

**RCMA Leadership Academy**  
**A Program of**  
**Redlands Christian Migrant Association, Inc.**  
**(A Not-For-Profit Organization)**  
**Financial Statements and**  
**Supplementary Information**  
**June 30, 2018**

# **RCMA Leadership Academy**

A Program of Redlands Christian Migrant Association, Inc.

(A Not-for-Profit Organization)

## Table of Contents

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### **Introduction Section**

Letter of Transmittal	1
Board of Directors	2

### **Financial Section**

Independent Auditor's Report	3 – 5
School Profile and Management's Discussion and Analysis (Unaudited)	6 – 13

#### **Basic Financial Statements**

##### *Government–Wide Financial Statements*

Statement of Net Position	14
Statement of Activities	15

##### *Fund Financial Statements*

Governmental Funds Balance Sheet	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
Statement of Governmental Funds Revenue, Expenditures and Changes in Fund Balances	18
Reconciliation of the Statement of Governmental Funds Revenue, Expenditures and Changes in Fund Balances to the Statement of Activities	19

<b>Notes to Financial Statements</b>	20 – 28
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### **Compliance Reports Section**

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29 – 30
Management Letter Pursuant to the Rules of the Auditor General for the State of Florida	31 – 32

### **Supplementary Information**

Statement of Governmental Funds Revenue, Expenditures and Changes in Fund Balances – Budget and Actual – Governmental Funds (Unaudited)	33
Note to Statement of Governmental Funds Revenue, Expenditures and Changes in Fund Balances – Budget and Actual – Governmental Funds (Unaudited)	34

## **Introduction Section**



## Letter of Transmittal

September 27, 2018

Board of Directors  
RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.

The accompanying report consists of management's representation concerning the finances of the RCMA Leadership Academy, a program of Redlands Christian Migrant Association, Inc. (a not-for-profit organization), hereafter referred to as the Charter School. We, the management of the Charter School, assume full responsibility for the completeness and reliability of all of the information presented herein.

Redlands Christian Migrant Association, Inc. (RCMA) (the Organization) was incorporated as a not-for-profit organization under the laws of the State of Florida in 1965, for the purpose of operating child care centers, schools for handicapped children and early childhood education centers for the children of migrant and seasonal farm workers whose families' total income does not exceed an amount over the poverty levels. In 1999, the board of directors and administration of RCMA approved a plan to open a charter school since this was in line with the Organization's mission. The Organization obtained approval and opened its charter school for the 2000 – 2001 school year under a charter of the sponsoring school district, the Hillsborough County Public School Board (the District). In 2012, RCMA obtained a contract for 5 years to start operations for a middle school.

Generally Accepted Accounting Principles in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). Such MD&A is included herein on pages 6 – 13 and such analysis as well as the presentation of this report would not have been possible without the efficient and dedicated services of the entire staff of RCMA's fiscal department.

Respectfully submitted,

Isabel Garcia, Interim Executive Director

Gilbert Flores, Director of Finance

ESTABLISHED IN 1965, RCMA IS AN EQUAL OPPORTUNITY EMPLOYER FOUNDED IN PART BY:



**Board of Directors**

**President**

Ms. Medora Krome

**Vice-Presidents**

Mr. Michael Stuart

Mr. Michael T. Bayer

Mr. Gary Wishnatzki

Mr. William Ferrari

Ms. Linda Miles-Adams

Mr. Larry Salustro

**Members At Large**

Mr. Nelson Luis

Ms. Wilma Robles de Melendez, PhD

Mr. Joaquin Perez

Ms. Katherine R. English

Mr. Jaime Weisinger

Mr. A. J. Hinson

Ms. Ilda Martinez

Mr. Chuck Allison

Ms. Sandra Hightower

Ms. Gloria Kendrick

Ms. Minerva Jaimes

**Secretary**

Mr. Richard Pringle

**Treasurer**

Mr. Steve Price

## **Financial Section**

## Independent Auditor's Report

To the Board of Directors of  
RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.

*Prager Metis CPAs, LLC*

999 PONCE DE LEON BLVD.  
SUITE 1045  
CORAL GABLES, FL 33134  
T 305.444.8288  
F 305.444.8280  
www.pragermetis.com

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of RCMA Leadership Academy (the School), a program of Redlands Christian Migrant Association, Inc. (RCMA) (a not-for-profit organization), operating as a charter school of the Hillsborough County District School, as of and for the year then ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School'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 from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion 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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.850, Rules of the Auditor General, which govern the conduct of charter school audits in the State of Florida. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 opinion.

### ***Opinion***

In our opinion, the financial statements referred to on page 3 present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of RCMA Leadership Academy, a program of RCMA, as of June 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***

As explained in Note 1 to the financial statements, the accompanying financial statements being presented are only for the School referred to above which is a program of RCMA. The financial statements do not include the statements of financial position, activities and cash flows of RCMA. Accordingly, the accompanying financial statements are not intended to present the financial position of RCMA as of June 30, 2018 or its changes in net position and cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the budgetary comparison information on pages 6 – 13 and pages 33 – 34, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic





financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

In accordance with Section 218.39(4), Florida Statutes, and Sections 10.856(2)(d) and 10.806(2)(d), Rules of the Auditor General, we have issued a Management Letter Pursuant to the Rules of the Auditor General for the State of Florida (pages 31 – 32) dated September 27, 2018.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the basic financial statements of RCMA Leadership Academy, a program of RCMA. The introductory section (pages 1 – 2) is presented for purposes of additional analysis and is not a required part of the basic financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

***Prior-year Comparative Information***

We have previously audited the School's 2017 financial statements, and we expressed an unmodified audit opinion on the respective financial statements in our report dated October 3, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report (pages 29 – 30) dated September 27, 2018 on our consideration of RCMA Leadership Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with Government Auditing Standards in considering the School's internal control over financial reporting and compliance.

