

**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, 2014**

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FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Special Purpose Financial Statements

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 Schools, which comprise the statement of financial position as of June 30, 2014 and the related statements of activities and cash flows for the year then ended, and the related notes to the special purpose financial statements.

Management's Responsibility for the Special Purpose Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on the special purpose financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.850, Rules of the Auditor General, which govern the conduct of charter school audits in the State of Florida. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School's preparation and fair presentation of the special purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial statements.

VIZCAINO, GITLIN AND ZOMERFELD, LLP

MEMBERS OF:

American Institute of Certified Public Accountants

Florida Institute of Certified Public Accountants

National Association of Certified Valuation Analysts



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the special purpose financial statements referred to on page 1 present fairly, in all material respects, the financial position of Youth Co-Op Charter School, a program of YCI, as of June 30, 2014 and changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America

Other Matter

As explained in Note A 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 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, 2014 or its changes in net assets and cash flows for the fiscal 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 14-15) dated August 29, 2014 on our consideration of Youth Co-Op Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* 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 16-17) dated August 29, 2014.

Vizcaino, Gitlin & Zomerfeld, LLP

Coral Gables, Florida
August 29, 2014

Youth Co-Op Charter School
A Program Of Youth Co-Op, Inc.
(A Not-for-Profit Organization)
Statement of Financial Position
June 30, 2014

Assets

Current Assets

Cash	\$ 2,952,146
Accounts receivable	73,587
Total current assets	<u>3,025,733</u>

Property and equipment

377,192

Other Assets

Deposit	<u>1,349</u>
Total assets	<u><u>\$ 3,404,274</u></u>

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued expenses	\$ 14,866
Accrued payroll	134,928
Due to student organizations	1,441
Total current liabilities	<u>151,235</u>

Net Assets - unrestricted

3,253,039

Total liabilities and net assets

\$ 3,404,274

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

Youth Co-Op Charter School
A Program Of Youth Co-Op, Inc.
(A Not-for-Profit Organization)
Statement of Activities
For the Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and support			
Miami-Dade County School Board:			
FTE	\$ 3,816,845		\$ 3,816,845
Capital Outlay	318,494		318,494
School recognition	60,280		60,280
Class size reduction	888,730		888,730
Federal through State	475,973		475,973
Other local sources	292,235		292,235
Total revenues and support	<u>5,852,557</u>		<u>5,852,557</u>
Net Assets released from restrictions	<u>133,012</u>	<u>\$ (133,012)</u>	
Total revenues and support	<u>5,985,569</u>	<u>(133,012)</u>	<u>5,852,557</u>
Expenses			
Instructional	2,616,706		2,616,706
School and general administration	828,200		828,200
Operation of plant	838,314		838,314
Maintenance of plant	98,092		98,092
Board	15,043		15,043
Central services	32,823		32,823
Fiscal services	55,342		55,342
Food services	416,331		416,331
Instructional support services	417,684		417,684
Community services	139,898		139,898
Depreciation expense	92,533		92,533
Total expenses	<u>5,550,966</u>		<u>5,550,966</u>
Excess revenue and support over expenses	434,603	(133,012)	301,591
Other changes in net assets			
Loss on disposal of assets	<u>(193,875)</u>		<u>(193,875)</u>
Net change in net assets	240,728	(133,012)	107,716
Net assets - beginning	<u>3,012,311</u>	<u>\$ 133,012</u>	<u>3,145,323</u>
Net assets - ending	<u>\$ 3,253,039</u>		<u>\$ 3,253,039</u>

Attention is directed to independent auditors' report and notes to 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, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from grantors and revenues	\$ 5,778,970	\$ 133,012	\$ 5,911,982
Cash paid to suppliers and employees	<u>(5,222,027)</u>	<u>(133,012)</u>	<u>(5,355,039)</u>
Net cash provided by operating activities	556,943		556,943
Cash flows used in investing activities			
Purchase of property and equipment	<u>(337,510)</u>		<u>(337,510)</u>
Net increase in cash	219,433		219,433
Cash - beginning of year *	<u>2,732,713</u>		<u>2,732,713</u>
Cash - end of year	<u><u>\$ 2,952,146</u></u>		<u><u>\$ 2,952,146</u></u>
The net change in net assets may be reconciled to net cash provided by operating activities as follows			
Net change in net assets	\$ 240,728	\$ (133,012)	\$ 107,716
Add back items which do not affect cash:			
Depreciation	92,533		92,533
Loss on disposal of assets	193,875		193,875
Add or (deduct) changes in certain assets and liabilities:			
Accounts receivable	(73,587)	133,012	59,425
Prepaid expenses and other	45,631		45,631
Due to student organizations	116		116
Other assets	24,651		24,651
Accounts payable and accrued expenses	<u>32,996</u>		<u>32,996</u>
Net cash provided by operating activities	<u><u>\$ 556,943</u></u>		<u><u>\$ 556,943</u></u>

* Certain amounts have been reclassified for comparative purposes.

