

**RCMA Leadership Academy**  
**A Program of**  
**Redlands Christian Migrant Association, Inc.**  
**(A Not-For-Profit Organization)**  
**Financial Statements**  
**And**  
**Independent Auditors' Report**  
**June 30, 2017**

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### Letter of Transmittal

October 3, 2017

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

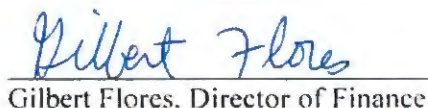
The accompanying report consists of management's representation concerning the finances of the RCMA Leadership Academy, a program of Redlands Christian Migrant Association, Inc. (a not-for-profit organization), hereafter referred to as the Charter School. We, the management of the Charter School, assume 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 do 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 6-12 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,


  
 Gayane Stepanian, Executive Director


  
 Gilbert Flores, Director of Finance

**RCMA Leadership Academy**  
**A Program Of**  
**Redlands Christian Migrant Association, Inc.**  
**(A Not-For-Profit Organization)**

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**Board of Directors**

**President**

Ms. Medora Krome

**Vice-Presidents**

Mr. Michael Stuart  
Mr. Linda Miles-Adams  
Mr. Gary Wishnatzki  
Mr. Michael T. Bayer  
Mr. William (Bill) Ferrari  
Mr. Larry Salustro

**Members At Large**

Ms. Minerva Jaimes  
Ms. Sandra Hightower  
Mr. Al Hinson  
Mr. Joaquin Perez  
Mr. Nelson Luis  
Ms. Katherine R. English  
Ms. Wilma Robles de Melendez  
Ms. Ilda Martinez  
Mr. Jamie Weisinger  
Mr. Chuck Allison  
Ms. Sandra Hightower

**Secretary**

Mr. Richard Pringle

**Treasurer**

Mr. Steve Price



## Independent Auditors' Report

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

### Report on the Financial Statements

*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](http://www.pragermetis.com)

We have audited the accompanying 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 of the Hillsborough County District School, which collectively comprise the School's basic financial statements as listed in the table of contents as of and for the fiscal year then ended June 30, 2017, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards 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 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.



To the Board of Directors of  
RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.  
Page 2

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 financial position of RCMA Leadership Academy, a program of RCMA, as of June 30, 2017 and the respective changes in net position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

As explained in Note A to the financial statements, the accompanying financial statements being presented are only for the School referred to on page 3 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, 2017 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 Supplemental 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 6-12 and pages 32-33, 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. 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 30-31) dated October 3, 2017.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of RCMA Leadership Academy, a program of RCMA taken as a whole. 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.





To the Board of Directors of  
RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.  
Page 3

*Prior-Year Comparative Information*

Vizcaino Zomerfeld, LLP, who merged with Prager Metis, LLC on August 1, 2017, previously audited the School's 2016 financial statements, and expressed an unmodified audit opinion on the respective financial statements in our report dated August 31, 2016. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2016, 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 28-29) dated October 3, 2017 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, grants 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*

Coral Gables, FL  
October 3, 2017

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

**School Profile and Management's Discussion and Analysis (Unaudited)**

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Board of Directors

RCMA Leadership Academy, a program of  
Redlands Christian Migrant Association, Inc. (RCMA)  
(A not-for-profit organization)

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, Florida 33598

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

Juana Brown

**3. School Director:**

Mark Haggett

**4. The Charter School's profile:**

**Total Students: 92**

- Free and reduced lunch rate: 100%
- Attendance rate: 97%
- Hispanic: 93%
- Multiracial: 7%
- English Speakers of other Languages (ESOL): 74%
- Exceptional Student Education: 9%

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**School Profile and Management's Discussion and Analysis (Unaudited)**

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**School Progress and Development**

Redlands Christian Migrant Association (RCMA) is a 52-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 high school level class was offered for the first time this year.

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 running club, 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 teams hold the distinction of being charter league soccer champions for the last three years and street hockey champs the last two.

