<tr>
<td>2017</td>
<td>489,772</td>
<td>227,443</td>
<td>118,516</td>
</tr>
<tr>
<td>2016</td>
<td>378,879</td>
<td>118,366</td>
<td>25,963</td>
</tr>
<tr>
<td>2015*</td>
<td>315,002</td>
<td>302,757</td>
<td>679,454</td>
</tr>
</tbody>
</table>

Footnote Highlights

Footnote 1: Creation and Reporting of the AMSkills Apprenticeship Foundation (pg. 18)

Footnote 2: Economic Dependence – 85% of funding is from partner counties

Other Noteworthy Items

Management Discussion and Analysis – Economic Factors and Other Considerations
Thank You

“Great things in business are never done by one person. They’re done by a team of people.”

Steve Jobs

We appreciate the opportunity to work with ICTC Governing Board.

CLA Team

Andrew Lafflin, CPA

Kim Poblete

Lance Schmidt, CPA, CFE

Dani Springfels, CPA, CFE

Quality Reviewer

Scott Jones, CPA

60+ years in business

HISTORY

Fiscally strong

$1.1 billion in revenue

LOCATION

More than 120 locations nationwide

INDUSTRY DRIVEN

6,100+ employees

RESOURCES

Including: 600+ state and local government professionals

We serve

2,700+ Governmental entities
# ICTC GOVERNING BOARD
## TABLE OF CONTENTS
### YEAR ENDED SEPTEMBER 30, 2018

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MANAGEMENT’S DISCUSSION AND ANALYSIS  
BASIC FINANCIAL STATEMENTS  

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INDEPENDENT AUDITORS' REPORT

Board of Directors
ICTC Governing Board
New Port Richey, Florida

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, general fund, and aggregate remaining fund information of the ICTC Governing Board (the Board) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Board’s basic financial statements as listed in the table of contents.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, general fund, and aggregate remaining fund information of the Board as of September 30, 2018, 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.

Other Matters

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, although not a part of the basic financial statements, is required by 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 response to our inquiries, the basic financial statements, and other knowledge we obtained during the 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 to provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 19, 2019, on our consideration of the Board’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 result of that testing, and not to provide an opinion on the effectiveness of the Board’s 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 the Board’s internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Tampa, Florida
June 19, 2019
MANAGEMENT'S DISCUSSION AND ANALYSIS
The ICTC Governing Board (the Board) was established to plan, manage, and administer the Advanced Manufacturing Industry Certification Training Center Program. In 2013, the Tampa Bay Regional Planning Council’s Gap Analysis identified an inability for Tampa Bay manufacturers to promptly fill vacancies for machinists, engineers, and other skilled technical positions; thus, the Counties of Hernando, Pinellas and Pasco have recognized the need to strengthen the Tampa Bay economy by training a local workforce that can meet the needs of Tampa Bay manufacturers. The three counties agreed to create the Advanced Manufacturing Industry Certification Training Centers throughout the Tampa Bay region and utilize the German dual education/apprenticeship model, and created the Board of key stakeholders to plan, manage, and administer the Advanced Manufacturing Industry Training Center program.

The Board's financial report presents a narrative overview and an analysis of the financial activities of the Board as of and for the year ended September 30, 2018. The information presented here should be considered in conjunction with the financial statements.

Financial Highlights

• The Board’s net position is $776,747, an increase of $42,303 from the previous year. The unrestricted portion of $259,182 may be used to meet the Board’s ongoing obligations to its constituents. The remaining portion of net position totaling $507,565 represents the Board’s investment in capital assets.

• During the year, total program revenues were $692,682 compared to total program expenses of $667,179.

• As of September 30, 2018, the Board’s general fund reported an ending fund balance of $232,582.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Board’s basic financial statements. These basic statements consist of three sections: government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the Board’s overall financial status. These statements use a format similar to a private sector business. They include a statement of net position and a statement of activities.

The statement of net position presents information on the Board’s assets and liabilities. Net position, the difference between these assets and liabilities, is a useful way to measure the Board’s financial health.

The statement of activities presents information showing how the Board’s net position changed during this fiscal year. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.
Overview of the Financial Statements (Continued)

Fund Financial Statements
Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. 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. The Board, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Board uses a general fund to account for all activities of the Board.

Governmental Funds
Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, this set of financial statements focuses on events that produce near-term inflows and outflows of spendable resources as well as on the balances of spendable resources available at the end of the fiscal year and is a narrower focus than the government-wide financial statements.

By comparing functions between the two sets of statements for governmental funds and governmental activities, 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 balance provide a reconciliation to facilitate this comparison.

Budgetary information is not included in the accompanying financial statements as the Board is not required to legally adopt a budget for its general fund.

Notes to Basic Financial Statements
The notes to the financial statements explain in detail some of the data contained in the preceding statements and begin on page 15. These notes are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis
The government-wide financial statements were designed so that the user could determine if the Board is in better or worse financial condition from the prior year.
Government-Wide Financial Analysis (Continued)
The following is a condensed summary of net position for the Board for fiscal years 2018 and 2017.

