

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

RCMA Immokalee Community School
A Program of Redlands Christian Migrant Association, Inc.
(A Not-For-Profit Organization)
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Introduction Section

August 30, 2018

Letter of Transmittal

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

The accompanying report consists of management's representation concerning the finances of the RCMA Immokalee Community School, a program of Redlands Christian Migrant Association, Inc. (RCMA) (a not-for-profit organization), hereafter referred to as the School. We, the management of the 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 Collier County Public School Board (the District). In 2013, the current charter was renewed for three (3) additional years and was renewed again by mutual written agreement between the School and the District for 2017 – 2021.

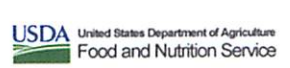
Generally Accepted Accounting Principles in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). Such MD&A is included herein on pages 6 through 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 Immokalee Community School
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 Immokalee Community School (the School), a program of Redlands Christian Migrant Association, Inc. (RCMA) (a not-for-profit organization), operating as a charter school of the Collier County District School, as of and for the year 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 opinions.

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 Immokalee Community School, 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. 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 August 30, 2018.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements of RCMA Immokalee Community School, 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 August 30, 2018 on our consideration of RCMA Immokalee Community School'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
August 30, 2018

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

To the Board of Directors of
RCMA Immokalee Community School, 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 School:**
RCMA Immokalee Community School
123 North 4th Street
Immokalee, FL 34142
2. **RCMA's Director of Charter Schools:**
Juana Brown
3. **School Director:**
Zulaika Quintero
4. **Total Students:** 244

Other Information

- Free and reduced lunch rate: 100%
- Attendance rate: 97%
- Hispanic: 100%
- African American: 0%
- Caucasian: 0%
- English Speakers of Other Languages (ESOL): 44%
- Exceptional Student Education (including gifted students): 11%

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. RCMA provides child development and education programs, with parental involvement and external partnership as key components.

In 2001 RCMA opened Immokalee Community School in Collier County. The charter school is a Title I school serving migrant and other academically and socially challenged students. Over 30% of school families are considered migrants and travel part of the year to other states for farm-related work. Children in these families are particularly vulnerable since families experience the attending effects of generational poverty and face extraordinary hurdles compromising school success (Jensen, 2009).

Our work is to prepare students to be well-rounded lifelong learners and future leaders. This is accomplished through our unique approach of blending research-based programming and rigorous curricula with our cultural competence and experience with rural, English-language-learning children and families.

Our educational vision is based on the belief that all students come to school with innate gifts and talents. Programs provide students with a balance of intensive academics and enrichment activities that support cognitive, physical and social-emotional development. It is our expectations that all students will achieve at the highest level of their potential, given a supportive environment that nurtures their curiosity, builds thinking and communications skills, and offers opportunities for real world problem-solving. Our program also seeks to celebrate and reinforce the rich cultural background our students bring, through a curriculum that supports the development of bilingual, bi-literate, and bicultural scholars.

Ever mindful of skills needed in the 21st century, the school has embarked on two ambitious initiatives. The first is the 1:1 technology initiative that provides each student with their own iPad or Chrome book device. Students use their devices daily to build language and communication skills, for math and science problem-solving, and to access the world outside their rural environment. This program also allows the school to gift the students with the device once they complete our program and leave the school after sixth grade.

The second important initiative is a dual-language immersion program, allowing students to learn language and other content in both English and Spanish. This dual language English-Spanish immersion program was launched in 2014 in our two kindergarten classrooms and is the only dual language program in Collier County public schools. The program has grown from the initial two to eight classrooms of kindergarten to third grade students. The program will continue to grow one grade each year, adding fourth grade in the 2018 – 2019 school year.