***Prager Metis CPAs, LLC***

Prager Metis CPAs, LLC  
Coral Gables, Florida  
September 27, 2018

RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.  
(A Not-For-Profit Organization)  
School Profile and Management's Discussion and Analysis

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To the Board of Directors of  
RCMA Leadership Academy, a program of  
Redlands Christian Migrant Association , Inc. (RCMA)

A school profile and management's discussion and analysis of the results of operations follow:

**1. Name and address of the Charter School:**

RCMA Leadership Academy  
18240 U.S. Hwy 301 South  
Wimauma, FL 33598

**2. RCMA's Director of Charter Schools:**

Juana Brown

**3. School Director:**

Mark Haggett

**4. Total Students: 105**

**Other Information**

- Free and reduced lunch rate: 100%
- Attendance rate: 96%
- Hispanic: 93%
- Multiracial: 7%
- English Speakers of other Languages (ESOL): 49.5%
- Exceptional Student Education: 10.5%

## **School Progress and Development**

Redlands Christian Migrant Association (RCMA) is a 53-year-old, not-for-profit organization serving nearly 6,000 migrant and low-income children in rural, agricultural communities in 21 Florida counties. We provide child development and education programs, with parental involvement as a key component. Our mission is to open doors to opportunities through quality child care and education from the crib to high school and beyond.

Leadership Academy opened in August 2012 as RCMA's first middle school. The campus is located adjacent to the RCMA Wimauma Academy's campus and consists of a building with classroom spaces, as well as five acres of adjoining land. This land was purchased by the Board as an open area for playing fields as well as future growth. The area is now fenced and includes a soccer field, a playground, and an open space used for the Physical Education program and for school community events.

The Academy's educational program focuses on helping students be their best selves and be well prepared for college, career, and civic engagement. The multifaceted program includes rigorous academics, leadership, and enrichment programs. The diverse needs each student have been carefully considered in developing the middle school's unique program. There are high expectations for all students, but differentiation for students who move through the work at a different pace. Students requiring foundational knowledge are provided with time and support as are students ready for accelerated learning. Twenty-five seventh and eighth grade students were enrolled in Algebra, while eight students successfully enrolled and completed Geometry. This was the second year the high school level class was offered to middle school students.

Academics are complemented by enrichment programs that introduce students to a broad range of experiences. These are made possible by valued partnerships with organizations who believe in and support our mission. Select students participate in a rigorous summer academy at Berkeley Prep in Tampa. Students also gain real-world knowledge through such opportunities as a yearly advocacy trip to Tallahassee to meet with state legislators and Washington, DC with the Close-Up Foundation. The program also harnesses the power of the arts as a vehicle for student creativity and self-expression, offering drama, visual art, and music instruction. Student talent is nurtured in yearly drama workshops with Powerstories Theater, guitar lessons and a studio art class. Performances accompany each of these classes and provide students with an opportunity to build confidence and as well as showcase their skills.

Student athletics round out the program. This component in the health and wellness program helps students build valuable life, work and leadership skills, including discipline and tenacity. Students can elect to participate in the running club, led by school principal Mark Haggett, join Zumba classes, and play in coed sports teams, including soccer and street hockey. Hard work and perseverance has paid off for our student athletes. Leadership Academy's team holds the distinction of being the undefeated charter league soccer champions for the last four years.

### **School Progress and Development (continued)**

The Pillars Program and Houses divides students into groups named after Florida universities. The program helps instill a sense of community, fosters values, and helps focus students on being college-bound. Social skills, work habits, and behaviors associated with active engagement are explicitly taught, modeled, practiced and rewarded.

Parent involvement is a key element of our middle school program. The Padres Comprometidos program continues to prepare and support parents of incoming sixth grade students as they transition to the middle school. This program is helping equip parents with a better understanding of this unique developmental period, as well as providing valuable tools to help parents and their student negotiate the challenges attending adolescence.

### **Assessment and Accountability**

This year there was an increase in student achievement and gains on the Florida State Assessment. Leadership student's results in Math were especially notable and helped propelled the school grade from last year's "C" to a laudable "B" grade for the year. An impressive 92% of all Algebra students and 100% of Geometry students scored proficient or better on the FSA's End of Course exams (EOC). Leadership Academy's performance in Math mirrors the lower school students' own high achievement and continues a trend of academic excellence in this area.

This year marked an important milestone for Leadership Academy as it celebrated the high school graduation of its first middle school cohort. Among the graduating alumni were students, accepted into top college programs, planning on majoring in architecture, medicine, and astrobiology.

### **Financial Highlights**

1. The liabilities of the School exceeded its assets at June 30, 2018 by \$17,155 (net position).
2. At year-end, the School had current assets on hand of \$95,065.
3. The change in net position of the School decreased by \$24,130 during the year.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2018 are presented under GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

### *Government- Wide Financial Statements*

The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between the two is reported as *net position*. Over time increases or decreases in net assets may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 14-15 of this report.

### *Fund Financial Statements*

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for *near-term* financing.

The Board of the School adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund as part of supplementary information to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

**Overview of the Financial Statements (continued)**

*Notes to Financial Statements*

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 20-28 of this report.

RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.  
(A Not-For-Profit Organization)  
School Profile and Management's Discussion and Analysis

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**Management Analysis of Operations and Financial Condition**

*Government-Wide Financial Analysis*

The School's net position decreased from \$6,977 in 2017 to \$(17,155) in 2018.