Summary of Net Position

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td>$ 286,264</td>
<td>$ 170,539</td>
<td>$ 115,725</td>
</tr>
<tr>
<td>Noncurrent Capital Assets</td>
<td>507,565</td>
<td>577,144</td>
<td>(69,579)</td>
</tr>
<tr>
<td>Total Assets</td>
<td>793,829</td>
<td>747,683</td>
<td>46,146</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current and Other Liabilities</td>
<td>17,082</td>
<td>13,239</td>
<td>3,843</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>17,082</td>
<td>13,239</td>
<td>3,843</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment in Capital Assets</td>
<td>507,565</td>
<td>577,144</td>
<td>(69,579)</td>
</tr>
<tr>
<td>Restricted</td>
<td>10,000</td>
<td></td>
<td>10,000</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>259,182</td>
<td>157,300</td>
<td>101,882</td>
</tr>
<tr>
<td>Total Net Position</td>
<td>$ 776,747</td>
<td>$ 734,444</td>
<td>$ 42,303</td>
</tr>
</tbody>
</table>

The increase in current assets relates to a decrease in capital assets purchased during fiscal year 2018 and reduction in expenditures.
Changes in Net Position
The following schedule reports the revenues, expenses, and changes in net position for the Board for the 2018 and 2017 fiscal years.

Summary of Revenues, Expenses, and Changes in Net Position

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$51,052</td>
<td>$25,630</td>
</tr>
<tr>
<td>Operating Grants and Contributions</td>
<td>575,000</td>
<td>745,484</td>
</tr>
<tr>
<td>Capital Grants and Contributions</td>
<td>66,630</td>
<td>125,236</td>
</tr>
<tr>
<td>General Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental Income</td>
<td>16,800</td>
<td>28,800</td>
</tr>
<tr>
<td>Other Miscellaneous Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain (Loss) on the Disposal of Capital Assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>709,482</td>
<td>925,150</td>
</tr>
</tbody>
</table>

| **EXPENSES**         |         |         |
| Economic Environment:|         |         |
| Personnel Services   | 449,941 | 489,772 |
| Operating Expenses   | 135,650 | 227,443 |
| Depreciation         | 81,588  | 108,082 |
| **Total Expenses**   | 667,179 | 825,297 |

| **CHANGE IN NET POSITION** |         |
| Net Position - Beginning of Year | 734,444 |
| Net Position - End of Year      | $776,747 |

The Board received revenue in the amount of $300,000 during fiscal year 2017 from the Florida Department of Education (FDOE), which was fully liquidated and was nonrecurring in fiscal year 2018. This grant funding was used to develop programs and curriculum necessary to launch a Pre-Apprenticeship Program for Adults and Veterans.

Expenses decreased by $158,118, which was mainly due to no funding received from FDOE in the current year. In fiscal year 2017, the funding was used to purchase needed goods and services and absorb payroll costs associated with marketing and curriculum development.

Financial Analysis of the Board’s Fund
As noted earlier, the Board uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. This information is useful in assessing the Board’s financing requirements.

The general fund is the chief operating fund of the Board. As of September 30, 2018, nonspendable fund balance totaling $1,620 consisted of inventory. The restricted fund balance is $10,000, which relates to a donation by NIMS (National Institute for Metalworking Skills) to ICTC students to take the NIMS certification. The remaining $220,962 of the Board’s fund balance in the general fund was unassigned.
Financial Analysis of the Board’s Fund (Continued)
The AMSkills Apprenticeship Foundation, a blended component unit with reporting year-end of June 30, 2018, reports fund balance of $36,600 as unassigned. Contributions of $36,600 was made during fiscal year 2018. Please refer to Note 1 for further information on creation and purpose of the AMSkills Apprenticeship Foundation.

Capital Assets
The Board owns no land or buildings for its operations. General office, training, meeting, education programs, and storage space is being leased with various governmental entities under the terms and conditions that are disclosed within Note 6 of these financial statements. Capital assets reported by the Board consist of manufacturing equipment, computer software and hardware, furniture, and leasehold improvements, which are depreciated using the straight-line method over the estimated useful life of the assets. Depreciation expense of $81,588 was charged against the capital assets during the fiscal year ended September 30, 2018.

Economic Factors and Other Considerations
FY14/15: The ICTC Governing Board was established as an Independent County District through an interlocal agreement between Pasco, Pinellas and Hernando Counties in November 2014 as the result of securing a Florida Department of Economic Opportunity (FDEO) Appropriation to launch a German-Style Apprenticeship Training Program. The Board received and successfully implemented all deliverables of the $1.2M FDEO Appropriation during FY14/15; however, nearly the entire year was dedicated to ordering equipment, receiving/ coordinating construction renovations and startup of all operations for five training centers in three counties (1 – Pasco, 1 – Hernando, 3 – Pinellas), including establishing the American Manufacturing Skills Initiative (AMSkills) as a dba to the ICTC Governing Board. Each County committed to contributing $200,000 for two years (FY15/16 and FY 16/17) as a match to the FDEO grant; however, each County pre-paid $18,000 out of their future share of $400,000 commitment in order to provide start-up funding prior to receiving the first FDEO payment.