**School Profile and Management's Discussion and Analysis (Unaudited)**

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**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 is offered to all entering sixth grader parents and provides a valuable introduction to the evolving role of parents during the critical middle school years. This year the school, in partnership with the Mexican consulate, also added continuing education classes for a select number of parents to enable them to complete their own education.

**Assessment and Accountability**

Progress and growth are measured through the annual Florida State Assessment given yearly in the spring. Based on results on this state test the school earned a "C" grade. Although the school remained at a "C", overall results in math proved stronger this year, with significant gains made by seventh grade students. Along with the FSA assessment, students take the benchmark NWEA Measure of Academic Progress (MAP) assessment. This norm-referenced assessment indicated that over 72% of seventh and eighth grade students met their projected growth in Math and Reading for 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 fiscal year ended June 30, 2017 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 position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

**RCMA Leadership Academy**  
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**School Profile and Management's Discussion and Analysis (Unaudited)**

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

*Government-Wide Financial Statements (continued)*

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 13-14 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 15-18 of this report.

**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 19-27 of this report.

**RCMA Leadership Academy**  
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**School Profile and Management's Discussion and Analysis (Unaudited)**

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**Management Analysis of Operations and Financial Condition**

*GOVERNMENT-WIDE FINANCIAL ANALYSIS*

The School's net position decreased from \$22,263 in 2016 to \$6,977 in 2017.

	<b>June 30,</b>	
<u>Assets</u>	<b>2017</b>	<b>2015</b>
<b>Current Assets</b>		
Cash	\$ 138,806	\$ 56,985
Accounts receivable	8,788	12,442
Prepaid and other expenses	5,752	2,411
<b>Total current assets</b>	153,346	71,838
<b>Property and equipment</b>	2,516	4,192
	155,862	76,030
<b>Deferred outflows of resources</b>		
<b><u>Liabilities and Net Position</u></b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	33,578	13,085
Accrued payroll	66,307	40,682
<b>Total current liabilities</b>	99,885	53,767
<b>Deferred inflows of resources</b>	49,000	
<b>Net Position</b>		
Invested in capital assets	2,516	4,192
Unrestricted	4,461	18,071
<b>Total net position</b>	\$ 6,977	\$ 22,263

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 fiscal year was \$15,286, as reflected on page 14.

**RCMA Leadership Academy**  
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**(A Not-For-Profit Organization)**  
**School Profile and Management's Discussion and Analysis (Unaudited)**

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

*GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)*

The School's revenues and expenditures may be summarized as follows:

	For Fiscal Years Ended	
	June 30,	
	2017	2016
Revenues	(Rounded)	(Rounded)
School Board-FTE	\$ 564,700	\$ 394,000
-Common core training	700	8,300
-Lead teacher	1,500	1,200
-Reading plan reimbursement		4,000
-Florida school add'l revenue	100	
Federal thru state school lunch reimbursement	5,300	5,300
Other contributions	155,000	123,700
Local Funding	30,000	30,000
In-kind		22,500
<b>Total revenues</b>	<b>757,300</b>	<b>589,000</b>
Expenditures		
Instruction	407,800	317,700
Instructional support	11,200	1,700
Pupil personnel services	43,700	23,000
Instructional staff training	9,000	1,800
General administration - school district admin. fees	28,200	19,700
School administration	15,800	16,100
Facility acquisition		22,500
Fiscal services	10,900	13,800
Food service		12,300
Central services	27,800	20,400
Operation of plant	51,200	11,300
Maintenance of plant	40,900	49,100
Community services	124,400	62,200
Depreciation	1,700	4,000
<b>Total expenditures</b>	<b>772,600</b>	<b>575,600</b>
Changes in net position	<b>\$ (15,300)</b>	<b>\$ 13,400</b>

**RCMA Leadership Academy**  
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**(A Not-For-Profit Organization)**

**School Profile and Management's Discussion and Analysis (Unaudited)**

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

*GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)*

The increase in revenues this fiscal year of approximately \$168,300 was mainly due to the increase in FTE funding. FTE money increased as a direct result of an increase in student enrollment.