School Progress and Development (continued)

Family partnerships are an important component of our educational programs. Families participate in monthly workshops that provide a range of parenting tools as well as build career and necessary life skills. Last year the school implemented the first parent technology program, successfully graduating a class of sixteen parents. The eight-week series focused on helping parents develop basic computer skills, including setting up email accounts, navigating the net and accessing social media. Parents with 100% attendance were awarded their own Chrome book at graduation. In addition to these workshops, our parent School Advisory Committee (SAC) continues to grow in participation and impact. Parent participation at SAC and other family activities has increased to an unprecedented 85% of all school families.

Ms. Quintero has led the school as principal since 2016. She is a bilingual educator who grew up the child of farm workers in Immokalee and has worked with RCMA in service to this community for over nine years. Her experience as a family educator, Immokalee Community School fourth grade teacher and school social worker give her unique insights in how to best support the academic and social needs of our students. It has also helped her build important relationships with the ICS families and local community. Our school social worker, Ms. Juanita Meza, continues to provide an invaluable service to our school families, including connecting them with health and wellness programs, continuing education workshops with featured speakers, and other necessary services.

Assessment and Accountability

The Florida Department of Education released school grades in July 2018. The school grade is based on the FSA assessments results for reading, writing, math, and science. Immokalee Community School earned a "B" for the 2017-2018 school year. This is a milestone for the school, with two years of back-to-back "B"s, signaling a consistent level of achievement and growth. The school is particularly proud of the achievements of our third-grade students. These students achieved the 3rd highest Math FSA scores among all Collier County 3rd grade public school students. This achievement is notable, given that these are dual language students taking the State test for the first time. The State assessment is an important measure of student achievement and growth and a complement to yearly benchmarks and classroom-based assessments.

The results are attributable to strong leadership from the principal, Zulaika Quintero, who implemented targeted school improvement programs, including a Saturday school, and inspired hard work on the part of the entire school community. It also reflects curriculum and instructional changes, and coaching support, and ongoing professional development for our instructional team.

Financial Highlights

1. The assets of the School exceeded its liabilities at June 30, 2018 by \$163,448 (net position).
2. At year-end, the School had current assets on hand of \$855,697.
3. The net position of the School increased by \$32,017 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 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, revenue 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.

Overview of the Financial Statements (continued)

Fund Financial Statements (continued)

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.

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 Immokalee Community School
A Program of Redlands Christian Migrant Association, Inc.
(A Not-for-Profit Organization)
School Profile and Management's Discussion and Analysis

Management Analysis of Operations and Financial Condition

Government-Wide Financial Analysis

The School's net position increased from \$131,431 in 2017 to \$163,448 in 2018.

	<u>2018</u>	<u>2017</u>
Assets		
Current assets		
Cash	\$ 563,947	\$ 313,913
Accounts receivable	283,546	106,735
Prepaid expenses	8,206	70,483
Total current assets	<u>855,699</u>	<u>491,131</u>
Property and equipment	<u>56,070</u>	<u>42,464</u>
Total assets	<u>911,769</u>	<u>533,595</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>
Liabilities and net position		
Liabilities		
Current liabilities		
Accounts payable	57,994	136,314
Accrued payroll	221,707	207,295
Total current liabilities	<u>279,701</u>	<u>343,609</u>
Deferred inflows of resources	<u>468,620</u>	<u>58,555</u>
Net position		
Invested in capital assets	56,070	42,464
Unrestricted	<u>107,378</u>	<u>88,967</u>
Total net position	<u>\$ 163,448</u>	<u>\$ 131,431</u>

Such increase in net position can be attributed to the decrease in expenses from the decrease in salaries and community services, as shown on the next page.

