

**Youth Co-Op Charter School
A Program of
Youth Co-Op, Inc.
(A Not-For-Profit Organization)
Special Purpose Financial Statements
June 30, 2023**

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ZOMMA GROUP
CPAs AND CONSULTANTS

Independent Auditors' Report

To the Board of Directors of
Youth Co-Op, Inc.

Opinion

We have audited the accompanying special purpose financial statements of Youth Co-Op Charter School (the School), a program of Youth Co-Op, Inc. (YCI) (a not-for-profit organization), operating as a charter of the Miami-Dade County Public School Board, which comprise the statement of financial position as of June 30, 2023 and the related statements of activities, changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the special purpose financial statements.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2023, and changes in net assets, its cash flows and functional expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Special Purpose Financial Statements

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

In preparing the special purpose financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate that raise substantial doubt about the School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Auditors' Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the special purpose financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the special purpose financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the special purpose financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Other Matter

As discussed in Note 1 to the special purpose financial statements, the special purpose financial statements being presented are only for the School referred to on page 1, which is a program of YCI. The special purpose financial statements do not include the statements of financial position, activities and changes in net assets, functional expenses and cash flows of YCI. Accordingly, the accompanying special purpose financial statements are not intended to present the financial position of YCI as of June 30, 2023 or its activities, changes in net assets, functional expenses and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report (pages 17-18) dated September 15, 2023 on our consideration of School's internal control over financial reporting and on 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* and should be read in conjunction with the report in considering the results of our audit.

In accordance with Section 218.39(4), *Florida Statutes*, and Sections 10.856(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 19-20) dated September 15, 2023.

ZOMMA Group, LLP

Coral Gables, Florida
September 15, 2023

SPECIAL PURPOSE FINANCIAL STATEMENTS

Youth Co-Op Charter School
A Program of Youth Co-Op, Inc.
(A Not-For-Profit Organization)
Statement of Financial Position
June 30, 2023

Assets

Current assets

Cash and cash equivalents	\$	1,618,405
Accounts receivable		1,367,067
Due from YCPHS		182,901
Total current assets		3,168,373

Property and equipment, net 1,368,230

Total assets **\$ 4,536,603**

Liabilities and Net Assets

Current liabilities

Accounts payable and accrued expenses	\$	34,206
Accrued payroll		113,877
Due to YCI		1,016,026
Total current liabilities		1,164,109

Net assets without donor restrictions 3,372,494

Total liabilities and net assets **\$ 4,536,603**

The accompanying notes are an integral part of the special purpose financial statements.

**Youth Co-Op Charter School
A Program of Youth Co-Op, Inc.
(A Not-For-Profit Organization)
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2023**

Revenues and support

School Board of Miami-Dade County:	
FTE	\$ 5,147,220
Capital outlay	523,009
Class size reduction	777,575
Federal through State	957,086
Other local sources	1,909,467
Total revenues and support	<u>9,314,357</u>

Expenses

Program services	
Instructional	3,822,387
Instructional and curriculum development	28,365
Instructional media	34,968
Instructional-related technology	352,995
School and general administration	700,579
Operation and maintenance of plant	2,190,889
Community services	249,268
Fiscal services	7,673
Food services	427,637
Pupil services	675,782
	<u>8,490,543</u>
Support services	
Management and general administration	<u>669,971</u>
Total expenses	<u>9,160,514</u>

Change in net assets without donor restrictions	153,843
Net assets - at beginning of year	<u>3,218,651</u>
Net assets - at end of year	<u><u>\$ 3,372,494</u></u>

The accompanying notes are an integral part of the special purpose financial statements.

**Youth Co-Op Charter School
A Program of Youth Co-Op, Inc.
(A Not-For-Profit Organization)
Statement of Cash Flows
For the Year Ended June 30, 2023**

Cash flows from operating activities	
Net change in net assets	\$ 153,843
Add back items which do not affect cash:	
Depreciation	346,848
Add or (deduct) changes in certain assets and liabilities:	
Accounts receivable	(502,941)
Prepaid expenses	469
Due to YCI	669,719
Accrued payroll	(35,882)
Accounts payable and accrued expenses	(140,106)
Net cash provided by operating activities	<u>491,950</u>
 Cash flows used in investing activities	
Purchase of property and equipment	<u>(266,271)</u>
 Net increase in cash and cash equivalents	225,679
 Beginning cash and cash equivalents	<u>1,392,726</u>
 Ending cash and cash equivalents	<u><u>\$ 1,618,405</u></u>

The accompanying notes are an integral part of the special purpose financial statements.