FY15/16: This fiscal year started with the AMSkills Executive Director’s resignation and, consequently, the search and selection of a new Executive Director who started in February 2016. The initial FDEO Grant was to fund operations for one training center in each County. However, in addition to the Pasco location and the Hernando location, the previous Executive Director opened three locations in Pinellas County. Since two additional training centers were opened in Pinellas County, a $98,113 deficit was realized at the start of FY15/16. The decision was made to close two of the Pinellas County locations and staff hiring was put on hold in order to recover from the budget deficit. These decisions resulted in a $67,881 fund balance at the end of the year. This was the first year each County contributed $200,000 as their matching share for the FDEO grant; however, Pinellas County deducted $18,000 for their pre-paid share from the previous fiscal year.

This year was also dedicated to better defining the role of AMSkills within the community, writing curriculum for the Youth Pre-Apprenticeship Program and securing Florida Department of Education (FDOE) Registrations for four Apprenticeship occupations. The Youth Pre-Apprenticeship was established as an after-school program for juniors and seniors; therefore, it takes two years for this program to be completed. Fall, 2016 was the first Youth Pre-Apprenticeship Program, which started with 11 high school students in Hernando, 7 in Pasco and 10 in Pinellas, totaling 29.
Economic Factors and Other Considerations (Continued)

FY16/17: This fiscal year was the second year that each County committed to funding $200,000, however both Pasco and Hernando Counties deducted their initial pre-paid amount of $18,000, providing a total of $564,000 operating budget. In addition, AMSkills submitted and was awarded a $300,000 grant from the FDOE, which was primarily used for marketing, curriculum development for the adult program and to purchase additional HAAS Machining equipment and 3-D printers. All deliverables required for the grant were met on time and without penalty.

This was the first year a "pilot" Adult Pre-Pre-Apprenticeship program was established in Pasco County. The curriculum had to be written, projects created, recruitment strategies created and registration formulated. Two Adult Pre-Apprenticeship Programs were conducted with 15 adults completing the program; 9 were placed in manufacturing jobs; 2 were not interested in pursuing a career in manufacturing, 1 pursued college and 3 were not placed due to background or medical issues.

The second group of high school students officially started the Youth Pre-Apprenticeship program in September 2016 with 12 in Hernando, 7 in Pinellas and 7 in Pasco totaling 26 Youth Pre-Apprentices. This was also the first-year high school students who enrolled in the program in 2015 could be placed at local manufacturers, as manufacturers typically will not hire those under 18. Of those students who started the Youth Pre-Apprenticeship in 2015, 6 went to college, 4 dropped out, 2 were dropped by AMSkills, 1 went into the military, 1 was deceased and 14 were placed in jobs by AMSkills, of which two were considered Apprentice Candidates. Total youth and adults participating in AMSkills Pre-Apprenticeship during FY 16/17 was 70. AMSkills also started the first Apprenticeship Related Training for 4 Mechatronics students in March 2017.

When Pasco, Pinellas, and Hernando Counties initiated the Inter-local Agreement in 2014, they each agreed to contribute $200,000 per year until September 2017; however, due to AMSkills being a start-up, County funding was still needed in order to continue progress beyond FY16/17. The Executive Director met with all County Administrators and Commissioners individually from all three counties and requested continued funding. All three counties agreed to continue the funding for the next fiscal year 17/18; however, final decisions were not approved until September 2017. Therefore, AMSkills Executive Director placed a hold on spending in July to ensure enough cash on-hand to carry over into the next fiscal year in case the funding was not approved or until payments were received. Unfortunately, this affected AMSkills ability to recruit for programs scheduled to start in FY17/18.

FY17/18: During this fiscal year, Pasco and Hernando Counties agreed to contribute $200,000 each and Pinellas agreed to $175,000. Pinellas' reduction was largely due to the fact that AMSkills had a location within Pinellas Technical College (PTC) in Clearwater and had stated they would pay for the instructor to start an AMSkills Adult Pre-Apprenticeship Program. Unfortunately, PTC was unable to provide an instructor who would teach AMSkills curriculum. As a result, AMSkills was unable to start adult programs in Pinellas County. In addition, AMSkills did not receive payments from Pinellas County until November, Pasco County in December and Hernando County in February 2018 resulting in a cash flow problem for operating costs. This, in turn, reduced AMSkills ability to recruit or conduct the youth or adult Pre-Apprenticeship programs.

AMSkills also received notice in June 2018 that Hernando County had unexpected budget shortfalls, therefore they could no longer provide any additional funding for FY18/19. Pinellas County, also indicated they may not be able to continue funding, due to a potential property tax revenue reduction to the County from a change in the homestead exemption, which was subject to referendum in November 2018. Consequently, AMSkills was advised Pinellas County had $150,000 budgeted for FY18/19, pending the results of the Homestead Exemption referendum. If the Homestead Exemption was approved, then funding would be cut. Pasco budgeted $200,000 funding for FY18/19 pending Board of County Commissioners approval in September 2018.