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

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,	
	<u>2018</u> (Rounded)	<u>2017*</u> (Rounded)
Revenue		
School Board of Collier County – FTE	\$ 1,960,886	\$ 2,033,000
– Lead teacher	3,500	4,250
– DOE Best&Brightest Scholarship	4,800	47,700
– Additional FTE revenue	-	195
– A+ Award	24,639	-
Federal through state school lunch reimbursement	87,633	92,700
School readiness	281,039	271,000
State revenue – capital outlay	74	125
Other contributions and in-kind	447,879	494,370
Total revenue	<u>2,810,450</u>	<u>2,943,340</u>
Expenditures		
Instruction	1,396,269	1,525,000
Guidance services	29,715	33,000
Pupil personnel services	141,087	125,000
Instruction and curriculum development services	18,108	18,000
Instructional staff training	40,863	25,400
School administration	99,495	112,000
Facility acquisition and construction rental property	-	
Fiscal services	147,672	148,500
Central services	53,193	98,200
Food services	109,318	56,000
Pupil transportation services	122,210	
Operation of plant	157	160,500
Maintenance of plant	35,091	37,000
Community services	559,440	600,000
Depreciation	25,815	27,000
Total expenditures	<u>2,778,433</u>	<u>2,965,600</u>
Changes in net position	<u>\$ 32,017</u>	<u>\$ (22,260)</u>

*certain amounts have been reclassified for comparative purposes.

Overall revenue decreased due to an FTE reduction in the allocation of expenditures per students made by an adjustment provided by Collier County.

Management Analysis of Operations and Financial Condition (continued)

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 \$107,378.

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 lower than budgeted by \$173,766 due mostly to the decrease in capital outlay, local sources and federal through state school lunches. Total actual expenditures were lower by \$192,177 mostly attributable to a combination of lower actual expenses in instructional and pupil personnel services and an increase in actual expenditures in food service and community services. Refer to page 33 for the Statement of Governmental 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 amounts to \$56,070 (net of accumulated depreciation of \$330,235). This investment in capital assets includes improvements to building, 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.

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

	<u>2018</u>	<u>2017</u>
Assets		
Current assets		
1110 Cash	\$ 563,947	\$ 313,913
1130 Accounts receivable	283,546	106,735
1230 Prepaid expenses	8,206	70,483
Total current assets	<u>855,699</u>	<u>491,131</u>
1300 Property and equipment	<u>56,070</u>	<u>42,464</u>
Total assets	<u>911,769</u>	<u>533,595</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>
Liabilities and net position		
Liabilities		
Current liabilities		
2120 Accounts payable	57,994	136,314
2110 Accrued payroll	221,707	207,295
Total current liabilities	<u>279,701</u>	<u>343,609</u>
Deferred inflows of resources	<u>468,620</u>	<u>58,555</u>
Net position		
2770 Invested in capital assets	56,070	42,464
2790 Unrestricted	<u>107,378</u>	<u>88,967</u>
Total net position	<u>\$ 163,448</u>	<u>\$ 131,431</u>

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

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

	Expenses	Program Revenue		Net (Expenses) Revenue and Changes in Net Assets Government	
		Special Revenue	Capital Projects	2018	2017*
Governmental activities					
Instruction	\$ 1,674,613	\$ 278,343	\$ -	\$ (1,396,270)	\$ (1,524,925)
Guidance services	29,716	-	-	(29,716)	(33,220)
Pupil personnel services	141,087	-	-	(141,087)	(125,669)
Instruction development services	18,109	-	-	(18,109)	(17,484)
Instructional staff training	40,863	-	-	(40,863)	(25,414)
School administration	99,495	-	-	(99,495)	(111,776)
Facility acquisition and construction	-	-	-	-	-
Fiscal services	156,124	8,452	-	(147,672)	(148,552)
Food services	297,876	244,683	-	(53,193)	(55,751)
Central services	109,317	-	-	(109,317)	(98,154)
Operation of plant	141,365	19,155	-	(122,210)	(160,538)
Pupil transportation services	157	-	-	(157)	-
Maintenance of plant	35,091	-	-	(35,091)	(36,681)
Community services	559,438	-	-	(559,438)	(600,075)
Depreciation expense	25,815	-	-	(25,815)	(27,426)
Total governmental activities	<u>\$ 3,329,066</u>	<u>\$ 550,633</u>	<u>\$ -</u>	<u>\$ (2,778,433)</u>	<u>\$ (2,965,665)</u>
General revenue					
Grants and contributions not restricted to specific purposes				<u>2,810,450</u>	2,943,342
Changes in net assets				<u>32,017</u>	(22,323)
Net position – beginning				<u>131,431</u>	153,754
Net position – ending				<u>\$ 163,448</u>	<u>\$ 131,431</u>