**Youth Co-Op Charter School
A Program of Youth Co-Op, Inc.
(A Not-For-Profit Organization)
Statement of Functional Expenses
For the Year Ended June 30, 2023**

	Program Services										Support Services		
	<u>Instructional</u>	<u>Instructional and curriculum development</u>	<u>Instructional media</u>	<u>Instructional-related technology</u>	<u>School and general administration</u>	<u>Operation and maintenance of plant</u>	<u>Community services</u>	<u>Fiscal services</u>	<u>Food services</u>	<u>Pupil services</u>	<u>Total Program Services</u>	<u>Management and general administration</u>	<u>Total 2023</u>
Salaries and benefits	\$3,689,264	\$ -	\$ -	\$ 91,046	\$ 519,761	\$ 534,101	\$ 166,809	\$ -	\$ 124,751	\$ 673,943	\$ 5,799,676	\$ -	\$ 5,799,676
Student related expenses	-	-	-	-	2,686	51	8,935	-	294,381	-	306,053	-	306,053
Trainings	41,835	-	3,500	-	-	-	-	-	-	-	45,335	-	45,335
General and administrative expenses	5,219	28,365	31,468	12,398	176,565	472,443	10,933	7,673	906	-	745,969	-	745,969
Rent	-	-	-	-	-	1,180,200	-	-	-	-	1,180,200	-	1,180,200
Other expenses	465	-	-	-	1,567	-	62,591	-	-	1,839	66,462	-	66,462
Expenses before depreciation expense and indirect costs	3,736,783	28,365	34,968	103,444	700,579	2,186,795	249,268	7,673	420,038	675,782	8,143,695	-	8,143,695
Depreciation expense	85,604	-	-	249,551	-	4,095	-	-	7,599	-	346,848	-	346,848
Indirect costs	-	-	-	-	-	-	-	-	-	-	-	669,971	669,971
Total functional expenses	<u>\$ 3,822,387</u>	<u>\$ 28,365</u>	<u>\$ 34,968</u>	<u>\$ 352,995</u>	<u>\$ 700,579</u>	<u>\$ 2,190,889</u>	<u>\$ 249,268</u>	<u>\$ 7,673</u>	<u>\$ 427,637</u>	<u>\$ 675,782</u>	<u>\$ 8,490,543</u>	<u>\$ 669,971</u>	<u>\$ 9,160,514</u>

The accompanying notes are an integral part of the special purpose financial statements.

Youth Co-Op Charter School
A Program of Youth Co-Op, Inc.
(A Not-For-Profit Organization)
Notes to Special Purpose Financial Statements

Note 1 Organization and Purpose

Youth Co-Op, Inc. (YCI or the Organization) was incorporated as a not-for-profit organization under the laws of the State of Florida on October 23, 1973, for the purpose of providing training, education and employment opportunities to low and moderate-income persons. In 1998, 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 Youth Co-Op Charter School (the Charter School or the School) for the 1998-1999 school year under a charter of the sponsoring school district, the Miami-Dade County Public School Board (the District or School Board). The original charter school's contract (the "Contract") was effective for 10 years expiring in 2008. In 2008, the contract with the School Board was renewed for another fifteen (15) years expiring in June 2023. In April 2023, the School submitted a contract renewal with the School Board which as of the date of this report is pending execution by MDCPS.

The contract may be renewed for a term of five (5) years by mutual written agreement between the School and the School Board. At the end of the term of the charter, the School Board is required to notify the School in writing at least 90 days prior to the charter's termination. Pursuant to Section 1002.33(8) (e) of the Florida Statute, the contract provides that in the event the School is dissolved or terminated, any unencumbered funds and all school property purchased with public funds automatically revert to the School Board. During the course of the charter, the School Board may also terminate the charter if good cause is shown.

Since this School is a program of an existing not-for-profit organization, the accompanying special purpose financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America as applied to Not-For-Profit Organizations. The accompanying special purpose financial statements are included in the financial statements of Youth Co-Op, Inc. using the not-for-profit model of reporting.

For the year ended June 30, 2023, an average of 771 students were enrolled in grades kindergarten through eighth at the Charter School.

Note 2 Summary of Significant Accounting Policies

Reporting Entity

The accompanying special purpose financial statements are for the School, a program of YCI. The governing body of the School consists of ten members of the YCI board of directors. All board members have been fingerprinted and processed as required by the state's school board law.