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Current assets		
Cash	\$ 72,389	\$ 138,806
Accounts receivable	19,316	8,788
Prepaid expenses	3,360	5,752
Total current assets	<u>95,065</u>	<u>153,346</u>
Property and equipment	<u>2,016</u>	<u>2,516</u>
<b>Total assets</b>	<u>97,081</u>	<u>155,862</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>
<b>Liabilities and net position</b>		
<b>Liabilities</b>		
Current liabilities		
Accounts payable	28,823	33,578
Accrued payroll	67,548	66,307
Total liabilities	<u>96,371</u>	<u>99,885</u>
Deferred inflows of resources	<u>17,865</u>	<u>49,000</u>
<b>Net position</b>		
Invested in capital assets	2,016	2,516
Unrestricted	<u>(19,171)</u>	<u>4,461</u>
<b>Total net position</b>	<u>\$ (17,155)</u>	<u>\$ 6,977</u>

The decrease is due to an increase in governmental activities reflected in the changes of net position on the following page. The change in net position for the year was approximately (\$24,100).

RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.  
(A Not-For-Profit Organization)  
School Profile and Management’s Discussion and Analysis

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**Management Analysis of Operations and Financial Condition (continued)**

*Government-Wide Financial Analysis*

The School’s revenue and expenditures may be summarized as follows:

	Fiscal Years Ended June 30,	
	<b>2018</b> (Rounded)	2017* (Rounded)
<b>Revenue</b>		
School Board – FTE	\$ 652,410	\$ 564,700
– Teachers training reimbursement	-	700
– Lead teacher	1,460	1,500
– Florida school DOE Best & Brightest	13,400	-
– Florida school additional FTE revenue	-	100
Federal through state school lunch reimbursement	10,090	5,300
State revenue – capital outlay	30	-
Local Funding	30,000	30,000
Other contributions and in-kind	137,400	155,000
<b>Total revenue</b>	<b>844,790</b>	<b>757,300</b>
<b>Expenditures</b>		
Instruction	469,720	420,000
Instructional support services	11,230	-
Pupil personnel services	55,120	43,600
Instructional staff training	8,220	9,000
General administration – school district admin. fees	32,720	28,000
School administration	20,990	15,700
Fiscal services	15,490	10,900
Central services	45,600	27,800
Operation of plant	53,810	51,000
Maintenance of plant	25,300	40,900
Community services	128,810	124,000
Depreciation	1,910	1,700
<b>Total expenditures</b>	<b>868,920</b>	<b>772,600</b>
Changes in net position	<b>\$ (24,130)</b>	<b>\$ (15,300)</b>

\*Certain amounts have been reclassified for comparative purposes



### **Management Analysis of Operations and Financial Condition (continued)**

The increase in revenue this year of approximately \$87,500 was mainly due to the increase in FTE funding. FTE money increased as a direct result of an increase in student enrollment plus the receipt of other funds and reimbursements as well.

### **Governmental Funds**

The focus of the School's *governmental funds* is to provide information on *near-term* inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the School's governmental fund reported a fund balance of (\$19,171).

### **Governmental Fund Budget Analysis and Highlights**

Prior to the start of the School's fiscal year, the Board adopted an annual budget. Total actual revenue was more than budgeted by approximately \$39,500 due to unexpected income from lunch reimbursements and other local sources. Total actual expenditures were more than budgeted by approximately \$63,100 mostly attributable to more actual expenditure in food and central services. Refer to page 33 for the Statement of Government Funds Revenue, Expenditures and Changes in Fund Balances – Budget and Actual – Governmental Funds.

### **Capital Assets**

The School's investment in capital assets as of June 30, 2018 amounted to \$2,016 (net of accumulated depreciation of \$21,365). This investment in capital assets includes furniture, fixtures and equipment.

### **Request for Information**

The financial report is designed to provide the reader with a general overview of the School's finances, as well as demonstrate accountability for funds the School receives. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to Juana Brown at 402 West Main Street, Immokalee, FL 34142-3933.

RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.  
(A Not-For-Profit Organization)  
Statement of Net Position  
June 30, 2018  
(With Summarized Comparative Totals for 2017)

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Current assets		
1110	\$ 72,389	\$ 138,806
1130	19,316	8,788
1230	3,360	5,752
	<u>95,065</u>	<u>153,346</u>
1300	<u>2,016</u>	<u>2,516</u>
	<b>Total assets</b>	<b>155,862</b>
	<u>97,081</u>	<u>155,862</u>
Deferred outflows of resources		
	<u>-</u>	<u>-</u>
<b>Liabilities and net position</b>		
<b>Liabilities</b>		
Current liabilities		
2120	28,823	33,578
2110	67,548	66,307
	<u>96,371</u>	<u>99,885</u>
Deferred inflows of resources		
	<u>17,865</u>	<u>49,000</u>
<b>Net position</b>		
2770	2,016	2,516
2790	<u>(19,171)</u>	<u>4,461</u>
	<b>Total net position</b>	<b>6,977</b>
	<u>\$ (17,155)</u>	<u>\$ 6,977</u>

The accompanying notes are an integral part of these financial statements.

RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.  
(A Not-For-Profit Organization)  
Statement of Activities  
Year Ended June 30, 2018  
(With Summarized Comparative Totals for 2017)

	Expenses	Program Revenue		Net (Expenses) Revenue and Changes in Net Position Government	
		Special Revenue	Capital Projects	2018	2017*
<b>Governmental activities</b>					
Instruction	\$ 539,543	\$ 69,827	\$ -	\$ (469,716)	\$ (418,898)
Instructional support services	11,227	-	-	(11,227)	-
Pupil personnel services	55,122	-	-	(55,122)	(43,687)
Instructional staff training	8,218	-	-	(8,218)	(9,021)
General administration	32,717	-	-	(32,717)	(28,234)
School administration	20,988	-	-	(20,988)	(15,766)
Facility acquisition and construction	33,000	-	33,000	-	-
Fiscal services	18,199	2,708	-	(15,491)	(10,938)
Food services	103,575	103,575	-	-	-
Central services	45,600	-	-	(45,600)	(27,845)
Pupil transportation services	-	-	-	-	(62)
Operation of plant	55,245	-	1,438	(53,807)	(51,140)
Maintenance of plant	25,299	-	-	(25,299)	(40,882)
Community services	128,813	-	-	(128,813)	(124,413)
Depreciation	1,913	-	-	(1,913)	(1,676)
<b>Total governmental activities</b>	<u>\$ 1,079,459</u>	<u>\$ 176,110</u>	<u>\$ 34,438</u>	<u>\$ (868,911)</u>	<u>\$ (772,562)</u>
<b>General revenue</b>					
Grants and contributions not restricted to specific purposes				<u>844,779</u>	<u>757,276</u>
Changes in net position				<u>(24,132)</u>	<u>(15,286)</u>
<b>Net position – beginning</b>				<u>6,977</u>	<u>22,263</u>
<b>Net position – ending</b>				<u>\$ (17,155)</u>	<u>\$ 6,977</u>

\*certain amounts have been reclassified for comparative purpose

The accompanying notes are an integral part of these financial statements.

RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.  
(A Not-For-Profit Organization)  
Governmental Funds Balance Sheet  
June 30, 2018  
(With Summarized Comparative Totals for 2017)

	General Fund	Special Revenue Fund	Capital Projects Fund	Combined Totals Governmental Funds	
				2018	2017
<b>Assets</b>					
1110 Cash	\$ 72,389	\$ -	\$ -	\$ 72,389	\$ 138,806
1130 Accounts receivable	19,316	-	-	19,316	8,788
1230 Prepaid expenses	3,360	-	-	3,360	5,752
<b>Total assets</b>	95,065	-	-	95,065	153,346
Deferred outflows of resources	-	-	-	-	-
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
2120 Accounts payable and accrued expenses	28,823	-	-	28,823	33,578
2110 Accrued payroll	67,548	-	-	67,548	66,307
<b>Total liabilities</b>	96,371	-	-	96,371	99,885
Deferred inflows of resources	17,865	-	-	17,865	49,000
<b>Fund balances</b>					
2760 Unassigned	\$ (19,171)	\$ -	\$ -	\$ (19,171)	\$ 4,461

The accompanying notes are an integral part of these financial statements.

RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.  
(A Not-For-Profit Organization)  
Reconciliation of the Governmental Funds Balance Sheet to  
The Statement of Net Position  
June 30, 2018

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**Total fund balances – governmental funds balance sheet** \$ (19,171)

**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 as assets  
in governmental funds. The cost of assets is \$23,381 and  
the accumulated depreciation is \$21,365.

2,016

**Total net position – statement of net position** \$ (17,155)

The accompanying notes are an integral part of these financial statements.

RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.  
(A Not-For-Profit Organization)  
Statement of Governmental Funds Revenue, Expenditures and Changes in Fund Balances  
Year Ended June 30, 2018  
(With Summarized Comparative Totals for 2017)