**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 \$4,461.

**Governmental Fund Budget Analysis and Highlights**

Prior to the start of the School's fiscal year, the Board adopted an annual budget. Total actual revenues were more than budgeted by \$52,320 due to unexpected income from lunch reimbursements and other local sources. Total actual expenditures were more than budgeted by \$66,891 mostly attributable to more actual expenditure in instruction and pupil personnel service. Refer to page 32 for the Statement of Government Funds Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Governmental Funds.

**Capital Assets**

The School's investment in capital assets as of June 30, 2017 amounted to \$2,516 (net of accumulated depreciation of \$19,453). 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 St Immokalee, Florida 34142.



**RCMA Leadership Academy**  
**A Program of Redlands Christian Migrant Association, Inc.**  
**(A Not-for-Profit Organization)**  
**Statements of Net Position**  
**June 30, 2017**  
**(With Comparative Totals for 2016)**

	2017	2016
<b><u>Assets</u></b>		
<b>Current Assets</b>		
1110 Cash	\$ 138,806	\$ 56,985
1130 Accounts receivable	8,788	12,442
1230 Prepaid expenses	5,752	2,411
<b>Total cureernt assets</b>	<b>153,346</b>	<b>71,838</b>
1300 Property and equipment	2,516	4,192
<b>Total Assets</b>	<b>155,862</b>	<b>76,030</b>
<b>Deferred outflows of resources</b>		
<b><u>Liabilities</u></b>		
<b>Current Liabilities</b>		
2120 Accounts payable	33,578	13,085
2110 Accrued payroll	66,307	40,682
<b>Total current liabilities</b>	<b>99,885</b>	<b>53,767</b>
<b>Deferred inflows of resources</b>	<b>49,000</b>	
<b><u>Net Position</u></b>		
2770 Invested in capital assets	2,516	4,192
2790 Unrestricted	4,461	18,071
<b>Total net position</b>	<b>\$ 6,977</b>	<b>\$ 22,263</b>

Attention is directed to independent auditors' report and notes to financial statements.

**RCMA Leadership Academy**  
**A Program of Redlands Christian Migrant Association, Inc.**  
**(A Not-for-Profit Organization)**  
**Statements of Activities**  
**For the Fiscal Year Ended June 30, 2017**  
**(With Comparative Total for 2016)**

	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position Government	
		Special Revenue	Capital Projects	2017	2016
<b>Governmental activities</b>					
Instruction	\$ 448,977	\$ 30,079		\$ (418,898)	\$ (319,425)
Pupil personnel services	43,687			(43,687)	(23,021)
Instructional staff training	9,021			(9,021)	(1,805)
General administration	28,234			(28,234)	(19,701)
School administration	15,766			(15,766)	(16,047)
Facility acquisition and construction	32,352		\$ 32,352		(22,461)
Fiscal services	13,391	2,453		(10,938)	(13,776)
Food services	88,503	88,503			(12,278)
Central services	27,845			(27,845)	(20,435)
Operation of plant	51,140			(51,140)	(11,256)
Pupil transportation services	62			(62)	
Maintenance of plant	40,882			(40,882)	(49,080)
Community services	124,413			(124,413)	(62,235)
Depreciation	1,676			(1,676)	(3,941)
<b>Total governmental activities</b>	<b>925,949</b>	<b>121,035</b>	<b>32,352</b>	<b>(772,562)</b>	<b>(575,461)</b>
<b>General revenues</b>					
Grants and contributions not restricted to specific purposes				757,276	588,929
Changes in net position				(15,286)	13,468
<b>Net position- beginning</b>				22,263	8,795
<b>Net position- ending</b>				<b>\$ 6,977</b>	<b>\$ 22,263</b>

Attention is directed to independent auditors' report and notes to financial statements.