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

Note A – Significant Accounting Policies

Youth Co-Op (the Organization or YCI) 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 its charter 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. On July 18, 2013, the School Board approved the third amendment to the contract to increase student enrollment from 650 to a maximum of 850 students, beginning with school year 2013-2014.

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 charter school is a program of an existing nonprofit 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 nonprofit model of reporting.

1. Reporting Entity

The accompanying special purpose financial statements are for Youth Co-Op Charter School, (the Charter School or the School) a program of YCI. The governing body of the Charter School consists of nine members of the YCI board of directors. All board members have been finger printed and processed as required by the state's school board law.

For the year ended June 30, 2014, an average of 738 students was enrolled in grades kindergarten through eighth at the Charter School.

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

Note A – Significant Accounting Policies (Continued)

The most significant accounting policies described below have been identified as those which have the greatest impact on the reader's understanding of the School's basis of special purpose financial statement presentation and those that require significant estimates and judgment on the part of management. The School also has other important policies which are detailed in the following pages that also require the use of estimates and judgments.

Most Significant Accounting Policies

Special Purpose Financial Statements Presentation and Significant Estimates
Revenue Sources
Fair Value Measurements

2. Special Purpose Financial Statements Presentation and Significant Estimates

Reporting requirements

The accounts of the School are maintained on the accrual basis of accounting. In addition, the School is required to report information regarding its financial position and activities according to the following three classes of net assets:

Unrestricted	Unrestricted group reflects the School's unrestricted activities that are not subject to grantor-imposed stipulations.
Temporarily Restricted	Temporarily restricted group reflects the School's activities and resulting net assets from grantors' restricted contributions that the School feels will be met, either by the passage of time or by actions of the School. The School has no temporarily restricted net assets.
Permanently Restricted	Permanently restricted group reflects the School's activities and resulting net assets from contributions and other inflows of assets whose use by the School is limited by grantor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organizations. The School has no permanently restricted net assets.

In this connection, all grantor-restricted support will be reported as an increase in temporarily restricted or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets will be classified to unrestricted net assets. Therefore, support that is restricted by the grantor will be reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

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Notes to Special Purpose Financial Statements

Note A – Significant Accounting Policies (Continued)

2. Special Purpose Financial Statements Presentation and Significant Estimates (continued)

Estimates

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

3. Revenue Sources

Revenue is primarily derived from the following sources:

Miami-Dade Public Schools

Revenues in the general fund reflect the funds received from Miami-Dade 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. In this connection, the School reported 738 un-weighted FTE and 790 weighted FTE for the 2013-2014 school year.

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

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

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

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

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Notes to Special Purpose Financial Statements

Note A – Significant Accounting Policies (Continued)

3. Revenue Sources (continued)

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.

4. Fair Value Measurements

Fair value measurements establish a hierarchy to prioritize the computation of fair value. Such hierarchy consist of a) - valuations based on quoted prices in active markets for identical assets or liabilities (Level 1), b) - valuations based on observable quoted prices for similar assets and liabilities in active markets (Level 2), and c) - valuations based on inputs that are unobservable and are supported by little or no market activity, therefore, requiring management's best estimate of what market participants would use as fair value (Level 3). A description of the School's accounting principles and basis of presentation with regards to the fair market value of its assets and liabilities follows:

Financial assets and liabilities

The School reflects certain financial assets and liabilities such as accounts receivable, prepaid expenses, accounts payable, and accrued expenses at their carrying values in accordance with generally accepted accounting principles in the United States. Cash is deemed the same as market value at a Level 1 Type of valuation.

Non-financial assets

The School's non-financial assets comprise of assets which are measured at fair value on a nonrecurring basis such as property and equipment. The School's property and equipment as further explained in Note A (7) is tested for impairment and adjusted to fair market value based on a Level 2 or 3 type of valuation when circumstances indicate that the carrying value of an asset may not be recoverable.

Other Significant Accounting Policies

5. 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, 2014. 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. (Refer to Note E)

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Notes to Special Purpose Financial Statements

Note A – Significant Accounting Policies (Continued)

6. Accounts Receivable

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

7. Property and Equipment

The School records in the statement of financial position property and equipment at cost when purchased or constructed, or at market value when donated for items in excess of \$1,000. 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 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. Expenditures for major renewals and betterment that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

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

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, 2014.

8. Transfers

Transfers are nonreciprocal interfund disbursements between the School and the related YCI and Youth Co-Op Preparatory School from the current unrestricted assets. These transfers do not require an equivalent return or repayment.