	General Fund	Special Revenue Fund	Capital Projects Fund	Combined Totals Governmental Funds		
				2018	2017*	
<b>Revenue</b>						
3261.000	Federal through state school lunch reimbursement	\$ 10,087	\$ 106,282	\$ -	\$ 116,369	\$ 96,168
3240.000	Title I revenue	-	69,828	-	69,828	30,079
3310.000	School Board of Hillsborough County – FTE	652,410	-	-	652,410	564,689
3310.000	– DOE Best & Brightest Scholarships	13,400	-	-	13,400	745
3310.000	– Teachers Training Reimbursement	-	-	-	-	1,458
3310.000	– Lead Teacher	1,458	-	-	1,458	-
3310.000	– Add'l FTE Revenue	-	-	-	-	52
3391.000	State revenue – capital outlay PECO	27	-	24,000	24,027	32,489
3413.000	State revenue – capital outlay LCIR	-	-	10,438	10,438	-
3400.000	Local sources – other contributions	137,397	-	-	137,397	154,983
3489.000	Restricted revenue – local funding	30,000	-	-	30,000	30,000
	<b>Total revenue</b>	<u>844,779</u>	<u>176,110</u>	<u>34,438</u>	<u>1,055,327</u>	<u>910,663</u>
<b>Expenditures</b>						
5100.100	Instruction – salaries	360,994	64,787	-	425,781	359,539
5100.200	Instruction – employee benefits	82,753	4,212	-	86,965	61,952
5100.300	Instruction – purchased services	440	-	-	440	391
5100.500	Instruction – materials and supplies	22,858	828	-	23,686	14,563
5100.642	Instruction – non-capitalized equipment	2,671	-	-	2,671	1,375
6000.100	Instructional support services – salaries	8,424	-	-	8,424	8,198
6000.200	Instructional support services – employee benefits	2,803	-	-	2,803	2,959
6100.300	Pupil personnel services – purchased services	30,681	-	-	30,681	22,390
6100.700	Pupil personnel services – other services	24,441	-	-	24,441	21,297
6400.300	Instructional staff training – purchased services	8,218	-	-	8,218	9,021
7200.300	General Administration – school district admin fees	32,717	-	-	32,717	28,234
7300.100	School administration – salaries	7,513	-	-	7,513	6,160
7300.200	School administration – employee benefits	3,165	-	-	3,165	2,165
7300.300	School administration – purchased services	6,500	-	-	6,500	5,302
7300.500	School administration – materials and supplies	1,776	-	-	1,776	453
7300.641	School administration – capitalized equipment	1,413	-	-	1,413	-
7300.642	School administration – non-capitalized equipment	825	-	-	825	713
7300.700	School administration – other expenses	1,209	-	-	1,209	973
7400.300	Facility acquisition and construction – rental property	-	-	33,000	33,000	32,352
7500.300	Fiscal services – RCMA indirect costs	15,491	2,708	-	18,199	13,391
7600.100	Food service – salaries	-	30,096	-	30,096	27,257
7600.200	Food service – fringe benefits	-	9,045	-	9,045	6,411
7600.300	Food service – purchased services	-	1,277	-	1,277	-
7600.400	Food service – energy service	-	-	-	-	987
7600.500	Food service – materials and supplies	-	63,157	-	63,157	53,848
7700.100	Central services – salaries	38,550	-	-	38,550	22,363
7700.200	Central services – employee benefits	7,050	-	-	7,050	5,482
7800.300	Pupil transportation services – purchased services	-	-	-	-	62
7900.100	Operation of plant – salaries	8,725	-	-	8,725	7,359
7900.200	Operation of plant – employee benefits	2,119	-	-	2,119	2,077
7900.300	Operation of plant – purchased services	31,140	-	1,438	32,578	34,533
7900.400	Operation of plant – energy services	9,766	-	-	9,766	4,817
7900.600	Operation of plant – communication	2,057	-	-	2,057	2,354
8100.100	Maintenance of plant – salaries	18,583	-	-	18,583	31,638
8100.200	Maintenance of plant – employee benefits	6,716	-	-	6,716	9,244
9100.100	Community services – salaries	85,690	-	-	85,690	81,880
9100.200	Community services – employee benefits	16,682	-	-	16,682	10,750
9100.300	Community services – purchased services	12,772	-	-	12,772	14,496
9100.300	Community services – indirect cost	5,186	-	-	5,186	7,369
9100.300	Community services – rental property	-	-	-	-	648
9100.400	Community services – energy services	3,051	-	-	3,051	1,478
9100.500	Community services – material and supplies	5,254	-	-	5,254	7,099
9100.642	Community services – non-capitalized equipment	178	-	-	178	693
	<b>Total expenditures</b>	<u>868,411</u>	<u>176,110</u>	<u>34,438</u>	<u>1,078,959</u>	<u>924,273</u>
	<b>Deficiency of revenue over expenditures</b>	(23,632)	-	-	(23,632)	(13,610)
	Fund balances – beginning	4,461	-	-	4,461	18,071
	<b>Fund balances – ending</b>	<u>\$ (19,171)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,171)</u>	<u>\$ 4,461</u>

\*certain amounts have been reclassified for comparative purpose

The accompanying notes are an integral part of these financial statements.

RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.  
(A Not-For-Profit Organization)  
Reconciliation of the Statement of Governmental Funds Revenue, Expenditures and  
Changes in Fund Balances to the Statement of Activities  
Year Ended June 30, 2018

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**Net change in fund balances – statement of governmental funds  
revenue, expenditures, and changes in fund balances** \$ (23,632)

**Amounts reported for governmental activities in the  
statement of net assets are different because:**

Capital assets used in governmental activities are not  
financial resources and therefore are not reported as assets  
in governmental funds.

Expenditures for capital assets	1,413
Less current-year depreciation expense	<u>(1,913)</u>

**Change in net assets – statement of activities** \$ (24,132)

The accompanying notes are an integral part of these financial statements.

**Note 1 Organization and Purpose**

Redlands Christian Migrant Association, Inc. (RCMA and/or the Organization) was incorporated as a not-for-profit organization under the laws of the State of Florida in 1965. RCMA's purpose is to administer child care centers, schools for handicapped children and early childhood education centers for the children of migrant and seasonal farm workers whose families' total income does not exceed an amount over the poverty levels. RCMA achieves its purpose through a variety of programs funded substantially by federal and state grants and individual contributions.

In 1999, the board of directors and administration approved a plan to open a charter school since this was in line with the Organization's mission. The Organization obtained approval and opened its charter school for the 2000 – 2001 school year under a charter of the sponsoring school district, the Hillsborough County Public District School Board (the District). In 2011, RCMA reached \$1.3 million from fundraising activities for the opening of a middle school. On August 1, 2012 (inception date), the RCMA Leadership Academy began operations for 2012 – 2013 school year under a charter of the sponsoring school district of Hillsborough.

**Note 2 Summary of Significant Accounting Policies**

**Reporting Entity**

The accompanying financial statements are for RCMA Leadership Academy, (the Charter School or the School), a program of RCMA. The governing body of the Charter School consists of the at large members of the RCMA board of directors. All board members have been finger printed and processed as required by the state's school board law.

**Basis of presentation**

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements are included in the financial statements of RCMA using the not-for-profit model of reporting. However, the accompanying financial statements are presented using a governmental model for purposes of reporting to the District.

**Basic Financial Statements**

The basic financial statements include both government-wide (based on the Charter School as a whole) and fund financial statements according to Governmental Accounting Standard Board.