*certain amounts have been reclassified for comparative purpose

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Combined Totals Governmental Funds	
				2018	2017
Assets					
1110 Cash	\$ 563,947	\$ -	\$ -	\$ 563,947	\$ 313,913
1130 Accounts receivable	283,546	-	-	283,546	106,735
1230 Prepaid expenses	8,206	-	-	8,206	70,483
Total assets	855,699	-	-	855,699	491,131
Deferred outflows of resources	-	-	-	-	-
Liabilities and fund balances					
Liabilities					
2120 Accounts payable and accrued expenses	57,994	-	-	57,994	136,314
2110 Accrued payroll	221,707	-	-	221,707	207,295
Total liabilities	279,701	-	-	279,701	343,609
Deferred inflows of resources	468,620	-	-	468,620	58,555
Fund balances					
2760 Unassigned	\$ 107,378	\$ -	\$ -	\$ 107,378	\$ 88,967

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

RCMA Immokalee Community School
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

Total fund balances – governmental funds balance sheet	\$ 107,378
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 \$386,305 and the accumulated depreciation is \$330,235.	<u>56,070</u>
Total net position – statement of net position	<u><u>\$ 163,448</u></u>

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

RCMA Immokalee Community School
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

	General Fund	Special Revenue Fund	Capital Projects Fund	Combined Totals Governmental Funds		
				2018	2017*	
Revenue						
3199.000	E - Rate revenue	\$ -	\$ 17,675	\$ -	\$ 17,675	\$ 16,717
3240.000	Title I, Title III and Migrant revenue	-	278,343	-	278,343	246,838
3261.000	Federal through state school lunch reimbursement	87,633	254,615	-	342,248	351,184
3290.000	School readiness	281,039	-	-	281,039	270,769
3310.000	School Board of Collier County – FTE	1,960,886	-	-	1,960,886	2,032,986
3310.000	– Lead teacher	3,500	-	-	3,500	4,250
3310.000	– A+ Award	24,639	-	-	24,639	-
3310.000	– Additional FTE revenue	-	-	-	-	193
3310.000	– DOE Best&Brightest Scholarship	4,800	-	-	4,800	47,718
3391.000	State revenue – capital outlay PECO	74	-	-	74	86,776
3400.000	Local sources – other contributions	447,879	-	-	447,879	494,365
	– In Kind	-	-	-	-	-
	Total revenue	2,810,450	550,633	-	3,361,083	3,551,796
Expenditures						
5100.100	Instruction – salaries	1,041,197	259,914	-	1,301,111	1,373,388
5100.200	Instruction – employee benefits	253,081	18,429	-	271,510	284,199
5100.300	Instruction – purchased services	1,991	-	-	1,991	1,828
5100.500	Instruction – materials and supplies	46,929	-	-	46,929	37,317
5100.642	Instruction – non-capitalized equipment	-	-	-	-	-
5100.641	Instruction – capitalized equipment	2,280	-	-	2,280	-
5100.642	Instruction – non-capitalized equipment	53,071	-	-	53,071	59,970
6120.100	Guidance services – salaries	25,844	-	-	25,844	29,600
6120.200	Guidance services – employee benefits	3,871	-	-	3,871	3,620
6100.300	Pupil personnel services – purchased services	94,400	-	-	94,400	95,885
6100.700	Pupil personnel services – other services	46,687	-	-	46,687	29,784
6300.100	Instruction and curriculum development services – salaries	16,035	-	-	16,035	15,216
6300.200	Instruction and curriculum development services – employee benefits	2,073	-	-	2,073	2,268
6400.300	Instructional staff training – purchased services	40,863	-	-	40,863	40,476
7300.100	School administration – salaries	41,844	-	-	41,844	45,570
7300.200	School administration – employee benefits	11,306	-	-	11,306	14,433
7300.300	School administration – purchased services	10,308	-	-	10,308	6,893
7300.500	School administration – materials and supplies	14,365	-	-	14,365	17,255
7300.600	School administration – non-capitalized equipment	19,509	-	-	19,509	23,464
7300.700	School administration – other expenses	2,163	-	-	2,163	4,161
7400.300	Facility acquisition and construction – rental property	-	-	-	-	86,652