(8)
Economic Factors and Other Considerations (Continued)

Due to funding uncertainties, recruitment into AMSkills Youth and Adult Pre-Apprenticeship Programs was negatively impacted; however, we successfully recruited 9 students in Hernando and 7 in Pasco into the afterschool program. In order to effectively create a significant pipeline of candidates who are job ready for the manufacturing industry, AMSkills realized we must increase students attending the Pre-Apprenticeship Program, but would be unlikely to do so as an after-school program only. During this time, AMSkills learned Northeast High School (NEHS) in St. Petersburg had an Automotive and Manufacturing Academy with approximately 123 students. The program was struggling because the school was not able to hire a teacher with any manufacturing experience. In February 2018, AMSkills assisted NEHS by setting up an AMSkills designed manufacturing workshop and provided curriculum, which incorporated hands-on projects, instructors and equipment to help the school salvage the program.

This was also the second year of the AMSkills Adult Pre-Apprenticeship Program; four adult programs were conducted with 20 adults participating. 100% completed the program and 11 were placed in jobs, 5 were not placed due to medical or background issues and 4 determined they were not interested in pursuing a career in manufacturing. The Adult Pre-Apprenticeship Program sessions run every quarter, increasing the opportunity to train, vet and place more adults in the manufacturing industry. As of the end of 2018, 35 adults had completed AMSkills program, which is 3x’s more than the adult manufacturing programs in Hernando, Hillsborough and Pinellas County Schools combined.

As a result of the future county funding uncertainties, AMSkills created a separate nonprofit entity called the "AMSkills Apprenticeship Foundation, Inc." (AAF) The purpose of this organization is to specifically apply for and receive grants, donations and sponsorships for AMSkills. The Internal Revenue Service approved AAF as a 509 (a) (3), under the section 501c3 tax-exempt effective April 2017. A 509 (a) (3) Type I supporting organization is operated, supervised, or controlled by one or more publicly supported charities.

FY18/19: This FY began with funding uncertainty because of the Homestead Exemption referendum that, if passed, would have cut funding to AMSkills by Pinellas County; and Hernando County had already cut funding due to their budget shortfalls. Because of this uncertainty, the Executive Director had put a freeze on spending in July 2018, because if the referendum was passed, a significant amount of funding would have been cut. If that occurred, we needed to have enough carry-over funding to maintain operations through the end of the calendar year. Fortunately (for AMSkills), the referendum did not pass. Therefore, Pinellas County approved $150,000 and Pasco County approved $175,000. Unfortunately, funding from Pinellas was not received until December 2018 and Pasco County funding was not received until February 2019 causing cash flow concerns; however, carryover funding was adequate to help AMSkills continue operating during this time period.

During this fiscal year, AMSSkills started applying for more State Appropriations on behalf of the ICTC Governing Board and grant applications from the AMSkills Apprenticeship Foundation. Eight grants were submitted on behalf of the ICTC Governing Board totaling $2,934,823 with $108,000 awarded. Funding awarded for ICTC was used for scholarships for the Adult Pre-Apprenticeship program (HAAS Foundation & Career Source Pasco Hernando), funding to purchase a van for the AMSkills Mobile Innovation Station (MIS) (City of St. Petersburg) and other equipment (Florida Department of Education). $439,299 grants were submitted on behalf of the AMSkills Apprenticeship Foundation and was awarded $307,299. Funding was used to purchase a van and equipment (Dr. James Gillis), for operating assistance for the NEHS program (Duke Energy), Metal Art Supplies for the MIS (Career Source Pasco Hernando), Scholarships (Community Foundation of Tampa Bay) and a $250,000 grant from Advanced Robotics for Manufacturing, which will be used for operating expenses of the MIS and to start up an AMSkills Neighborhood Training Center in Pinellas County.
Economic Factors and Other Considerations (Continued)

Due to the delayed funding from the Counties, AMSkills was unable to conduct the first adult Pre-Apprenticeship program until April 2019; however, 8 adults are currently completing the program and expected to be placed after July 2019. The second adult program is scheduled to start in July and with another month of recruitment to go there are already 8 enrolled.

Regarding youth programs, in Fall 2018, Pasco County Schools converted a high school (KTECH) into a Technical High School across the street from Marchman Technical College (MTC), the current location of all AMSkills youth and adult programs. AMSkills has been meeting with Pasco County Schools for more than a year in an effort to move the Youth Pre-Apprenticeship program into the school day; however, when this school was established it did not include manufacturing. Additional meetings were conducted in order to partner with KTECH. However, on June 7 2019, ICTC Board Member Kathryn Starkey was notified AMSkills will be asked to move all operations from our current location at MTC and relocate to Anclote High School. This school would allow AMSkills to establish the first AMSkills Advanced Manufacturing Academy in Pasco County, but there are significant concerns about operating our adult programs at that location. AMSkills Adult Pre-Apprenticeship Program has had significant success, even though we have had cash-flow challenges which affected recruitment. The adult program at MTC is starting to increase enrollment as a result of increased recruitment efforts by partnering with local nonprofits and grant scholarships. The AMSkills Mobile Innovation Station will officially be launched on June 19th and will be used specifically for recruitment activities resulting in an increase in enrollment in youth and adult programs. We are concerned if AMSkills is required to relocate from MTC, it may significantly affect the momentum we have built to date. We are currently evaluating our options for the adult programs.