**RCMA Leadership Academy**  
**A Program of Redlands Christian Migrant Association, Inc.**  
**(A Not-for-Profit Organization)**  
**Governmental Funds Balance Sheets**  
**June 30, 2017**  
**(With Comparative Totals for 2016)**

		<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Combined Totals</u> <u>Governmental Funds</u>	
					2017	2016
<b><u>Assets</u></b>						
1110	Cash	\$ 138,806			\$ 138,806	\$ 62,108
1130	Accounts receivable	8,788			8,788	6,346
1230	Prepaid expenses	5,752			5,752	
	<b>Total assets</b>	<b>153,346</b>			<b>153,346</b>	<b>68,454</b>
<b>Deferred outflows of resources</b>						
<b><u>Liabilities</u></b>						
2120	Accounts payable and accrued expenses	33,578			33,578	16,457
2110	Accrued payroll	66,307			66,307	51,335
	<b>Total liabilities</b>	<b>99,885</b>			<b>99,885</b>	<b>67,792</b>
<b>Deferred inflows of resources</b>						
<b><u>Fund Balances</u></b>						
2760	Unassigned	\$ 4,461			\$ 4,461	\$ 18,071

Attention is directed to independent auditors' report and notes to 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, 2017**

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**Total fund balances - Governmental funds balance sheet** \$ 4,461

**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 \$21,968 and the accumulated depreciation is \$19,452. 2,516

**Total net position - Statement of net position** \$ 6,977

**RCMA Leadership Academy**  
**A Program of Redlands Christian Migrant Association, Inc.**  
**(A Not-for-Profit Organization)**

**Statements of Governmental Funds Revenues, Expenditures and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2017**  
**(With Comparative Totals for 2016)**

	General Fund	Special Revenue Fund	Capital Projects Fund	Combined Totals Governmental Funds	
				2017	2016
<b>Revenues</b>					
3261.000	Federal through state school lunch reimbursement	\$ 5,212	\$ 90,956	\$ 96,168	\$ 68,013
3240.000	Title I revenue		30,079	30,079	25,592
3310.000	School Board of Collier County - FTE	564,689		564,689	394,015
3310.000	- Teachers training reimbursement	745		745	8,256
3310.000	- Lead teacher	1,458		1,458	1,240
3310.000	- Reading plan reimbursement				4,000
3310.000	- Florida School - Add'l FTE Revenue	52		52	
3391.000	State revenue - capital outlay	137	\$ 32,352	32,489	10,539
3400.000	Local sources - other contributions	154,983		154,983	123,687
3489.000	Restricted revenue - local funding in Kind	30,000		30,000	30,000
	<b>Total revenues</b>	<b>757,276</b>	<b>121,035</b>	<b>32,352</b>	<b>910,663</b>
<b>Expenditures</b>					
5100.100	Instruction - salaries	331,794	27,745	359,539	275,304
5100.200	Instruction - employee benefits	60,150	1,802	61,952	52,804
5100.300	Instruction - purchased services	391		391	479
5100.500	Instruction - materials and supplies	14,031	532	14,563	9,586
5100.642	Instruction - non-capitalized equipment	1,375		1,375	5,159
6000.100	Instructional support services - salaries	8,198		8,198	1,327
6000.200	Instructional support services - employee benefits	2,959		2,959	359
6100.300	Pupil personnel services - purchased services	22,390		22,390	15,230
6100.700	Pupil personnel services - other services	21,297		21,297	7,791
6400.300	Instructional staff training - purchased services	9,021		9,021	1,805
7200.300	General Administration - school district admin fees	28,234		28,234	19,701
7300.100	School administration - salaries	6,160		6,160	7,861
7300.200	School administration - employee benefits	2,165		2,165	2,167
7300.300	School administration - purchased services	5,302		5,302	4,866
7300.500	School administration - materials and supplies	453		453	152
7300.642	School administration - non-capitalized equipment	713		713	
7300.700	School administration - other expenses	973		973	1,001
7400.300	Facility acquisition and construction - rental property			32,352	32,352
7500.300	Fiscal services - RCMA indirect costs	10,938	2,453	13,391	13,776
7600.100	Food service - salaries		27,257	27,257	21,148
7600.200	Food service - fringe benefits		6,411	6,411	6,088
7600.400	Food service - energy service		987	987	668
7600.500	Food service - materials and supplies		53,848	53,848	47,116
7700.100	Central services - salaries	22,363		22,363	17,319
7700.200	Central services - employee benefits	5,482		5,482	3,116
7800.300	Pupil transportation services - purchased services	62		62	
7900.100	Operation of plant - salaries	7,359		7,359	8,709
7900.200	Operation of plant - employee benefits	2,077		2,077	2,222
7900.300	Operation of plant - purchased services	34,533		34,533	
7900.400	Operation of plant - energy services	4,817		4,817	
7900.600	Operation of plant - communication	2,354		2,354	325
8100.100	Maintenance of plant - salaries	31,638		31,638	40,300
8100.200	Maintenance of plant - employee benefits	9,244		9,244	8,780
9100.100	Community services - salaries	81,880		81,880	48,248
9100.200	Community services - employee benefits	10,750		10,750	7,064
9100.300	Community services - building rent	14,496		14,496	418
9100.300	Community services - indirect cost	7,369		7,369	4,342
9100.300	Community Services - rental property	648		648	2,086
9100.400	Community Services - energy services	1,478		1,478	
9100.500	Community services - material and supplies	7,099		7,099	77
9100.642	Community services - non-capitalized equipment	693		693	
	<b>Total expenditures</b>	<b>770,886</b>	<b>121,035</b>	<b>32,352</b>	<b>924,273</b>
	(Deficiency) Excess revenues over expenditures	(13,610)			(13,610)
	<b>Fund balances - beginning</b>	<b>18,071</b>			<b>18,071</b>
	<b>Fund balances - ending</b>	<b>\$ 4,461</b>			<b>\$ 4,461</b>
					<b>\$ 18,071</b>