7500.300	Fiscal services – purchased services	147,672	8,452	-	156,124	157,691
7600.100	Food service – salaries	-	93,907	-	93,907	101,548
7600.200	Food service – employee benefits	-	18,166	-	18,166	22,871
7600.300	Food service – purchased services	-	4,393	-	4,393	9,385
7600.500	Food service – materials and supplies	90,334	82,368	-	172,703	158,319
7600.641	Food service – capitalized equipment	-	37,141	-	37,141	3,411
7600.642	Food service – non-capitalized outlay	-	4,127	-	4,127	2,464
7600.700	Food services – other services	-	4,580	-	4,580	8,791
7700.100	Central services – salaries	82,652	-	-	82,652	79,027
7700.200	Central services – employee benefits	26,641	-	-	26,641	18,782
7700.300	Central services – purchased services	25	-	-	25	345
7800.300	Pupil transportation services – purchased services	157	-	-	157	-
7900.100	Operation of plant – salaries	21,357	-	-	21,357	28,019
7900.200	Operation of plant – employee benefits	5,544	-	-	5,544	8,158
7900.300	Operation of plant – purchased services	40,004	-	-	40,004	58,480
7900.400	Operation of plant – energy services	51,668	1,481	-	53,149	63,045
7900.600	Operation of plant – communication	3,637	17,675	-	21,312	21,033
8100.100	Maintenance of plant – salaries	27,623	-	-	27,623	31,511
8100.200	Maintenance of plant – employee benefits	7,468	-	-	7,468	5,170
9100.100	Community services – salaries	229,058	-	-	229,058	289,011
9100.200	Community services – employee benefits	34,447	-	-	34,447	43,362
9100.300	Community Services – purchased services indirect cost	14,094	-	-	14,094	25,725
9100.300	Community Services – purchased services	30,094	-	-	30,094	42,995
9100.300	Community Services – rental property	160,000	-	-	160,000	103,348
9100.400	Community services – energy services	17,292	-	-	17,292	20,176
9100.500	Community services – material and supplies	20,119	-	-	20,119	18,821
9100.600	Community Services – communications	557	-	-	557	580
9100.642	Community services – non-capitalized equipment	10,960	-	-	10,960	11,074
9100.700	Community services – other expenses	42,818	-	-	42,818	44,983
	Total expenditures	2,792,039	550,633	-	3,342,672	3,550,104
	Excess of revenue over expenditures	18,411	-	-	18,411	1,692
	Fund balances – beginning	88,967	-	-	88,967	87,275
	Fund balances – ending	\$ 107,378	\$ -	\$ -	\$ 107,378	\$ 88,967

*certain amounts have been reclassified for comparative purpose

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

RCMA Immokalee Community School
 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

Net change in fund balances – statement of governmental funds revenue, expenditures, and changes in fund balances	\$	18,411
 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.		
Expenditures for capital assets		39,421
Less current-year depreciation expense		<u>(25,815)</u>
Change in net position – statement of activities	\$	<u><u>32,017</u></u>

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 Collier County Public District School Board (the District). In 2013, the current charter was renewed for three (3) years and it was renewed by mutual written agreement between the School and the District for the period from 2017 – 2021.

Note 2 Summary of Significant Accounting Policies

Reporting Entity

The accompanying financial statements are for RCMA Immokalee Community School (the Charter School or the School), a program of RCMA. The governing body of the Charter School consists of ten 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 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.

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

Note 2 Summary of Significant Accounting Policies (continued)

Government-Wide Basic Statements (continued)

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 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.