**Note 2 Summary of Significant Accounting Policies (continued)**

***Government-Wide Basic Statements***

The government-wide financial statements include a Statement of Net Position and Statement of Activities, which measure all economic resources and are prepared using full accrual accounting. In the government-wide Statement of Net Position, both the governmental and business-type activities are presented on a consolidated basis and are reflected, on a full accrual economic resource basis. The financial statements reflect costs using the function and object dimensions required by the publication Financial and Program Cost Accounting and Reporting for Florida Schools (the Red Book) as required by Section 1002.33(9)(i), Florida Statutes.

***Fund Basic Financial Statements***

In the fund financial statements, financial transactions and accounts of the School are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts according to cash and/or financial resources. The School's fund financial statements include the following funds: The General, Special Revenue and Capital Projects. These funds are used for the following purposes:

General Fund

The General Fund is used to account for the full-time equivalent (FTE) fee received from the District, unrestricted contributions, interest and other income and the expenditures incurred under the Charter School contract with the District.

Special Revenue Fund

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Capital Projects Fund

The Capital Projects Fund is used to account for monies received for the use of construction, property lease, renovations and maintenance of school facilities.

***Measurement focus and basis of accounting***

Basis of accounting refers to the point at which revenue and expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

The governmental funds basic financial statements are maintained and reported using the modified accrual basis of accounting using the current financial resources measurement focus.

**Note 2 Summary of Significant Accounting Policies (continued)**

***Measurement focus and basis of accounting (continued)***

Under this method of accounting, revenue is recognized in the period that they become measurable and available. The Charter School considers revenue to be available if it is collected within 60 days of the end of the year.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation schedule is prepared which reflects the adjustment necessary to reconcile the fund financial statements to the government-wide financial statements.

Governmental activity in the government-wide basic financial statements is presented on the full accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred using the economic resources measurement focus.

***Deferred outflows/inflows of resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The school does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow resource (revenue) until that time.

**Comparative Financial Statements**

The financial statements include prior-year summarized comparative information in total, but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the School's financial statements for the fiscal year ended June 30, 2017, from which the summarized information was derived.

**Uses of Estimates**

In preparing these financial statements, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities as of the date and for the period then ended of the financial statements. Actual results could differ from these estimates. A description of some of the estimates used is included in the following significant accounting policies.

**Note 2 Summary of Significant Accounting Policies (continued)**

**Revenue Sources**

***General Fund***

Revenue in the general fund reflects the funds received from the Hillsborough County School District pursuant to Section 1011.62 of the Florida Statutes. Such revenue is determined based on (1) un-weighted FTE (Full Time Equivalent), multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62 (1)(e)2 of the Florida Statutes. In this connection, the School reported 105.78 un-weighted and 106.57 weighted FTE for the 2017 – 2018 school year.

The Charter School's funding pursuant to the Florida Education Finance Program (FEFP) is subject to adjustments resulting from Full Time Equivalent (FTE) audits conducted by the Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). In addition, the Charter School's Weighted Funding percentage as defined in the regulations represents the percentage of total state funding which would be at risk should certain specific records for the School's Exceptional Students Education (ESE) and English for Speakers of Other Languages (ESOL) programs not be maintained up to standards. Such records include the following:

- Attendance and membership documentation (Rule 6A-1.044,FAC)
- Teacher certificates and other certification documentation (Rule 6A-1.0503,FAC)
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC)
- Evaluation and planning documents for weighted programs (Sections 1011.62(1)(e), FS, and Rule 6A-6.03411, FAC)

Schools are required to maintain the documentation for three years or until the completion of an FTE audit.

In addition, the School receives state funds through the District under the charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on capital outlay plan submitted to the District and are to be used for lease of school facilities.

Finally, the School receives federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenue until expended. Additionally, other revenue may be derived from various fundraising activities and certain other programs.

**Note 2 Summary of Significant Accounting Policies (continued)**

***Capital Projects Fund***

The capital projects fund reflects awards from federal, state and local sources for the purchase of capital assets or the leasing of property and/ or land as described in the award.

***Special Revenue Fund***

The special revenue fund reflects the School's federal awards for the enhancement of various educational programs. Revenue on the federal awards is recognized based on a) amounts allocated under the terms of the grant, or b) the amount of eligible expenditures incurred.

**Cash and Cash Equivalents**

The Charter School considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. There were no such investments as of June 30, 2018.

**Accounts Receivable**

The Charter School considers accounts receivable to be collectible; accordingly, no allowance for doubtful accounts is required. When amounts are determined to be uncollectible, they are charged to operations.

**Property and Equipment**

The Charter School records in the statement of net position property and equipment at cost when purchased or constructed, or at market value when donated. The Charter School capitalizes all expenditures in excess of \$1,000 for property and equipment at cost. Donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. 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. Absent donor stipulations regarding how long those assets must be maintained, the Charter School reports expirations of donor-imposed restrictions when the donated or acquired assets are placed in service as instructed by the donor. Expenditures for major renewals and betterment that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Long-lived assets are reviewed for impairment when circumstances indicate that the carrying value of an asset may not be recoverable. If the carrying value is impaired, the long-lived assets will be written down to their fair market value with a corresponding charge to earnings. No such impairment was recorded for the fiscal year ended June 30, 2018.

**Note 2 Summary of Significant Accounting Policies (continued)**

**Depreciation**

Depreciation is included in the statement of activities. Such depreciation is computed on the straight-line basis over the following estimated useful lives of the assets:

Program equipment	3 – 5
Office equipment	3 – 5

**Net Position Classifications**

Net position is classified in three categories as follows:

Invested in Capital Asset – represents the difference between the cost of capital assets, less accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

Restricted – consists of net position with constraints placed on their use by external groups such as creditors, grantors, contributors or laws or regulations of other governments, or laws or regulations of other governments. There are no restricted amounts at year end.

