

**Youth Co-Op Charter School
A Program of
Youth Co-Op, Inc.
(A Not-For-Profit Organization)
Special Purpose Financial Statements
And
Independent Auditors' Report
June 30, 2026**

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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, 2026 and the related statements of activities, changes in net assets, functional expenses and cash flows 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, 2026, 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

Special Purpose Financial Statements

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, 2026 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 Matter (continued)

Compliance with Loan Covenants

The Organization must maintain compliance with certain financial ratios under its agreement with the Miami-Dade County Industrial Development Authority. Calculations of the Debt Coverage Ratio and the Days Cash on hand Ratio have been included as supplemental financial information. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special purpose financial statements. In connection with our audit, nothing came to our attention that caused us to believe that Organization failed to comply with the terms, covenants, provisions, or conditions of Section 8.05 (e) of the Loan Agreement dated August 1, 2015, with the Miami-Dade County Industrial Development Authority, insofar as they relate to accounting matters. Our opinion on the special purpose financial statements does not cover such information, and we do not express an opinion or any form of assurance on it.

The communication related to compliance with the aforementioned Loan Agreement described in the paragraph above is intended solely for the information and use of the boards of directors and management of the Organization and the Miami-Dade County Industrial Development Authority and is not intended to be and should not be used by anyone other than those specified parties.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report (pages 19-20) dated September 3, 2026, 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 21-22) dated September 3, 2026.

ZOMMA Group, LLP

Coral Gables, Florida
September 3, 2026

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, 2026

<u>Assets</u>			
	Without Donor Restrictions	With Donor Restrictions	Combined Totals
Current assets			
Cash	\$ 4,242,042	\$ 420,073	\$ 4,662,115
Accounts receivable, net	690,146	-	690,146
Total current assets	4,932,188	420,073	5,352,261
Property and equipment, net	554,724	-	554,724
Total assets	<u>\$ 5,486,912</u>	<u>\$ 420,073</u>	<u>\$ 5,906,985</u>
<u>Liabilities and Net Assets</u>			
Current liabilities			
Accounts payable and accrued expenses	\$ 88,639	\$ -	\$ 88,639
Accrued payroll	185,760	-	185,760
Due to YCI	538,684	-	538,684
Total current liabilities	813,083	-	813,083
Net assets	4,673,829	420,073	5,093,902
Total liabilities and net assets	<u>\$ 5,486,912</u>	<u>\$ 420,073</u>	<u>\$ 5,906,985</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 Activities and Changes in Net Assets
For the Year Ended June 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Combined Totals
Revenues and support			
School Board of Miami-Dade County:			
FTE	\$ 5,228,329	\$ -	\$ 5,228,329
Capital outlay	1,052,650	-	1,052,650
Class size reduction	716,117	-	716,117
Referendum settlement	804,992	420,073	1,225,065
Federal through State	831,549	-	831,549
Other local sources	621,158	-	621,158
Total revenues and support	<u>9,254,795</u>	<u>420,073</u>	<u>9,674,868</u>
Expenses			
Program services			
Instructional	4,213,510	-	4,213,510
Instructional media	68,844	-	68,844
Instructional-related technology	410,139	-	410,139
School and general administration	505,446	-	505,446
Operation and maintenance of plant	2,167,595	-	2,167,595
Community services	370,337	-	370,337
Guidance services	167,725	-	167,725
Food services	485,615	-	485,615
Pupil services	468,683	-	468,683
	<u>8,857,895</u>	<u>-</u>	<u>8,857,895</u>
Support services			
Management and general administration	796,762	-	796,762
Total expenses	<u>9,654,657</u>	<u>-</u>	<u>9,654,657</u>
Change in net assets	(399,862)	420,073	20,211
Net assets - at beginning of year, as previously reported	5,122,344	-	5,122,344
Prior period adjustment*	<u>(48,653)</u>	<u>-</u>	<u>(48,653)</u>
Net assets - at beginning of year, as restated	<u>5,073,691</u>	<u>-</u>	<u>5,073,691</u>
Net assets - at end of year	<u>\$ 4,673,829</u>	<u>\$ 420,073</u>	<u>\$ 5,093,902</u>

*During 2026, the School identified an error in teacher's salaries related to the prior year that were not recorded in the proper period resulting in an overstatement of previously reported net assets. The School has recorded a prior-period adjustment to correct the error.