FY19/20: When the ICTC Governing Board was originally established, funding from the State and the Counties was intended to be utilized as start-up funding with the intent their funding would be reduced or stopped in the future. It was also anticipated the manufacturing industry would take more of a proactive approach to solving their staffing short-falls by providing funding to AMSkills. Unfortunately, most manufacturers in Florida are considered small, with 94% having less than 50 employees. In addition, manufacturers are focused on how to stay competitive with foreign manufacturers, therefore funding from the industry has not come to fruition. During past Board meetings, it was discussed to potentially eliminate the ICTC Governing Board organization and fully convert to the 501c3 as an operating organization. The ICTC Governing Board is an 11 – person Board, with representative members from each County including 3 County Commissioners, 3 Manufacturing Representatives, 3 School Board Superintendents and 2 College Presidents. Board Meetings were to be held every quarter, however over the past year and a half, it has been difficult obtaining a quorum. During the upcoming Board Meetings, the Board will be considering the future of the Board, possibly establishing a new Board to oversee the 501c3 nonprofit organization, transferring assets to the nonprofit and converting the nonprofit into handling operations as well as fundraising. Potentially, the existing Board could remain in an Advisory Board role, as there have been funding opportunities AMSkills has secured that could not have been secured if it were not for the Board makeup and the County entity.
Requests for Information

This financial report is designed to provide a general overview of the financial statements of ICTC Governing Board for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

Tom Mudano
Executive Director

TMudano@AMskills.org
BASIC FINANCIAL STATEMENTS
ICTC GOVERNING BOARD
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

ASSETS
Cash $274,908
 Receivables 9,735
 Inventory 1,650
 Capital Assets, Net 507,565
 Total Assets 793,828

LIABILITIES
Accounts Payable 9,254
Accrued Liabilities 7,827
Total Liabilities 17,081

NET POSITION
Net Investment in Capital Assets 507,565
Restricted 10,000
Unrestricted 259,182
Total Net Position $776,747

See accompanying Notes to Basic Financial Statements.
<table>
<thead>
<tr>
<th>FUNCTIONS/PROGRAMS</th>
<th>Program Revenues</th>
<th>Net (Expense) Revenue and Changes in Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Expenses</td>
<td>Charges for Services</td>
</tr>
<tr>
<td>Primary Government:</td>
<td>$ 667,179</td>
<td>$ 51,052</td>
</tr>
<tr>
<td>Governmental Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Environment</td>
<td>$ 667,179</td>
<td>$ 51,052</td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

General Revenues:
- Rental Income
- Total General Revenues $16,800
- Change in Net Position $42,303
- Net Position - Beginning of Year $734,444
- Net Position - End of Year $776,747

See accompanying Notes to Basic Financial Statements.
ICTC GOVERNING BOARD  
BALANCE SHEET – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2018

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>General Fund</th>
<th>AMSkills Apprenticeship Foundation</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 238,308</td>
<td>$ 36,600</td>
<td>$ 274,908</td>
</tr>
<tr>
<td>Receivables</td>
<td>9,735</td>
<td>-</td>
<td>9,735</td>
</tr>
<tr>
<td>Inventory</td>
<td>1,620</td>
<td>-</td>
<td>1,620</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$ 249,663</strong></td>
<td><strong>$ 36,600</strong></td>
<td><strong>$ 266,263</strong></td>
</tr>
</tbody>
</table>

LIABILITIES AND FUND BALANCES

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>General Fund</th>
<th>AMSkills Apprenticeship Foundation</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$ 9,254</td>
<td>-</td>
<td>$ 9,254</td>
</tr>
<tr>
<td>Accrued Liabilities</td>
<td>7,827</td>
<td>-</td>
<td>7,827</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>17,081</strong></td>
<td>-</td>
<td><strong>17,081</strong></td>
</tr>
</tbody>
</table>

FUND BALANCES

| Nonspendable                               | 1,620        | -                                  | 1,620                    |
| Restricted                                 | 10,000       | -                                  | 10,000                   |
| Unassigned                                 | 220,962      | 36,600                             | 257,562                  |
| **Total Fund Balances**                    | **232,582**  | **36,600**                         | **269,182**              |

**Total Liabilities and Fund Balances**   

| Total Liabilities and Fund Balances | $ 249,663 | $ 36,600 | $ 266,263 |

See accompanying Notes to Basic Financial Statements.
ICTC GOVERNING BOARD
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

Fund Balance $ 269,182

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 general fund. 507,565

Net Position of Governmental Activities $ 776,747

See accompanying Notes to Basic Financial Statements.
## ICTC GOVERNING BOARD

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2018**

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>AMS Skills Apprenticeship Foundation</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Contributions</td>
<td>$ 575,000</td>
<td>$</td>
<td>$ 575,000</td>
</tr>
<tr>
<td>Capital Grants and Contributions</td>
<td>30,030</td>
<td>36,600</td>
<td>66,630</td>
</tr>
<tr>
<td>Rental Income</td>
<td>16,800</td>
<td>-</td>
<td>16,800</td>
</tr>
<tr>
<td>Tuition and Other Revenues</td>
<td>52,718</td>
<td>-</td>
<td>52,713</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>674,548</td>
<td>36,600</td>
<td>711,143</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Costs</td>
<td>449,941</td>
<td>-</td>
<td>449,941</td>
</tr>
<tr>
<td>Operating Expenditures</td>
<td>135,650</td>
<td>-</td>
<td>135,650</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>13,675</td>
<td>-</td>
<td>13,675</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>599,266</td>
<td>-</td>
<td>599,266</td>
</tr>
</tbody>
</table>

| **EXCESS OF REVENUES OVER EXPENDITURES** | 75,282 | 36,600 | 111,882 |
| **NET CHANGE IN FUND BALANCE**          | 75,282 | 36,600 | 111,882 |