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 they are collected within 60 days of the end of the year.

Note 2 Summary of Significant Accounting Policies (continued)

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 resources (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 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 of the statement of financial position, and the revenue and expenses for the period then ended. 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 Collier County School District pursuant to Section 1011.62 of the Florida Statutes. Such revenue is determined based on (1) un-weighted full time equivalent (FTE), 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 244.04 un-weighted and 267.38 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)

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 Organization 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 year ended June 30, 2018.

Depreciation

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

Program equipment	3 – 5
Office equipment	3 – 5
Leasehold improvements	3 – 10
Kitchen equipment	3 – 5

Note 2 Summary of Significant Accounting Policies (continued)

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 1800.142 Fund Balance Reporting and Governmental Fund Type Definition, 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.

RCMA Immokalee Community School
A Program of Redlands Christian Migrant Association, Inc.
(A Not-for-Profit Organization)
Notes to Financial Statements

Note 2 Summary of Significant Accounting Policies (continued)

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.

Note 3 Property and Equipment

Property and equipment consists of the following:

	Beginning Balance	Additions	Deletions	Ending Balance
Cost				
Program equipment	\$ 190,315	\$ -	\$ -	\$ 190,315
Office equipment	26,706	2,280	-	28,986
Leasehold improvements	57,029	-	-	57,029
Kitchen equipment	72,834	37,141	-	109,975
	<u>346,884</u>	<u>39,421</u>	<u>-</u>	<u>386,305</u>
Accumulated depreciation				
Program equipment	161,333	9,824	-	171,157
Office equipment	21,843	3,947	-	25,790
Leasehold improvements	56,764	265	-	57,029
Kitchen equipment	64,480	11,779	-	76,259
	<u>304,420</u>	<u>25,815</u>	<u>-</u>	<u>330,235</u>
Property and equipment, net	<u>\$ 42,464</u>	<u>\$ 13,606</u>	<u>\$ -</u>	<u>\$ 56,070</u>

Depreciation expense for the years ended June 30, 2018 and 2017 amounted to \$25,815 and \$27,426, 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 gross salaries for all staff with an employment agreement. Thrift Plan expenses aggregated to \$52,003 and \$66,767 for the years ended June 30, 2018 and 2017, respectively. There were forfeitures of \$25,474 and \$6,682 for the years ended June 30, 2018 and 2017, respectively. This amounts were recognized as deduction in the current year expenses.

Note 6 Related Party Transactions

Sponsor Organization

The Charter School entered into a new, one-year lease agreement with RCMA (the Sponsor Organization) for its educational facility. The lease requires one annual payment of \$160,000 or the amount collected from FTE Capital Outlay and the difference (if any) recorded as donated space. In this connection, the School did not receive any funds from FTE Capital Outlay for the year. The School paid the entire lease amount out of Community Services. As such, no in-kind donated space was received from the Sponsor Organization.

The Charter School reimburses RCMA for indirect costs composed of various administrative support services. These costs aggregated \$68,504 and \$77,711 for the years ended June 30, 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 \$98,032 and \$101,649, 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.

Note 7 Business Concentration and Credit Risk (continued)

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 August 30, 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*

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To the Board of Directors of
RCMA Immokalee Community School
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 Immokalee Community School (the School), a program of Redlands Christian Migrant Association, Inc., (RCMA) (a not-for-profit organization), operating as a charter school of Collier County District School, 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 August 30, 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 Immokalee Community School’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
August 30, 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.

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Report on the Financial Statements

We have audited the financial statements of RCMA Immokalee Community School, a program of Redlands Christian Migrant Association, Inc., (a not-for-profit organization), operating as a charter school of the Collier County School District as of and for the year ended June 30, 2018, and have issued our report thereon dated August 30, 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 Reports and Schedules

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in those reports and schedules which are dated August 30, 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 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 Immokalee Community School.