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, 2026

	Program Services									Support Services		
	Instructional	Instructional media	Instructional technology	School and general administration	Operation and maintenance of plant	Community services	Guidance services	Food services	Pupil services	Total Program Services	Management and general administration	Total 2026
Salaries and benefits	\$3,398,617	\$ -	\$ 99,768	\$ 355,590	\$ 398,709	\$ 255,296	\$ 167,725	\$ 165,465	\$ 468,683	\$ 5,309,854	\$ -	\$ 5,309,854
Student related expenses	-	-	-	-	1,765	103,198	-	300,161	-	405,125	-	405,125
Training and materials	117,433	-	24,578	-	-	-	-	-	-	142,012	-	142,012
General and administrative expenses	3,250	5,469	-	149,856	573,647	-	-	6,861	-	739,083	1,207	740,290
Rent	-	-	-	-	1,180,200	-	-	-	-	1,180,200	-	1,180,200
Other expenses*	635,395	63,376	1,800	-	12,082	11,842	-	5,325	-	729,820	-	729,820
Expenses before depreciation expense and indirect costs	4,154,696	68,844	126,146	505,446	2,166,404	370,337	167,725	477,812	468,683	8,506,093	1,207	8,507,300
Depreciation expense	58,815	-	283,993	-	1,191	-	-	7,803	-	351,802	-	351,802
Indirect costs	-	-	-	-	-	-	-	-	-	-	795,555	795,555
Total functional expenses	\$ 4,213,510	\$ 68,844	\$ 410,139	\$ 505,446	\$ 2,167,595	\$ 370,337	\$ 167,725	\$ 485,615	\$ 468,683	\$ 8,857,895	\$ 796,762	\$ 9,654,657

* \$635,395 of bad debt expense is included (see Note 2)

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, 2026

	<u>Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Combined Totals</u>
Cash flows from operating activities			
Net change in net assets	\$ (399,862)	\$ 420,073	\$ 20,211
Add back items which do not affect cash:			
Depreciation	351,802	-	351,802
Bad debt expense	635,395	-	635,395
Add or (deduct) changes in certain assets and liabilities:			
Accounts receivable	1,079,913	-	1,079,913
Prepaid expenses	1,444	-	1,444
Due to YCI	(3,271,818)	-	(3,271,818)
Accrued payroll	(38,821)	-	(38,821)
Accounts payable and accrued expenses	24,711	-	24,711
Net cash provided by (used in) operating activities	<u>(1,617,236)</u>	<u>420,073</u>	<u>(1,197,163)</u>
Cash flows used in investing activities			
Purchase of property and equipment	<u>(22,909)</u>	<u>-</u>	<u>(22,909)</u>
Net increase (decrease) in cash	(1,640,145)	420,073	(1,220,072)
Cash - beginning of year	<u>5,882,187</u>	<u>-</u>	<u>5,882,187</u>
Cash - end of year	<u><u>\$ 4,242,042</u></u>	<u><u>\$ 420,073</u></u>	<u><u>\$ 4,662,115</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)
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 was approved for fifteen years, commencing July 1, 2023, and ending June 30, 2038.

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, 2026, an average of 696 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 nine 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, 2026 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.

For external reporting purposes the information regarding its financial position, activities and cash flows is presented according to the following two classes of net assets:

**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. (See Note 12)

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)

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.

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

Revenue is primarily derived from the following 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.

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)

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.

Referendum Settlement Revenue

For the year ending June 30, 2026, the School received \$1,225,065 as a result of a settlement agreement between the School and Miami-Dade County Public Schools. Such amount is included under revenues and support in the accompanying statement of activities and a portion of it has been restricted. (see Note 12)

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.

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)

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, 2026. 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 \$9,051 as of June 30, 2026, and are held in a separate bank account and due on demand.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are stated at amounts management expects to collect. Management evaluates collectability based on historical experience, current conditions, and reasonable and supportable forecasts. As of June 30, 2026, accounts receivable consisted of amounts due from Miami-Dade County and the Department of Agriculture and Consumer Services. Management determined that 50% of a grant awarded to the School in 2024 was uncollectible and recorded bad debt expense of \$635,395 for the year ended June 30, 2026, which is included in other expenses in the accompanying statement of functional expenses. Management believes the remaining accounts receivable balance is collectible; therefore, no additional allowance for credit losses has been recorded as of June 30, 2026. Any subsequent recovery of amounts previously written off will be recognized in the period payment is received.

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, 2026.

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

Note 2 Summary of Significant Accounting Policies (Continued)

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, 2026, would be subject to federal income taxes. Therefore, the School is also exempt from income taxes as a program of Youth Co-Op, Inc. Accordingly, the special purpose financial statements reflect no provision for income taxes.