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

Note A – Significant Accounting Policies (Continued)

9. 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, 2014, would be subject to federal income taxes. Accordingly, no provision for income taxes is required. YCI's information returns filed with the Internal Revenue Service have not been examined in the past.

The Organization is not aware of any uncertainties that could jeopardize its not-for-profit status. Therefore, no provision or liability for income taxes is deemed necessary.

The Organization's tax returns for the years 2011, 2012, and 2013 remain subject to examination by Internal Revenue Service. In the unlikely event an uncertain tax position existed in which the Organization could incur corporate income taxes, management would evaluate whether there is a probability that the uncertain tax position taken would be sustained upon examination by a taxing authority in accordance with FAS ASC 740-10, *Accounting for Uncertainty in Income Taxes*.

Based on the implementation of FAS ASC 740-10, *Accounting for Uncertainty in Income Taxes*, the Organization has determined that no amounts are required to be accrued for taxes or related penalties and interest for any tax positions taken through June 30, 2014.

10. Subsequent Events

Subsequent events have been evaluated through August 29, 2014, which is the date the special purpose financial statements were available to be issued.

Note B – Property and Equipment

As of June 30, 2014, property and equipment consists of the following:

	Cost	Useful lives (in years)
Building cost	\$ 263,602	10
Furniture and fixtures	122,366	5
Equipment	713,848	7
	1,099,816	
Less - accumulated depreciation	722,624	
	<u>\$ 377,192</u>	

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

Note B – Property and Equipment (continued)

Depreciation expense for the year ended June 30, 2014 amounted to \$92,533. Certain equipment was acquired with grant funds received from the grantors. Under terms of the grant agreement, the equipment reverts back to the grantor upon disposal.

Note C – Temporarily Restricted Asset

In 2012, the School received a grant from the State of Florida Department of Education pursuant to Section 1002.33(19) of the Florida Statutes, *Charter School Capital Outlay Funding*, to purchase, construct, rent/lease, renovate, repair, and/or maintain school facilities. Funds are allocated by the State and passed through to the School Board to distribute to the School. All amounts have been released as of June 30, 2014.

Note D – Commitment and Contingency

Commitment

The Charter School leases various facilities for its operations, which expire through 2015. Rental expense for such leases for the year ended June 30, 2014 amounted to \$203,953. The minimum rental payment for the year ending June 30, 2015 is approximately \$125,000.

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, 2014.

Note E – Due to Student Organizations

The School received amounts from students through fund-raising activities for the benefit of student organizations. These funds are held in a separate bank account and are due on demand.

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Notes to Special Purpose Financial Statements

Note F – 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 contribution by the Organization to the trust, at the discretion of the Organization's Board of Directors. Annual Organization's contributions are allocable to participants based on annual compensation with the Charter School. The Charter School's contribution to the plan for the year ended June 30, 2014 aggregated \$185,083.

Note G – Related Party Transactions

Sponsor Organization

Youth Co-Op Charter Management (CMD) was created to design, develop, and implement successful policies and procedures to support the growth of the network. CMD charges the Charter School \$450 per student for various administrative support services. Administrative fees paid to CMD for the year ended June 30, 2014 totaled \$334,236.

School District

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 2% of the qualifying revenues of the School. For the year ended June 30, 2014, administrative fees withheld by the School District totaled \$30,899.

Note H – Business Concentration and Credit Risk

Business Risk

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

Credit Risk

It is the School's policy to maintain its cash in major banks. As of June 30, 2014, all of the School's cash funds qualified as a Public Deposit as defined in Chapter 280 of the Florida Statutes therefore it is fully insured.

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 statements of financial position as of June 30, 2014, and the related statements of activities, 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 August 29, 2014.

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.

VIZCAINO, GITLIN AND ZOMERFELD, LLP

MEMBERS OF:

American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants
National Association of Certified Valuation Analysts



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.

Vizcaino, Gitlin & Zomerfeld, LLP

Coral Gables
August 29, 2014

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

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

Report on the 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 fiscal year ended June 30, 2014, and have issued our report thereon dated August 29, 2014.

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.

Other Reporting Required by Government Auditing Standards

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 this report, which is dated August 29, 2014, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the proceeding annual financial audit report. There were no findings or recommendations made in the preceding audit report.

Financial Condition

Section 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require that we apply appropriate procedures to determine whether or not Youth Co-Op Charter School has met one or more of conditions described in Section 218.5503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Youth Co-Op Charter School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, require that we apply 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 the review of financial information provided by same.

Transparency

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

Other Matters

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

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Youth Co-Op Charter School.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and management and is not intended to be and should be used by anyone other than these specified parties.