Attention is directed to independent auditors' report and notes to 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 Revenues,**  
**Expenditures and Changes in Fund Balances to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2017**

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<b>Net change in fund balances - Statement of governmental funds revenues, expenditures, and changes in fund balances</b>	<b>\$ (13,610)</b>
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Less current year depreciation expense	(1,676)
<b>Change in net position - Statement of activities</b>	<u><u>\$ (15,286)</u></u>

**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 A – Significant Accounting Policies**

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 do 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.

**1. 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.

**2. 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.

**2. 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 A – Significant Accounting Policies (Continued)**

**2. Basic Financial Statements (continued)**

Government-wide basic statements:

The government-wide financial statements includes 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.



**Note A – Significant Accounting Policies (Continued)**

**2. Basic Financial Statements (Continued)**

Measurement focus and basis of accounting:

Basis of accounting refers to the point at which revenues 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.

Under this method of accounting, revenues are recognized in the period that they become measurable and available. The Charter School considers revenues to be available if they are 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. Revenues are 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. The School does not have any items that qualify for reporting in this category.

**Note A – Significant Accounting Policies (Continued)**

**3. 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, 2016, from which the summarized information was derived.

**4. 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.

**5. Revenue Sources**

**General Fund**

Revenues in the general fund reflect the funds received from the Hillsborough County School District pursuant to Section 1011.62 of the Florida Statutes. Such revenues are 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 92 un-weighted and 93.1640 weighted FTE for the 2016-2017 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)

**Note A – Significant Accounting Policies (Continued)**

**5. Revenue Sources (continued)**

General Fund (continued)

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, revenues are recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

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. Revenues on the federal awards are recognized based on a) - amounts allocated under the terms of the grant, or b) - the amount of eligible expenditures incurred.