Unrestricted – all other net position that does not meet the definition of “invested in capital assets” or “restricted.”

**Fund Balance**

The governmental fund financial statements present fund balances under the provisions of GASB Codification Section 188.142. This statement defines the different type of categories that a governmental entity must use as follows:

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Consists of fund balance associated with inventories, prepaid expenses, long-term notes receivable and deposits. This is due to their non-conversion to cash or are not expected to be converted to cash or are not expected to be converted to cash within the next year. There are no such funds at year end.

Restricted – includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through legislation. There are no restricted funds at year end.

**Note 2 Summary of Significant Accounting Policies (continued)**

**Fund Balance (continued)**

Committed – includes amounts that can be used for specific purposes determined by formal action of the Board of Directors (highest level of decision-making authority). There are no committed funds at year end.

Assigned – includes amounts that the Board of Directors intends to use for a specific purpose but they are neither restricted nor committed. There are no assigned funds at year end.

Unassigned – includes amounts that have not been restricted, committed or assigned for a specific purpose within the General Fund.

When the School incurs expenditures for which restricted or unrestricted fund balance is available, the School would consider restricted funds to be spent first. When the School has expenditures which are committed, assigned or unassigned fund balance is available, the School would consider committed funds to be spent first, then assigned funds and lastly unassigned funds.

**Income Taxes**

RCMA, Inc. is organized as a not-for-profit entity and is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes is required.

**Donated Space**

Donated space is reflected in the accompanying statements at its fair value.

RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.  
(A Not-For-Profit Organization)  
Notes to Financial Statements

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**Note 3 Property and Equipment**

Property and equipment consist of the following:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Cost</b>				
Program equipment	\$ 16,632	\$ -	\$ -	\$ 16,632
Office equipment	5,336	1,413	-	6,749
	<u>21,968</u>	<u>1,413</u>	<u>-</u>	<u>23,381</u>
<b>Accumulated depreciation</b>				
Program equipment	14,116	1,678	-	15,794
Office equipment	5,336	235	-	5,571
	<u>19,452</u>	<u>1,913</u>	<u>-</u>	<u>21,365</u>
<b>Property and equipment, net</b>	<u>\$ 2,516</u>	<u>\$ (500)</u>	<u>\$ -</u>	<u>\$ 2,016</u>

Depreciation expense for the fiscal years ended June 30, 2018 and 2017 amounted to \$1,913 and \$1,677, respectively.

**Note 4 Contingency**

The Charter School is subject to federal, state and local government audits. These audits could result in the questioning of expenditures relating to certain grants under various technical compliance provisions of the individual grants. No expenditures are being questioned as of June 30, 2018.

**Note 5 Employee Benefits – Profit-Sharing Plan**

The Charter School's employees participate in the 403(b) Thrift Plan of Redlands Christian Migrant Association, which provides for employer's contributions from 3% up to 5% of all employees' contribution into the plan. The School's match is based on employee's length of employment. In addition, the Charter School funds 6% of compensation for contractual employees. Thrift Plan expenses aggregated to \$25,594 and \$17,041 for the years ended 2018 and 2017, respectively.

**Note 6 Related Party Transactions**

**Sponsor Organization**

In 2018, the Charter School entered into a one-year lease agreement with RCMA (the Sponsor Organization) for its educational facility. The lease requires one annual payment of \$33,000 or the amount collected from FTE Capital Outlay and the difference (if any) recorded as donated space. In this connection, the School received FTE Capital Outlay of \$33,000 for the year ended June 30, 2018 and no difference was recorded for in-kind donated space.

Furthermore, the Charter School reimburses RCMA for indirect costs composed of various administrative support expenses. These costs aggregated \$23,386 and \$20,761 for 2018 and 2017, respectively.

**School District**

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 5% of the qualifying revenue of the School. For the years ended June 30, 2018 and 2017, administrative fees withheld by the School District totaled \$32,717 and \$28,234, respectively.

**Note 7 Business Concentration and Credit Risk**

**Business Risk**

Federal and state or local grants substantially fund the Charter School's services. Governmental work may be significantly impacted by budget allocations and consequently an adverse change in the budget could affect the Charter School's operations.

**Credit Risk**

It is the School's policy to maintain its cash in major banks. As of June 30, 2018, all of the School's cash funds qualified as a Public Deposit as defined in Chapter 280 of the Florida Statutes and, therefore, it is fully insured.

**Note 8 Risk Management**

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the prior year.

**Note 9 Subsequent Events**

Subsequent events have been evaluated through September 27, 2018, which is the date the financial statements were available to be issued.



## **Compliance Reports Section**

**Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Directors of  
RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.

*Prager Metis CPAs, LLC*

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We have audited, 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, the financial statements of RCMA Leadership Academy (the School), a program of Redlands Christian Migrant Association, Inc., (RCMA) (a not-for-profit organization), operating as a charter school of Hillsborough County District Schools, as of and for the year ended June 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated September 27, 2018, which collectively comprise the School’s basic financial statements as listed in the table of contents.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered RCMA Leadership Academy’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter School’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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Charter School'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 results of that testing, and not to provide an opinion on the effectiveness of the School'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Prager Metis CPAs, LLC*

Prager Metis CPAs, LLC  
Coral Gables, Florida  
September 27, 2018

**Management Letter Pursuant to the Rules of the  
Auditor General for the State of Florida**

To the Board of Directors of  
RCMA Immokalee Community School  
A Program of Redlands Christian Migrant Association, Inc.