The Charter School, Youth Co-Op Preparatory High School, and Youth Co-Op Charter Management Division (CMD), hereafter collectively referred to as the Charter School Group, are programs of YCI. YCPHS and YCCS each report individually as required under Chapter 10.850 of the Florida Statute and combined with the Charter School Group in connection with the 2015 Bond Issuance Project (See Note 11). These special purpose financial statements should be read in conjunction with the special purpose combined financial statements of the Charter School Group.

**Youth Co-Op Charter School
A Program of Youth Co-Op, Inc.
(A Not-For-Profit Organization)
Notes to Special Purpose Financial Statements**

Note 2 Summary of Significant Accounting Policies (Continued)

Basis of Special Purpose Financial Statements Presentation

For financial reporting purposes, Youth Co-Op Charter School is a program of Youth Co-Op, Inc. and is included in the Organization's annual financial statements.

The special purpose financial statements present the financial position, activities and change in net assets, functional expenses and cash flows for the Youth Co-Op Charter School only and do not include the assets, liabilities, net assets, statement of activities and changes in net assets, functional expenses and cash flows of Youth Co-Op, Inc. (a not-for-profit organization). Accordingly, the accompanying special purpose financial statements are not intended to present the financial position of Youth Co-Op, Inc. as of June 30, 2023 or its results of operations, functional expenses and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Reporting Requirements

Accounting principles generally accepted in the United States of America (US GAAP) requires the School to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net Assets Without
Donor Restrictions

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the School. These net assets may be used at the discretion of the School's management and the board of directors.

Net Assets With
Donor Restrictions

Net assets with donor restrictions are subject to stipulations imposed by donor and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the School or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities and changes in net assets. There were no net assets with donor restrictions at June 30, 2023.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets or decreases of liabilities depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**Youth Co-Op Charter School
A Program of Youth Co-Op, Inc.
(A Not-For-Profit Organization)
Notes to Special Purpose Financial Statements**

Note 2 Summary of Significant Accounting Policies (Continued)

Estimates

In preparing these special purpose financial statements in conformity with accounting principles generally accepted in the United States of America, management must make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position, and the reported amounts of revenues, support and expenses during the period. Actual results could differ from those estimates. Significant estimates by management include the allocation of expenses between the School, and other related programs that are part of YCI. A description of some of the estimates used is included in the following significant accounting policies.

Revenue and Support With and Without Donor Restrictions

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Federal and State grant awards are classified as refundable advances until expended for the purposes of the grant since they are conditional promises to give. Unrestricted support increases net assets without donor restriction.

Revenue Sources

Miami-Dade County Public Schools

Revenues reflect the funds received from Miami-Dade County Public Schools pursuant to Section 1011.62 of the Florida Statutes. Such revenues are 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.

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.

**Youth Co-Op Charter School
A Program of Youth Co-Op, Inc.
(A Not-For-Profit Organization)
Notes to Special Purpose Financial Statements**

Note 2 Summary of Significant Accounting Policies (Continued)

Revenue Sources (Continued)

Miami-Dade County Public Schools (Continued)

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.

Other sources

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.

Elementary and Secondary School Emergency Relief Fund (ESSER)

This grant was awarded to the School for the purpose of providing emergency relief funds to address the impact that Covid-19 has had, and continues to have on the schools. The total funds requested by the School total \$2,632,798 with the amount requested for 2022-23 being \$455,247 as that is the amount that was spent during the 2022-23 school year.

Cash and Cash Equivalents

The 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, 2023. Included in cash, which is required to be kept in a separate bank account, are amounts received from students which are designated for use by student organizations only. These funds amounted to \$7,247 as of June 30, 2023, and are held in a separate bank account and due on demand.

Youth Co-Op Charter School
A Program of Youth Co-Op, Inc.
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Notes to Special Purpose Financial Statements

Note 2 Summary of Significant Accounting Policies (Continued)

Accounts Receivable and Allowance for Doubtful Accounts

Management believes that all receivables are collectible; therefore, the School has not included an allowance for doubtful accounts. Any accounts deemed uncollectible will be charged to expense when the determination is made. The amount in accounts receivables consists of funds due from Miami- Dade County and the Department of Agriculture and Consumer Services which amounted to \$1,367,067 as of June 30, 2023. No provision for uncollectible accounts was recorded during the year ended June 30, 2023.