**6. 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, 2017.

**7. Accounts Receivable**

RCMA 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.

**Note A – Significant Accounting Policies (Continued)**

**8. 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, 2017.

**9. 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
Automobiles	3-10
Leasehold improvements	3-10

**10. 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”.

**Note A – Significant Accounting Policies (Continued)**

**11. 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:

Nonspendable – 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.

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.

**12. Income Taxes**

RCMA 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.

**13. 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**

**Note A – Significant Accounting Policies (Continued)**

**14. Subsequent Events**

The School has evaluated subsequent events through October 3, 2017, which is the date the financial statements were available to be issued.

**Note B – Property and Equipment**

Property and equipment consist of the following:

<u>Cost</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Program equipment	\$ 16,632			\$ 16,632
Office equipment	5,336			5,336
	<u>21,968</u>			<u>21,968</u>
 <b><u>Accumulated depreciation</u></b>				
Program equipment	12,440	\$ 1,676		14,116
Office equipment	5,336			5,336
	<u>17,776</u>	<u>1,676</u>		<u>19,452</u>
<b>Property and Equipment, net</b>	<u>\$ 4,192</u>	<u>\$ (1,676)</u>		<u>\$ 2,516</u>

Depreciation expense for the fiscal years ended June 30, 2017 and 2016 amounted to \$1,676 and \$3,941, respectively.

**Note C – 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, 2017.

**Note D – 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 \$16,859 and \$9,228 for the fiscal years ended June 30, 2017 and June 30, 2016, respectively.

## **Note E – Business and Credit Concentration**

### 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

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, 2017.

## **Note F – Related Party Transactions**

### Sponsor Organization

In 2017, 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 Charter School received FTE Capital Outlay of \$32,352 for the year ended June 30, 2017. The remaining balance came from other sources. For the year ended June 30, 2016, the School received \$10,539 from capital outlay and the difference of \$22,461 was charged to in-kind donated space.

Furthermore, the Charter School reimburses RCMA for indirect costs composed of various administrative support expenses. These costs aggregated \$20,761 and \$18,119 for the fiscal years ended June 30, 2017 and 2016, respectively.

### School District

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 5% of the qualifying revenues of the School. Administrative fees withheld by the School District totaled \$28,234 and \$19,701 for the fiscal years ended June 30, 2017 and 2016, respectively.

## **Note G – 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.

# COMPLIANCE REPORTS SECTION

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**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***

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

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 Charter School), a program of Redlands Christian Migrant Association, Inc., (RCMA) (a not-for-profit organization), operating as a charter of Hillsborough County District Schools, which collectively comprise the School's basic financial statements as listed in the table of contents as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated October 3, 2017.

**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.



To the Board of Directors of  
RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.  
Page 2

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*

Coral Gables, FL  
October 3, 2017

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

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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### 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 of the Hillsborough County School District as of and for the fiscal year ended June 30, 2017, and have issued our report thereon dated October 3, 2017.

### 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 10.850, Rule 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 Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report which is dated October 3, 2017, 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 proceeding 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 the name or official title of the School. The official title of the School is RCMA Leadership Academy.



To the Board of Directors of  
RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.  
Page 2

### **Financial Condition and Management**

Section 10.854(1)(e)2., Rules of the Auditor General, requires, us to apply appropriate procedures and communicate whether or not the RCMA Leadership Academy has met one or more of conditions described in Section 218.503(1), Florida Statutes, and identification of 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 Section 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 the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires us to communicate in the management letter 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, requires 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 which 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 be used by anyone other than these specified parties.