*Prager Metis CPAs, LLC*

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**Report on the Financial Statements**

We have audited the financial statements of RCMA Leadership Academy, a program of Redlands Christian Migrant Association, Inc., (a not-for-profit organization), operating as a charter school of the Hillsborough County School District as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated September 27, 2018.

**Auditor's 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 10.850, Rules of the Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedules, which are dated September 27, 2018, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.854(1)(e)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. There were no findings or recommendations noted in the preceding audit report.

**Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the School be disclosed in this management letter. The official title of the School is RCMA Leadership Academy.



### **Financial Condition and Management**

Section 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the RCMA Leadership Academy 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 RCMA Leadership Academy did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the RCMA Leadership Academy. It is management's responsibility to monitor the RCMA Leadership Academy'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 10.854(1)(e)3., 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.

### **Transparency**

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the RCMA Leadership Academy maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the RCMA Leadership Academy maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

### **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate 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 note 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, applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Prager Metis CPAs, LLC*

Prager Metis CPAs, LLC  
Coral Gables, Florida  
September 27, 2018

## **Supplementary Information**

RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.  
(A Not-For-Profit Organization)  
Statement of Governmental Funds Revenue, Expenditures and  
Changes in Fund Balances – Budget and Actual – Governmental Funds (Unaudited)  
Year Ended June 30, 2018

	General Fund		Special Revenue Fund		Capital Projects Fund		Total Governmental Funds		Variance Positive (Negative)
	Original/Final Budget	Actual	Original/Final Budget	Actual	Original/Final Budget	Actual	Original/Final Budget	Actual	
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		
<b>Revenue</b>									
3240 Title I revenue	\$ -	\$ -	\$ 69,828	\$ 69,828	\$ -	\$ -	\$ 69,828	\$ 69,828	\$ -
3261 Federal through state school lunch reimbursement	5,418	10,087	100,000	106,282	-	-	105,418	116,369	10,951
3310 School Board of Hillsborough County – FTE	653,748	654,338	-	-	-	-	653,748	654,338	590
– DOE Best & Brightest Scholarships	13,400	13,400	-	-	-	-	13,400	13,400	-
– Lead teacher	1,458	1,458	-	-	-	-	1,458	1,458	-
– Add'l FTE Revenue	-	(1,928)	-	-	-	-	-	(1,928)	(1,928)
3391 State revenue – capital outlay PECO	-	27	-	-	24,000	24,000	24,000	24,027	27
3413 State revenue – capital outlay LCIR	-	-	-	-	10,450	10,438	10,450	10,438	(12)
3400 Local sources – other contributions	137,548	137,397	-	-	-	-	137,548	137,397	(151)
3489 Restricted revenue – local funding	-	30,000	-	-	-	-	-	30,000	30,000
<b>Total revenue</b>	<b>811,572</b>	<b>844,779</b>	<b>169,828</b>	<b>176,110</b>	<b>34,450</b>	<b>34,438</b>	<b>1,015,850</b>	<b>1,055,327</b>	<b>39,477</b>
<b>Expenditures</b>									
5100 Instruction	474,930	469,716	69,827	69,827	-	-	544,757	539,543	5,214
6000 Instructional support services	11,200	11,227	-	-	-	-	11,200	11,227	(27)
6100 Pupil personnel services	49,000	55,122	-	-	-	-	49,000	55,122	(6,122)
6400 Instructional staff training	5,350	8,218	-	-	-	-	5,350	8,218	(2,868)
7200 General administration – school district admin fees	32,688	32,717	-	-	-	-	32,688	32,717	(29)
7300 School administration	18,225	22,401	-	-	-	-	18,225	22,401	(4,176)
7400 Facility acquisition and construction – rental property	-	-	-	-	33,000	33,000	33,000	33,000	-
7500 Fiscal services	9,754	15,491	1,798	2,708	-	-	11,552	18,199	(6,647)
7600 Food services	(25,576)	-	98,203	103,575	-	-	72,627	103,575	(30,948)
7700 Central services	28,000	45,600	-	-	-	-	28,000	45,600	(17,600)
7900 Operation of plant	45,425	53,807	-	-	1,450	1,438	46,875	55,245	(8,370)
8100 Maintenance of plant	40,250	25,299	-	-	-	-	40,250	25,299	14,951
9100 Community services	122,326	128,813	-	-	-	-	122,326	128,813	(6,487)
<b>Total expenditures</b>	<b>811,572</b>	<b>868,411</b>	<b>169,828</b>	<b>176,110</b>	<b>34,450</b>	<b>34,438</b>	<b>1,015,850</b>	<b>1,078,959</b>	<b>(63,109)</b>
<b>Deficiency of revenue over expenditures</b>	<b>-</b>	<b>(23,632)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23,632)</b>	<b>(23,632)</b>
Fund balances – beginning	4,461	4,461	-	-	-	-	4,461	4,461	-
<b>Fund balances – ending</b>	<b>\$ 4,461</b>	<b>\$ (19,171)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,461</b>	<b>\$ (19,171)</b>	<b>\$ (23,632)</b>

RCMA Leadership Academy

A Program of Redlands Christian Migrant Association, Inc.

(A Not-For-Profit Organization)

Note to Statement of Governmental Funds Revenue, Expenditures and  
Changes in Fund Balances – Budget and Actual – Governmental Funds (Unaudited)

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**Basis of Accounting**

The Statement of Governmental Funds Revenue, Expenditures and Changes in Fund Balances – Budget and Actual – Governmental Funds are maintained and reported using the modified accrual basis of accounting using the current financial resources measurement focus. Under this method of accounting, revenue is recognized in the period that it becomes measurable and available. The School considers revenue to be available if it is collected within 60 days of the end of the fiscal year.