Fund Balance - Beginning of the Year  
157,300  

**FUND BALANCE - END OF YEAR**  
$ 232,582  $ 36,600  $ 269,182

*See accompanying Notes to Basic Financial Statements.*
ICTC GOVERNING BOARD
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2018

Net Change in Fund Balance $111,882

Amounts Reported for Governmental Activities in the
Statement of Activities are Different Because:

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 expense. This
is the amount by which depreciation expense is more than capital outlay
in the current period.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction in Capital Expenditures</td>
<td>13,875</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>81,588</td>
</tr>
<tr>
<td>Net Book Value of Disposed Capital Assets</td>
<td>1,666</td>
</tr>
</tbody>
</table>

Change in Net Position of Governmental Activities $42,303

See accompanying Notes to Basic Financial Statements.
NOTES TO BASIC FINANCIAL STATEMENTS
NOTE 1 ORGANIZATION AND REPORTING ENTITY

The Reporting Entity
The ICTC Governing Board (the Board) was established on July 15, 2014 to plan, manage, and administer the Advanced Manufacturing Industry Certification Training Center Program. The Board is authorized pursuant to Florida Statutes, Section 163.01.

In 2013, the Tampa Bay Regional Planning Council’s Gap Analysis identified an inability for Tampa Bay manufacturers to promptly fill vacancies for machinists, engineers, and other skilled technical positions; thus, the Counties of Hernando, Pinellas, and Pasco have recognized the need to strengthen the Tampa Bay economy by training a local workforce that can meet the needs of Tampa Bay manufacturers. The three counties agreed to create the Advanced Manufacturing Industry Certification Training Centers throughout the Tampa Bay region and utilize the German dual education/apprenticeship model, and created the Board of key stakeholders to plan, manage, and administer the Advanced Manufacturing Industry Training Center program.

The Board is governed by an 11-member board of elected officials representing municipal governments, colleges, and manufacturing representatives. The Board’s Executive Director oversees the Board’s daily operations and reports to the Board. The Board has considered any entities for which it has oversight, and there are none meeting the criteria for inclusion in their financial statements.

In evaluating how to define the Board for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying certain criteria consisting of manifestation of oversight responsibility including: financial accountability; appointment of a voting majority; imposition of will; financial benefit to or burden on a primary organization; financial accountability as a result of fiscal dependency; potential for dual inclusion; and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, management has determined that the Foundation is the only organization that should be included in the Board’s financial statements as a blended component unit.

Blended Component Unit
The AMSkills Apprenticeship Foundation (the Foundation) was incorporated on April 19, 2017. The Foundation was organized as a nonprofit, tax exempt organization under Sections 501(c)(3) and 509(a)(3) of the U.S. Internal Revenue Code of 1986, whose sole member is the ICTC Governing Board. The Foundation was organized to support the Board in efforts to train and develop skilled technical workers to fill positions in manufacturing positions on the Tampa Bay, Florida area and surrounding counties and enable students to transition from the classroom directly into advance manufacturing and engineering careers.

Although legally separate, the Foundation is appropriately blended as a component unit into the primary government. The Foundation has a fiscal year-end of June 30. The most recent financial statement available for presentation is as of June 30, 2018.
NOTE 1  ORGANIZATION AND REPORTING ENTITY (CONTINUED)

Blended Component Unit (Continued)
The Board includes organizations in the Board’s financial statements in circumstances where the Board selects the governing authority, designates management, has the ability to influence operations, and has accountability for fiscal matters of the organization.

NOTE 2  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus and Basis of Accounting
The financial statements of the Board have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Government Auditing Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America. The more significant of the government’s accounting policies are described below.

Government-Wide and Fund Financial Statements
The government-wide financial statements include the statement of net position and a statement of activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the way governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The accounts of the Board are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. Currently, the Board only utilizes a general fund to track its operations. The general fund is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Generally, revenues are considered available when they are collected within the current period or within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as capital outlay expenditures in the general fund.

The Board funds certain programs by a combination of grants, local contributions, and other revenues.

The Board reports the following major governmental fund:

General fund: This fund is to account for the accumulation and expenditure of resources used for general purpose of the Board and does not require the establishment of any other type of fund.
NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Budgets**
Budgetary information is not included in the accompanying financial statements as the Board is not required to legally adopt a budget for its general fund.

**Deposits and Investments**
Cash includes amounts on hand and in demand deposit accounts. The Board does not have a written investment policy. Rather, it has adopted the guidelines for the investment of public funds in excess of amounts needed to meet current operating expenses, in accordance with Section 218.415, Florida Statutes. As of September 30, 2018, the Board had no investments.