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 Immokalee



Community School 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 Immokalee Community School 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 Immokalee Community School. It is management's responsibility to monitor the RCMA Immokalee Community School'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 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 Immokalee Community School 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 Immokalee Community School 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, require 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
August 30, 2018

Supplementary Information

RCMA Immokalee Community School
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		Governmental Funds		Variance
	Final Budget (Unaudited)	Actual	Final Budget (Unaudited)	Actual	Final Budget (Unaudited)	Actual	Final Budget (Unaudited)	Actual	Positive (Negative)
Revenue									
3199 E – Rate Revenue	\$ -	\$ -	\$ 14,580	\$ 17,675	\$ -	\$ -	\$ 14,580	\$ 17,675	\$ 3,095
3240 Title I, III and migrant revenue	-	-	266,285	278,343	-	-	266,285	278,343	12,058
3261 Federal through state school lunch reimbursement	98,300	87,633	261,183	254,615	-	-	359,483	342,248	(17,235)
3290 School readiness	282,500	281,039	-	-	-	-	282,500	281,039	(1,461)
3310 School Board of Collier County – FTE	1,961,962	1,960,886	-	-	-	-	1,961,962	1,960,886	(1,076)
– Lead teacher	3,500	3,500	-	-	-	-	3,500	3,500	-
– Florida school – (A+ Award)	24,639	24,639	-	-	-	-	24,639	24,639	-
– Florida school – (DOE Best&Brightest Scholarship)	4,800	4,800	-	-	-	-	4,800	4,800	-
3391 State revenue – capital outlay PECO	-	74	-	-	55,904	-	55,904	74	(55,830)
3413 State revenue – capital outlay LCIR	-	-	-	-	64,096	-	64,096	-	(64,096)
3400 Local sources – other contributions	497,100	447,879	-	-	-	-	497,100	447,879	(49,221)
Total revenue	2,872,801	2,810,450	542,048	550,633	120,000	-	3,534,849	3,361,083	(173,766)
Expenditures									
5100 Instructional	1,529,252	1,398,550	266,285	278,343	-	-	1,795,537	1,676,893	118,644
6120 Guidance services	32,650	29,716	-	-	-	-	32,650	29,716	2,934
6100 Pupil personnel services	147,400	141,087	-	-	-	-	147,400	141,087	6,313
6300 Instruction and curriculum development services	17,300	18,109	-	-	-	-	17,300	18,109	(809)
6400 Instructional staff training	34,825	40,863	-	-	-	-	34,825	40,863	(6,038)
7300 School administration	104,675	99,495	-	-	-	-	104,675	99,495	5,180
7400 Facility acquisition and construction – rental property	1,000	-	-	-	120,000	-	121,000	-	121,000
7500 Fiscal services	161,474	147,672	6,000	8,452	-	-	167,474	156,124	11,350
7600 Food service	34,217	90,334	252,383	244,683	-	-	286,600	335,017	(48,417)
7700 Central services	98,450	109,317	-	-	-	-	98,450	109,317	(10,867)
7800 Pupil transportation services	-	157	-	-	-	-	-	157	(157)
7900 Operation of plant	151,770	122,210	17,380	19,155	-	-	169,150	141,365	27,785
8100 Maintenance of plant	36,700	35,091	-	-	-	-	36,700	35,091	1,609
9100 Community services	523,088	559,438	-	-	-	-	523,088	559,438	(36,350)
Total expenditures	2,872,801	2,792,039	542,048	550,633	120,000	-	3,534,849	3,342,672	192,177
Excess of revenue over expenditures	-	18,411	-	-	-	-	-	18,411	18,411
Fund balances – beginning	88,967	88,967	-	-	-	-	88,967	88,967	-
Fund balances – ending	\$ 88,967	\$ 107,378	\$ -	\$ -	\$ -	\$ -	\$ 88,967	\$ 107,378	\$ 18,411

RCMA Immokalee Community School
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)

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 they become measureable and available. The School considers revenue to be available if it is collected within 60 days of the end of the fiscal year.