Property and Equipment

The School records in the special purpose statement of financial position property and equipment at cost when purchased or constructed, or at fair value when donated. 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 School reports expirations of restrictions when the donated or acquired assets are placed in service as instructed by the donor. The School reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Normal repairs and maintenance are charged to expense as incurred.

Depreciation is included in the special purpose statement of activities and changes in net assets. Such depreciation is computed on the straight-line basis over the estimated useful lives of the assets.

The School capitalizes assets with a cost greater than \$1,000 and a useful life greater than one year.

Impairment

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, 2023.

Income Taxes

Youth Co-Op, 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. Unrelated business income, of which the Organization had none for the year ended June 30, 2023, would be subject to federal income taxes. Accordingly, the special purpose financial statements reflect no provision for income taxes.

Youth Co-Op Charter School
A Program of Youth Co-Op, Inc.
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Notes to Special Purpose Financial Statements

Note 2 Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

YCI follows the provisions of uncertain tax positions addressed by FAS ASC 740-10 *Accounting For Uncertainty in Income Taxes*. YCI has no uncertain tax positions at June 30, 2023, for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The Organization recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expense. YCI has determined that no amount is required to be accrued for taxes or related penalties and interest for any tax position taken through June 30, 2023.

Accrued Payroll

The School provides the option for teachers to be paid in two different options: (1) allocated accordingly with the schedule of the school year, approximately 10-month basis or (2) allocated according to the calendar year, over a 12-month basis. As of June 30, 2023, the amount owed to teachers who chose to be paid on a 12-month basis amounted to \$113,877.

Functional Expenses

The costs related to the School operations and other activities have been summarized on a functional basis in the statement of activities. The allocations are determined based on three primary methods of allocation: student head count, employee count, and time and effort.

Indirect Cost

The Organization uses a provisional indirect cost rate of 8.63% of Modified total direct cost (MTDC) for administrative services which is based on all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward. MTDC excludes equipment, capital expenditures, rental/lease costs and the portion of each subaward in excess of \$25,000. Those allowed costs are charged to the various activities and is directly charged to certain activities and allocated to the remaining activities of the School.

Measurement of Operations

The Statement of Activities and Changes in Net Assets reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of County, Federal and State contributions attributable to the funding and operations of the School and additional school related functions and services. Non-operating activities are activities considered to be of a more unusual or nonrecurring nature.

Fair value

The carrying amounts of the School's accounts receivable, accounts payable and accrued expenses approximate fair value due to the short-term nature of these instruments.

Youth Co-Op Charter School
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Notes to Special Purpose Financial Statements

Note 2 Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncement

Accounting Standard Codification (“ASC”) 842, *Leases*, require leases to be capitalized as a right of use asset with corresponding liability for leases with terms of more than twelve months. As further described in Note 11, the School has only one short term lease and therefore the short-term lease recognition exemption has been elected by the School. Leases with an initial term of 12 months or less, that do not include an option to purchase the underlying asset that the School is reasonably certain to exercise, are not recorded on the Statement of Net Position.

Note 3 Cash and Cash Equivalents

Bank balances before reconciling items were \$1,556,284 as of June 30, 2023, for the School and YCPHS, the total of which are insured by federal depository insurance or collateralized by the multiple financial institution collateral pool pursuant to Florida Statutes, Chapter 280, “*Florida Security for Public Depository Act*”. Under this act, all qualified public depositories are required to pledge eligible collateral having a fair value to or greater than the average daily or monthly balance of all public deposits, multiplied by the depository’s collateral pledging level.

Note 4 Availability and Liquidity

Financials assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 1,611,158
Accounts receivable	1,367,067
	<u>\$ 2,978,225</u>

As part of the liquidity plan, the School receives funding from Miami-Dade County Public School Board for the operations of the School, see Note 2 – Summary of Significant Accounting Policies. Funding received throughout the year is used to support the School’s operations as necessary. Due to the timing of the school year, there are months in which normal school operations do not take place, July and most of August. Funding is received from Miami-Dade County Public School Board, prior to the beginning of the school year, beginning in July, and this funding is used to pay for general expenditures during the time frame out of school and provide a supplemental cash surplus prior to normal operations of the School during the school year.

The School may also receive assistance from YCI as necessary if there is a cash flow shortfall and amounts will be paid on demand.

Youth Co-Op Charter School
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Notes to Special Purpose Financial Statements

Note 5 Property and Equipment

As of June 30, 2023, property and equipment consists of the following:

		Useful lives (in years)
Building cost	\$ 265,951	35
Furniture and fixtures	269,982	7
Educational material	475,010	5
Equipment	1,845,411	5
Leasehold improvements	20,473	5
	2,876,827	
Less - accumulated depreciation	(1,508,597)	
	\$ 1,368,230	

Depreciation expense for the year ended June 30, 2023 amounted to \$346,848.