**Capital Assets**
Capital assets are reported in governmental activities in the government-wide financial statements. Capital assets are recorded at their historical cost if purchased. Donated capital assets are recorded at estimated acquisition value at the date of donation. Minimum capitalization costs are $1,000 for all asset categories.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The Board’s capital assets are depreciated using the straight-line method over the following estimated useful lives:

<table>
<thead>
<tr>
<th>Assets</th>
<th>Estimate Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment (Manufacturing)</td>
<td>13 Years</td>
</tr>
<tr>
<td>Computer Software and Equipment</td>
<td>3-5 Years</td>
</tr>
<tr>
<td>Building Leasehold Improvement</td>
<td>15 Years</td>
</tr>
<tr>
<td>Furniture and Fittings</td>
<td>5 Years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>5 Years</td>
</tr>
</tbody>
</table>

**Fund Balance and Spending Policy**
Governmental fund equity is classified as fund balance. Fund balance is segregated into two distinct types: nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are either (a) not in spendable form or; (b) legally contractually required to be maintained intact. Spendable fund balances are further segregated into five separate categories as follows, based on a hierarchy of spending constraints:

- **Restricted**: Amounts that can be spent only for the specific purposes stipulated by external resource providers or imposed by law through constitutional provisions or enabling legislation.
NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Fund Balance and Spending Policy (Continued)**

**Committed:** Amounts that can be used only for the specific purposes determined by a formal action of the Board, the Board’s highest level of decision-making authority. Commitments may be changed or lifted only by the Board’s governing board taking the same formal action that imposed the constraint originally.

**Assigned:** Amounts that include spendable fund balance amounts established by the Board that are intended to be used for a specific purpose that are neither considered restricted or committed.

**Unassigned:**
This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The Board’s entire spendable fund balance in the general fund is classified as unassigned.

Although the Board does not have a formal spending prioritization policy, it is assumed that in instances when expenditures are incurred for purposes for which amounts in either restricted or unrestricted fund balance classifications could be used, restricted fund balance would be spent first. Remaining unrestricted fund balance would be spent as follows: committed amounts would be reduced first, followed by assigned amounts, and then unassigned.

**Net Position**
Net position represents the difference between assets and liabilities in the government-wide financial statements. Net invested in capital assets consists of capital assets, net of accumulated depreciation. Net assets are reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

**Use of Estimates**
The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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 3 CASH

Custodial credit risk is defined as the risk that, in the event of bank failure, the Board’s deposits may not be returned. All cash deposits are in financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Any amount above this amount is collateralized pursuant to Chapter 280, Florida Statutes, which obligates all participating institutions to reimburse the governmental entity for the loss, in the event of default by a participating financial institution (a qualified public depository).
NOTE 3  CASH (CONTINUED)

At September 30, 2018, the book balance of the Board’s deposits was $238,308, and the
bank balance was $238,308. At June 30, 2018, the book and bank balance of the
Foundation’s deposits was $36,600.

NOTE 4  CAPITAL ASSETS

A summary of the capital assets is as follows:

<table>
<thead>
<tr>
<th>Capital Assets Being Depreciated:</th>
<th>Balance October 1, 2017</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance September 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold Improvements</td>
<td>$ 91,625</td>
<td>-</td>
<td>-</td>
<td>$ 91,625</td>
</tr>
<tr>
<td>Computer Software and Equipment</td>
<td>82,448</td>
<td>-</td>
<td>-</td>
<td>82,448</td>
</tr>
<tr>
<td>Equipment</td>
<td>589,424</td>
<td>13,675</td>
<td>2,938</td>
<td>600,161</td>
</tr>
<tr>
<td>Furniture</td>
<td>4,000</td>
<td>-</td>
<td>-</td>
<td>4,000</td>
</tr>
<tr>
<td><strong>Total at Historical Cost</strong></td>
<td><strong>767,497</strong></td>
<td><strong>13,675</strong></td>
<td><strong>2,938</strong></td>
<td><strong>776,234</strong></td>
</tr>
</tbody>
</table>

Less: Accumulated Depreciation for

| Leasehold Improvements                                  | 56,581                  | 15,392    | -         | 71,973                     |
| Computer Software and Equipment                        | 42,415                  | 16,430    | -         | 58,845                     |
| Equipment                                              | 90,767                  | 48,986    | 1,272     | 138,461                    |
| Furniture                                              | 590                     | 800       | -         | 1,390                      |
| **Total Accumulated Depreciation**                     | **190,353**             | **81,688**| **1,272** | **270,669**                |

**Capital Assets, Net**

|                                                           | $ 577,144               | $ (67,913) | $ 1,668   | $ 507,565                  |

NOTE 5  CONTINGENT LIABILITY

The Board is subject to financial and compliance audits by grantor agencies to determine
compliance with grant funding requirements. In the event the expenditure would be
disallowed, repayment could be required. Government grants require the fulfillment of
certain conditions as set forth by applicable laws, rules, and regulations and in the grant
agreements. Failure to fulfill the conditions could result in the return of funds to the grantor.