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, 2026, 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, 2026.

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, 2026, the amount owed to teachers who chose to be paid on a 12-month basis amounted to \$185,760.

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 13.31% 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 \$50,000 of each subaward. MTDC excludes equipment, capital expenditures, rental/lease costs and the portion of each subaward in excess of \$50,000. Those allowed costs are charged to the various activities and are 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.

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)

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.

Leases

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 10, 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 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	\$ 4,242,042
Accounts receivable, net	<u>690,146</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 4,932,188</u></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
A Program of Youth Co-Op, Inc.
(A Not-For-Profit Organization)
Notes to Special Purpose Financial Statements

Note 4 Contract Asset

Contract assets were as follows for the years ended June 30,

	<u>2026</u>	<u>2025</u>
Contract asset		
Accounts receivable, net	<u>\$ 690,146</u>	<u>\$ 2,405,454</u>

Accounts receivable consist of funds due from Miami-Dade County and the Department of Agriculture and Consumer Services.

Note 5 Property and Equipment

As of June 30, 2026, property and equipment consists of the following:

		<u>Useful lives (in years)</u>
Building cost	\$ 278,221	35
Furniture and fixtures	274,182	7
Educational material	475,010	5
Equipment	2,061,830	5
Leasehold improvements	26,430	5
	<u>3,115,673</u>	
Less - accumulated depreciation	<u>(2,560,949)</u>	
	<u>\$ 554,724</u>	

Depreciation expense for the year ended June 30, 2026 amounted to \$351,802.

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, 2026.

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, 2026, management fees paid to the School Board amounted \$100,470.

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

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, 2026 totaled \$270,948.

Note 9 Business Concentration and Credit Risk

Business Concentration

For the year ended June 30, 2026, the School received approximately 85% of its support from 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.

Business Risk

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

Credit Risk

As of June 30, 2026, all of the School's cash 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 10 Related-Party Transactions

During the year, expenses specific to the School are paid by the Charter School or by YCI and then reimbursed by the Charter School. The transfers of funds occur between the Charter School and YCI as needed and are recorded as related party transactions. At June 30, 2026, the net balance due to YCI was \$538,684.

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 with bonds issued by YCI (See Note 11). Rent expense for the year ended June 30, 2026 was \$1,180,200.

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

Note 10 Related-Party Transactions (continued)

Sponsor Organization

In accordance with the Uniform guidance, YCI charged the School an indirect fee of 13.31% of modified total direct cost for administrative support services. The fees charged for the year ended June 30, 2026 were \$795,555.

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.

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 Net Assets with Donor Restrictions

The Organization received \$1,225,065 as a result of a settlement agreement between the School and Miami-Dade County Public Schools which \$420,073 are considered restricted and released when donor requirements have been met.

Note 13 Subsequent Events

Subsequent events have been evaluated through September 3, 2026, which is the date the special purpose financial statements were available to be issued.

**Youth Co-Op Charter School
A Program of Youth Co-Op, Inc.
(A Not-For-Profit Organization)
Debt Service Coverage Ratio and Days Cash on Hand
For The Year Ended June 30, 2026**

Section 8.05 (e) of the Loan Agreement with the Miami-Dade County Industrial Development Authority requires the Organization to maintain compliance with certain financial ratios. The calculations for such ratios are as follows:

Debt Service Coverage Ratio

The Debt Service Coverage Ratio is defined as the ratio obtained by dividing the Net Income Available for Debt Service for such Fiscal Year by the Annual Debt Service.

Net income available for debt service*	\$2,417,808
Annual debt service	\$1,423,238
Debt service coverage ratio	1.70
Required debt service coverage ratio	1.10

*Net income for this computation includes Schools and Charter Management Division

Days Cash on Hand

Days Cash on Hand is calculated as the Cash and Investments of the Schools and Charter Management Division, divided by the quotient obtained by dividing the Schools and Charter Management Division Operating Expenses for the then-ending Fiscal Year of the Borrower by three hundred sixty-five (365).

Cash and investments of the schools	\$5,769,223
School operating expenses	12,042,817
Days	365
School operating expenses/day	<u>\$ 32,994</u>
Days cash on hand	175
Required days cash on hand	45

COMPLIANCE REPORTING SECTION



**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 statement of financial position as June 30, 2026, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the special purpose financial statements, and have issued our report thereon dated September 3, 2026.

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 3, 2026



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, 2026, and have issued our report thereon dated September 3, 2026.

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 3, 2026, 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 3, 2026