Note 6 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, 2023.

Note 7 Management Fee

Pursuant to the Charter School contract with the School Board, the School Board is paid a management fee of 5% of the qualifying revenues of the School. For the year ended June 30, 2023, management fees paid to the School Board amounted to approximately \$94,000.

Note 8 Employee Benefits - Profit-Sharing Plan

The Organization's profit-sharing plan and trust provides for retirement, death and disability benefits for qualified employees. The Plan provides for annual contributions by the Organization to the trust, at the discretion of the Organization's Board of Directors. Organization contributions are allocable to participants based on annual compensation with the School. The School's contributions to the plan for the year ended June 30, 2023 totaled \$255,835.

Note 9 Business Concentration

For the year ended June 30, 2023, the School received approximately 69% of its support from the Miami-Dade County School Board. It is reasonably possible that in the near term these programs could decrease due to budget cuts at the School Board, which could affect the School and its ability to continue operations.

**Youth Co-Op Charter School
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Notes to Special Purpose Financial Statements**

Note 10 Related-Party Transactions

The current special purpose financial report of each school shows only the instructional/operating aspect of the School and should be read in conjunction with the previously mentioned special purpose combined financial statements in order to present a clearer view of the Youth Co-Op Charter School Group's financial position.

During the year, expenses specific to the School are paid by the Charter School or by YCI and then reimbursed by the Charter School. Amounts due to YCI for such expenses are due on demand. The transfers of funds occur between the Charter School and YCI as needed and are recorded as related party transactions. At June 30, 2023, the net balance due to YCI was \$1,016,026.

During the year, the School will also make payments on behalf of YCPHS as expenses related to the schools are allocated among both the School and YCPHS. At June 30, 2023, the outstanding balance due from YCPHS was \$182,901.

Space Sharing Agreement

Youth Co-Op Charter School and Youth Co-Op Preparatory High School occupy and share space at the same location; therefore, many of the shared cost, whenever possible, are directly allocated by management to each school based on the enrollments and space occupancy of the schools. However, construction and building costs, and the purchase of certain assets and their related depreciation, are recorded into CMD, which is combined and allocated to each school in a separate financial report.

The Charter School and YCPHS entered into a space sharing agreement with YCI for the Schools' use of the buildings that were constructed using proceeds from the Series 2015A and 2015B bonds issued by YCI. Rent expense for the year ended June 30, 2023 was \$1,180,200.

Sponsor Organization

Effective July 1, 2020, in accordance with the Uniform guidance, YCI charged the School an indirect fee of 8.63% of modified total direct cost for administrative support services. The fees charged for the year ended June 30, 2023 were \$669,719.

Note 11 Bond Issuance Project

In September 2015, the Board of Directors of Youth Co-Op, Inc. issued approximately \$19.6 million in 6.5% tax-exempt bonds (Series 2015A) and \$330,000 in 6% taxable bonds (Series 2015B) through the Miami-Dade County Industrial Development Authority. The funds were used to construct additional building facilities to be used by the School and YCPHS in order to increase enrollment and to refinance a previous mortgage and other debts of the Schools and to pay the bond issuance costs. The bonds were issued based on, amongst other things, student enrollment and future revenue and expenses forecasted by the Schools. These bonds are not recorded in the accompanying special purpose financial statements as they are obligations of Youth Co-Op, Inc. The Series 2015B bonds were paid off on September 15, 2017.

**Youth Co-Op Charter School
A Program of Youth Co-Op, Inc.
(A Not-For-Profit Organization)
Notes to Special Purpose Financial Statements**

Note 11 Bond Issuance Project (Continued)

The Charter School and YCPHS have a space sharing agreement with YCI and remit an annual rental fee to YCI for the use of the facilities that were constructed using proceeds from the aforementioned bonds. Refer to Note 10 Related-Party Transactions.

Note 12 Subsequent Events

Subsequent events have been evaluated through September 15, 2023, which is the date the special purpose financial statements were available to be issued.