NOTE 6  COMMITMENTS

In February 2015, the Board entered into a one-year lease agreement commencing on
March 1, 2015 for general office, training, and for storage purposes with Hernando County.
At expiration of the term, the lease can be renewed with three options to renew for a term of
two years each renewal option period. In March 2016, the Board exercised its renewal
option and entered into a two-year lease agreement commencing on April 1, 2016 for
general office, training, and for storage purposes with Hernando County. At expiration of
the term, the lease can be renewed with two options to renew for a term of two years each
renewal option period. The Board may terminate the lease agreement with at least six
months’ notice in writing at any time during the lease term. The Board’s scheduled rent
payments are $2,400 per month payable on the first day of each month.
NOTE 6  COMMITMENTS (CONTINUED)

The Board also subleases a portion of its building back to Hernando County for the Cooperative Extension Service, a partnership between the United States Department of Agriculture, University of Florida Institute of Food and Agriculture Sciences, and the Hernando County Board of County Commissioners. The above lease commitments offset 100% of the Board’s lease payments through the sublease rental income. However, during fiscal year 2018, total rental income is $16,800, while rental expense is $19,200. This was due to the termination of the lease, which was approved in December 2018. The Board was still incurring utility cost to the building throughout the remainder of fiscal year 2018.

In June 2015, the Board entered into a five-year joint use agreement commencing on March 1, 2015, and ending December 31, 2020, for use of the designated facilities for meetings and educational programs within Dixie Hollins High School, East Lake High School, and Pinellas Technical College with the School Board of Pinellas County (the School Board). In return, the School Board agrees to use various equipment and instructional materials owned by the Board. The agreement may be extended for an additional five periods with written agreement and approval by the Board and the School Board. The School Board agrees to make available the aforementioned facilities and at no charge so long it does not interfere or conflict with the regularly scheduled school program or the school’s desire to use the facilities in any way. The School Board will use the equipment owned by the Board at the facilities at no charge. Upon termination of the agreement, the Board reserves the right to remove the equipment and other property from the facilities or donate to the School Board.

In February 2015, the Board entered into a five-year use of facility agreement commencing on March 1, 2015, and ending December 31, 2020, for use of the facility, manufacturing training room, and office space located at Fred K. Marchman Technical College with the District School Board of Pasco County (the School Board). In return, the School Board agrees to use various equipment and instructional materials owned by the Board. The agreement is renewable annually upon mutual agreement of parties. The agreement may be extended for additional five-year periods under the same terms and conditions with written agreement and approval by both parties. The School Board agrees to make available the aforementioned facility and at no charge so long it does not interfere or conflict with the regularly scheduled school program. The original agreement indicated that the use of the school facility should not commence earlier than 2:00pm nor operate later than 9:45pm. These times have been adjusted from 7:00am to 9:45pm Monday thru Friday and 7:00am to 5:00pm on Saturdays. The School Board will use the equipment and instructional materials owned by the Board at the facilities at no charge. Upon termination of the agreement, the Board reserves the right to remove the equipment and/or instructional materials from the facilities or donate to the School Board.
NOTE 7  RISK MANAGEMENT

The Board is exposed to various risk of loss related to torts, thefts of assets, errors and omissions, and natural disasters. The Board is insured for various risks of loss, namely personal bodily injury coverage for students and other visitors within its technical centers. There is no significant reduction in insurance coverage from the prior year. The insurance settlements have not exceeded the Board's insurance coverage since the inception of the Board.

NOTE 8  ECONOMIC DEPENDENCE

The Board's operations are substantially dependent on the receipt of county contributions — Hernando, Pasco, and Pinellas. Loss of these funds and/or large decreases in this type of funding would have a material effect on the Board and a negative impact on overall operations. For the year ended September 30, 2018, 85% of total General Fund revenue is attributable to funds received from the aforementioned counties.
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

Board of Directors
ICTC Governing Board
New Port Richey, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, general fund, and aggregate remaining fund information of the ICTC Governing Board (the Board) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated June 19, 2019.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Board’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 determination of financial statement amounts. 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 result of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP
Tampa, Florida
June 19, 2019
MANAGEMENT LETTER

Board of Directors
ICTC Governing Board
New Port Richey, Florida

Report on the Financial Statements
We have audited the financial statements of the ICTC Governing Board (the Board), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated June 19, 2019.

Auditors’ Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements
We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards, and Independent Accountants’ Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 19, 2019 should be considered in conjunction with this management letter.

Prior Audit Findings
Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. See Appendix A for the current year status of findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority
Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. See Footnote 1 of the Notes to the Financial Statements for the Board’s component unit.
Financial Condition and Management
Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and report the results of our determination as to whether or not the Board has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Board did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Board's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units
Section 10.554(1)(i)5.d., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. The Board does not have any special district component units.

Additional Matters
Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter
Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the board of directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP
Tampa, Florida
June 19, 2019
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<td><strong>2017-001 – Year-End Closing Procedures</strong></td>
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INDEPENDENT ACCOUNTANTS’ REPORT

Board of Directors
ICTC Governing Board
New Port Richey, Florida

We have examined the ICTC Governing Board’s (the Board) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2018. Management of the Board is responsible for the Board’s compliance with the specified requirements. Our responsibility is to express an opinion on the board’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Board complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Board complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Board’s compliance with specified requirements.

In our opinion, the Board complied, in all material respects, with Section 218.415, Florida Statutes regarding the investment of public funds during the year ended September 30, 2018.

This report is intended solely for the information and use of the Board and the Auditor General, State of Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP
Tampa, Florida
June 19, 2019