*Prager Metts CPAs, LLC*

Coral Gables, FL  
October 3, 2017



RCMA Leadership Academy  
A Program of Redlands Christian Migrant Association, Inc.  
(A Not-for-Profit Organization)  
Statement of Governmental Funds Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual - Governmental Funds (Unaudited)  
For the Fiscal Year Ended June 30, 2017

	General Fund		Special Revenue Fund		Capital Projects Fund		Total Governmental Funds		Variance Positive (Negative)	
	Original/Final Budget (Unaudited)	Actual	Original/Final Budget (Unaudited)	Actual	Original/Final Budget (Unaudited)	Actual	Original/Final Budget (Unaudited)	Actual		
<b>Revenues</b>										
3240	Title I revenue		\$ 25,175	\$ 30,079			\$ 25,175	\$ 30,079	\$ 4,904	
3261	Federal through state school lunch reimbursement		75,500	90,956			75,500	96,168	20,668	
3310	School Board of Collier County -FTE	\$ 559,894	564,689				559,894	564,689	4,795	
	-Teacher's training reimbursement		745					745	745	
	-Reading plan reimbursements	5,000					5,000		(5,000)	
	-Lead teacher	1,240	1,458				1,240	1,458	218	
	-A+Award		52					52	52	
3391	State revenue - capital outlay		137		\$ 33,000	\$ 32,352	33,000	32,489	(511)	
3400	Local sources - other contributions	127,571	154,983				127,571	154,983	27,412	
3489	Local funding	30,000	30,000				30,000	30,000		
	<b>Total Revenues</b>	<u>723,705</u>	<u>757,276</u>	<u>100,675</u>	<u>121,035</u>	<u>33,000</u>	<u>32,352</u>	<u>857,380</u>	<u>910,663</u>	<u>53,283</u>
<b>Expenditures</b>										
5000	Instruction	403,433	407,741	25,175	30,079			428,608	437,820	(9,212)
6000	Instructional support services	11,200	11,157					11,200	11,157	43
6100	Pupil personnel services	13,950	43,687					13,950	43,687	(29,737)
6400	Instructional staff training	2,025	9,021					2,025	9,021	(6,996)
7200	General administration - school district admin fees	27,995	28,234					27,995	28,234	(239)
7300	School administration	16,175	15,765					16,175	15,765	410
7400	Facility acquisition and construction - rental property	(650)				33,000	32,352	32,350	32,352	2
7500	Fiscal services	9,932	10,938	1,798	2,453			11,730	13,391	(1,661)
7600	Food services			73,702	88,503			73,702	88,503	(14,801)
7700	Central services	28,000	27,845					28,000	27,845	155
7800	Pupil transportation services		62						62	(62)
7900	Operation of plant	48,195	51,141					48,195	51,141	(2,946)
8100	Maintenance of plant	40,250	40,882					40,250	40,882	(632)
9100	Community services	123,200	124,413					123,200	124,413	(1,213)
	<b>Total Expenditures</b>	<u>723,705</u>	<u>770,886</u>	<u>100,675</u>	<u>121,035</u>	<u>33,000</u>	<u>32,352</u>	<u>857,380</u>	<u>924,273</u>	<u>(66,889)</u>
	Deficiency of revenues over expenditures		(13,610)						(13,610)	(13,606)
	<b>Fund Balances - beginning</b>	<u>18,071</u>	<u>18,071</u>					<u>18,071</u>	<u>18,071</u>	
	<b>Fund Balances - ending</b>	<u>\$ 18,071</u>	<u>\$ 4,461</u>					<u>\$ 18,071</u>	<u>\$ 4,461</u>	<u>\$ (13,606)</u>

Attention is directed to independent auditors' report and note to Statement of Governmental Funds Revenues, Expenditures and Changes in Fund Balances - Budget to Actual - Governmental Funds (Unaudited).

**RCMA Leadership Academy**  
**A Program of**  
**Redlands Christian Migrant Association, Inc.**  
**(A Not-For-Profit Organization)**  
**Note to Statement of Governmental Funds Revenues, Expenditures**  
**and Changes in Fund Balances - Budget**  
**and Actual – Governmental Funds (Unaudited)**

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**Basis of Accounting**

The Statement of Governmental Funds Revenues, 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, revenues are recognized in the period that they become measureable and available. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year.