COMPLIANCE REPORTING SECTION



ZOMMA GROUP
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**Independent Auditors’ Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Special Purpose Financial Statements Performed in Accordance with
*Government Auditing Standards***

To the Board of Directors of
Youth Co-Op, 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 special purpose financial statements of Youth Co-Op Charter School (the Charter School or School), a program of Youth Co-Op, Inc. (a not-for-profit organization), operating as a charter of Miami Dade County Public Schools, which comprise the statements of financial position as June 30, 2023, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the special purpose financial statements, and have issued our report thereon dated September 15, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the special purpose financial statements, we considered the 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 special purpose 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 special purpose financial statements will not be prevented, or detected and corrected on a timely manner. 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.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter School's special purpose financial statements are free of 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 special purpose 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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information of the audit committee, board of directors, management, others within the Organization, the Miami Dade County Public Schools and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

ZOMMA Group, LLP

Coral Gables, Florida
September 15, 2023



ZOMMA GROUP
CPAs AND CONSULTANTS

**Management Letter in Accordance with the Rules of the
Auditor General for the State of Florida**

To the Board of Directors of
Youth Co-Op, Inc.

Report on the Special Purpose Financial Statements

We have audited the special purpose financial statements of Youth Co-Op Charter School (the Charter School or School), a program of Youth Co-Op, Inc. (a not-for-profit organization), as of and for the year ended June 30, 2023, and have issued our report thereon dated September 15, 2023.

Auditors' Responsibility

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; and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Special Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports, which are dated September 15, 2023, 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. No corrective actions were necessary to address findings and recommendations made in the preceding annual financial audit report as there are no prior audit findings.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and school code assigned by the Florida Department of Education of the entity are Youth Co-Op Charter School - 1020.



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 Youth Co-Op Charter 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 Youth Co-Op Charter School 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 Youth Co-Op Charter School. It is management's responsibility to monitor Youth Co-Op Charter School's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

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

Additional Matters

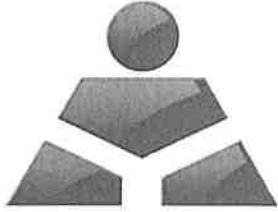
Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the special purpose financial statements that is less than material but 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, applicable management, and the Miami-Dade County Public School Board and is not intended to be and should not be used by anyone other than these specified parties.

ZOMMA Group, LLP

Coral Gables, Florida
September 15, 2023



YOUTH CO-OP INC.
A NON PROFIT ORGANIZATION
Serving South Florida Since 1973

September 15, 2023

ZOMMA Group, LLP
355 Alhambra Circle, Suite 1100
Coral Gables, Florida 33134

This representation letter is provided in connection with your audit of the special purpose financial statements of Youth Co-Op Charter School (the School), a program of Youth Co-Op, Inc, a not-for-profit organization, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing opinions as to whether the special purpose financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 15, 2023 the following representations made to you during your audit.

Special Purpose Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 22, 2023, including our responsibility for the preparation and fair presentation of the special purpose financial statements in accordance with U.S. GAAP.
- 2) The special purpose financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

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- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the special purpose financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Significant estimates and material concentrations have been appropriately disclosed in accordance with U.S. GAAP
- 10) Guarantees, whether written or oral, under which the School is contingently liable, if any, have been properly recorded or disclosed with U.S. GAAP.
- 11) We have analyzed the School's lease contract and we acknowledge the lease qualifies for the short-term lease exemption under ASC 2016-02, *Leases*.
- 12) In regard to the special purpose financial statement preparation services performed by you, we have
 - Assumed all management responsibilities.
 - Designated who has suitable skill, knowledge, or experience to oversee the services.
 - Evaluated the adequacy and results of the services performed.
 - Accepted responsibility for the results of the services.
 - Ensured that the entity's data and records are complete and received sufficient information to oversee the services.

Information Provided

13) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the special purpose financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters



- b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the School from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 14) All material transactions have been recorded in the accounting records and are reflected in the special purpose financial statements.
- 15) We have disclosed to you the results of our assessment of the risk that the special purpose financial statements may be materially misstated as a result of fraud.
- 16) We have no knowledge of any fraud or suspected fraud that affects the School and involves:
- Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the special purpose financial statements.
- 17) We have no knowledge of any allegations of fraud or suspected fraud affecting the School's financial statements communicated by employees, former employees, regulators, or others.
- 18) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing the special purpose financial statements.
- 19) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the special purpose financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 20) We have disclosed to you the identity of the School's related parties and all the related party relationships and transactions of which we are aware.
- 21) The School has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.



23) Youth Co-Op, Inc is an exempt organization under Section 501.C-3 of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the School's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

Signature: _____

Sabino Iodice 9/15/2023

Name: Sabino Iodice

Title: Director of Finance